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Labour Market Profile for the Avalon Gateway Region (Economic Zone 18)

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Abbreviations:

AACC: Argentia Area Chamber of Commerce

AGWREDI: Avalon Gateway Regional Development Incorporation

HRLE: Department of Human Resources, Labour and Employment

VBNC: Voisey's Bay Nickel Company Limited

I. *Overview*

The geographical scope of this research covers the area within the administrative boundaries of the Avalon Gateway (Economic Zone 18) located in the southwest of the Avalon Peninsula of the province of Newfoundland and Labrador on the coasts of Placentia and St. Mary's Bays. The area occupies 2,536 square km and is predominantly rural. With a total population of 7,310 in 2006, the region constituted 1.5% of the total provincial population (AACC, 2009). The density of the population is 3.21 persons per square km, which is higher than average for the province (1.4) and quite close to the Canadian average density of 3.5 persons per square km (NLSA[1]).

Zone 18 (Figure 1) is comprised of 24 communities mostly stretched along the coast lines. Communities vary in size from 115 to 530 inhabitants, with the exception of the largest town – Placentia. Placentia has a population of 3,900 and accounts for 53% of the Zone's population (Community Accounts[2]; AACC, 2009). The Town of Placentia is located on the shore of Placentia Bay approximately one and a half hours drive (131 km) away from the provincial capital of St John's.

Figure 1 Zone 18 Map

Source: AGWREDI, 2008

[1] Newfoundland and Labrador Statistics Agency, http://www.stats.gov.nl.ca/Statistics/Population/PDF/Annual_Pop_Prov.PDF

[2] Community Accounts, Table: "Population by Age and Gender", 2006 for Zone 18.

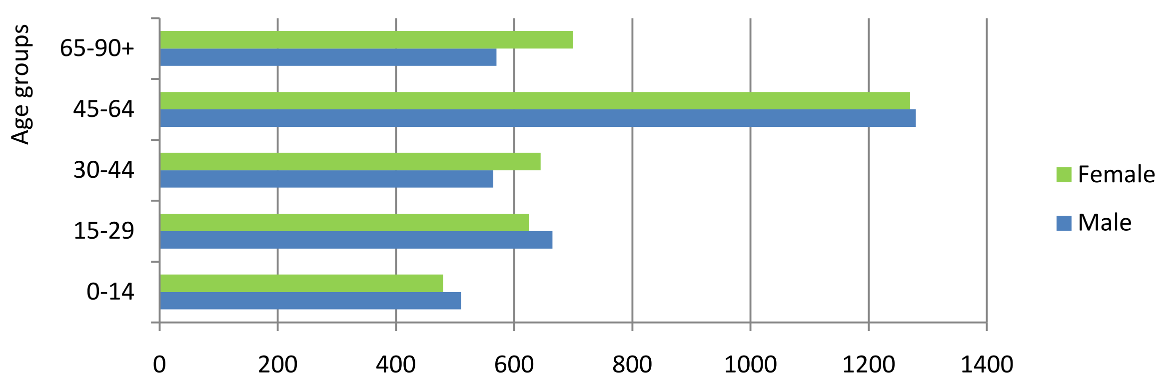
Three sub-regions are distinguished within the Zone: Placentia area, Cape Shore and St. Mary's Bay North. The majority of the Zone 18 population (62%) lives in Placentia sub-region. St. Mary's Bay North sub-region accounts for one quarter of the Zone's population and only 13% live in Cape Shore sub-region (AACC, 2009). Placentia sub-region has a more dense population and a more favorable location compared with the other two sub-regions for a number of reasons. It has the region's largest urban center – Placentia, which features a hospital, government service offices and College of North Atlantic, plus a year round ice-free deep water port and ferry terminal, as well as proximity to the Come by Chance oil refinery and Hebron oil platform construction at Bull Arm. However, the biggest expectations for the area, as well as for the whole region are associated with the construction and later operations of the Commercial Hydrometallurgical Nickel Processing plant in Long Harbour. Construction began on the facility in 2009 by the international mining giant Vale.

Communities in the other two sub-areas are small settlements situated in range of approximately 30-50 km from the town of Placentia and mostly rely on the fishery or industries located outside the borders of the Avalon Gateway region (NLSA[3]; AGWEDI, 2008). St. Mary's Bay North sub-region is located closest to St. John's among the sub-regions. Mount Carmel, for example is 86 km from St. John's.

I. Population

The population of the Avalon Gateway region in 2006 was 7,310 individuals and has been declining at a much faster pace than the provincial average despite relative proximity to the provincial capital. This decline was 10.1% between 2001-2006 census years (AGWEDI, 2008). Two of the main contributors to the loss of the population in the region are outmigration and declining birth rate. Massive job losses in the 1990s were caused by closures of the phosphorus plant in Long Harbour (1,000 jobs lost), Jerseyside fish plant, and USA Naval Station in Argentia (Davis Engineering and Ass. Ltd. and Strategic Concepts Inc., 2004).

Figure 2 Population of the Economic Zone 18 by Age Groups, 2006 (Individuals)



Source: Community Accounts, Table: "Population by Age and Gender", 2006 for Zone 18.

Strong outmigration has left its mark on the age structure of the region's population, reducing the share of the population in the prime labour force age group (25-54) by 2% from the 2001 to 2006 census

[3] Newfoundland and Labrador Statistics Agency, http://www.stats.gov.nl.ca/datatools/RoadDB/Distance/Default.aspx

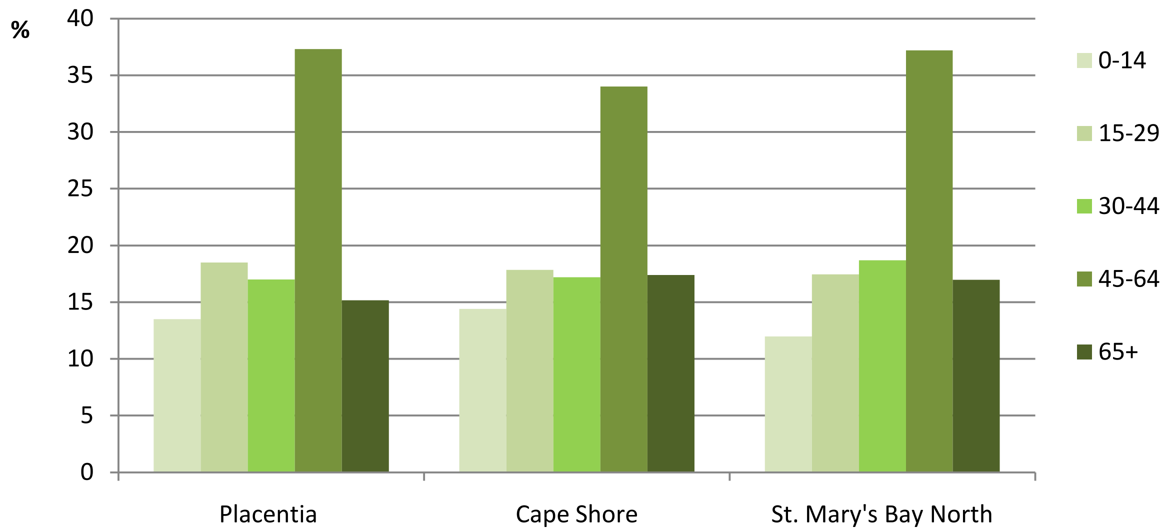
years. Younger age groups are underrepresented and over 45 overrepresented compared to provincial averages (see Figure 2 and Table 1).

Table 1 Distribution of the Population by Age Groups as Percentage of the Total Population (%)

	0-14	15-29	30-44	45-64	65+	Prime labour force age (25-54)
Newfoundland and Labrador	15.5%	18.3%	21.6%	30.7%	14%	44%
Zone 18	13.5%	17.7%	16.6%	34.9%	17.4%	40%

Source: Community Accounts, Table: "Population by Age and Gender" for Zone 18 and Newfoundland and Labrador, 2006.

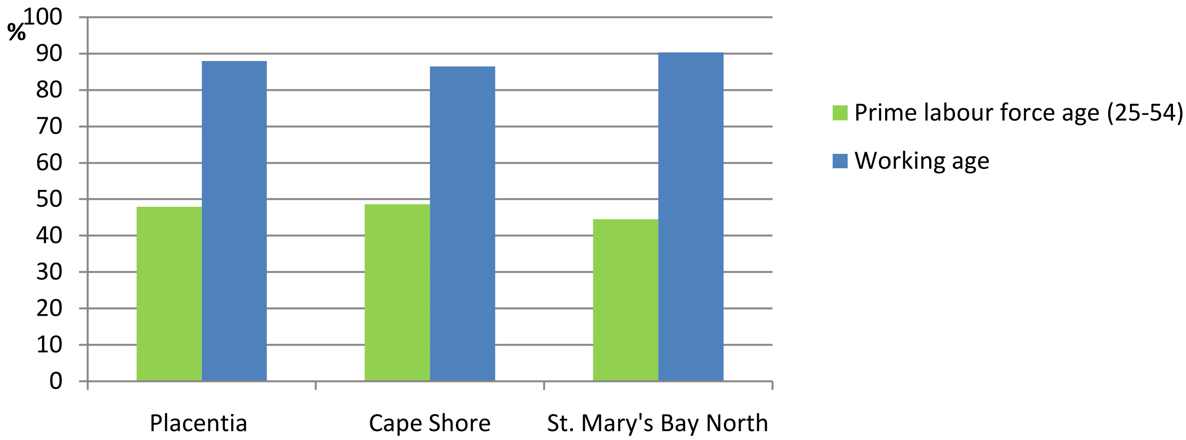
Figure 3 Population by Age Group by the Sub-regions, 2006 (% of the total population)



Source: Community Accounts, Table: "Census 1986-2006: Population by Age and Gender" (Multi-Variable Region Comparison) for Zone 18.

On the sub-regional level, St. Mary's Bay North area has the least share of young individuals under 30 years old, while residents of the Cape Shore are more evenly represented in all age groups (see Figure 3). Only 44% of the working age population in the Cape Shore sub-region is in the prime labour force age, which is smaller than in the other two sub-regions. Cape Shore has slightly smaller share of working age population, however, 48.6% of it is in the prime labour force age group, which is the highest among the three sub-regions (see Figure 4).

Figure 4 Individuals in the Prime Labour Force Age (25-54) as Percentage of the Working Age Population and Working Age Population's Share in the Total Population by Sub-region, 2006



Source: Community Accounts, Table: "Census 1986-2006: Population by Age and Gender" (Multi-Variable Region Comparison) for Zone 18 and Newfoundland and Labrador, 2006.

II. Labour Force Characteristics

The number of individuals in the labour force in the Avalon Gateway region has been stable from 2006 to 2008, the latest year for which data is available, at 3,315 (Community Accounts[4]). The labour force represented 53% of the working age population in 2006 (participation rate), which is a 4% increase from 1996. The labour force participation rate grew more for men (up by 5%to 61%) than for women (increasing by 2% to 45%). During the same period, the provincial participation rate increased by about 2.9% up to 58.9%, primarily due to a growing participation among women (4% increase to 54.6%) (Community Accounts[5]).

The number of individuals excluded from the labour force in the region has been stable at about 46% of the working age population between 2001 and 2006 . On the provincial level the share of individuals no longer considering themselves in the labour force was 5.4% less (40.6%) over the same period.

The share of the working age population in employment (employment rate) in the region was 11% lower than the provincial average – 36.9% versus 58.9% in 2006. The employment rate was higher among men (by 12.1%) than women with 43.1% and 31% respectively, while on the provincial level this gap was less than 6%. The region's unemployment rate has decreased by 2.8% from 1996 to 2006, reaching 30.2%, which is is significantly higher than provincial average (18.6% in 2006). The unemployment rate has been declining but with some fluctuations and not evenly among genders. Unemployment among men has fallen by 3.3% since 1996, while for women – only by 1.8%, while in 2001 the situation was the opposite: the unemployment rate for men increased by 3.4% and decreased for women by 6.4% from 1996 to 2001. According to the most recent census data, the unemployment rate in the Avalon Gateway region for men stood at 29.7% and for women at 31.2%. On the provincial level the unemployment rate among women was much lower than among men with 16.3% and 20.7% respectively.

[4] Community Accounts, Employment and Working Conditions, Table: "Labour Market Profile", 2006, for Zone 18.
[5] Here and in the next three paragraphs the data is derived from the Community Accounts, Employment and Working Conditions, Tables: "Labour Market Profile" for Zone 18 and for Newfoundland and Labrador, years 1996, 2001, 2006.

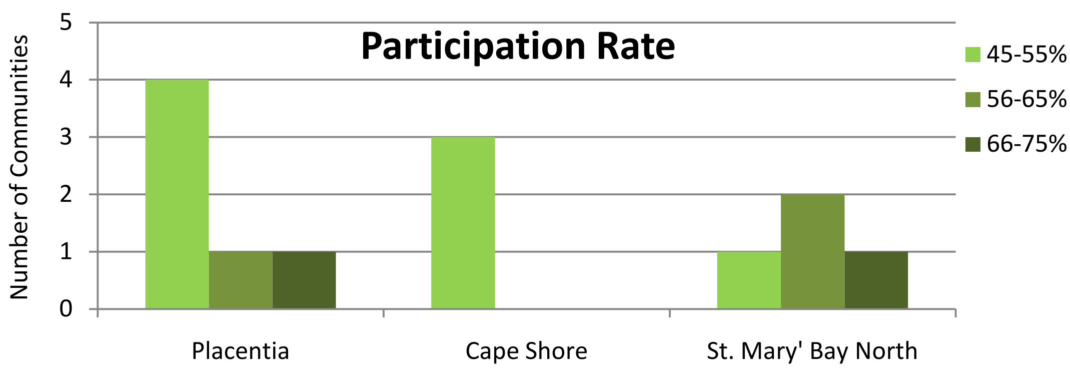
Table 2 Labour Market Indicators by Sub-regions, 2006

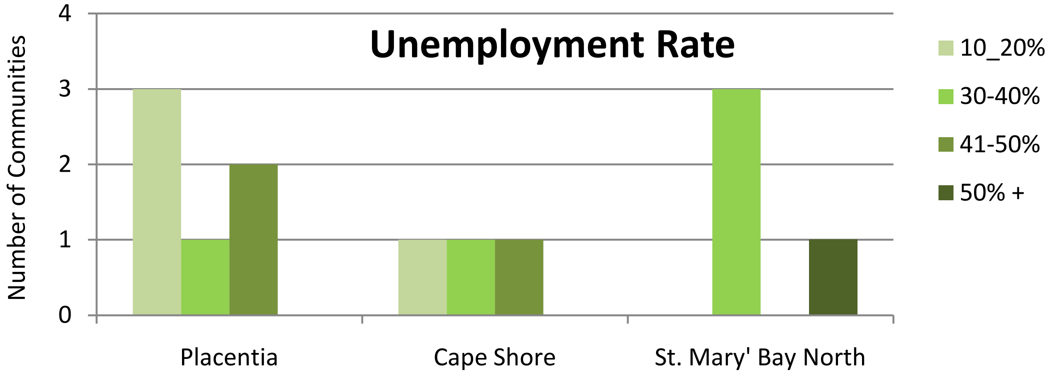
	% of the region's labour force	Participation rate (% of working age population)	Unemployment rate (% of labour force)	Employment rate (% of working age population)
Placentia	43.18%	53.75%	30.78%	38.87%
Cape Shore	37.21%	52.63%	31.03%	35.90%
St. Mary's Bay North	19.6%	59.7%	45.23%	31.35%

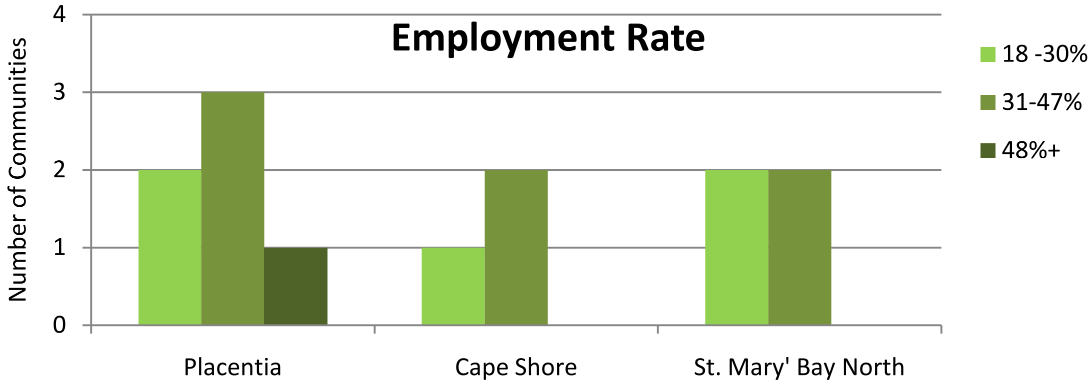
Source: Community Accounts, Employment and Working Conditions, Tables: "Labour Market Profile" for Zone 18, 2006 (Multi-Variable Region Comparison).

Distribution of the labour force among the three sub-regions in 2006 was as follows: 42.5% in Placentia area, 36.6% in Cape Shore and 19.3% in St. Mary's Bay North. The percentage of the working age population participating in the labour force (participation rate) in 2006 was the highest in St Mary's Bay North area, however, this was largely due to a larger share of unemployed individuals, as this area had the highest unemployment rate and the least proportion of working age population in employment (employment rate) among the three sub-regions. On average, Placentia sub-region had the best employment indicators among the three sub-regions, with the lowest unemployment rate and the highest employment rate (see Table 2). However, these numbers vary greatly between communities, even within the same sub-region (see Figure 5). For example, unemployment rates within Placentia sub-region ranged from 13.8% in Long Harbour/Mount Arlington to 50% in Fox Harbour; in Cape Shore – from 10% in Branch/Point Lance to 47.2% in St. Bride's; and in St. Mary's Bay North – from 30.6% in St. Joseph's/Admiral's Beach/O'Donnells to 75% in North Harbour, St. Mary's Bay (the highest in the Zone 18) (for more information see Appendix A).

Figure 5 Participation, Unemployment and Employment Rates by the Number of Communities, 2006







Source: Community Accounts, Employment and Working Conditions, Tables: "Labour Market Profile" for Zone 18, 2006 (Multi-Variable Region Comparison).

III. Level of Education

The level of high school and university-level education among the working age population in the Avalon Gateway region is relatively low compared to the provincial and Canadian average (See Table 3). However, the proportion of population within the region with an apprenticeship or trades certificate or diploma or with a college or other non-university certificate or diploma exceeds not only provincial average, but the Canadian average as well (See Table 3).

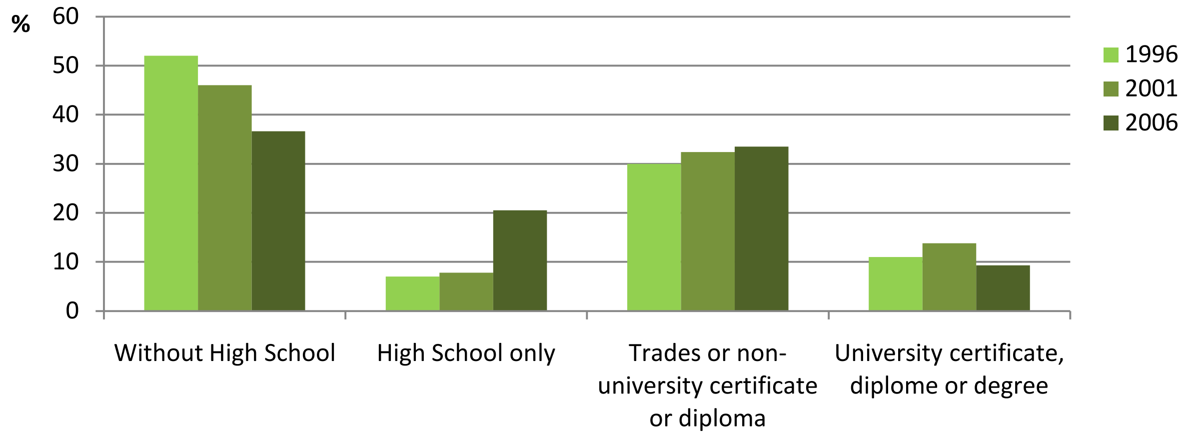
Table 3 Highest Level of Schooling (Comparison), 2006 (%)

	Without High School	High School only	Trades or non-university	University
Canada	23.8%	25.5%	28.2%	22.6%
Newfoundland and Labrador	33.5%	22.1%	19.7%	14.7%
Zone 18	36.6%	20.5%	33.5%	9.3%

Source: Community Accounts, Table: "Highest Level of Schooling" year 2006 for provinces and Zone 18.

Since 1996 the educational level of the working age population within Zone 18 has been gradually improving (See Figure 6). The proportion of the residents who had not completed high school has dropped by 30% since 1996. The percentage who had completed high school (only) has grown by almost three times since 1996. However, the share of university graduates among the local residents has experienced an opposite trend – it shrank by 33% from 2001 to 2006 (See Figure 6). Most likely, this trend can be explained by a higher level of out-migration in this cohort.

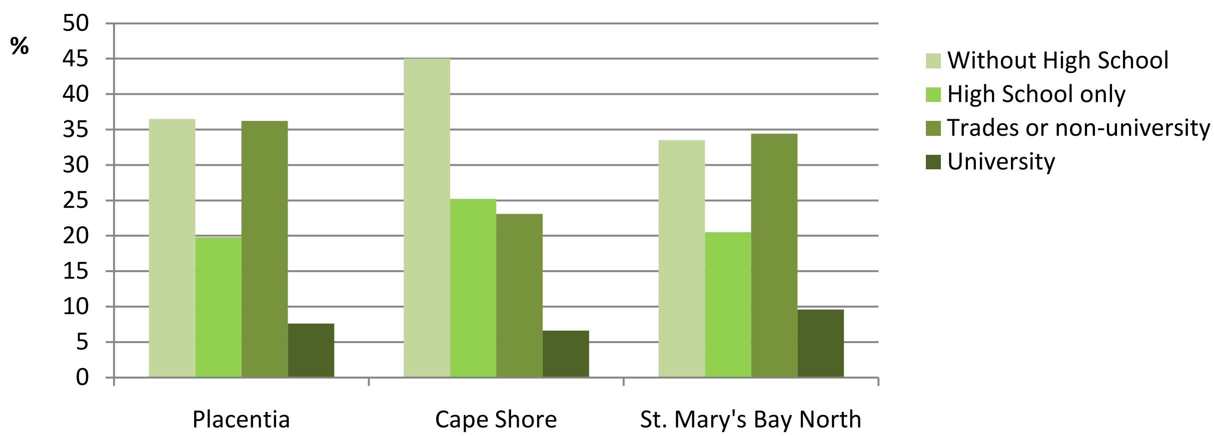
Figure 6 Dynamic of the Highest Level of Education in the Zone 18 (1996-2006)



Source: Community Accounts, Table: "Highest Level of Schooling" years 2006, 2001, 1996 for Zone 18.

On the sub-regional level, the working age residents of St. Mary's Bay North and Placentia areas have somewhat similar level of education, while the residents of Cape Shore were the least educated among the Zone in 2006. Almost half of Cape Shore residents at the age 15 years and older have not completed high school (see Figure 7).

Figure 7 Highest level of education by the sub-regions (2006)



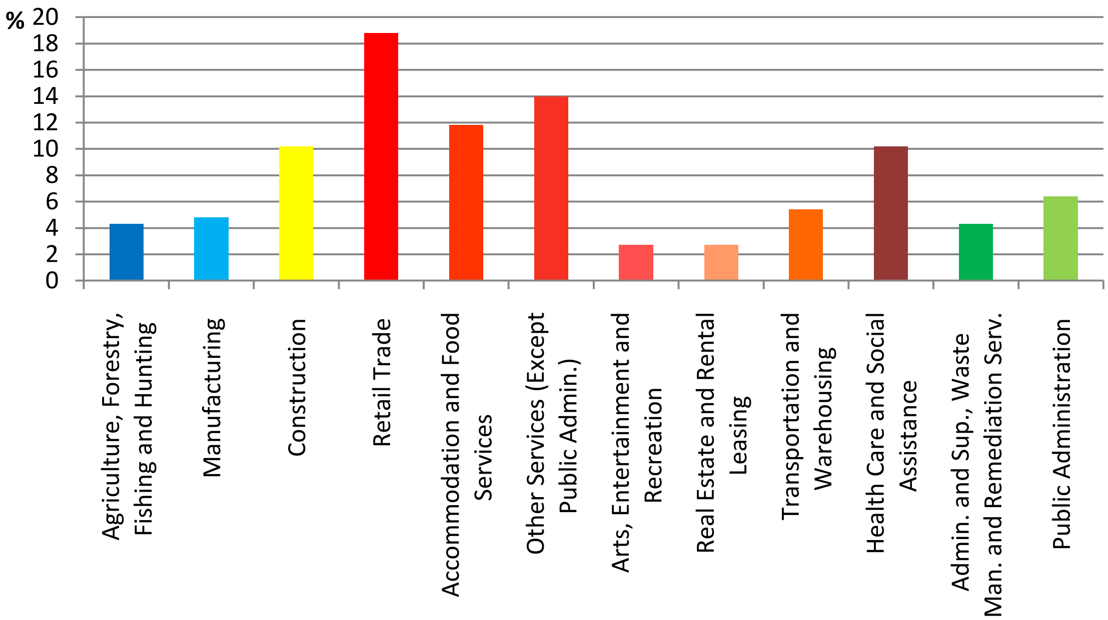
Source: Community Accounts, Table: "Highest Level of Education" for Zone 18, year 2006 (Multi-Variable Region Comparison).

Workers without a high school completion are mostly employed in primary industry (27%), construction and related (26%), sales and services (21%) and fish processing sectors (13%) (where they constitute 69% of the employees). Those with high school only level of education tend to work in sales and service (30%), primary and construction (19% each); with apprenticeship or trades certificate – in construction (38%), sales and service (17%) and primary (14%); and university graduates – in education (32%), where they constitute 67% of employees, office and related (14%), management (7%) and health (5%) sectors (Community Accounts[6]).

IV. Economic Activities

There were 186 businesses in Avalon Gateway region in 2009, which is 1.1% of the total number of businesses in the province (NLSA[7]). The majority of these businesses are located in Placentia sub-region (166[8] according to Vale, 2008). The largest number of businesses were in retail trade (19% of the total), other services except public administration (14%), accommodation and food service (12%) followed by construction and health care and social assistance (10% each) (NLSA[9]).

Figure 8 Distribution of Businesses by the Industry Sectors in Zone 18, 2009 (%)



Source: Newfoundland and Labrador Statistics Agency, Table: "Number of Businesses by North American Industrial Classification System (NAICS) Code Newfoundland and Labrador by Economic Zone" December 2009 http://www.stats.gov.nl.ca/Statistics/Trade/PDF/BR_Zone_NAICS_2009.pdf

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6 Community Accounts, Table: "Education by Occupation", 2006 for Zone 18.

7 Newfoundland and Labrador Statistics Agency, Table: "Number of Businesses Newfoundland and Labrador by Economic Zone", December 2009, http://www.stats.gov.nl.ca/Statistics/Trade/PDF/BR_Zone_2009.pdf.

8 The number of businesses in this source may exceed NLSA data.

9 Newfoundland and Labrador Statistics Agency, Table: "Number of Businesses by North American Industrial Classification System (NAICS) Code Newfoundland and Labrador by Economic Zone" December 2009 http://www.stats.gov.nl.ca/Statistics/Trade/PDF/BR_Zone_NAICS_2009.pdf

V. Employment

In total 3,635 individuals were employed in 2005 in the region (Community Accounts[10]). The number of employed within the Zone has declined from 3,810 in 2001 to 3,635 in 2006 (Community Accounts[11]). This decline can be largely explained by the demographic factors: overall population decline, aging of the population and outmigration. The largest employment decline occurred in the sales and services sector, where employment fell by 260 persons or by 25% between 2001 and 2005, and primary industry, which shrank by 200 people or 28%, primarily due to the reduction of the number of fish harvesters (See Figure 9). The highest decline in the sales and service related sector occurred in childcare and home support worker occupations, which fell by 80 persons or by 31%. The only occupation within this sector that actually gained workers from 2001 to 2006 was food and beverage, which increased by 30 people (30%) (Community Accounts[12]). Employment in the construction and related sector declined by 80 people or 9% and in the health sector by 25 people (14% of the total employment in this sector). The largest gain was achieved in management occupations, where employment grew by 170 people or 170%. Office and related occupations employment grew less dramatically – by 60 persons or 18%. Within this occupation the majority was working in clerical occupations. Despite the decrease in the number of fish harvesters in the region, the number of fish processing workers grew significantly from 75 people in 2001 to 130 in 2006.

Figure 9 Employment by Occupation in Zone 18 in 2001 and 2006, (Number of Persons)

Source: Community Accounts, Employment and Working Conditions, Table: "Census 2006: Worker Type and Occupation" years 2001, 2006, for Zone 18.

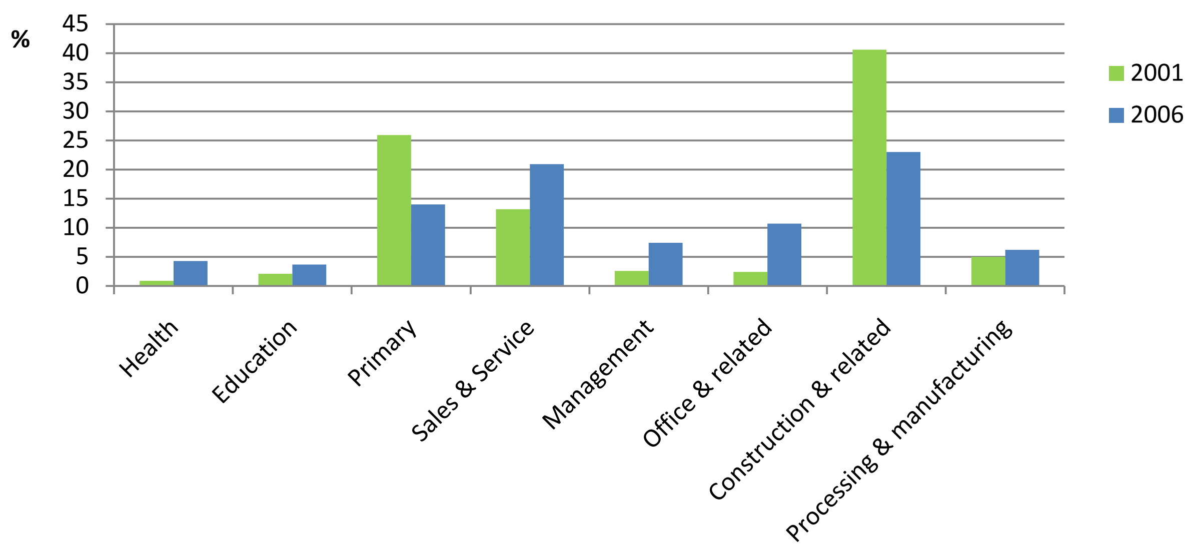
In summary, from 2001 to 2006 employment increases were seen in food and beverage services, fish processing, education, management and office and related occupations, primarily clerical work while employment in health, construction, fish harvesting and other sales and service sectors declined. Seasonal

[10] This paragraph is based on the data from Community Accounts, Employment and Working Conditions, Table: "Number of weeks worked by occupation" for Zone 18, years 2001, 2006.
[11] Community Accounts, Employment and Working Conditions, Tables: "Labour Market Profile" for Zone 18, 2006.
[12] This paragraph is based on the data from Community Accounts, Employment and Working Conditions, Table: "Census 2006: Worker Type and Occupation" years 2001, 2006, for Zone 18.

economic activities, such as tourism, construction, agriculture, fishery and fish processing continue to play an important role in the region's economy and employment (AGWEDI, 2008).

Employment in the study region has become more diverse and evenly distributed across the industry sectors. In 2006 there were 6 industry sectors that employed over 6% of the region's workers each, compared to only 3 such sectors in 2001 (See Figure 10). Employment in construction and related occupations still accounted for the largest share of the workers in the region in 2006; however, it does not stand out as dramatically as in the past with 23.0% of the total employment in 2006 versus 40.6% in 2001. Within this sector, laborers continue to constitute the largest occupation. Nevertheless, since 2001 there was a shift towards more skilled occupations, such as construction trades and equipment operators (Community Accounts[13]).

Figure 10 Employment by occupation in Zone 18 in 2006 and 2001 (%)



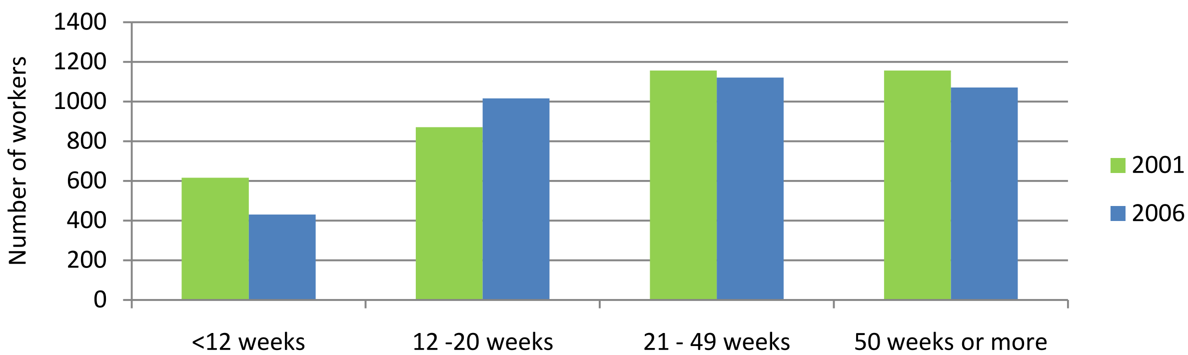
Source: Community Accounts, Employment and Working Conditions, Table: "Worker Type and Occupation" years 2001, 2006, for Zone 18.

Although the fishery continues to play a significant role in the economy and employment of the Zone 18, the share of fish harvesters in the total employment in the Zone 18 fell by half from 22.9% in 2001 to 11.7% in 2006 (see Figure 10). Despite the decrease in the actual number of workers in sales and service related sector, its share in the region's total employment increased to 21% compared to 13% in 2001. Retail sales persons, clerks and cashiers constituted the largest occupational category within this sector in 2006. Office and related and health sectors increased their share in the total employment in the region by 4-5 times, however, the actual number of workers only slightly increased in office and related sector and decreased in health. This was due to dramatic declines in what were previously the region's two largest employers (primary and construction industries).

[13] This and the next paragraphs are based on the data from Community Accounts, Employment and Working Conditions, Table: "Worker Type and Occupation" years 2001, 2006, for Zone 18.

The majority (84%) of workers in Avalon Gateway region in 2006 were employed full-time (Community Accounts[14]). However, only 29% of workers within the Zone 18 were employed year round (50 weeks and more), with 31% having worked between 20 to 49 weeks and 40% of residents worked 20 weeks or less (See Figure 11). These numbers reflect the seasonal fluctuations of economic activity within such sectors as fishery, fish processing, tourism, agriculture and construction. Despite the observed diversification of the employment in the region in the 2001 to 2006 period (see Figure 10), the proportion of employees working 21 weeks and more throughout a year decreased slightly (by 0.6% individuals), while of those who work 20 weeks and less increased by 0.7% (See Figure 11). This trend has been caused by a reduction of 120 workers in the first category while the latter category fell by only 80 individuals in 2006 compared to 2001.

Figure 11 Number of Workers in Zone 18 by the Number of Weeks Worked per Year, 2001, 2006



Source: Community Accounts, Table: "Number of weeks worked by occupation" for Zone 18, years 2001, 2006.

Businesses in the region are relatively small in terms of the size of their employment, with 62% having between 1 and 4 employees, and 29% between 5 and 19 employees (NLSA[15]). According to the 2004 Business Retention & Expansion study (P.J. Gardiner Institute, 2004), about a quarter of responding firms in the Zone 18 were operated solely by their owners and had no employees in 2004. In general businesses in the study area are quite small with a median of two permanent full-time and one permanent part-time employee. However, both full-time and part-time employment doubles in season due to temporary or seasonal employees, with the median number of seasonal full-time employees being two and seasonal part-time being two as well (P.J. Gardiner Institute, 2004).

The largest employers in the Avalon Gateway region are Eastern Health, which employs approximately 160 professionals and support staff, and Department of Education, with 116 teaching and support staff for five schools in the region (AACC, 2009). About one hundred workers are employed by companies providing assisted living services. While it was operating from 2005 to 2008, 150 workers were employed by Vale at the Argentia Demonstration plant, with majority being from the local area (AACC, 2009; VBNC, 2006). In 2010 about 80 workers out of 500 employed by various contractors in

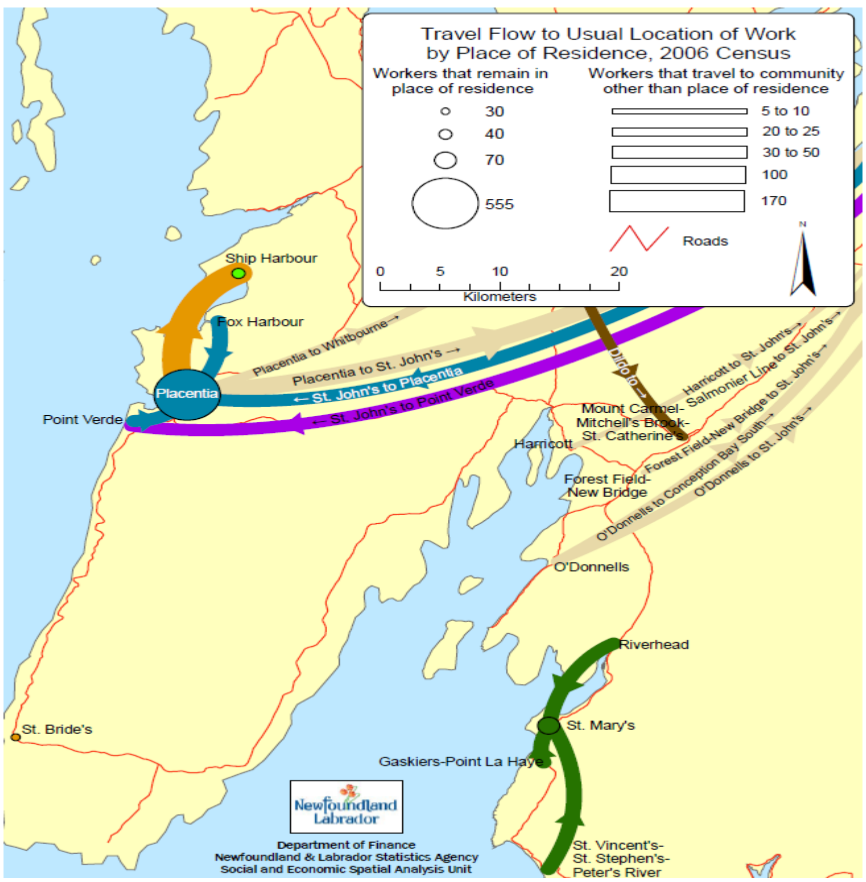
[14] This paragraph is based on the data from Community Accounts, Table: "Number of weeks worked by occupation" for Zone 18, years 2001, 2006.

[15] Newfoundland and Labrador Statistics Agency, Table: "Number of Businesses by Employment Size Range Newfoundland and Labrador by Economic Zone"
December 2009 http://www.stats.gov.nl.ca/Statistics/Trade/PDF/BR_Zone_Size_2009.PDF

the construction of the Long Harbour Commercial Nickel Processing Plant were local residents, although the meaning of "local" here also includes residents from the outside Avalon Gateway region (Service Canada, 2010).

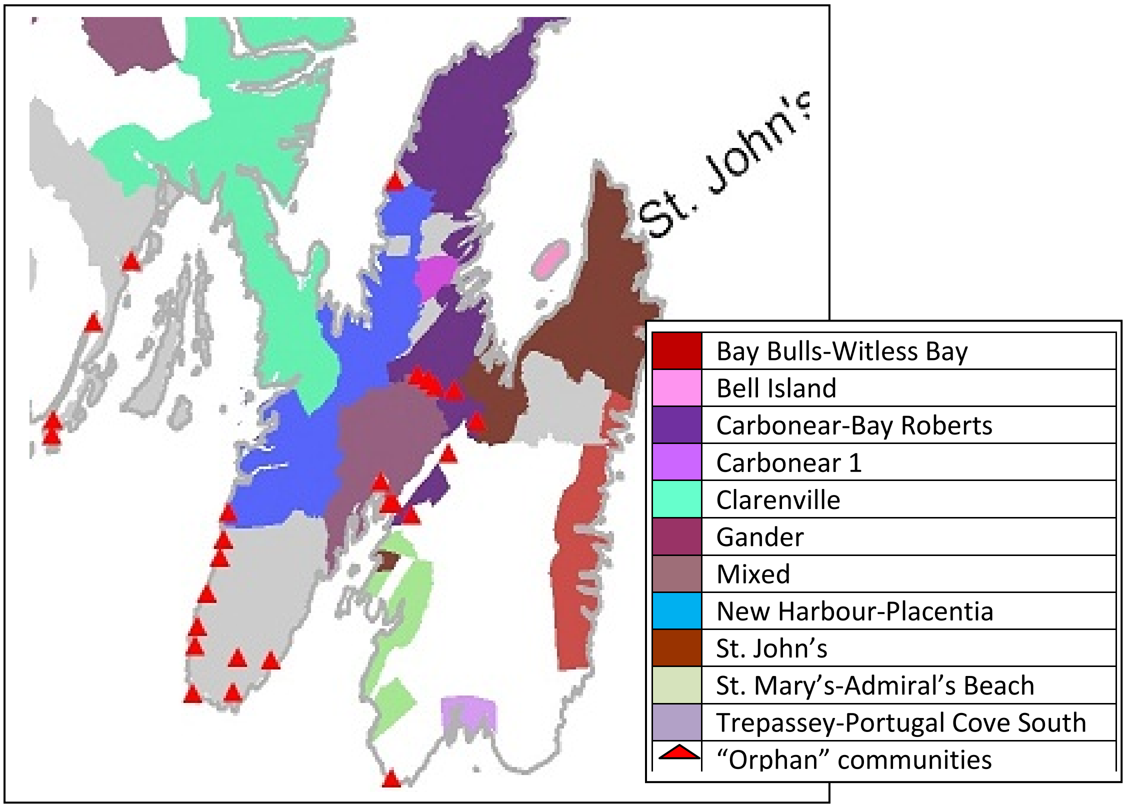
Argentia Freezers employs approximately 30 workers seasonally. There are also two small fish processing plants in St Bride's and Ship Harbour employing approximately from 20 to 50 people seasonally. Another larger fish processing plant is located in St. Mary's, within the neighboring Irish Loop region. In close proximity to St. Mary's Bay North sub-region this facility provides employment to residents of this sub-region. Functional regions analysis (Figure 13) further demonstrates a flow of workers from the region to work in fish processing in New Harbour, within the Mariner Resource Opportunities Network Inc. (M-RON Inc.) zone east of the Avalon Gateway region on Trinity Bay (see Figure 12) and to Come-by-Chance for work at the Oil Refinery (according to the last census (2006)).

Figure 12 Work Flow Map, Zone 18, 2006



Source: Community Accounts, Map Center, Employment and Working Conditions, Map: "2006 Census Travel Flow to Work" for Placentia, 2006.

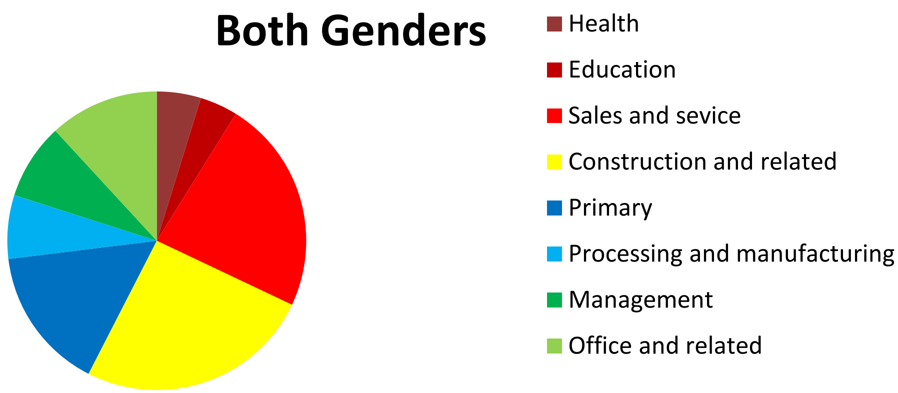
Figure 13 Functional Regions Map, Avalon Peninsula, 2006



Source: Simms, A. "Functional Regions & Regional Economic Capacity Index (Ver. 1.0)", Presentation to the Strategic Partnership Group, February 16, 2011.

Small businesses, primarily located in the town of Placentia, employ a large number of people not only from Placentia sub-region but also from the Cape Shore's communities. Finally, many skilled workers and trades workers call the region their home, but work outside (AACC, 2009). Distribution of workers by the type of employment is shaped not only by the local employers, but to a large extent by those working outside the region. For example, local contacts suggest that many of construction workers commute for shift work to Alberta and Ontario, or work on large construction projects in the neighboring regions. This fact helps to explain why construction and related occupations constitute the largest type of employment in the region (23% of total). The next largest sector is sales and service (21%), followed by primary industry (14%). Employment in the fishery combined with the fish processing accounted for 16% of the total number of employed in Zone 18 (see Figure 13). A relatively large share of the office and related occupations (10.7% see Figure 14) is also related to commuting of local workers to St. John's, especially in St. Mary's Bay North Region (see Figure 12).

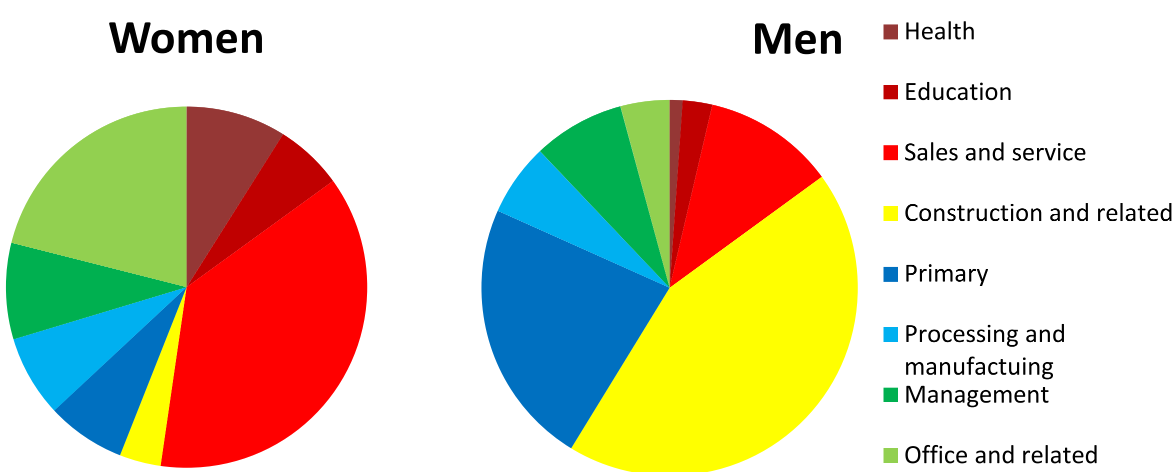
Figure 14 Employment by Industry Type for Zone 18 (2005)



Source: Community Accounts, Table: "Worker Type and Occupation" for Zone 18, year2006.

In terms of gender, the distribution of employment by industry type varies significantly (see Figure 15). Employment in the construction and primary (mainly fishery) industries is dominated by males, while females are leading in sales and service as well as in office and related occupations. The majority of women are employed in occupations less vulnerable to seasonal fluctuations, which results in a more stable employment throughout the year: 32% of women are employed 50 weeks and more versus 27% of men (Community Accounts[16]).

Figure 15 Employment by Gender and Industry Type for Zone 18 (2005)



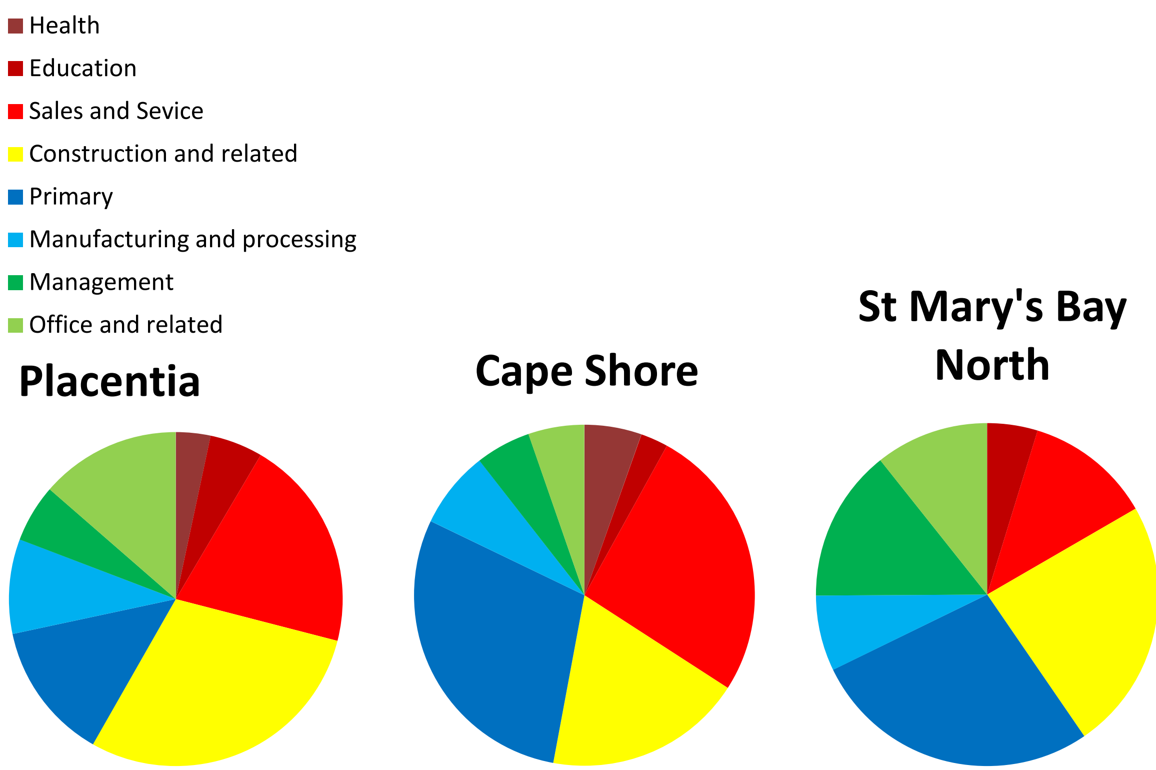
Source: Community Accounts, Table: "Worker Type and Occupation" for Zone 18, year 2006.

Composition of employment patterns across the three sub-areas reflects the differences in the types of economic activities prevailing in these sub-areas (See Figure 16). Employment in Placentia area

[16] Community Accounts, Table: "Weeks Worked by Occupation" for Zone 18, year 2006.

was more diverse and had the lowest proportion of fishery related occupations, i.e. fish harvesters and fish processing workers among the three sub-regions. The most fishery dependent communities in this area in 2006 were: Ship Harbour, where 45% of workers were employed in fish processing; Long Harbour, with almost 30% of its workers employed in fish harvesting and Fox Harbour with 20% employed in fish harvesting. In the Cape Shore and St Mary's Bay North sub-regions employment in the fish harvesting accounted for the largest proportions of workers in these areas: 28% and 23% correspondingly. Cape Shore area has two communities with a significant proportion of employment in fish harvesting: Branch/Point Lance - 42% and St Bride's - 29%. In St Bride's another 10% of workers are employed in the fish processing plant. The community of North Harbour in the St. Mary's Bay North area exhibits the highest degree of dependency on fish harvesting in the whole region with 50% of its workers employed in this sector (Community Accounts[17]). A significant share of workers in managerial and office and related occupations in the St Mary's Bay North sub-region is largely explained by the sub-region's proximity to St. John's, where such positions are available. According to local sources and Figure 12 above, workers either make a daily commute to St John's or have accommodation in the City, but still keeping their houses in the sub-region and report this as their place of residence.

Figure 16 Employment by Industry by Sub-region, 2006



Source: Community Accounts, Table: "Worker Type and Occupation" for Zone 18, year 2006 (Multi-Variable Region Comparison)

[17] This paragraph is based on the data from Community Accounts, Table: "Worker Type and Occupation" for Zone 18, year 2006 (Multi-Variable Region Comparison)

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VI. *Employment Insurance Beneficiaries*

The number of unemployed[18] individuals in the Avalon Gateway region in 2009 was 2,045, which is 235 beneficiaries less than in 2004 (Community Accounts[19]). The percentage of the labour force with Employment Insurance (regular and fishing) incidents has also declined by 4.7% since 2004, reaching 50.6% in 2008 although a slight increase has been observed since 2007. A decline of 2.5% also occured in workers with EI incidents at the provincial level, however the share of these beneficiaries in the labour force was 16% lower at 34.1% than in zone 18.

Employment Insurance beneficiaries in 2009 were comprised of 65% men and 35% women. 81% of the claims were regular and 19% fishing. The share of fishing claims in the region is 10% higher than the provincial average and reflects a high share of fishery-related employment. The average number of insured hours in 2009 in the region was 1,175, which is comparable with the provincial average. Fishing benefits claimants tends to work 18% (or 215 hours) hours more than claimants of regular benefits, which is also in range with provincial average. The age structure of beneficiaries in the region is more evenly distributed across the age groups compared to the province, with majority being in the prime labour force age (seeTable 4).

Table 4 Age Structure of Employment Insurance Beneficiaries, 2009 (%)

	Zone 18	Newfoundland and Labrador
Youth (15-24 years old)	11%	9%
Prime Labour force age (25-54)	62%	67%
Age 55+	27%	23%

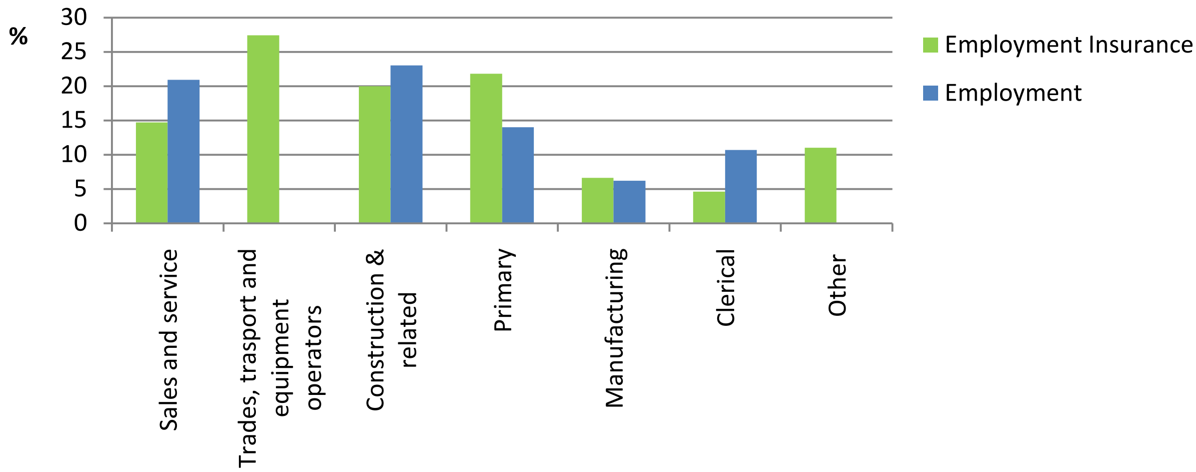
Source: Community Accounts, Employment and Working Conditions, Tables: "Employment Insurance" for Zone 18 and for Newfoundland and Labrador.

Distribution of the Employment Insurance (EI) claims across industry types is consistent overall with the employment distribution with a few exceptions (see Figure 17). The share of Employment Insurance claims in the primary and manufacturing sectors are higher than their share in total employment, while in clerical sector this ratio is the lowest. The highest number of EI claimants work within the trades, transport and equipment sector.

[18] In this document the following individuals are refer to as "unemployed": those who are in the labour force and at the same time are temporarily on layoff and expecting a recall and available for work; without work but available and looking for work; or recently obtained but have not yet started a job and are available for work.. This definition is based on the Statistics Canada definition from: http://www.statcan.gc.ca/pub/71-543-g/2010001/part-partie2-eng.htm.

[19] This and the next paragraphs are based on the data from the Community Accounts, Employment and Working Conditions, Tables: "Employment Insurance" for Zone 18 and for Newfoundland and Labrador.

Figure 17 Distribution of Employment Insurance Claims and Employment by Industry Type[20], 2009 (%)



Source: Community Accounts, Employment and Working Conditions, Tables: "Employment Insurance" for Zone 18 and "Worker Type and Occupation" for Zone 18, year 2006.

Distribution of the unemployed in Avalon Gateway region does not exactly correspond with distribution of the labour force. The shares of the unemployed in Cape Shore and St. Mary's Bay North sub-regions are higher than their shares in the region's labour force (see Table 5). Cape Shore accounted for the largest number of unemployed individuals while its labour force size is smaller than in Placentia sub-region. It also has the highest share among the three sub-regions of the unemployed in the prime labour force age group. Unemployed individuals in this sub-region work slightly more hours, which is likely due to the prevalence of fishery-related occupations in this area.

Table 5 Distribution of Unemployed by Sub-regions, 2009

	Labour force (% of total)	Total unemployed (individuals)		Unemployed in prime labour force age group	
		(individuals)	(% of total)	(individuals)	(% of total unemployed)
Placentia	42.5%	765	37.4%	480	62.80%
Cape Shore	36.6%	825	40.3%	515	63.50%
St. Mary's Bay North	19.3%	460	22.5%	285	61.40%

Source: Community Accounts, Employment and Working Conditions, Table: "Employment Insurance" for Zone 18 (Multi-Variable Region Comparison).

[20] Distribution of employment is given for the latest available census year – 2006; industry categories for employment do not exactly correspond with categories for employment insurance and for this reason not all of them are included in Figure 17.

VII. Income Support Beneficiaries

The number of Income Support claimants in the Avalon Gateway region in 2008 was 680, which is 270 beneficiaries less than in 2004 (Community Accounts[21]). The percentage of Income Support incidents has declined by 24% since 2004 reaching 9.2% in 2008. On the provincial level it has been declining at the similar pace.

Adult individuals comprise about the half of all Income Support beneficiaries – 337, with 61% of them (or 207 persons) reporting themselves as employable (HRLE[22]). Most of these individuals are in the prime labour force age (see Table 6). While 41% of the adult Income Support claimants, or 139 individuals, are persons with disabilities, only 26% of these individuals are reported as employed or available for employment.

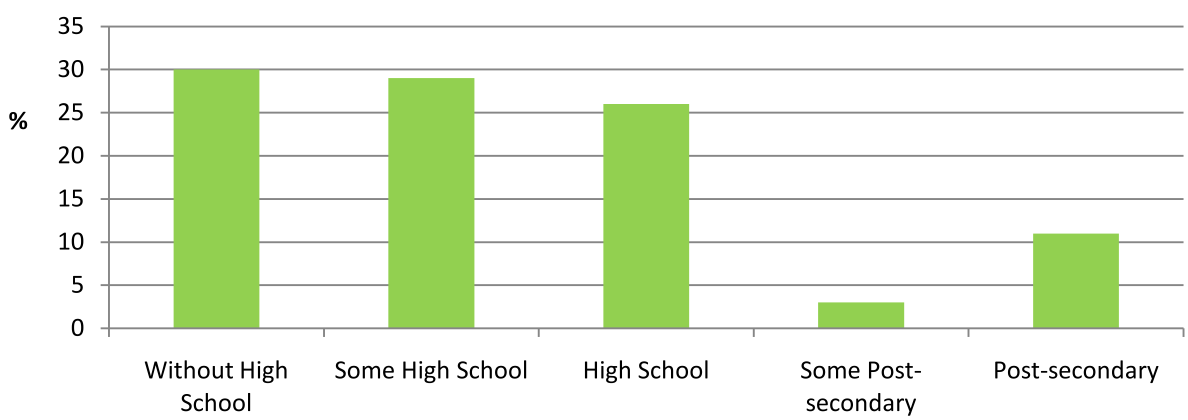
Table 6 Age Structure of the Adult Income Support Claimants (Employed or Available), Economic Zone 18, 2010

Age	% of total Income Support
Youth (15-24 years old)	9%
Prime labour force age (25-54)	59%
Age 55+	32%

Source: HRLE Social Assistance data, working table, December, 2010

The majority of the employable or employed Income Support beneficiaries (62%) on December 2010 were single with no children, followed by single parents (19%) and couples without children (14%). Their level of education is significantly lower than the average for the residents of the Avalon Gateway region, with almost 60% having less than a high school level compared to 37% for the region as a whole (see Figure 18).

Figure 18 Highest Level of Education among Employable Income Support Clients, 2010

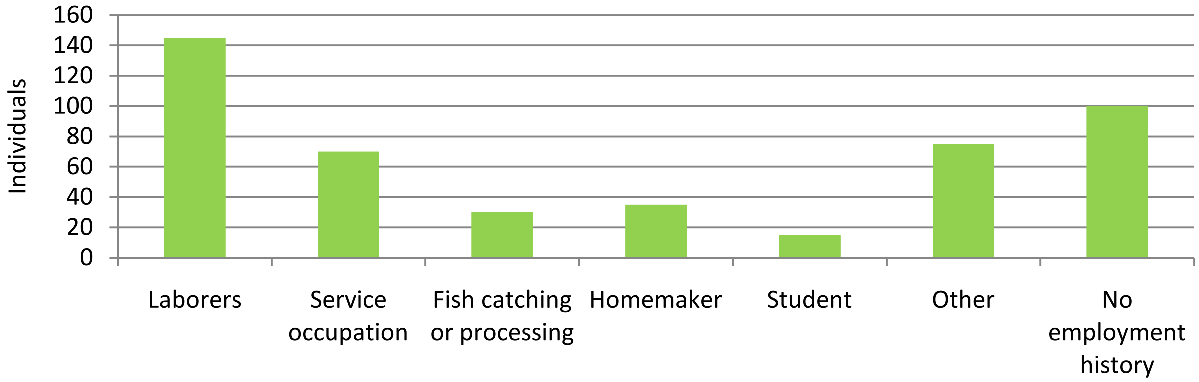


Source: HRLE Social Assistance data, working table, December, 2010.

[21] Community Accounts, Employment and Working Conditions, Table: "Income Support Assistance" for Economic Zone 18.
[22] HRLE Social Assistance data, working table, December, 2010.

A very small number of individuals receiving Income Support benefits are actually employed. In 2008 only 15 heads of the family out of total of 475[23] in the region were employed. The majority of the beneficiaries were laborers in their previous occupation, followed by those with no history of employment (see Figure 19).

Figure 19 Previous Occupations of Heads of Income Support Receiving Families in Zone 18, 2008



Source: Community Accounts, Employment and Working Conditions, Table; "Income Support Assistance" for Zone 18.

Over 70% of the Income Support beneficiaries live in Placentia sub-region. In terms of the employability status, 76% of employed or available for employment beneficiaries (158 individuals) are living in Placentia sub-region as well, primarily in Placentia itself (65 individuals), Dunville (35) and Freshwater (22).

VIII. Labour Demand Expectation

According to a 2004 Business Retention and Expansion study (P.J. Gardiner Institute, 2004), the vast majority of businesses in the study area expected their employment level would either grow (48%) or remained unchanged (48%) within the next two years. New products, markets and technological changes were cited as causing the most positive impact on the employment level, while government regulations, labour standards and funding agencies' eligibility criteria are having the most negative impact (P.J. Gardiner Institute, 2004).

In recent years the recruitment challenge became the top concern for the businesses not only in Newfoundland and Labrador but in the whole of Canada, especially for small and medium-sized enterprises (HRLE, News Release, 2010). The study region is not an exception in this respect. Close to one-half of responding local businesses indicated that recruitment of employees with appropriate skills was the largest limitation of their current location in 2004 (P.J. Gardiner Institute, 2004). However, the degree of this problem varies across the firms within the region. One–third of them had no troubles at all hiring employees, while another third found it difficult. This challenge was the most pronounced in the wholesale trade sector, followed by the real estate, rental, and leasing sectors. The agriculture, forestry, fishing and hunting industry, health care and social assistance sector, and the accommodation and food services sectors find recruitment to be somewhat difficult. Overall, skilled labour was found to be the

[23] The number of Income Support adult individuals for December 2010 may not correspond with the Community Accounts data for 2008.

hardest to recruit, with 58% of firms reporting such difficulties, followed by technical staff cited by 28% of firms. Retention of employees constituted less of a problem, with 53% of responding local firms experiencing no problem retaining their employees. Among those who did have difficulties with retention, the majority (65%) experienced problems with retaining skilled labour and one quarter (26%) with unskilled labour (P.J. Gardiner Institute, 2004).

As discussed above, employment growth has been seen in management and office and related sectors (see Figure 9). Construction of the Long Harbour Commercial Nickel Processing Plant is expected to provide significant direct labour demand during the operational phase as well as the spinoffs of associated local demand. Hiring of local residents is one of the most discussed issues between Vale and local organizations. However, the term “local residents” for Vale is broader than the Avalon Gateway region and on average includes the surrounding area within an approximately 50-km highway distance commute zone around the plant (Vale, 2008). However, Avalon Gateway region, especially Placentia sub-region, represents a particular interest for the Long Harbour Processing Plant as the town of Placentia is considered as having the largest (32%) concentration of workers in area surrounding the facility. Other communities within the Avalon Gateway region that account for 3% or more of workers in this area are Long Harbour –Mt. Arlington (3%) and Fox Harbour (3%) (Vale, 2008).

During the operation phase direct employment over the productive life of the plant will be 6,740 person-years, of which 95% is planned to be hired from the provincial labour force. In a typical year the plant is expected to provide 450 full-time jobs in engineering and technical occupations, process operators, maintenance and administrative personnel (Vale, 2008). Vale has made a strong commitment to hiring from neighboring communities and to ensuring gender diversity (Vale, 2007). It is also committed to maximizing opportunities for local businesses, which will further stimulate local labour demand.

However, Vale’s employment demand is targeted at skilled labour, and thus, the extent of the local employment opportunities with the Nickel Processing Plant will depend on the availability of the adequately skilled local labour. Associated spinoff opportunities are expected to be created in local firms that supply goods and services during both operation and construction phases. Employment opportunities are also expected to be created in the general service sector, as monies earned through direct and indirect employment will circulate through the economy (Vale, 2008).

Major economic development projects in close proximity to the Avalon Gateway Economic Zone, such as North Atlantic Refinery near Come by Chance, which employs over 550 people[24], Burin Peninsula Ship Yard, whose employment needs are expected to reach 550 skilled trade workers and the Hebron oil platform Fabrication Site at Bull Arm will also continue to attract local labour force. Overall, employment opportunities in Avalon Gateway region and in the neighboring areas are expected to grow. Besides the Long Harbour Processing plant moving into the operational phase, other projects will create a significant number of jobs, including an expected 3,500 workers at the peak of construction of the Hebron oil platform (Skeard, Holloway and Vodden, 2011; Vale, 2008). The growing number of the employment opportunities has a potential not only to benefit local residents but also to stimulate in-migration and revitalize local communities. However, the positive impact of the growing employment opportunities will not be felt equally throughout the Avalon Gateway region due to the isolation of some of its communities, especially in the Cape Shore sub region. There will be also a competition with workers from the neighboring regions.

[24] From the refinery website: http://www.northatlantic.ca/employment.asp

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Appendix A

Table 7 Labour Market Charecteristics by Community and Sub-region

Geography	Labour force	Participation rate	Unemployment rate	Employment rate	Not in the labour force
Placentia sub-region					
Ship Harbour, Placentia Bay	75	48.40%	46.70%	25.80%	80
Long Harbour	145	67.40%	13.80%	60.50%	70
Dunville	585	56.50%	19.70%	45.40%	450
Fox Harbour (Municipality)	120	47.10%	50.00%	23.50%	135
Freshwater, Placentia Bay	300	53.10%	16.70%	44.20%	265
Jerseyside	185	50.00%	37.80%	33.80%	185
	1410	*Av.*: **53.75%**	*Av.*: **30.78%**	*Av.*: **38.87%**	**1185**
Cape Shore sub-region					
Branch/Point Lance	200	53.30%	10.00%	46.70%	175
Placentia Sub-Community	835	50.90%	35.90%	32.60%	805
St. Bride's (Municipality)	180	53.70%	47.20%	28.40%	155
Average	**1215**	*Av.*: **52.63%**	*Av.*: **31.03%**	*Av.*: **35.90%**	**1135**
St. Mary's Bay North sub-region					
Colinet (Municipality)	85	60.70%	35.30%	39.30%	55
North Harbour, St. Mary's Bay	60	75.00%	75.00%	18.80%	20
Mount Carmel-Mitchell's Brook-St. Catherine's/Forest Field-New Bridge	250	45.50%	40.00%	27.30%	300
St. Joseph's/Admiral's Beach/O'Donnells	245	57.60%	30.60%	40.00%	180
Average	**640**	*Av.*: **59.70%**	*Av.*: **45.23%**	*Av.*: **31.35%**	**555**

Source: Community Accounts, Employment and Working Conditions, Tables: “Labour Market Profile” for Zone 18, 2006 (Multi-Variable Region Comparison).