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Township of Southwold

Talbotville Ford Assembly Plant Closure: Economic Impact and Local Action Plan

October 12, 2011

Acknowledgements

We would like to recognize and thank all those that contributed their time, knowledge and expertise to this report and its development. Through your direct input, consultation and participation, this report is reflective of the local situation and the impacts on our local economy as a result of the Talbotville Ford Assembly Plant closure. We are now better informed about what needs to be considered over the short and longer term to best position The Township of Southwold and Elgin County in an ever-changing and increasing competitive economy.

Project Steering Committee Members:

- Suzanna Dieleman, Township of Southwold
- Donna Ethier, Township of Southwold
- Alan Smith, County of Elgin
- Mark McDonald, County of Elgin
- Paul Plant, Ministry of Economic Development and Trade

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1 Executive Summary

As a result of the Talbotville Ford Assembly Plant closure, an economic impact study and local action plan is needed to determine the extent of the economic and fiscal fallout that the closure will have on the Township of Southwold and Elgin County. The Township, in partnership with the County, has commissioned a study to enable a proactive and informed response for decision makers to respond to social/cultural, economic, tax and fiscal implications.

The methodology used to create this economic impact study and accompanying action plan include a mix of qualitative and quantitative data and analysis. Emphasis was placed on the examination of global, national, provincial and local trends in the automotive manufacturing sector as well as a detailed examination of relevant supply chain and local business impacts. Given the significant impact on the local workforce, an industry workforce profile was developed and analyzed, informing potential industry and occupation transition and skills and training needs.

A web-based employer directed survey resulted in 207 responses that shed a light on identified impacts of the Plant closure from a business, revenue and local labour force demand perspective. An analysis of the regional fiscal impact for the municipal and county government, regional suppliers, local spending, property values and the longer term community image served to ensure a comprehensive understanding of immediate and longer-term impacts were presented. While the economic impact study provides an evidence-driven assessment, it may be said that the real value lies in the proactive approach to responding to this closure. Recommendations and an action plan designed to guide partner organizations as they respond to the economic and fiscal fallout of the plant closure has been prepared.

Economic and Investment Trends

During the last three years, the turbulent and dynamic environment of the automotive sector was punctuated by a worldwide financial crisis and collapse of vehicle sales, especially in North America. In conjunction with these trying economic realities, oil and gas prices have continued to increase furthering the downward spiral of automobile sales. In light of all this, manufacturers have come under increasing pressure and have been challenged to introduce vehicles that are more fuel and energy efficient. An increased emphasis on research and development initiatives directed towards innovative energy solutions has become a key focus as manufacturers work to capitalize on future market demand.

In this context, Canada's automotive industry has been dramatically affected; plant closures and job losses and employee layoffs have punctuated the industry since the financial collapse and although investment and sales have rebounded quite significantly in the Canadian market, the job losses have not.

Automotive assemblers and parts manufacturers are making major investments, positioning Ontario as one of the best places in the world to research, design, develop and manufacture vehicles and components. Ontario has been the top sub-national vehicle assembly jurisdiction in North America since 2004.Throughout Ontario, world-leading companies collaborate with more than 150 university, college and public research centres to speed new discoveries and processes from the lab to the marketplace.

However, few communities across Ontario and Canada have endured the impact of plant closures and job losses than that of the Township of Southwold and the County of Elgin.

Elgin County Market Analysis and Workforce Profile

In 2006, Elgin County's core industry- motor vehicle manufacturing - had 4,020 jobs. There were three businesses in this industry, which included the Talbotville Ford Assembly Plant and two businesses in heavy duty truck manufacturing (Sterling Trucks and another truck manufacturing facility with 5-9 employees). The resident labour force employed in motor vehicle manufacturing was much less at 2,305 people, which indicates that many of these jobs were filled by people outside of Elgin County (e.g. the City of London, Middlesex County, Norfolk County).In terms of jobs, Elgin County`s supplier industries employed 4,105 people in 2006, greater than the motor vehicle manufacturing industry.A large majority of these jobs were in motor vehicle parts manufacturing (1,910 jobs, 46.5% of all supplier industry jobs) and motor vehicle body and trailer manufacturing (1,715 jobs, 41.8% of all supplier industry jobs).The remaining jobs were among industries such as navigational, measuring, medical and control instruments (275 jobs) and engine, turbine and power transmission equipment manufacturing (65 jobs).

The 15 largest occupation groups in motor vehicle manufacturing total 3,675 jobs. The most common occupation in this industry was motor vehicle assemblers, inspectors and testers with 2,225 jobs in 2006.Other common occupations included:

- mechanical assemblers and inspectors (395 jobs)
- material handlers (175 jobs)
- automotive service technicians, truck and bus mechanics and mechanical repairers (135 jobs)
- industrial painters and coaters (135 jobs)
- supervisors for motor vehicle assembling (130 jobs).

In Elgin County, the largest percentage of people working in the motor vehicle manufacturing industry has a high school certificate (40.3%) as their highest educational attainment. Many people (20.5%) have no high school diploma. With well over half (60.8%) of people in this industry with no formal post-secondary education or training, displaced worker programs will need to be structured and delivered using delivery models that go beyond traditional classroom delivery.

Growth Industries and Labour Force Demand

The *County of Elgin Economic Development Strategy and Action Plan 2011-2014*explores the concept of creative value chains to understand the life cycle of goods and services. In each of the value chains there are distinct phases: creation, production, manufacturing and distribution. Each of these phases is supported by indirectly related activities. The value chain activities for Elgin's economic sectors for business development and investment attraction efforts are in agriculture, energy, culture and tourism industries.

To get a sense of labour force demand in the area a web-based job search was carried out over a four week period. Out of the 170 job postings identified across the region during a four week period, almost 50% were for positions in the City of London. This finding suggests that the high concentration of employment opportunities is in major urban centres throughout Ontario. Largely the occupations highlighted in the job advertisements were in skilled trades, administrative, general labour and manufacturing, which supports potential worker transferability between the occupations advertised and those being lost with the closing of the plant. Interestingly, these position types are not uncommon to those found in several of the identified economic sectors in the County's economic development strategy.

Recognizing that the closure has had a direct impact on local residents and the local workforce, a local Ford Action Centre has been established for a three year period to support displaced workers from the Talbotville Ford Assembly Plant. Working in collaboration with local employment services organizations, this model provides ongoing support and access to employment support services, labour market information, human services supports and information on available funding for training and skills development. This support network is well positioned as these agencies understand and have direct experience dealing with the complex situations that displaced workers may experience.

Regional Fiscal Impact Analysis: Local Financial Benefits

In past years, the Talbotville Ford Plant has represented a major source of municipal revenue in the Township and the County. In 2010, Southwold received $409,000 in property tax payments which accounted for approximately 23.4% of the total property tax revenue in the Township (excluding payments in lieu which generated almost $700,000 in revenue). By comparison, in 2010, the County received $745,000 in property tax revenue from the Ford property which accounted for just over 3% of total property tax revenue. In 2011, as a result of a reassessment, the assessment at the Plant was reduced from $46.7 million to $22.8 million resulting in a significant loss in annual tax revenue of approximately $210,000. The tax revenue from the Ford property has allowed the Township to maintain a lower than average property tax rate which benefits all property owners in Southwold.

Within the Township of Southwold the 1,325current employees at the Talbotville Ford Assembly Plant represent approximately 70% of the Township's 2006 manufacturing base. At its peak employment levels in 2006/2007 (i.e. 2,200 employees), the Plant represented 86% of the total manufacturing base in Southwold Township. The Talbotville Ford Assembly Plant also provides jobs with per capita income levels which are well above average per capita income levels within the London CMA.

Based on an employment level of 2,200 as of 2007, the demand for goods and services at the Talbotville Ford Plant would have sustained almost10,000 indirect jobs at businesses elsewhere in Ontario. With employment levels reduced to approximately 1,325 persons just prior to the Plant closure in mid-September 2011, the indirect employment figure would have been in the range of almost 6,000 jobs. Most of the jobs would be at businesses located beyond Elgin County; however, there were several suppliers in the immediate area. Most prominent of these was the Lear Seating plant which provided seats for the Ford Plant. Prior to its closure, employment at the plant was approximately 180 persons.

Given the relatively high wage rates attributed to the auto manufacturing sector, the Talbotville Ford Assembly Plant has traditionally provided a significant contribution to local spending in the regional market area. The induced impacts generated from the auto sector has traditionally supported a high level of retail sales per capita for the City of St. Thomas and more broadly the London CMA relative to the Provincial average. Over the past five years (2006-2011) the Provincial growth rate in retail sales per capita has declined significantly for Ontario in comparison to the previous five-year period (2001-2006), largely as a result of the recent global economic downturn. The absolute values associated with retail sales in St. Thomas and the London CMA have contracted sharply over the past five years. This analysis suggests that the loss of direct and indirect jobs associated with the Talbotville Ford Assembly Plant, combined with the loss of additional jobs associated with the recent economic downturn, has had a negative impact on retail sales within the surrounding market area.

Housing prices and residential property values are impacted by a number of micro and macro-economic factors which ultimately impact the supply and demand for housing in a given regional market area. The extent of the impact of the closure of the Talbotville Ford Assembly Plant on housing prices in the Township of Southwold and surrounding housing market area will largely depend on the impact on labour force trends within the broader commuter shed. Future employment opportunities within the commuter shed will play a strong role in influencing the strength of the Southwold housing market and surrounding regional market area. The City of London is anticipated to provide a growing source of labour opportunities for Southwold residents, given forecast employment for this area and its proximity to the Township.

The annual rate of housing price growth in the Township of Southwold sharply declined during the 2002 to 2006 vs. the 2006 to 2010 period, from 14% annually to 5% annually. The annual rate of growth in housing prices also moderately declined in Central Elgin and remained relatively stable for the City of St. Thomas.

Regional Fiscal Impact Analysis: Local Economic Benefits

The actual tax increase for 2011 was in the range of 2.2%.The Township has been able to moderate the impact of the reduced assessment of the Ford property through transfers from reserve funds. In 2012, once the plant has been closed, the Township will see a further reduction in tax revenue as the property is classified as a vacant and is eligible for a property tax rebate.

The one area that will be affected is water service. With the Plant closure, demand for water to the property is expected to reduce by 99%.There is no impact on the Township as a result of reduced revenue as the water is provided directly from the St. Thomas Area Secondary Water Supply System and charged at cost by the Township. The Township is not committed to purchasing a set amount of water from the Secondary Supply System so that its costs are expected to decline in proportion to the revenue. However, the Ford Plant is the end user of a 500 mm diameter water main. As the line is not looped, the limited turnover of water within the pipeline will result in stagnant water conditions in the pipe which is not acceptable. The Township proposes to address this problem by constructing a new water main along Clinton Line to create a loop and minimize requirements for flushing. The cost of this work is estimated at approximately $900,000.The one-time cost to the Township, net of provincial funding, is $300,000.If this cost were to be annualized over 10 years at 6%, the annual payments would be in the range of $40,000.

Given that the Ford property accounted for about 3% of the County property tax revenue for 2010, the reassessment and closure of the Plant will have an impact on County revenues, but it will not be as significant as that experienced by the Township.

With the closure of the Plant, 17 of the businesses surveyed were expecting to layoff employees. In the majority of the cases, the magnitude of the layoffs was in the range of less than 25% of total workforce however, two businesses expected to reduce workforce by up to 100%.

The potential loss in employment at these operations is estimated to be over 200 jobs in addition to the layoffs already experienced as a result of earlier downsizing of the Ford Plant operation for a total loss of indirect employment of approximately 220 jobs.

There is one locally induced job within the municipality of Southwold for every five direct or in-direct jobs. Accordingly, the loss of 80 direct jobs plus 15 indirect jobs would potentially result in the loss of 19 induced jobs with the retail and service sector within the Township of Southwold. This represents approximately 3% of the local job base within the retail/service sector.

For the City of St. Thomas and Elgin County as a whole a total of approximately 1,030 direct jobs would be lost as a result of the closure of the Talbotville Ford Plant based on 2006 Census commuting patterns. For the City of St. Thomas and Elgin County as a whole, the ratio of direct/indirect to induced employment is approximately 1 to 1. Accordingly, the induced impact considering Elgin County as a whole including the City of St. Thomas would be in the range of slightly over 1,000 induced jobs. The results of the online employment survey reinforce this analysis.

The impact of the closure of the Talbotville Ford Plant on housing price trends in Southwold and the surrounding regional market area will be largely dependent on the strength of the regional labour force base and how successful the regional economy is in transitioning to existing and emerging clusters which are tied to the service sector and knowledge-based economy. To date, the London CMA has had considerable success in this area, which continues to support a healthy housing and residential land market.

Community Perspectives

A web-based employer survey provided an opportunity for the broader business community to provide input regarding the business impact of the Talbotville Ford Plant closure, their business relationship with this Plant, common recruitment practices, future labour force requirements, employer skills requirements and community image. The survey also allowed employers to comment on the issues they encounter when recruiting people and necessary actions that the Township of Southwold and County of Elgin staff should take into consideration to support the impacted workers at the Ford Plant.

A series of interviews were conducted with a wide variety of key stakeholders in the community. Specifically municipal staff, economic development officers and representatives from businesses and community service providers were asked a plethora of questions regarding the key assets and barriers in terms of economic development in the region. The community stakeholders interviewed were very responsive to the consultation process with an overwhelming majority commenting outside of the parameter of the questions asked that they were extremely pleased that this study is being conducted and that it is necessary. The response summary is provided in the report.

Broader Implications

There are invariably social implications of economic change and restructuring and particularly from large-scale layoffs. The impact of job loss is far-reaching at both a personal and community level. There are ways of mitigating the negative effects of job losses on a community and by providing quality of place and positive messaging a community can rally to ensure future prosperity. The *County of Elgin Economic Development Strategy and Action Plan 2011-2014* places a strong focus on creativity, culture and quality of place as driving themes in the strategy.

Forward Thinking

Building upon the results for the economic impact research analysis of the Talbotville Ford Plant closure, it is clear that a multi-faceted approach to action will be required that directs the Township of Southwold and County of Elgin staff to respond effectively to the economic and fiscal fallout. To that end, the project team has identified four key themes to guide the recommendations. These themes are supported with current and new actions.

- **Planning for future development** - addressing the future possibilities of the former Talbotville Ford Assembly Plant property and fostering a supportive business environment.
- **Workforce transition** – strengthening local capacity to support displaced workers to transition to new employment and business opportunities.
- **Celebrating community resiliency** – showcasing and celebrating the community's successes and future opportunities.
- **Municipal stewardship** – adapting to municipal financial constraints and being a steward of the future potential.

These strategic actions have been informed by the knowledge gathered as part of the research process and supplemented by what are promising practices and lessons learned from communities that have faced significant challenges due to large plant closures. As local community stakeholders advance their forward thinking, grounded in an evidence-driven approach, they will be well positioned to build on the resilience of people and place – for to not do so is not an option.

2 Introduction

2.1 Purpose of the Project

As a result of the Talbotville Ford Assembly Plant closure, an economic impact study and local action plan was commissioned to determine and validate the extent of the economic and fiscal fallout that the closure will have on the Township of Southwold and County of Elgin. Led by the Township of Southwold, in partnership with the County of Elgin, this study will enable a proactive and informed response fromlocal and county government decision makers, business and industry and key organizations that offer employment and human services supports to those impacted through the closure.

Losing a major local employer will have economic and fiscal implications for the community, its businesses and its residents. In the broader context, the closure has directly impacted the remaining 1300+ employees as well as others employed in supplier related jobs. Lower taxation revenues will impact the local and county governments and the greater community will experience a loss of social investments that flowed from the Talbotville Ford Assembly Plant. The community`s ability to replace this large employer`s loss will take time, but an action plan to support the workforce transition and to adjust the municipality`s dependence on this source for taxation revenue is a necessary step in community rebuilding.

And rebuild it will. Elgin County and its surrounding municipalities are not unlike many regions across Ontario that has experienced significant loss of businesses, particularly in the manufacturing sector. The global recession has taken its toll but it cannot take away a community's perseverance and pride. The people of the Township of Southwold and County of Elgin have a strong history of rising to challenges set before them. This report, with its accompanying action plan and recommendations, is designed to drive a positive response to challenges and to maximize the utilization of resources further strengthened through collaboration and cooperation.

2.2 Project Methodology

Throughout the course of the project, the consulting team was supported by an active steering committee that included representatives from the Township of Southwold, County of Elgin and Ministry of Economic Development and Trade. This team provided insight into the municipal finance implications and aspects related to local training and economic development initiatives. A comprehensive communications strategy was developed and approved for implementation with the intent to ensure a concise, relevant, inclusive and transparent process throughout the project delivery.

The method to creating an economic impact and action plan for the project partners included several key components, such as:

- a broad based situational analysis that examines the automotive industry in a global, national and provincial context
- an analysis of the automotive manufacturing supply chain and its local business impact
- an analysis of the automotive manufacturing industry labour force's typical occupations age groups, gender dynamics, earnings potential and educational attainment
- an analysis of growing industries in the local economy and typical occupations in these industries, common educational attainment and earnings potential
- a discussion of skills transferability from automotive manufacturing to local growth industries
- an analysis of the demand for local labour
- a consultation process with the business community and organizations with the capacity to support training and educational programs
- an analysis of the regional fiscal impact for the municipal and county government, regional suppliers, local spending, property values and the longer term community image
- a best practices review of other communities that have experienced large employers closing or downsizing
- recommendations and an action plan that will help the partner organizations best respond to the economic and fiscal fallout of the plant closure.

2.3 Report Structure

Millier Dickinson Blais and Watson & Associates have structured the report to address each of the project's key components. Following the Executive Summary and Introduction, the report includes sections as follows:

- **Section 3.0 – Economic Context** provides a discussion of the automotive manufacturing industry economic and investment trends from a global to provincial perspective. This section also discusses Elgin County's future prospects for growth outside of the automotive industry.

- **Section 4.0 – Market Analysis and Labour Force Assessment** provides an analysis of the automotive manufacturing industry's supply chain, typical occupations and associated earnings potential and educational attainment. This section also examines four growth industries and the opportunities for people employed in motor vehicle manufacturing to re-enter the labour force in these growth industries.

- **Section 5.0 – Regional Fiscal Impact Analysis** examines the local financial benefits of the Talbotville Ford Assembly Plant and the immediate economic impact to municipal finances, regional suppliers, local spending and property values.
- **Section 6.0 – Automotive Industry – Community Perspectives Regional Fiscal Impact Analysis** examines the local financial benefits of the Talbotville Ford Assembly Plant and the immediate economic impact to municipal finances, regional suppliers, local spending and property values.
- **Section 7.0 – Automotive Industry – Community Perspectives** provides a summary of consultation findings from the business community, stakeholder interviews and focus groups.
- **Section 8.0 – Best Practices Review** provides a discussion of other communities that have experienced large employer closures or downsizing and proactive community responses. The lessons learned from the review are used to help inform the local action plan.
- **Section 9.0 – Key Directions for Local Action** provides a brief synopsis of key themes to be addressed in the action plan. A plan is presented in this section that recognizes the current initiatives and identifies new initiatives. These actions are itemized by lead partner and role.

3 Global and National Economic and Investment Trends

During the last three years, the turbulent and dynamic environment of the automotive sector was punctuated by a worldwide financial crisis and collapse of vehicle sales, especially in North America. In conjunction with these trying economic realities, oil and gas prices have continued to increase furthering the downward spiral of automobile sales. In light of all this, manufacturers are challenged to introduce new vehicles that are more fuel and energy efficient. An increased emphasis on research and development initiatives directed at creating innovative energy solutions has become a key focus as manufacturers work to capitalize on future market demand.

Today, the dividends of research and development are beginning to shed light on the change of consumer behaviour. Light vehicles (small compact cars) are beginning to be demanded globally[1] as they become a more viable option due to fuel efficiency and cost. Governments are also encouraging the sales of fuel efficient cars as they invest in research and development initiatives and plant improvements.

In this context of industry adjustment, Canada's automotive industry has been dramatically affected; plant closures, job losses and employee layoffs have punctuated the industry since the financial collapse and although investment and sales have rebounded quite significantly in the Canadian market, the job losses have not. According to Statistics Canada, the manufacturing sector lost 218,000 jobs across Canada between October 2008 and October 2009[2]. Ontario, as the manufacturing hub of Canada, was one of the hardest hit regions. The federal and provincial government have taken considerable measures to ensure the future of this sector and while these initiatives have proven successful in assisting the automotive industry to rebound there have still been a large number of plant closures and job losses. However, while job losses have been experienced, the sector has also seen new investments in such communities as Windsor, Brampton, Oshawa and St. Catharines. A Statistics Canada report on the economy issued in late August 2011 indicates that employment in the manufacturing sector increased during August. “Almost 22% of surveyed firms hired additional staff, while 9% reported job losses. Job creation was generally linked to greater production requirements."[3]

1http://www.theglobeandmail.com/globe-investor/demand-for-small-cars-rising/article2008200/

2 http://www.statcan.gc.ca/pub/75-001-x/2009112/article/11048-eng.htm

3http://www.working.com/calgary/story.html?cid=megadrop_story&id=5343480

3.1.1 Global Outlook

Global car sales advanced 5% in the first half of 2011[4], despite rising headwinds associated with sovereign debt problems in Western Europe, vehicle shortages from Japanese automakers and increased consumer caution due to near triple-digit oil prices and higher financial market volatility since April 2011. In the second half of 2011, it is expected that the pace of job creation in emerging markets will remain solid as product shortages wane. Job growth in developing nations exceeds 3% year-over-year[5] — nearly five times the growth in Western Europe and North America.

Car sales in China are expected to accelerate. A replacement program introduced in early June provides rural buyers up to US $2,800 to replace their older vehicle with a new model[6]; as a result car sales are expected to climb to 10.4 million this year, up from 9.4 million in 2010 and to exceed 25 million per annum by 2020, making China a growing market place for investment.

While China is the world's largest auto market, Russia is posting the strongest gains this year, with first-half sales surging a stronger-than-expected 56% year to year[7]. The improvement reflects a government scrappage program which was in effect through May, as well as robust economic growth bolstered by high energy prices.

Car sales in South America have accelerated to a double-digit gain in 2011 — the strongest increase since 2007. Brazil continues to benefit from strengthening commodity prices, enabling it to become the fourth-largest auto market in 2011[8], surpassing Japan. Rising incomes and favourable demographic trends suggest that Brazil will become the world's third-largest car market by mid-decade, overtaking Germany[9].

3.1.2 North American Outlook

Continent-wide sales and production remain on track to register a second consecutive double-digit gain in 2011.Expect this trend to continue over the 2011-12 period, delivering an added boost to North America's economy. The direct and ancillary benefits of the growing auto sector are likely to raise U.S. and Canadian GDP by about 1% this year and about

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4 http://www.scotiacapital.com/English/bns_econ/bns_auto.pdf

5 ibid

6 ibid

7 ibid

8http://www.scotiacapital.com/English/bns_econ/bns_auto.pdf

9 ibid

0.5% next year[10]. In the first quarter of this year, sales advanced by a healthy 13 million units at annual rates[11].This economic injection may positively influence both economies as they continue to emerge from the downturn of the recent recession.

Sales volumes in Canada did not plummet to the same depths as they did in the U.S. during the recession. Year-to-date Canadian sales are up a relatively moderate 1.9%, to 1.33 million units at annual rates[12].Looking forward, Canadian light vehicle sales are projected to advance modestly to 1.67 million units in 2011 as a whole and to remain close to that level in 2012[13].

The forecast upswing in U.S. sales comes on the heels of a decent rebound in 2010 when11.5 million units left dealer lots, representing an 11% rise over the prior year. In the first quarter of this year, sales advanced by a healthy 13 million units at annual rates[14].

The Mexican government is forcing banks to lend to vehicle buyers and removing the more than 40-year old tax on new vehicle purchases. As such, it is expected that car sales will rise by about 8% this year – to 890,000 units[15]. Next year, a further 9% increase is anticipated[16].

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10 http://www.td.com/economics/special/sf0511_auto.pdf

11 ibid

12 ibid

13 ibid

14 ibid

15 ibid

16 ibid

FIGURE 1: AUTOMOTIVE SALES AND PRODUCTION IN NORTH AMERICA

AUTOMOTIVE SALES AND PRODUCTION										
	Per cent Change					Number of Units (000's)				
	2008	2009	2010	2011F	2012F	2008	2009	2010	2011F	2012F
	SALES OF LIGHT VEHICLES									
NORTH AMERICA	-15.6	-20.7	10.6	13.7	10.1	15,894	12,605	13,946	15,858	17,467
Canada	1.2	-11.3	6.5	5.8	1.9	1,674	1,485	1,581	1,673	1,704
United States	-18.0	-21.4	11.3	15.2	8.4	13,195	10,370	11,545	13,300	14,800
Mexico	-6.2	-26.9	9.3	8.0	8.7	1,026	750	820	886	963
	PRODUCTION OF LIGHT VEHICLES									
NORTH AMERICA	-16.1	-32.6	40.2	11.4	9.3	12,607	8,492	11,910	13,270	14,546
Canada	-19.6	-27.9	40.1	5.0	11.4	2,043	1,472	2,063	2,166	2,413
United States	-19.3	-34.4	36.9	12.1	8.1	8,456	5,549	7,596	8,515	9,205
Mexico	5.1	-30.2	53.0	15.0	13.1	2,108	1,471	2,251	2,589	2,928

Forecast by TD Economics as at April 2011.
Source: DesRosiers Automotive Reports, WardsAuto, TD Economics.

Riding on the coat-tails of expanding sales activity, North American production has sprung back strongly so far during the recovery.Last year's 40% rebound in overall output of light vehicles fully offset reductions recorded in 2008 and 2009[17].What's more, 2010 represented the first year in about a decade that continent-wide production outperformed sales[18].

This reflects the strength of Ford and the revival of both General Motors and Chrysler in the aftermath of the financial crisis. The combined North American production share of these three companies – which had declined from 57.1% in 2008 to 52.4% in 2009 – has since bounced back to about 56.0% in 2010[19].It is expected that this recent shift will have some staying power. Since these companies supply North American demand exclusively through domestic supply – whereas Japanese and European automakers source about one third through overseas output – North American production benefits.

17 http://www.td.com/economics/special/sf0511_auto.pdf

18 ibid

19 ibid

Supporting Canadian production in the months ahead is the addition of a second line at the Oshawa assembly plant, which is anticipated to boost output by some 150,000 units both this year and next. Chrysler is also expected to surpass Toyota as the second largest assembly operation in Canada (after General Motors) on the back of output expansions at its Brampton and Windsor operations this year. Still, Toyota could reinstate its second place position next year as production snaps back from this year's setback (Japanese earthquake and tsunami).On the flip side, the closure of the Talbotville Ford facility is expected to result in lower production at Ford's Canadian operations in 2011 and in 2012.All said, it is forecasted that production in the automotive sector in Ontario will rise to 6.0% in 2011 and 10.4% in 2012[20].

Supported in part by an improving competitive landscape on the heels of the most recent Detroit 3-UAW agreements, production in the United States will benefit from the start-up or expansions of a number of operations over the next few years, including General Motors' new Orion, Michigan plant in July 2011 and Volkswagen's new Chattanooga, Tennessee operation in April 2011.Toyota's new assembly plant in Blue Springs, Mississippi, is expected to resume production in October 2011.Overall, it can be expected that vehicle production in the U.S. will rise to 12% in 2011 and 8% in 2012[21].

Preliminary data for Mexico indicate that vehicle production will rise by 21.3% in the first quarter and by 19.0% in the second quarter of 2011[22]. New production will be generated by Toyota in 2012 from a new plant based in Aguascalientes which will produce 175,000 units during the first year. Chrysler's plants based in Saltillo and Toluca are projected to expand by 115,000 units in 2011 relative to 2010 and remain relatively steady in 2012. Ford's Cuautitlán plant will likely add 75,000 units in 2011 and 40,000 units in 2012 on top of the 2011 level.

3.1.3 National Auto Production and Innovation Investment

The automotive industry is Canada's largest manufacturing sector. It accounts for 17% of North American vehicle production and has 2.5 million units of installed production capacity[23]. Canada is the world's sixth-largest exporter of automotive products with, on average, more than three-quarters of production in a year exported. In 2010, the auto sector accounted for 12% of Canada's manufacturing GDP, with revenues totalling $68.5 billion and exports of $51.5 billion. Capital investment in Canada's automotive industry has averaged $3.5 billion annually from 2001 to 2010[24].

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20 ibid

21 ibid

22 ibid

23 http://investincanada.gc.ca/download/831.pdf

24 http://investincanada.gc.ca/download/831.pdf

The Canadian auto manufacturing industry directly employs more than 109,000 people in some 1,300 establishments[25].Over the past 10 years, the auto manufacturing sector has attracted investment primarily from Germany, Japan and the United States. Automotive employment, investment and R & D are clustered in the provinces of Ontario, Québec, Manitoba and British Columbia.

Furthermore, Canada is the first G-20 country to eliminate tariffs on all manufacturing inputs. Most of the reductions occurred in 2010 and, by 2015, all inputs imported by Canadian manufacturers, including chemicals, fibres, stone, glass, metals, tools, machinery and equipment will be duty-free.

The continued economic growth of emerging economies today will continue to drive the demand for oil for tomorrow, resulting in elevated level of oil prices. The long-term increase in oil prices reinforces a trend towards fuel-efficient and smaller vehicles. Automakers have begun to introduce innovative vehicles that capitalize on fuel efficiency and green technology and the Government of Canada has shown its support for this green wave of automotive innovation.

25 http://investincanada.gc.ca/download/831.pdf

3.1.3.1 Investments across Canada

The following chart showcases investments occurring in Canada's automotive industry since the recession of 2008[26].

FIGURE 2: INVESTMENTS THAT HAVE OCCURRED IN CANADA'S AUTOMOTIVE INDUSTRY SINCE THE RECESSION OF 2008

Automaker	Investment Produced	$ invested	Jobs Produced
CAMI Automotive	Increased capacity	$96 Million	580 new jobs
Chrysler Group LLC	Casting Plant	$27.2 Million	
Ford	Revamped Essex Engine Plant and upgraded powertrain R&D centre	$590 Million	
General Motors	St. Catharines powertrain plant extension	$480 Million	800 jobs secured
GM, McMaster, IBM	Smart-car Research Network	$16.6 Million	
Linamar	Green and Fuel Efficient Powertrain Project	$365 Million	
Magna International	Composite Centre of Excellence in Concord	$7.2 Million	
Mercedes-Benz Canada Inc.	Fuel Cell Stacks for the Electric Car Market		
Nemak	Aluminum plant for GM engine blocks	$8 Million	
Tata Motors, TM4	Components for electric hybrid cars	$25 Million	
Toyota	New vehicle assembly plant	$1.1 Billion	2,000 new jobs

26 http://investincanada.gc.ca/download/831.pdf

3.1.3.2 Project Green Light, Toyota Motoring[27]

In 2011, the Government of Canada announced a repayable contribution of up to $70.84 million to Toyota Motor Manufacturing Canada Inc. for Project Green Light[28]. The Province of Ontario is also providing assistance of up to $70.84 million.

Project Green Light will focus on maximizing production efficiency, implementing advanced vehicle technologies and carrying out environmental upgrades to plant facilities, which will create jobs for both today and the future. The project includes upgrading the paint shop at Toyota's Cambridge North assembly plant. This involves the conversion of the base coat paint booths from a solvent-borne system to a water-borne system, which will result in lower emissions and minimize the environmental impact of Toyota's manufacturing facility.

Federal funding for the project was made through the Automotive Innovation Fund (AIF), which provides support for strategic, large-scale research and development projects in the automotive sector. The AIF was established to help automotive-related firms strengthen their capacity for innovation and to position them to compete successfully in the global economy, create jobs and support the development and implementation of innovative, fuel-efficient technologies.

3.1.3.3 Automotive Partnership Canada Initiative

Automotive Partnership Canada (APC) is a five-year, $145-million initiative to support collaborative Research and Development to drive the Canadian automotive industry to greater levels of innovation. Industrial partners play a key role in this initiative by providing both financial support and essential in-kind contributions to ensure the success of the research projects. Some of these innovations include the following.[29]

- **Lighter Car Frames** - The need to reduce car energy consumption is driving the global automobile industry into a fiercely competitive and relentless hunt for lighter materials. But these materials must not only excel in coping with day-to-day road loading and vibrations, they also have to outperform in a crash. A world-leading team of Canadian and international experts, comprising researchers at the University of Waterloo and their industry partners, is taking an in-depth look at one promising option: ultra-high strength boron steel.
- **More Eco-Friendly, Heavy Duty Engines** - In recent years, natural gas has gained a lot of traction as an alternative to diesel fuel for power-hungry, heavy duty trucks and vehicles. Running these vehicles with Westport

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27http://www.ic.gc.ca/eic/site/ic1.nsf/eng/06569.html?open&fromemail=yes

28ibid

29 http://www.nserc-crsng.gc.ca/_doc/NSERC-CRSNG/FactSheets/Auto_FactSheet_EN.pdf

Innovations' high-pressure, direct injection natural gas technology lowers greenhouse gas emissions by at least 20%.Canada is an international leader in selling this technology, in large part due to the research carried out at the University of British Columbia and commercialized in partnership with Westport Innovations Inc. of Vancouver. Now the partners are attempting to lower particulate matter and nitrous oxide emissions below European and North American standards, all without sacrificing fuel efficiency. Supported by a $500,000 commitment from APC, the new five-year, $1.1 million partnership will investigate ways to curb emissions right at the source—within the combustion chamber. That will simplify and reduce the costs of exhaust after-treatment systems and give Westport yet another market advantage over competitors.

- **Electric Powertrain Boost for Canada** - When Dr. Ali Emadi accepted an invitation to relocate to McMaster University, Canada's research into hybrid technology immediately shifted into a higher pace. Dr. Emadi is recognized as one of the world's most prominent innovators in the field of electric powertrain technology.

Other recently funded APC research projects focus on addressing the widespread adoption of electric vehicles, developing natural gas and diesel engine technologies and creating on-board storage and reusing waste thermal energy. Despite investment rebounding in some cases, auto sector employment continues to be stagnant.

Employment in the auto sector in Canada is still below pre-crisis levels and is down considerably from the peak years of the early 2000s, with the auto parts sector taking a substantial loss. The number of jobs in vehicle assembly and auto parts manufacturing has plunged 28% in 2010 from 2007 levels and by more than one-third from peak levels[30]. The parts sector, which employed 99,826 people at its peak in 2001, has plummeted to 60,401 by 2010[31]. This trend is in part because Canadian auto-parts makers are relying on the Detroit Three, whose share of sales and production are eroding.

In St. Marys, Ontario, Dana Corp. closed a frame-making plant in February, 2008. In nearby London, Accuride Canada employs approximately 100 people making steel wheels, down from 450. Cooper-Standard Automotive Inc. in nearby Glencoe reduced the number of employees making brake lines down to 120 from 300.

To further the challenges against the labour market picture of increased investments and production, the CAW President Ken Lewenzanoted that the good news story of 28,400[32] net new jobs in the month of June 2011 was overshadowed by the fact that growth was found mostly in part-time work. Part-time work accounted for 74% of new job growth in June of 2011[33].

30http://m.theglobeandmail.com/report-on-business/auto-workers-left-on-sidelines-as-sector-rebounds/article1829066/?service=mobile

31ibid

32http://www.caw.ca/en/10440.htm

33ibid

3.2 Provincial and Local Economic and Investment Trends

3.2.1 Provincial Outlook

Automotive assemblers and parts manufacturers are making major investments, positioning Ontario as one of the best places in the world to research, design, develop and manufacture vehicles and components. In 2010, Ontario produced 2,062,559 vehicles, which was over 92% of total Canadian output[34]. Ontario has been the top sub-national vehicle assembly jurisdiction in North America since 2004, winning J.D. Power North/South American assembly plant quality awards for 17 of the past 21 years. The most recent awards were for the GM Oshawa car plant (Silver in 2009) and the Toyota Cambridge- South plant (Gold in 2010)[35].

Annual capital investment in automotive manufacturing has averaged $3.5 billion[36] over the past 10 years, in leading clusters such as Windsor, Oshawa, the Waterloo region, London and Toronto. Leading companies include: Chrysler, Ford, General Motors, Honda, Toyota, Denso, Linamar and Magna, to name a few. In fact, the only Toyota plant outside Japan to produce Lexus vehicles is in the Waterloo region[37].

Ontario's workforce competes favourably in terms of quality and cost against the best in the world, consistently winning the J.D. Power initial quality survey and the Harbour Report productivity survey. As a region, Ontario has more qualified engineers per capita than any G-7 country. Over 40% of Ontario's 87,000 highly-skilled autoworkers have a post-secondary education and, on average, they stay with an employer for nine years.[38]

Throughout Ontario, world-leading companies collaborate with more than 150 university, college and public research centres to speed new discoveries and processes from the lab to the marketplace. Helping to commercialize breakthroughs by connecting scientists with companies are AUTO21, the largest of Canada's Networks of Centres of Excellence, and the Centre for Materials and Manufacturing, part of the Ontario Centres of Excellence network.

34http://investincanada.gc.ca/download/831.pdf

35ibid

36ibid

37ibid

38 Invest in Canada, Automotive- Canada's Competitive Advantages, 2011. http://investincanada.gc.ca/download/831.pdf

3.2.1.1 **The Green Evolution**

The cars of the future will be lighter, stronger and safer. They will be fully recyclable. They will run on renewable clean energy and they will be smart in ways people are only now beginning to envision and develop. Ontario supports the vision of a "green" future for the auto industry. Ontario is working to ensure that companies who invest here and operate here are in the best position to compete and succeed in global markets.

Five things that fuel Ontario's success:[39]

- sophisticated R&D infrastructure focused on green innovation
- generous R&D tax credits
- outstanding workers with skills for the 21st century
- unparalleled market access
- lowest business costs in the G8

Government incentives such as the $545-million investment[40] at the Toyota Motor Manufacturing Canada Inc.plants in Ontario are a prime example of a green future for the auto industry. Toyota announced plans to make its operations in Canada more productive and environmentally friendly, including a major upgrade to the paint shop at its assembly plants in Cambridge, Ontario.

Additionally, Magna International Inc. is pairing with the Ontario government to invest more than $400 million to research and develop electric vehicle technology[41]. The province will put forward about $48 million for the project[42]. The plan intends to create more than 700 jobs in Ontario[43].

These projects illustrate that the Ontario government has been moving forward with plans to ramp up the development of more environmentally vehicle production in the province.

However, the province is still experiencing closures. Navistar which was benefiting from federal and provincial funding has decided to close[44]. Navistar, which produced large trucks, closed due to the high Canadian dollar, lax restrictions on capital mobility and corporate-friendly free trade deals that made it difficult to compete in the North American market.

39http://www.sse.gov.on.ca/medt/investinontario/en/Pages/OS_automotive.aspx

40http://www.theglobeandmail.com/globe-investor/toyota-confirms-plants-to-get-565-million/article2087024/

41http://www.thestar.com/business/companies/magna/article/1046250--magna-to-invest-400m-in-electric-vehicle-r-d?bn=1

42 ibid

43 ibid

Another trend is the replacement of production lines, with other lines. GM confirmed that it was investing in preparing a new production line at its Oshawa complex to build the Cadillac XTS model for next year. GM said that the move will create or retain 400 existing jobs on the company's flexible manufacturing line[45]. However, GM also announced that it was going to terminate the consolidated line in Oshawa, which assembles the Chevrolet Impala and Equinox. The closure suggests jobs will be lost.

3.2.2 Local Outlook

Few communities across Canada experienced losing two of their largest employers in a little more than two years. The Talbotville Ford Assembly Plant closing comes as the area is still trying to adjust to the closing of Sterling Trucks in St. Thomas. Despite these closures, Toyota has made recent investments in the Woodstock plant to produce electric RAV4 vehicles next year and CAMI in Ingersoll continue to hire – now with more employees than ever before.

44http://www.caw.ca/en/10501.htm

45http://www.wheels.ca/article/799180

4 Market Analysis and Labour Force Assessment

4.1 Supply Chain Analysis

In order to assess the business impact and study the supply chain linkages for the automotive manufacturing plant closure on local/regional parts suppliers, Millier Dickinson Blais has employed a value chain assessment based on techniques developed by Dr. Edward Feser, the head of the Department for Urban and Regional Planning at the University of Illinois at Urbana-Champaign. In the course of his work on regional economic analysis and supply chains, Dr. Feser has done detailed analysis on national level US statistical data related to input/output of sales, in order to develop a measurement of the relative strength of inter-industry linkages. Dr. Feser's work shows the connection between 'Core' and 'Linked' Industries. "Core" industries are the specific economic sector being studied. "Linked" industries are either suppliers to the core industry (backwards linked) or purchasers from the core industry (forwards linked).

The average propagation length (APL) is used to note the strength of the industry connection, both forwards (linked industries that 'purchase' from the core industry) and backwards (linked industries that 'supply' the core industry). Generally speaking, the average propagation length is the average number of steps or time it takes a stimulus in one industry to propagate and affect another industry[46]. The lower the APL value, the tighter the linkage between a specific industry and the core industry. The relationship is noted by the figure below.

FIGURE 3:DR. FESER'S LINKED INDUSTRIES MODEL

46Dietzenbacher, E. and Romero, I. Production Chains in an Interregional Framework: Identification by Means of Average Propagation Lengths. International Regional Sciences Review, 2007

Related to the above, it is important to note that the analysis provides the strength of the industry linkage, but little information about how the industries are linked, or through what products. In some cases, a connecting product or service between the core and linked industries can be assumed based on their core activities; for example, the relationship between pharmaceutical and medicine manufacturing as a core industry and basic chemical manufacturing as a supplier. However, the exact relationship may be slightly less evident in other cases, like the presumably weak linkage between religious organizations as a supplier, and metalworking and machinery manufacturing core industries. What is missing is an explicit indication of what products or services link different industries, which could be useful when looking at industries with weak relationships.

Dr. Feser's framework and calculation of APL values can be applied to the Township and County to assess the extent this region is capturing value along the supply chain for this target sector. The advantage to this model is the identification of industry impact to the core industry. Figure4shows the 15 closest backward linked industries of the motor vehicle manufacturing industry. The diagram shows the specific 4-digit NAICS as well as the relative strength of that industry in the region as defined by its number of jobs, number of residents in the labour force and number of businesses. However, here is no distinction from the supplier side between the provision of goods and services to the core industry.

In 2006, the core industry- motor vehicle manufacturing had 4,020 jobs. There were three businesses in this industry, which included the Talbotville Ford Assembly Plant, but also included two businesses in heavy duty truck manufacturing (i.e. Sterling Trucks and another truck manufacturing with 5-9 employees).[47]The resident labour force employed in motor vehicle manufacturing was much less at 2,305 people, which indicates that many of these jobs were filled by people outside of the Elgin County (e.g. the City of London, Middlesex County, Norfolk County).In terms of jobs, Elgin County`s supplier industries employed 4,105 people in 2006, greater than the motor vehicle manufacturing industry. A large majority of these jobs were in motor vehicle parts manufacturing (1,910 jobs, 46.5% of all supplier industry jobs) and motor vehicle body and trailer manufacturing (1,715 jobs, 41.8% of all supplier industry jobs).The remaining jobs were among industries such as navigational, measuring, medical and control instruments (275 jobs) and engine, turbine and power transmission equipment manufacturing (65 jobs).

In 2006, there were 3,770 people in the resident labour force for supplier industries, indicating a net import of labour to fill jobs in these industries. Note that although there are 3,770 people in the resident labour force, their employers may be servicing other automotive manufacturers, for example, Cambridge (Toyota) or Ingersoll (CAMI).There was also a large majority of residents in motor vehicle parts manufacturing (2,085 residents, 55.3% of all of the supplier industry's resident

47 Sterling Trucks closed its St. Thomas facility thereby eliminating 1,400 jobs in March 2009. The employment values that reference the 2006 Census year would include Sterling Trucks. The authors of the report recognize the significant employment changes that have occurred in automotive manufacturing since 2006, as discussed in Section 2.0.

labour force) and motor vehicle body and trailer manufacturing (1,070 residents, 28.4% of all of the supplier industry's resident labour force).

As of 2010, there were 26 supplier industry businesses in Elgin County. Again, many of these businesses are in motor vehicle parts (10 businesses) and motor vehicle body and trailer manufacturing (5 businesses) industries. The number of supplier businesses had declined slightly from 28 in 2006.

FIGURE4: MOTOR VEHICLE MANUFACTURING BACKWARD LINKED INDUSTRIES

Supplier Industries							Core Industry				
			Business Impact				Business Impact				
Rank	4-Digit NAICS	Industry	No. Of Jobs (2006)	No. In Resident Labour Force (2006)	No. Of Businesses (2006)	No. Of Businesses (2010)	Industry	No. Of Jobs (2006)	No. In Resident Labour Force (2006)	No. of Business (2006)	No. Of Businesses (2010)
1	3362	Motor vehicle body and trailer manufacturing	1,715	1,070	6	5					
2	3141	Textile furnishings mills	15	25	0	0					
3	3363	Motor vehicle parts manufacturing	1,910	2,085	10	10					
4	3343	Audio and video equipment manufacturing	0	0	0	1					
5	3336	Engine, turbine and power transmission equipment manufacturing	65	55	1	0					
6	3345	Navigational, measuring, medical and control instruments manufacturing	275	295	3	3					
7	3272	Glass and glass product manufacturing	25	50	1	2					
8	3262	Rubber product manufacturing	10	65	1	0	3361 Motor vehicle manufacturing	4,020	2,305	3	1
9	3325	Hardware manufacturing	20	25	2	2					
10	3149	Other textile product mills	15	45	2	1					
11	3161	Leather and hide tanning and finishing	0	0	0	0					
12	3334	Ventilation, heating, air-conditioning and commercial refrigeration equipment manufacturing	55	40	1	2					
13	3351	Electric lighting equipment manufacturing	0	0	0	0					
14	3255	Paint, coating and adhesive manufacturing	0	15	1	0					
15	3379	Other furniture-related product manufacturing	0	0	0	0					
Total Supplier Industries			4,105	3,770	28	26					

Source: Statistics Canada, Census Profile, 2006, Canadian Business Patterns Data, 2010 using Dr. Feser`s Linked Industry Model Framework.

The preceding chart suggests that there is employment and business opportunities to strengthen supplier industries that are technology based further enhancing the larger Southwestern and Central Ontario manufacturing sector value chain.

4.2 Labour Force Profile and Assessment

The labour force profile and assessment examines the types of motor vehicle manufacturing sector's typical occupations, occupational characteristics such as gender divide, earnings potential and educational attainment. The last part of the sub-section assesses growth industries in Elgin County and the skills transferability potential.

4.2.1 Labour Force Profile

The 15 largest occupation groups in motor vehicle manufacturing total 3,675 jobs. The most common occupation in this industry was motor vehicle assemblers, inspectors and testers with 2,225 jobs in 2006.Other common occupations included:

- mechanical assemblers and inspectors (395 jobs)
- material handlers (175 jobs)
- automotive service technicians, truck and bus mechanics and mechanical repairers (135 jobs)
- industrial painters and coaters (135 jobs)
- supervisors for motor vehicle assembling (130 jobs).

Among supplier industries to motor vehicle manufacturing in Elgin County, there are an estimated 1,310 jobs in motor vehicle assembly, inspecting and testing, by far the largest occupational grouping among suppliers. Other large occupational groups include:

- material handlers (255 jobs)
- welders and related machine operators (170 jobs)
- supervisors, motor vehicle assembling (165 jobs)
- other assemblers and inspectors (135 jobs).

FIGURE5: MOTOR VEHICLE MANUFACTURING AND SUPPLIER INDUSTRIES, ELGIN COUNTY

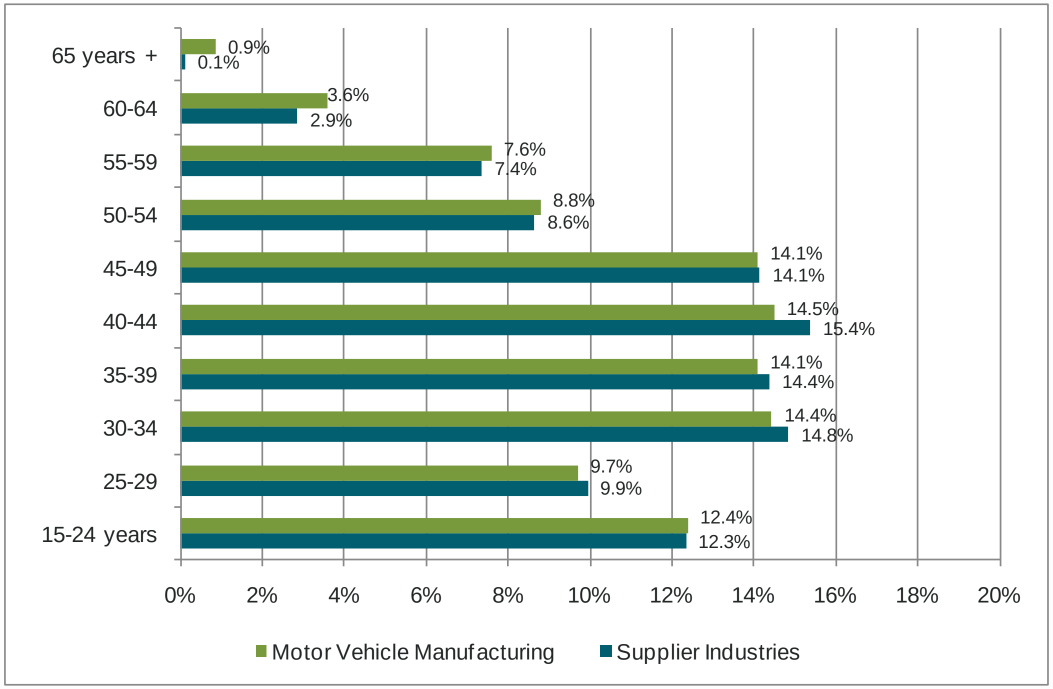
Supplier Industries		Core Industry - Motor Vehicle Manufacturing	
Occupations (NOC)	**No. Of Jobs**	**Occupations (NOC)**	**No. Of Jobs**
9482 Motor vehicle assemblers, inspectors and testers	1,310	9482 Motor vehicle assemblers, inspectors and testers	2,225
7452 Material handlers	255	9486 Mechanical assemblers and inspectors	395
7265 Welders and related machine operators	170	7452 Material handlers	175
9221 Supervisors, motor vehicle assembling	165	7321 Automotive service technicians, truck and bus mechanics and mechanical repairers	135
9483 Electronics assemblers, fabricators, inspectors and testers	140	9496 Painters and coaters, industrial	135
9498 Other assemblers and inspectors	135	9221 Supervisors, motor vehicle assembling	130
7242 Industrial electricians	125	7311 Construction millwrights and industrial mechanics (except textile)	110
9619 Other labourers in processing, manufacturing and utilities	125	7242 Industrial electricians	100
9514 Metalworking machine operators	125	7265 Welders and related machine operators	55
7311 Construction millwrights and industrial mechanics (except textile)	115	9619 Other labourers in processing, manufacturing and utilities	50
9486 Mechanical assemblers and inspectors	105	0911 Manufacturing managers	35
0911 Manufacturing managers	95	6663 Janitors, caretakers and building superintendents	35
1471 Shippers and receivers	85	7322 Motor vehicle body repairers	35
9511 Machining tool operators	65	9226 Supervisors, other mechanical and metal products manufacturing	35
2132 Mechanical engineers	60	1121 Specialists in human resources	25
Total	**3,075**	**Total**	**3,675**

Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

Note: The data presented in this figure references Elgin County as a place of work, or similarly jobs present in Elgin County.

Many of the people employed in typical motor vehicle manufacturing occupations remain in the working age population (25 to 64 years of age).In 2006, the largest age groupings were 30 to 49 years of age (57.1% of the total occupations).These results suggest that by 2011 over half of the people employed in the motor vehicle manufacturing industry are between the ages of 35-54 years. Taking into account that the average retirement age for Canadians in 2010 was 62, these people have between eight to twenty seven years until retirement. People employed in typical supplier industries show similar age characteristics as people employed in motor vehicle manufacturing. Over half of the people employed in supplier industries will also be between the ages of 35-54 years.

FIGURE6: MOTOR VEHICLE MANUFACTURING AND SUPPLIER INDUSTRIES - TYPICAL OCCUPATIONS: BY AGE GROUP, ELGIN COUNTY, 2006

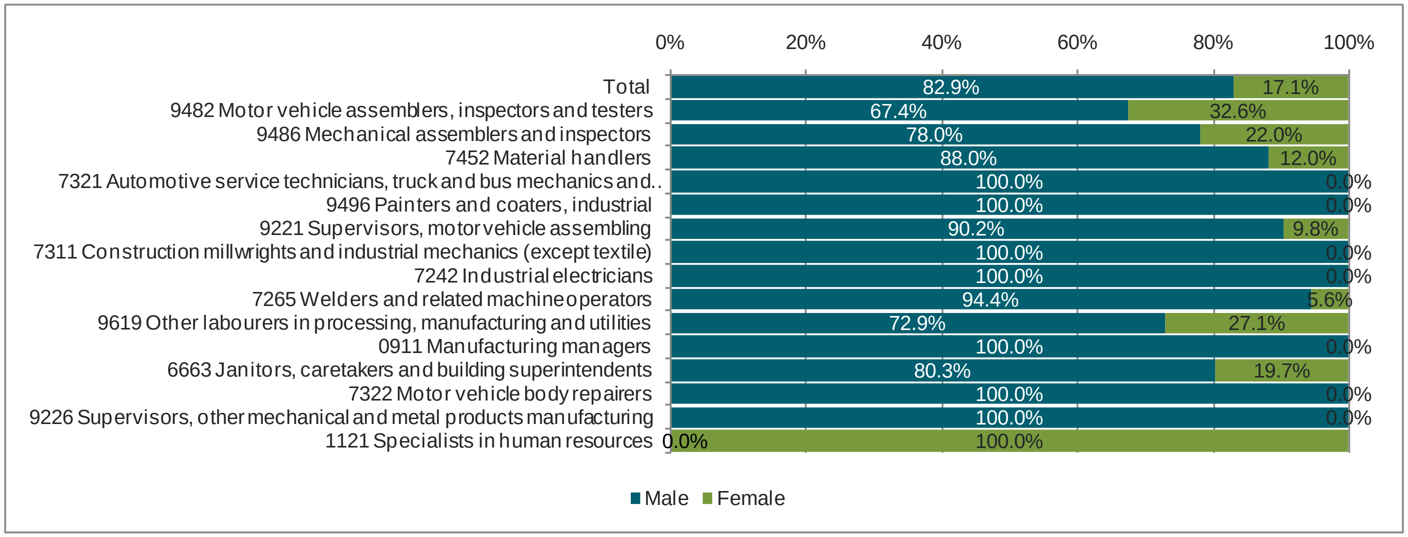


Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

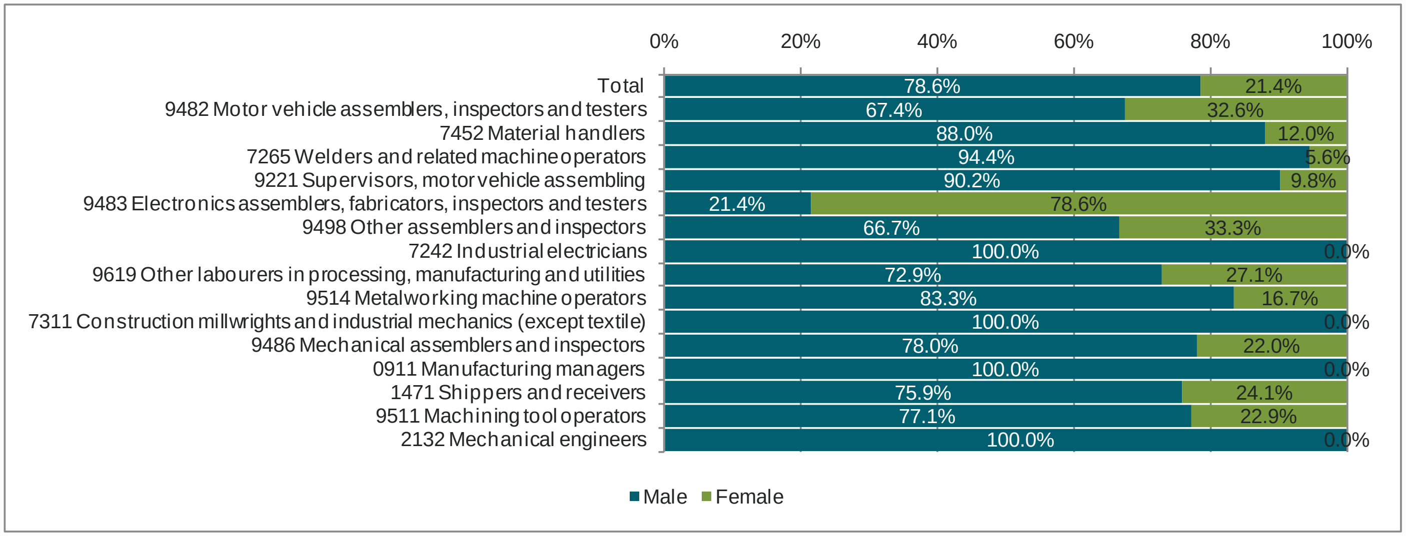
The people employed in the motor vehicle manufacturing sector are predominantly male (82.9% of the total occupations).Approximately two-thirds (67.4%) of motor vehicle assemblers, inspectors and testers are male. There are higher percentages of males in occupations such as mechanical assemblers and inspectors (78.0%), material handlers (88.0%) and supervisors of motor vehicle assembling (90.2%).Some of the occupations are exclusively male dominated such as automotive service technicians, industrial painters and coaters, construction millwrights and industrial electricians. The only occupation in motor vehicle manufacturing that is dominated by women is in human resources. Supplier industries also show similar trends as these industries are also dominated by males (78.6% of the total occupations).All occupations are dominated by males, with the exception of electronics assemblers, fabricators, inspectors and testers (where nearly only one-in-five people employed in these occupations are men).

FIGURE7: TYPICAL OCCUPATIONS: BY GENDER, ELGIN COUNTY, 2006

Motor Vehicle Manufacturing Industry



Supplier Industries



Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

4.2.2 Earnings Potential

Motor Vehicle Manufacturing Industry: The typical annual salary of a motor vehicle assembler, inspector or tester in 2006 was $50,221.Other common occupations such as mechanical assemblers and inspectors, material handlers, automotive service technicians and industrial painters and coaters had annual salaries of $50,826, $44,219, $43,339 and $53,306 respectively. Managerial and skilled trade occupations had higher annual salaries of over $70,000.Adjusting for five years of inflation, these salaries represent good paying jobs in Elgin County.

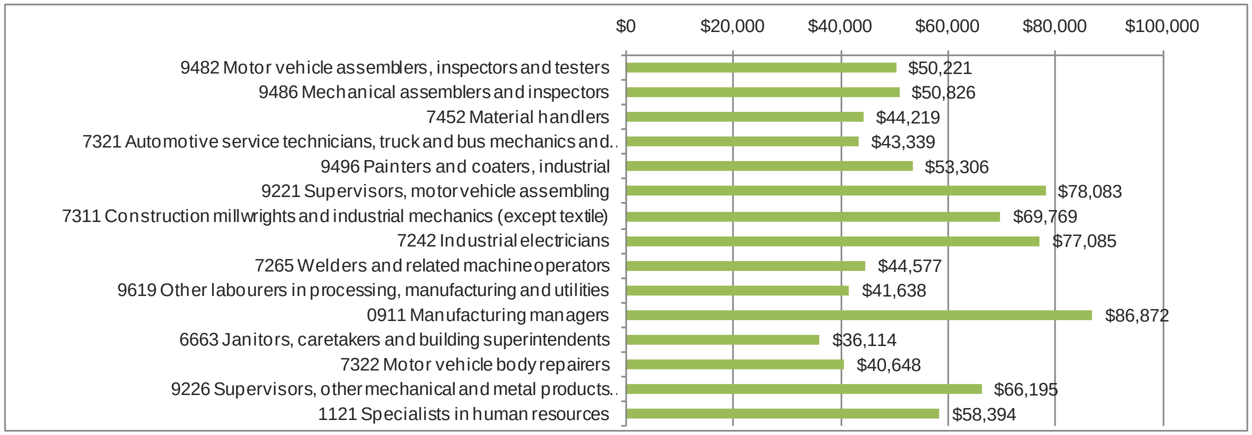
The occupations with lower earnings potential are janitors, caretakers and building superintendents ($36,114), motor vehicle body repairers ($40,648) and other labourers in processing, manufacturing and utilities ($41,638).

Supplier Industries: The earnings potential of typical occupations in supplier industries shows greater fluctuation than motor vehicle manufacturing, ranging from a high average annual salary of $86,872 for manufacturing managers to a low average annual salary of $25,275 for electronics assemblers, fabricators, inspectors and testers. As described earlier, the electronics assemblers are typically dominated by women. Again, the managerial and skilled trade occupations had higher annual salaries of over $70,000, which is similar to the motor vehicle manufacturing industry.

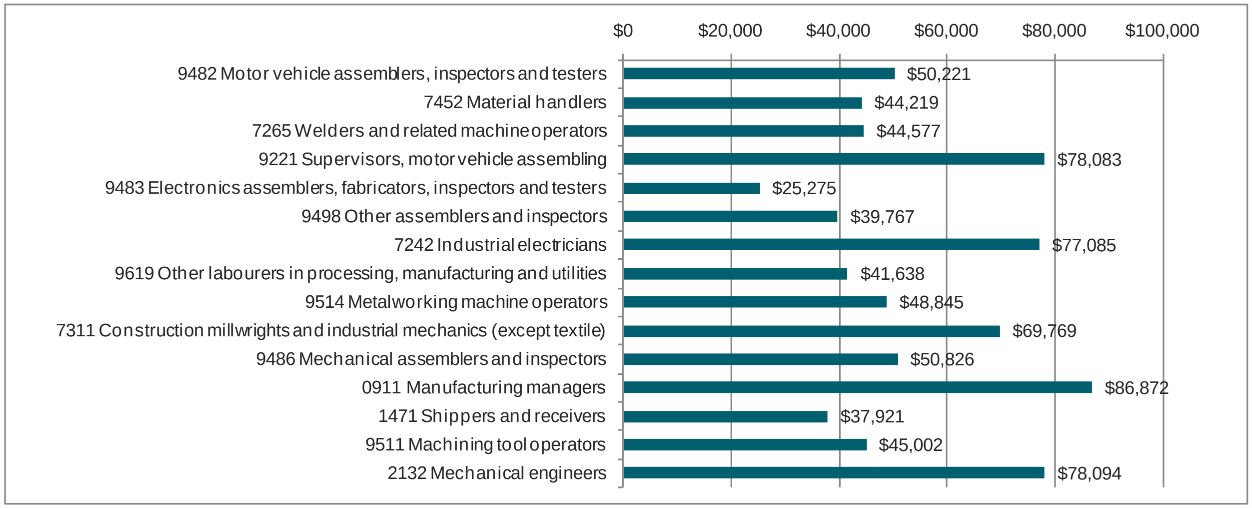
In addition to the electronics assemblers, the occupations with lower earnings potential are shippers and receivers ($37,921) and other assemblers and inspectors ($39,767).

FIGURE8: MOTOR VEHICLE MANUFACTURING – ANNUAL SALARIES FOR TYPICAL OCCUPATIONS, COUNTY OF ELGIN, 2006

Motor Vehicle Manufacturing Industry



Supplier Industries



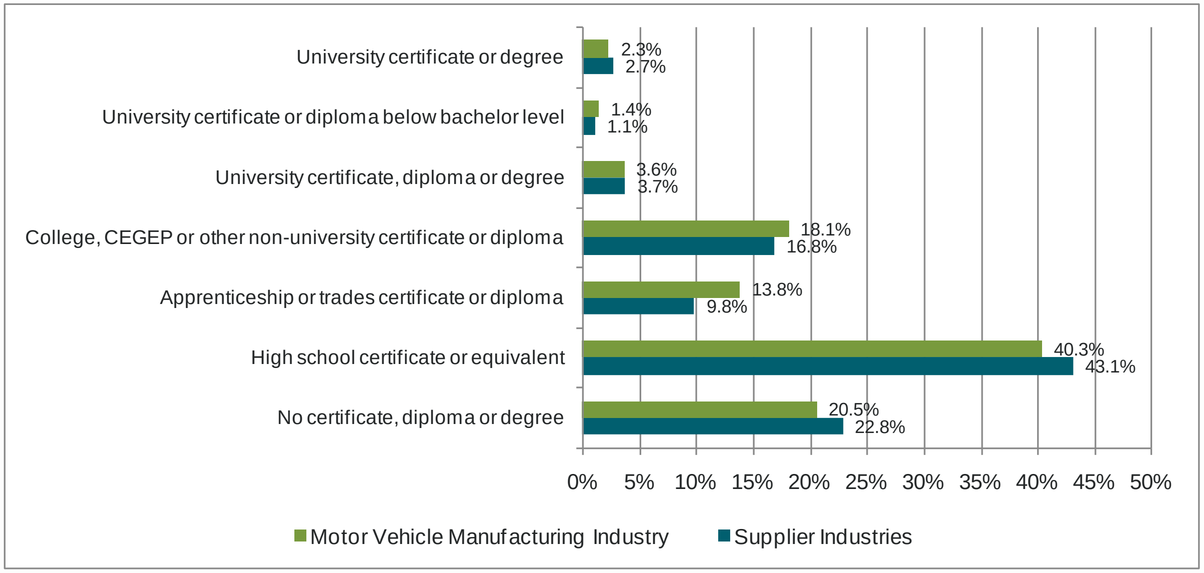
Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

4.2.3 Skills Transferability

In Elgin County, the largest percentages of people who work in the motor vehicle manufacturing industry have a high school certificate (40.3%) as their highest educational attainment level. Many people (20.5%) have no high school diploma. There is a sizable portion of this industry with a college diploma (18.1%) and apprenticeship or trades certificate (13.8%).With well over half (60.8%) of workforce in this industry possessing no formal post-secondary education or training, displaced worker programs will need to be structured and delivered using training methods that go beyond traditional delivery such as a structured classroom environment. Curriculum and lesson plans will need to take into account practical work experience and on-the-job training as part of the prior learning assessment to support workers transitioning from the workplace into post-secondary or apprenticeship.

The supplier industries are even more dominated by people with no formal post-secondary education or training at nearly two-thirds (65.9%) of the typical occupations. Workers in these occupations are vulnerable when faced with employment downsizing among supplier industries.

FIGURE9: MOTOR VEHICLE MANUFACTURING AND SUPPLIER INDUSTRIES – HIGHEST EDUCATIONAL ATTAINMENT FOR ALL OF THE TYPICAL OCCUPATIONS, COUNTY OF ELGIN, 2006



Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

Manufacturing is an industry that has repeatedly restructured itself. Most recently, cheaper labour in developing economies worldwide have led to layoffs, lower wages and the closing of plants closer to home. Technological developments have improved productivity levels resulting in the need for fewer workers. Such economic realities are recognized in the Elgin Middlesex Oxford Workforce Planning and Development Board's *Local Labour Market Plan 2011*whichstates that manufacturing is not dying, but rather it is evolving. Manufacturing will continue in Elgin County, but this industry has become more dependent on technological advancements to achieve greater economies of scale and higher levels of productivity. To remain competitive and resilient, a labour force must be adaptable to local economic shifts and industry skill demands. Most future employment opportunities in this industry will require post-secondary or post-graduate levels of education. The people with no high school diploma or a high school diploma as their highest educational attainment are the most vulnerable. In order for these workers to remain in a supplier industry or any other manufacturing industry and benefit from the earnings potential that these industries offer will require them to pursue skills training or upgrading.

Figure 10highlights the skills transferability for common occupations in the motor vehicle manufacturing industry. As presented earlier in this section of the report, motor vehicle assemblers, inspectors and testers are the most common occupation (2,225 jobs in 2006) in this industry. Human Resources Skills Development Canada considers this occupation to be a low skilled occupation where internal progression is strong. This occupation usually requires secondary school and/or occupation-specific training. The next two most common occupations are mechanical assemblers and inspectors and material handlers, which are also low skilled occupations that usually require secondary school. Other occupations that typically do not require skills beyond a high school diploma are industrial painters and coaters, labourers in processing, manufacturing and utilities, janitors, caretakers and building superintendents.

Many of the occupations have strong internal progression and therefore skills transferability to different occupations is uncommon. The occupations that require college education or apprenticeship training include automotive service technicians, construction millwrights, industrial electricians, welders and motor vehicle body repairers. People in these occupations are better positioned to transfer into different industries where they can apply these skills.

CAW Canada Local 1520 provided the consultant team with occupation classifications for jobs in the Talbotville Ford Assembly Plant. Many of the occupations included in this listing are captured in the occupational classifications presented in Figure 10.

FIGURE 10: MATRIX OF SKILLS TRANSFERABILITY FOR COMMON OCCUPATIONS IN THE MOTOR VEHICLE MANUFACTURING INDUSTRY

Occupations (NOC)	Occupations with Skills Transferability	Skill Level
9482 Motor vehicle assemblers, inspectors and testers	Low skilled occupation, internal progression is strong	Usually requires secondary school and/or occupation-specific training
9486 Mechanical assemblers and inspectors	Low skilled occupation, internal progression is strong	Usually requires secondary school and/or occupation-specific training
7452 Material handlers	Low skilled occupation, internal progression is strong	Usually requires secondary school and/or occupation-specific training
7321 Automotive service technicians, truck and bus mechanics and mechanical repairers	7316 Machine fitters	Usually requires college education or apprenticeship training
9496 Painters and coaters, industrial	Low skilled occupation, internal progression is strong	Usually requires secondary school and/or occupation-specific training
9221 Supervisors, motor vehicle assembling	Very heterogeneous; internal progression is strong	Usually requires college education or apprenticeship training
7311 Construction millwrights and industrial mechanics (except textile)	7316 Machine fitters	Usually requires college education or apprenticeship training
7242 Industrial electricians	No occupations were found where direct transfers exist; however occupations with significant overlap between the skills and knowledge required are: - 7242 Industrial electricians & 7243 Power system electricians	Usually requires college education or apprenticeship training
7265 Welders and related machine operators	None	Usually requires college education or apprenticeship training
9619 Other labourers in processing, manufacturing and utilities	None	On-the-job training is usually provided for occupations
0911 Manufacturing managers	Management level occupation, internal progression through unit group is strong	Management level occupation
6663 Janitors, caretakers and building superintendents	None	On-the-job training is usually provided for occupations
7322 Motor vehicle body repairers	None	Usually requires college education or apprenticeship training
9226 Supervisors, other mechanical and metal products manufacturing	Very heterogeneous; internal progression is strong	Usually requires college education or apprenticeship training
1121 Specialists in human resources	1223 Personnel and recruitment officers	Usually requires university education

Source: Human Resources Skills Development Canada, 2003.

4.3 Growth Industries

The *County of Elgin Economic Development Strategy and Action Plan 2011-2014*explores the concept of creative value chains to understand the life cycle of goods and services. In each of the value chains there are distinct phases: creation, production, manufacturing and distribution. Each of these phases is supported indirectly by related activities. The value chain activities for Elgin's economic sectors for business development and investment attraction efforts are in agriculture, energy, culture and tourism industries.

The consulting team examined common occupations in Elgin County for each of the four value chains. The team then cross tabulated these occupations with common highest educational attainment levels. This method provides an indication of skills transferability from motor vehicle manufacturing, and potentially supplier industries, to Elgin County's growth industries, or value chains. This exercise further examined average income to determine the earnings potential. Many people in motor vehicle manufacturing have benefitted from a high average income and this metric places their income in relation to earning expectations in growth industries.

4.3.1 Agriculture Value Chain

Occupations in the agriculture value chain generally require a college or high school diploma. The average incomes for common occupations are lower than occupations in motor vehicle manufacturing, ranging from a low of $15,591 for food and beverage servers to $53,238 for technical occupations related to natural and applied sciences. The occupations on the higher end of the income range require a college diploma or apprenticeship training (i.e. trades and skilled transport and equipment operators have an average income of $51,478). It is these occupations at the high range that are close to the incomes of motor vehicle ($50,221) and mechanical assemblers($50,826).Unfortunately, many of these occupations at the creation and support services points in the value chain are not as common as the occupations in production (e.g. contractors, operators and supervisors in agriculture, general farm workers) and distribution (e.g. cooks, food and beverage servers, food counter attendants, kitchen helpers).Jobs in production and distribution generally pay less.

FIGURE 11: AGRICULTURE VALUE CHAIN – COMMON OCCUPATION CHARACTERISTICS, 2006

Common Occupation Groups (NOC)	Common Points in the Value Chain	Common Highest Educational Attainment	Average Income
Skilled Administrative and Business Occupations	Creation	College or high school diploma	$41,446
Clerical Occupations	Creation	College or high school diploma	$36,795
Technical Occupations Related to Natural and Applied Sciences	Creation	College diploma	$53,238
Contractors, Operators and Supervisors in Agriculture, Horticulture and Aquaculture	Production	College or high school diploma	$29,910
General farm workers	Production	No certificate or diploma	$23,105
Machine Operators and Related Workers in Food, Beverage and Tobacco Processing	Manufacturing	College diploma	$31,567
Cooks	Distribution	No certificate or diploma or have a high school diploma	$20,589
Food and beverage servers	Distribution	High school diploma	$15,591
Food Counter Attendants, Kitchen Helpers and Related Occupations	Distribution	No certificate or diploma or have a high school diploma	$18,966
Trades and Skilled Transport and Equipment Operators	Support Services	Apprenticeship or college diploma	$51,478

Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

It is also in the production and distribution points in the value chain where there are the largest total number of businesses and the number of business increases. Statistics Canada's business patterns data for June 2010 reported 505 businesses in Elgin County in production and distribution (488 businesses in 2006) versus 48 businesses in creation, manufacturing and support activities (53 businesses in 2006).

The agriculture value chain is dominated by small businesses. The total number of businesses with employees increased from 252 to 276 within four years. The sizes of the businesses that are experiencing growth are the small businesses with less than 50 employees.

- 1-4 employees (increased from 82 to 97 businesses)
- 5-9 employees (increased from 78 to 80 businesses)
- 10-19 employees (increased from 42 to 45 businesses)
- 20-49 employees (increased from 36 to 41 businesses).

FIGURE 12: AGRICULTURE VALUE CHAIN – NUMBER OF BUSINESS ESTABLISHMENTS, JUNE 2006 & 2010

Agriculture Value Chain	Time Period	Total	Indeterminate	Subtotal	1-4	5-9	10-19	20-49	50-99	100+
Creation	June 2006	**5**	5	0	0	0	0	0	0	0
	June 2010	**3**	2	1	1	0	0	0	0	0
Production	June 2006	**293**	209	84	41	25	10	5	2	1
	June 2010	**299**	210	89	50	20	10	5	3	1
Manufacturing	June 2006	**21**	12	9	3	1	2	3	0	0
	June 2010	**20**	10	10	3	1	2	4	0	0
Distribution	June 2006	**195**	51	144	33	47	27	27	8	2
	June 2010	**206**	44	162	40	53	31	30	7	1
Support Activities	June 2006	**27**	12	15	5	5	3	1	1	0
	June 2010	**25**	11	14	3	6	2	2	1	0
Total	**June 2006**	**541**	**289**	**252**	**82**	**78**	**42**	**36**	**11**	**3**
	June 2010	**553**	**277**	**276**	**97**	**80**	**45**	**41**	**11**	**2**

Source: Statistics Canada, Canadian Business Patterns Data, 2006 & 2010.

The support services may be an appropriate career pathway for displaced workers who are reluctant to attend post-secondary education, but are ready to invest in apprenticeship or skills training.

4.3.2 Energy Value Chain

Elgin County's agricultural economy transcends into the energy value chain. Many of the energy value chain jobs and businesses are in the production point in the value chain, specifically corn and soybean farming. The earnings potential for farmers and farm managers ($29,320) and general farm workers ($23,105) is much lower than typical occupations in motor vehicle manufacturing. There are also people in jobs and businesses in support activities, but to a lesser extent. Common employment and business support activities are in engineering, management, scientific and other technical consulting services and farm product distribution. The most common occupations in energy support activities are trades and skilled transport and equipment operators (e.g. transportation equipment mechanics) and intermediate occupations in transport, equipment operation, installation and maintenance occupations (e.g. heavy equipment operator).The skilled trade occupations ($51,478) have an earnings potential comparable to occupations in motor vehicle manufacturing and commonly require apprenticeship training. People in the intermediate occupation commonly have no high school diploma or a high school diploma as their highest educational attainment. Career programs that create pathways to these technical support services to the energy value chain may be an appropriate approach to retooling displaced motor vehicle manufacturing workers.

FIGURE 13: ENERGY VALUE CHAIN – COMMON OCCUPATION CHARACTERISTICS, 2006

Common Occupation Groups (NOC)	Common Points in the Value Chain	Common Highest Educational Attainment	Average Income
Skilled Administrative and Business Occupations	Creation, Support Services	College or high school diploma	$41,446
Clerical Occupations	Creation, Support Services	College or high school diploma	$36,795
Farmers and farm managers	Production	No certificate or diploma or have a high school diploma	$29,320
General farm workers	Production	No certificate or diploma	$23,105
Motor Vehicle and Transit Drivers	Distribution	No certificate or diploma or have a high school diploma	$40,619
Trades and Skilled Transport and Equipment Operators	Support Services	Apprenticeship or college diploma	$51,478
Intermediate Occupations in Transport Equipment Operation, Installation and Maintenance Occupations	Support Services	No certificate or diploma or have a high school diploma	$41,423

Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

Similar to the agriculture value chain, the business growth in the energy value chain is dominated by small businesses with less than 50 employees. Many of the business are engaged in support activities, which include engineering consulting, farm product warehousing and farm equipment wholesaling. The support services (except engineering consulting) may be an appropriate career pathway for displaced workers who are reluctant to attend post-secondary education or training.

FIGURE 14: ENERGY VALUE CHAIN – NUMBER OF BUSINESS ESTABLISHMENTS, JUNE 2006 & 2010

Energy Value Chain	Time Period	Total	Indeterminate	Subtotal	1-4	5-9	10-19	20-49	50-99	100+
Creation	June 2006	**6**	6	0	0	0	0	0	0	0
	June 2010	**3**	2	1	1	0	0	0	0	0
Production	June 2006	**49**	40	9	9	0	0	0	0	0
	June 2010	**49**	39	10	9	1	0	0	0	0
Manufacturing	June 2006	**0**	0	0	0	0	0	0	0	0
	June 2010	**1**	1	0	0	0	0	0	0	0
Distribution	June 2006	**5**	3	2	0	1	0	1	0	0
	June 2010	**3**	1	2	0	1	0	1	0	0
Support Activities	June 2006	**92**	59	33	14	7	5	3	3	1
	June 2010	**89**	52	37	17	10	4	5	1	0
Total	**June 2006**	**152**	**108**	**44**	**23**	**8**	**5**	**4**	**3**	**1**
	June 2010	**145**	**95**	**50**	**27**	**12**	**4**	**6**	**1**	**0**

Source: Statistics Canada, Canadian Business Patterns Data, 2006 & 2010.

4.3.3 Culture Value Chain

The number of people employed in occupations in Elgin County's culture value chain is much lower than both the agriculture and energy value chains, but this value chain is poised for growth. The highest numbers of businesses in this value chain are creation (design services), production (publishing) and support services (non-profit organizations). There are also a large number of businesses in printing manufacturing. People employed throughout the value chain are generally well educated. Interestingly, the earnings potential is lower than many occupations in motor vehicle manufacturing. The highest average income for common occupations was professional occupations in art and culture (i.e. librarians and writers) at $41,943 followed by creative and performing artists at $40,994.Displaced worker programs for motor vehicle manufacturing workers may be created for those who are interested in artistic and/or cultural expression. The workers who pursue these cultural programs need to understand that there are much lower average incomes throughout the value chain.

FIGURE 15: CULTURE VALUE CHAIN – COMMON OCCUPATION CHARACTERISTICS, 2006

Common Occupation Groups (NOC)	Common Points in the Value Chain	Common Highest Educational Attainment	Average Income
Professional Occupations in Art and Culture	Creation	College diploma or university degree	$41,943
Technical and Skilled Occupations in Art, Culture, Recreation and Sport	Creation	College diploma	$39,705
Clerical Occupations	Production	College or high school diploma	$36,795
Intermediate Sales and Service Occupations	Production	College or high school diploma	$31,438
Printing Press Operators and Other Trades and Related Occupations	Manufacturing	Apprenticeship	$36,330
Retail Salespersons and Sales Clerks	Distribution, Support Services	High school diploma	$32,343
Creative and Performing Artists	Support Services	College diploma	$40,994

Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

The culture value chain is dominated by self-employed people and small businesses with fewer than five employees. The number of self-employed people has risen slightly and the number of people employed in small businesses has remained steady from 2006 to 2010.The points in the value chain where there are a larger number of firms are in production and support activities. However, occupations in this value chain commonly require post-secondary education. Any displaced workers that would be interested in this career pathway would require an investment in further training and post-secondary education.

FIGURE 16: CULTURE VALUE CHAIN – NUMBER OF BUSINESS ESTABLISHMENTS, JUNE 2006 & 2010

Culture Value Chain	Time Period	Total	Indeterminate	Subtotal	1-4	5-9	10-19	20-49	50-99	100+
Creation	June 2006	**40**	32	8	8	0	0	0	0	0
	June 2010	**38**	27	11	10	1	0	0	0	0
Production	June 2006	**36**	15	21	10	3	4	4	0	0
	June 2010	**36**	18	18	7	3	4	4	0	0
Manufacturing	June 2006	**16**	5	11	5	3	1	1	1	0
	June 2010	**17**	7	10	4	3	1	2	0	0
Distribution	June 2006	**18**	11	7	5	0	2	0	0	0
	June 2010	**18**	9	9	4	2	3	0	0	0
Support Activities	June 2006	**44**	21	23	13	2	5	2	1	0
	June 2010	**49**	26	23	13	6	2	0	2	0
Total	**June 2006**	**154**	**84**	**70**	**41**	**8**	**12**	**7**	**2**	**0**
	June 2010	**158**	**87**	**71**	**38**	**15**	**10**	**6**	**2**	**0**

Source: Statistics Canada, Canadian Business Patterns Data, 2006 & 2010.

4.3.4 Tourism Value Chain

Growing the tourism economy has been a strong focus for the County of Elgin. Many of the jobs and businesses are involved in “tourism manufacturing”. These businesses include restaurants and eating places, food markets, traveller accommodations, campgrounds and RV parks. The most common occupations are in travel and accommodation, food counter attendants and kitchen helpers. These occupations are commonly held by people with a high school diploma, but pay significantly less than motor vehicle manufacturing occupations. The higher paying occupations of motor vehicle and transit drivers with an average income of $40,619 are still much lower than typical occupations in motor vehicle manufacturing. Displaced workers may have difficulty or may be reluctant to transition into this sector of the economy, given that they have benefited from a much higher average income that the motor vehicle manufacturing industry provided. Displaced worker programs should be directed towards upgrading skills or training for higher value added tourism employment opportunities.

FIGURE 17: TOURISM VALUE CHAIN – COMMON OCCUPATION CHARACTERISTICS, 2006

Common Occupation Groups (NOC)	Common Points in the Value Chain	Common Highest Educational Attainment	Average Income
Clerical Occupations	Production, Manufacturing	College or high school diploma	$36,795
Occupations in Travel and Accommodation	Manufacturing	High school diploma	$18,674
Food counter attendants, kitchen helpers and related occupations	Manufacturing	No certificate or diploma or have a high school diploma	$18,966
Motor Vehicle and Transit Drivers	Distribution	No certificate or diploma or have a high school diploma	$40,619

Source: Statistics Canada, 2006, from the Elgin Middlesex Oxford Workforce Planning and Development Board.

FIGURE 18: TOURISM VALUE CHAIN – NUMBER OF BUSINESS ESTABLISHMENTS, JUNE 2006 & 2010

Tourism Value Chain	Time Period	Total	Indeterminate	Subtotal	1-4	5-9	10-19	20-49	50-99	100+
Creation	June 2006	**5**	1	4	3	0	1	0	0	0
	June 2010	**6**	1	5	2	1	2	0	0	0
Production	June 2006	**72**	44	28	9	10	5	3	1	0
	June 2010	**61**	32	29	9	8	6	5	1	0
Manufacturing	June 2006	**201**	56	145	36	46	25	27	8	3
	June 2010	**214**	51	163	45	52	33	26	6	1
Distribution	June 2006	**21**	14	7	3	1	0	1	1	1
	June 2010	**22**	17	5	2	1	0	1	1	0
Support Activities	June 2006	**20**	12	8	4	1	2	1	0	0
	June 2010	**18**	10	8	4	1	0	2	1	0
Total	**June 2006**	**319**	**127**	**192**	**55**	**58**	**33**	**32**	**10**	**4**
	June 2010	**321**	**111**	**210**	**62**	**63**	**41**	**34**	**9**	**1**

Source: Statistics Canada, Canadian Business Patterns Data, 2006 & 2010.

Many of the businesses in the tourism value chain are dominated by self-employed operations or small businesses with fewer than 50 employees. The value chain is dominated by tourism manufacturing businesses, which has grown from 201 in June 2006 to 214 by June 2010.Most of the businesses in the manufacturing point in the value chain are restaurants, caterers and eating places.

4.3.5 Summary

All four value chains represent opportunities for self-employment, contractual or full-time employment and new business development for the displaced workers of the Talbotville Ford Assembly Plant. Having examined Elgin County's motor vehicle manufacturing industry and the supplier industries, assessed their labour force characteristics and assessed Elgin's labour force growth industries, the following section explores the regional fiscal impact for the municipal and county government, regional suppliers, local spending, property values and the longer term community image.

5 Regional Fiscal Impact Analysis

5.1 Local Financial Benefits

5.1.1 Taxation, Fees, Service Charges and Other Municipal Contributions

In past years, the Talbotville Ford Plant has represented a major source of municipal revenue in the Township and the County. In 2010, Southwold received $409,000 in property tax payments which accounted for approximately 23.4% of the total property tax revenue in the Township (excluding payments in lieu which generated almost $700,000 in revenue).By comparison, in 2010, the County received $745,000 in property tax revenue from the Ford property which accounted for just over 3% of total property tax revenue.

In 2011, as a result of a reassessment, the Plant was reduced from $46.7 million to $22.8 million resulting in a significant loss in annual tax revenue of approximately $210,000.

The tax revenue from the Ford property has allowed the Township to maintain a lower than average property tax rate which benefits all property owners in Southwold. Figure 19provides a summary of lower tier residential and non-residential property tax rates for the Township of Southwold and the surrounding municipalities in Elgin County.

FIGURE 19: COMPARISON OF MUNICIPAL TAX RATES

	Southwold	Bayham	Central Elgin	Dutton/ Dunwich	Aylmer	Malahide	West Elgin
2010							
Residential	0.318650	0.635668	0.840790	0.693684	0.931780	0.717120	0.733500
Commercial - Occupied	0.521821	1.040970	1.376880	1.135976	1.525883	1.173456	1.201180
Industrial - Occupied	0.709028	1.414424	1.870840	1.543515	2.073304	1.595664	1.632120
Large Industrial	0.902353		2.380950		2.638615	2.030741	2.077130
2011							
Residential	0.325739	0.650414	0.817120	0.700621	0.904701	0.736850	0.654910
Commercial - Occupied	0.533430	1.065118	1.338120	1.147337	1.481538	1.206666	1.072480
Industrial - Occupied	0.724802	1.447236	1.818180	1.558950	2.013049	1.639565	1.457240
Large Industrial	0.922428	1.841842	2.313930	1.984019	2.561931	2.086612	1.854570

The Township also collects water rates from the Ford Plant based on usage. In 2010, that revenue was $378,000. Beyond property taxes and water user rates, neither the Township nor the County have received any other revenue from the Ford Plant. However, the larger community has been the recipient of a range of contributions either from the Plant or its employees. For example, employees have made significant contributions to the United Way ($220,000 in 2010 and approximately $600,000 per year in past years). Other past contributions include a donation to the London Hospital ($30,000 in 2003); $80,000 to the London Children's Museum (approximately 1999-2000); Gold Sponsor for the Can-Am Games (early 2000's); and a contribution to the Children's Safety Village in London (1999). According to the United Way, members of CAW Local 1520 have also served as volunteers for boards of directors and various committees with that organization as well as many other associations.

5.1.2 Employment + Labour Income

As of 2010 the total labour force of the London CMA[48] totalled 243,000, of which 29,000 or 12% was categorized as manufacturing. More locally, within the Township of Southwold the 1,325current employees at the Talbotville Ford Assembly Plant represent approximately 70% of the Township's 2006 manufacturing base. At its peak employment levels in 2006/2007 (i.e. 2,200 employees), the Plant represented 86% of the total manufacturing base in Southwold Township.

The direct jobs associated with the Talbotville Ford Assembly Plant are particularly important to the regional economy given their potential to generate indirect or "spin-off" effects. These spin-off effects are typically referred to as economic multipliers. They identify the indirect economic effect or "shock" from income generated by a particular employment sector. The economic multiplier normally expresses the ratio of direct plus indirect employment to direct employment. Economic multipliers can also be measured in terms of income. Figure 20illustrates the typically higher economic multipliers which are calculated from "export-based" and/or non-retail sectors when compared to the retail/service sectors. More specifically, the economic multiplier for the manufacturing sector is approximately 2.06, which is amongst the highest multiplier in the export-based sector. This means that for every job generated directly within this sector, an additional 1.06 jobs are normally created based on several rounds of impacts down the supplier chain.

48 The London CMA includes the City of London, the City of St. Thomas, the Township of Southwold, the Township of Central Elgin, the Township of Thames Centre, the Township of Middlesex Centre and the Township of Strathroy-Caradoc.

FIGURE 20: PROVINCE OF ONTARIO MULTIPLIERS, 2007

Predominantly Export-base and/or Non-retail	Multiplier
Manufacturing	2.06
Transportation and Warehousing	1.52
Administrative and Support, Waste Management and Remediation Services	1.17
Wholesale Trade	1.53
Construction	1.53
Professional, Scientific and Technical Services	1.38
Information and Cultural Industries	1.75
Finance, Insurance, Real Estate and Rental and Leasing	2.22
Utilities	2.13
Predominantly Retail/ Service Sector	**Multiplier**
Health Care and Social Assistance	1.14
Educational Services	1.08
Retail Trade	1.18
Accommodation and Food Services	1.16
Other Services (except Public Administration)	1.09
Arts, Entertainment and Recreation	1.35

Source: Statistics Canada, System of National Accounts, Input-Output Tables, Provincial Input-Output Multipliers, 2007.

The Talbotville Ford Assembly Plant also provides jobs with per capita income levels which are well above average per capita income levels within the London CMA.[49]More generally, Figure 21summarizes average Provincial income levels by employment sector. Of the 14 employment sectors identified, the manufacturing sector ranks fourth in terms of hourly wage rates.

49 In accordance with the Financial Post Markets, 2011 the average per capita income for the London CMA was $32,479.

FIGURE 21: AVERAGE HOURLY EARNINGS, PROVINCE OF ONTARIO, 2010

Predominantly Export-base and/or Non-retail	Hourly Earnings ($)
Manufacturing	21.93
Transportation and Warehousing	20.94
Administrative and Support, Waste Management and Remediation Services	16.41
Wholesale Trade	19.72
Construction	26.41
Professional, Scientific and Technical Services	23.13
Information and Cultural Industries	21.23
Finance, Insurance, Real Estate and Rental and Leasing	19.93
Utilities	N/A
Predominantly Retail/ Service Sector	**Hourly Earnings ($)**
Health Care and Social Assistance	26.77
Educational Services	16.83
Retail Trade	14.43
Accommodation and Food Services	12.74
Other Services (except Public Administration)	17.84
Arts, Entertainment and Recreation	15.39

Source: Statistics Canada. Table 281-0030 - Average hourly earnings for employees paid by the hour (SEPH), unadjusted for seasonal variation, for selected industries classified using the North American Industry Classification System (NAICS), annual (current dollars)(accessed: August 10, 2011)

5.1.3 Regional Suppliers

The multipliers derived from Statistics Canada 2007 input-output model indicate that for every full time equivalent position provided directly in automotive manufacturing in Ontario, a further 4.5 jobs are supported at other businesses in the Province that provide goods and services to automotive plants including vehicle parts. Thus, based on an employment level of 2,200 as of 2007,the demand for goods and services at the Talbotville Ford Plant would have sustained almost

10,000 indirect jobs at businesses elsewhere in Ontario. With employment levels reduced to approximately 1,325 persons just prior to the Plant closure in mid-September, 2011, the indirect employment figure would have been in the range of almost 6,000 jobs. Most of the jobs would be at businesses located beyond Elgin County; however, there were several suppliers in the immediate area. Most prominent of these was the Lear Seating plant which provided seats for the Ford Plant. Prior to its closure, employment at the plant was approximately 180 persons.

To more accurately understand the potential impact of the Talbotville Ford Plant closure on local businesses and regional suppliers, an online survey was undertaken. Over 200 businesses participated in the survey. The results of this business survey are summarized in Appendix A. Of those responding to the survey, 20.9% were located in Elgin County and a further 16% were located in the City of St. Thomas. The balance was located in London (31.1%), Middlesex County (28.6%), Oxford County (10.7%) and elsewhere (8.7%). In total, 18 companies (9.2% of the total number of respondents) indicated they were a supplier either directly or indirectly to the Talbotville Ford Assembly Plant. Employment levels at those businesses are summarized in Figure 22below:

FIGURE 22: FULL-TIME EQUIVALENT EMPLOYMENT

	Number of Businesses	Percent of Total
Less than 5	3	16.7%
5-9 employees	6	33.3%
10-19 employees	1	5.6%
20-49 employees	2	11.1%
50-99 employees	1	5.6%
More than 100 employees	4	22.2%
Did not provide a response	1	5.6%
Total	**18**	**100.0%**

Source: Millier Dickinson Blais, Employment Survey, 2011.

Of the five large employers (more than 50 employees) the types of business involved were as follows:

- construction (2)
- manufacturing (1)
- professional, scientific and technical services
- other (non-governmental) services.

Within the Elgin County/St. Thomas area, three of the survey respondents indicated that they were direct suppliers to the Ford Plant. These included a manufacturing plant, a construction firm and a primary industry (e.g. agriculture).Total employment at these three establishments is estimated to be in the range of 200-210 persons.

5.1.4 Local Spending Benefits

The direct and indirect employment generated by the Talbotville Ford Assembly Plant also generates positive “induced” effects which are derived from the spending of labour income on the consumption of goods and services which drive “non-basic” or population-related employment growth. This effect is not captured in the Statistics Canada economic multipliers, but it is significant nonetheless. The strength of the “induced” effect is largely related to average household income. Higher income opportunities permit families and individuals to enjoy a higher standard of living with more disposable income. In turn, this generates growth in household savings, taxation and consumption of goods and services within the local economy. Given the relatively high wage rates attributed to the auto manufacturing sector, the Talbotville Ford Assembly Plant has traditionally provided a significant contribution to local spending in the regional market area.

As summarized in Figure 23, the induced impacts generated from the auto sector has traditionally supported a high level of retail sales per capita for the City of St. Thomas and more broadly the London CMA relative to the Provincial average. Retail sales represent a key indicator of the induced impacts associated with the strength of the local export-based economy. Over the past five years (2006-2011) the Provincial growth rate in retail sales per capita has declined significantly in comparison to the previous five-year period (2001-2006), largely as a result of the recent global economic downturn. However, the absolute value of retail sales per capita has steadily increased for the Province as a whole. In contrast, the absolute values associated with retail sales in St. Thomas and the London CMA have contracted sharply over the past five years. This analysis suggests that the loss of direct and indirect jobs associated with the Talbotville Ford Assembly Plant, combined with the loss of additional jobs associated with the recent economic downturn, has had a negative impact on retail sales within the surrounding market area.

FIGURE 23: RETAIL SALES PER CAPITA, CITY OF ST. THOMAS, LONDON CMA, 2001-2011

	2001 $	2006 $	2011 $	Annual Rate 01-06	Annual Rate 06-11
St. Thomas (City)	11,900	14,700	12,460	4.3%	-3.3%
London (CMA)	10,200	13,100	12,197	5.1%	-1.4%
Ontario	9,000	11,600	11,777	5.2%	0.3%

Source: FP Markets Canadian Demographics 2001, 2006, 2011

5.1.5 Property Values

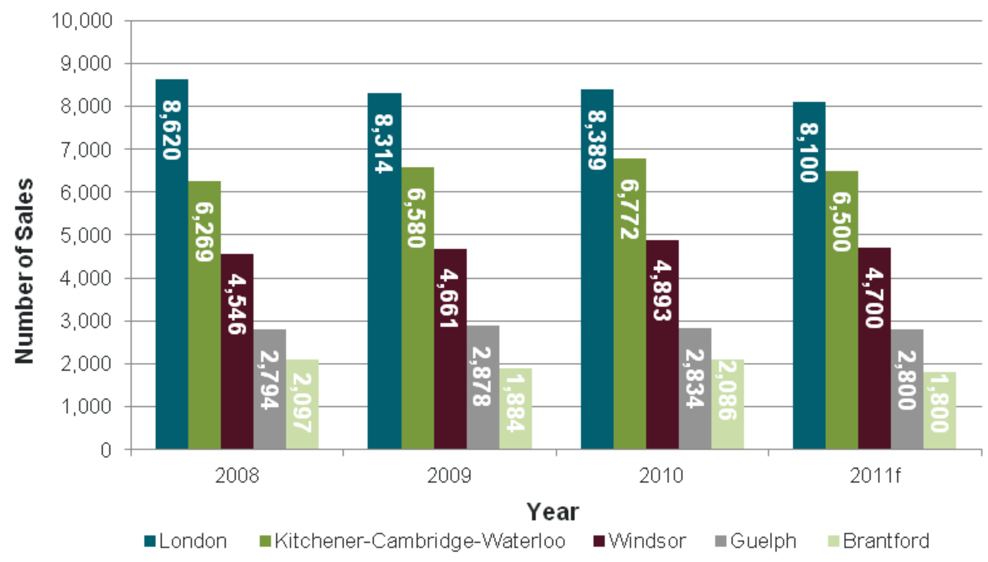
Housing prices and residential property values are impacted by a number of micro and macro-economic factors which ultimately impact the supply and demand for housing in a given regional market area. For the purposes of this analysis, the London CMA is considered the regional housing market area. Housing demand is fundamentally driven by the expansion of goods-producing and service sector economic clusters which reach markets beyond the regional housing market area. In turn, expansion of these export-based clusters drives the growth of the regional labour force base, which is typically the primary source of net migration in a given regional housing market area. Strong housing demand is typically a reflection of a growing regional labour force base combined with steady population growth across a well-balanced cross-section of demographic groups (i.e. first-time home buyers, families, empty-nesters and seniors).Given the magnitude of population growth potential in the 55+ age group (i.e. baby boomers) across the Province, housing growth is also heavily influenced by a community's attractiveness to empty-nesters/seniors (i.e. recreational based/retirement communities).

The extent of the impact of the closure of the Talbotville Ford Assembly Plant on housing prices in the Township of Southwold and surrounding housing market area will largely depend on the impact on labour force trends within the broader commuter-shed. As of 2006, commuting destinations for the Township of Southwold were relatively well-balanced between the Township of Southwold (27% - live/work), the City of St. Thomas (26%) and the City of London (26%). An additional 21% of the Southwold labour force base worked elsewhere or did not have a fixed place of work. At the County level, approximately 62% of the 2006 labour force in Elgin lived and worked within the County, while the remaining 29% commuted to destinations outside of the County, namely Middlesex County, including the City of London. An additional 9% of the Elgin County labour force does not have a fixed place of work (i.e. construction works, truck drivers, travelling salesmen, landscape contractors, etc.). Future employment opportunities within the commuter shed will play a strong role in influencing the strength of the Southwold housing market and surrounding regional market area. The

City of London is anticipated to provide a growing source of labour opportunities for Southwold residents, given forecast employment for this area and its proximity to the Township.

Housing demand is typically measured through housing sales and regional construction activity (i.e. building permits, housing starts or completions). Figure 24summarizes recent trends in housing sales for the London Census Metropolitan Area (CMA) (which includes the Township of Southwold and the City of St. Thomas) as well as other CMAs within Southwestern Ontario, including Branford, Guelph, Kitchener-Waterloo and Windsor from 2008 to 2011.The above figures identify that each of the CMAs in Southwestern Ontario were negatively impacted by the recent global economic downturn by varying degrees. Similarly, each CMA within Southwestern Ontario has recovered from the recent economic downturn by varying degrees with respect to housing sales/construction.

FIGURE 24: MULTIPLE LISTING SERVICE (MLS) SALES, 2008-2011 FOR SOUTHWESTERN ONTARIO CENSUS METROPOLITAN AREAS (CMA)



Source: Multiple Listing Service (MLS®), 2011

While specific housing sales data is not available for the Township of Southwold or the City of St. Thomas, residential building permit activity provides a good measure of recent demand. Figure 25and Figure 26 summarize recent residential building trends from 1990 to 2010 for the Township of Southwold and the City of St. Thomas. This data identifies that recent average annual residential building units have declined significantly from their respective peaks. This reduction in residential housing construction is believed to be a combination of downsizing at the Talbotville Ford Assembly Plant, as well as the broader impacts of the 2008/2009 global economic downturn.

FIGURE 25: TOWNSHIP OF SOUTHWOLD, RESIDENTIAL BUILDING PERMITS (NEW UNITS), 1990-2010

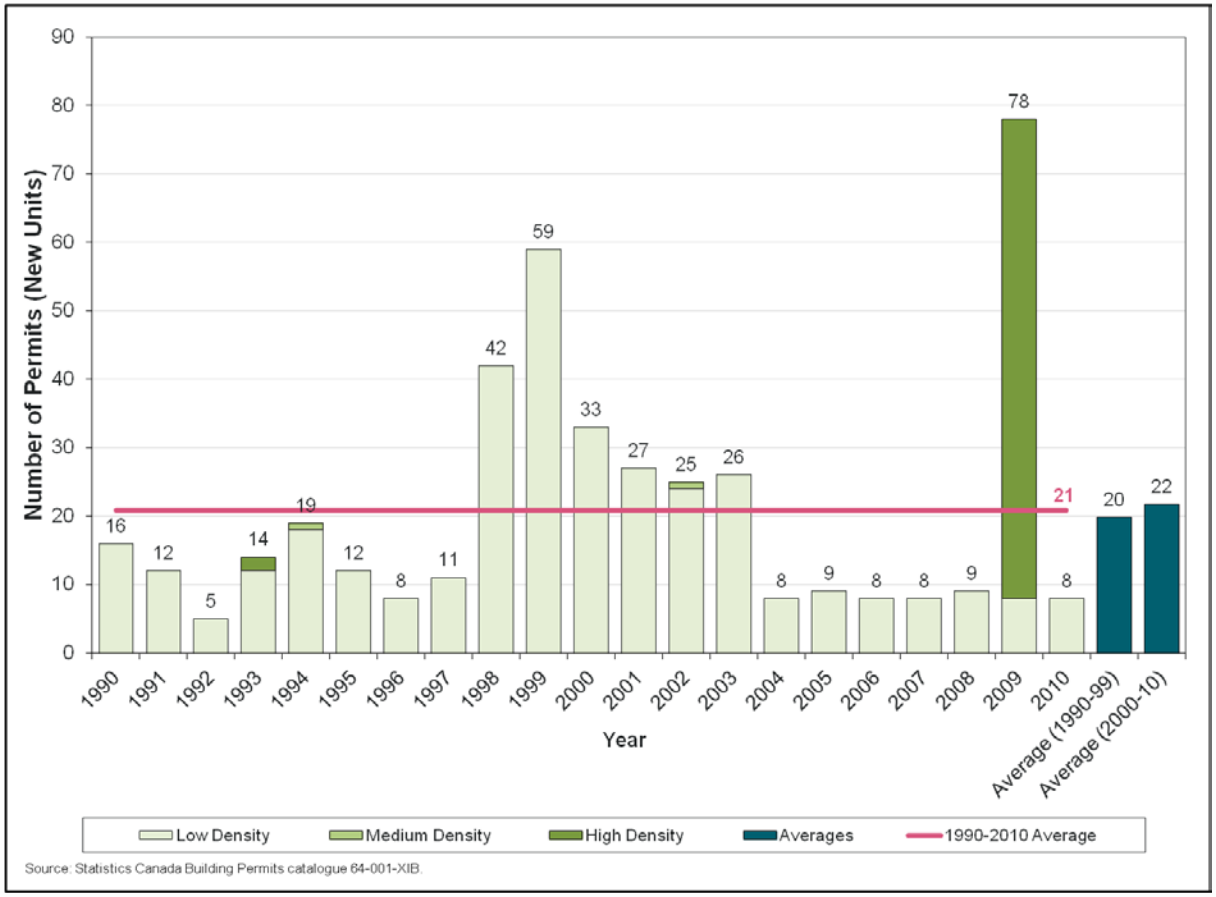
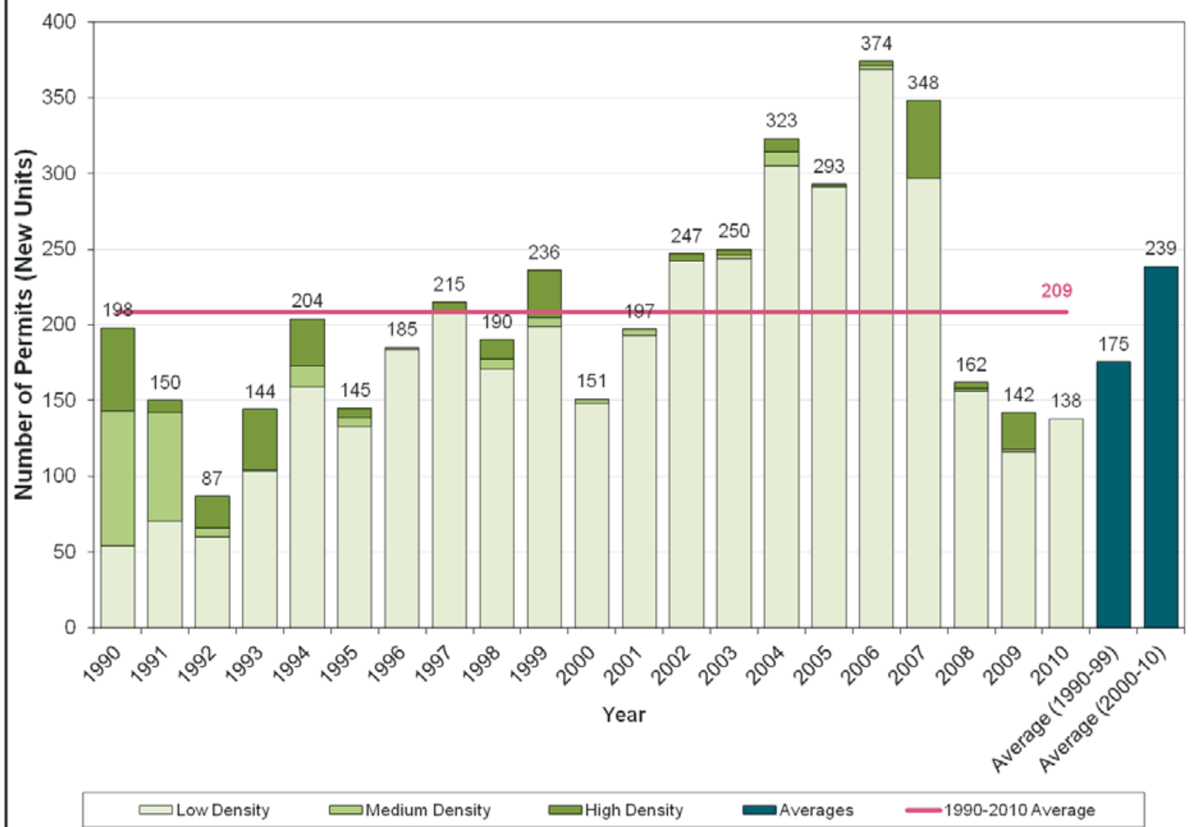


FIGURE 26: CITY OF ST. THOMAS RESIDENTIAL BUILDING PERMITS (NEW UNITS), 1990-2010

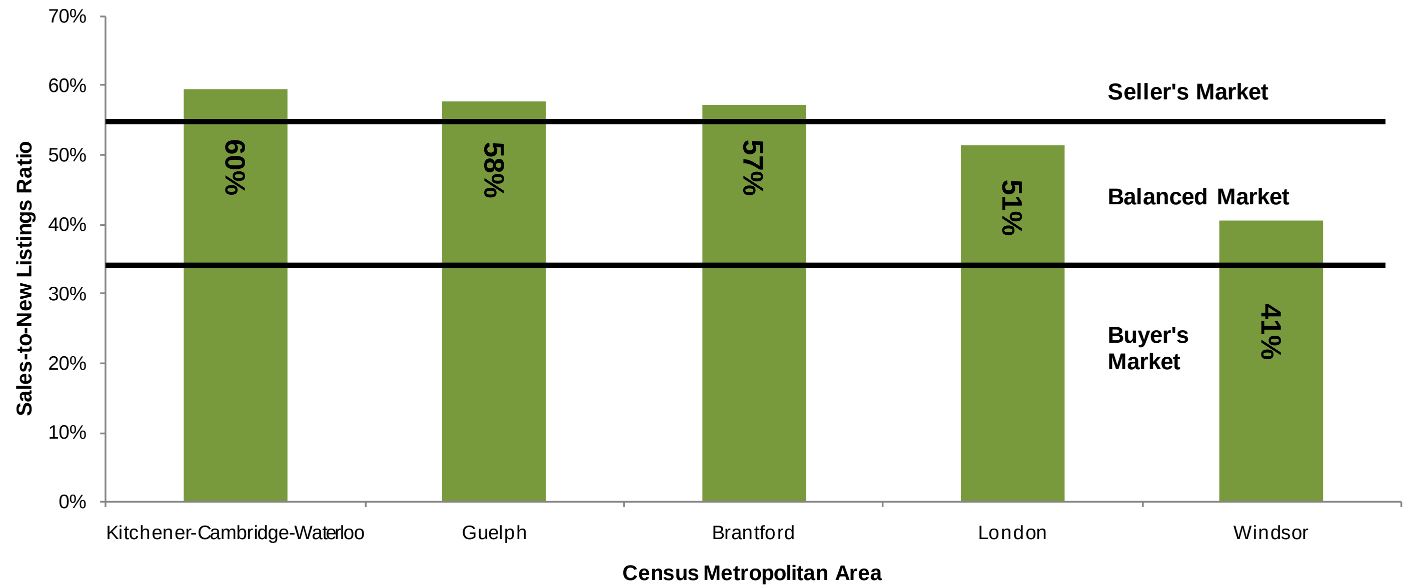


Source: Statistics Canada Building Permits catalogue 64-001-XIB.

The relationship between sales and new listings provides a good indication of the relative balance between housing supply and demand in a given regional market area. Housing market areas with a high percentage of sales to new listings are generally referred to as “seller’s markets.” These markets are typically characterized by high demand and low supply. Conversely, areas with a low percentage of sales to new listings are typically referred to as “buyer’s markets.” Under these conditions housing demand is generally low, while supply is high.

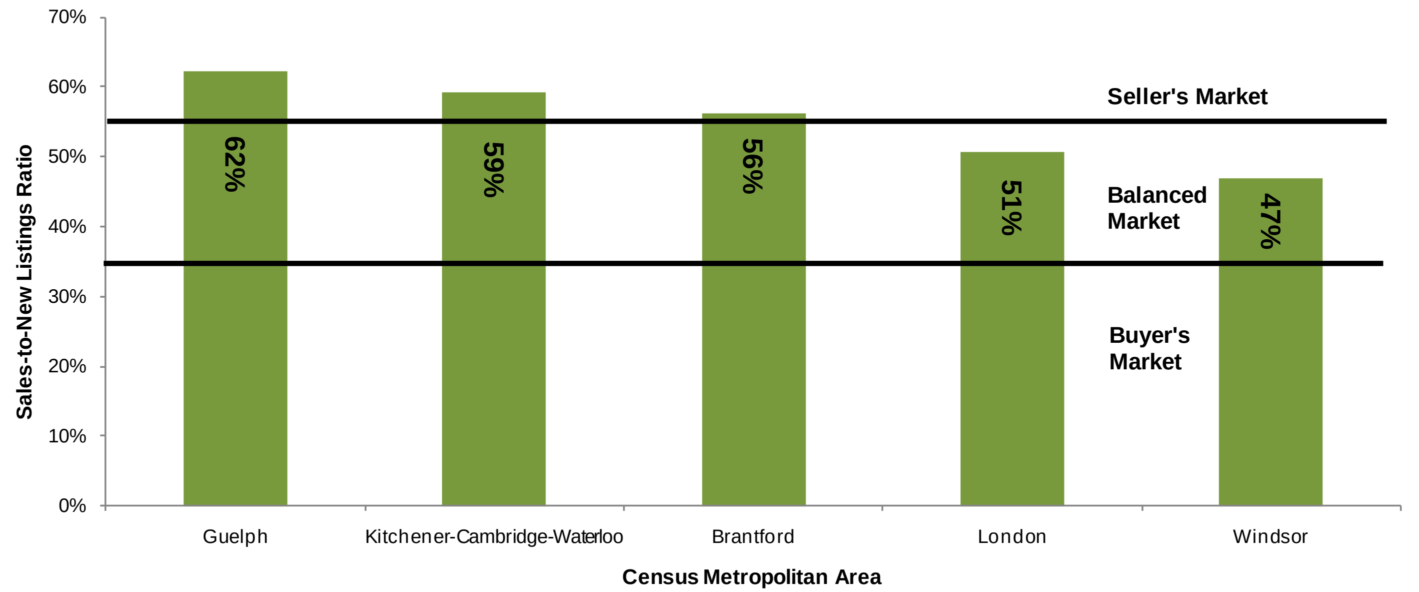
Figure 27and Figure 28 summarize the housing sales to new listings ratios for each of the CMAs in Southwestern Ontario for 2008 through 2011 (forecast). This analysis indicates that the general strength of the housing market is weakest in Windsor, followed by London. Figure 27and Figure 28 also indicate that the strength of the London CMA housing market is expected to remain steady in 2011, while the Windsor CMA housing market is forecast to strengthen significantly.

FIGURE 27: SALES TO NEW LISTINGS RATIOS FOR SOUTHWESTERN ONTARIO, 2008



Source: CMHC , Statistics Canada (CANSIM), CREA, 2011

FIGURE 28: SALES TO NEW LISTINGS RATIOS FOR SOUTHWESTERN ONTARIO, 2011 (FORECAST)



Source: CMHC , Statistics Canada (CANSIM), CREA, 2011

The relative strength of the housing market is reflected in the price of both new and resale housing in a given market area. Figure 29 summarizes trends in housing prices for new housing from 2002 to 2010 for a number of select municipalities within Southwestern Ontario, including the Township of Southwold, the Town of Central Elgin and the City of St. Thomas.[50]For all of the municipalities surveyed, housing prices increased during the 2002 to 2006 and 2006 to 2010 periods. While several municipalities had a greater increase in house price between2002and 2006 than between 2006 and 2010, a number of municipalities also experienced a decline in the relative rate of housing price growth. For the Township of Southwold, the annual rate of housing price growth sharply declined during the 2002 to 2006 versus the 2006 to 2010 period, from 14% annually to 5% annually. The annual rate of growth in housing prices also moderately declined in Central Elgin and remained relatively stable for the City of St. Thomas.

50 Given the lack of housing price data available for the municipality of Southwold, the annual growth rate in housing prices was measured from 2002 to 2004 and 2004 to 2009.

FIGURE 29: AVERAGE ABSORBED PRICES FOR SINGLE FAMILY DWELLINGS, TOWNSHIP OF SOUTHWOLD AND SELECT SOUTHWESTERN ONTARIO MUNICIPALITIES

Municipality	2002 $	2003 $	2004 $	2005 $	2006 $	2007 $	2008 $	2009 $	2010 $	Annual Rate 02-06	Annual Rate 06-10
Brantford	180,555	157,733	157,319	174,035	190,810	222,900	253,849	282,081	346,660	1.1%	12.7%
Central Elgin	203,423	216,563	243,302	248,937	303,516	295,365	394,582	373,591	392,250	8.3%	5.3%
Chatham-Kent	178,452	174,833	193,195	208,774	227,307	251,090	275,828	275,251	292,213	5.0%	5.2%
Southwold[2,3]	198,409	224,522	294,000	**	**	**	297,458	394,514	**	14.0%	5.0%
London	220,362	240,688	253,763	276,860	281,845	296,561	326,504	352,167	352,936	5.0%	4.6%
Windsor	178,461	191,731	193,467	205,982	214,232	230,509	249,356	273,570	266,250	3.7%	4.4%
St. Thomas	179,787	188,247	188,298	216,206	221,737	239,678	258,866	249,396	275,003	4.3%	4.4%
Kitchener-Waterloo	229,102	231,919	256,115	287,623	313,149	345,819	352,644	345,289	378,811	6.4%	3.9%
Guelph	243,623	254,642	266,582	300,001	342,330	360,882	371,957	367,011	385,227	7.0%	2.4%

Source: Canada Mortgage and Housing Corporation (CMHC)

1. The absorbed price of a home is what it was priced at when it went off the market.
2. Annual Rate 2002-2006 is based on 2002-2004 due to data limitations.
3. Annual Rate 2006-2010 is based on 2004-2009 due to data limitations.

** Data suppressed to protect confidentiality or because it is not statistically reliable. Threshold for data suppression is 10 units.

Figure 30provides a summary of recent housing price trends for resale housing across the London St. Thomas Real Estate Board for single family dwellings. Absolute housing prices for resale housing are considerably lower on average when compared to new housing. While housing prices within the London St. Thomas Real Estate Board steadily increased between 2006 and 2010, the rate of increase was modest for St. Thomas, while Elgin experienced a slight decrease in absolute housing prices.

FIGURE 30: AVERAGE RESALE PRICES FOR SINGLE FAMILY DWELLINGS, LONDON ST. THOMAS REAL ESTATE BOARD[51]

	2006 $	2007 $	2008 $	2009 $	2010 $	2011 YTD[2] $
St. Thomas	161,261	171,231	182,758	181,343	181,086	181,517
Elgin	177,226	174,681	183,138	198,325	176,134	199,411
Middlesex	228,339	239,853	257,864	262,714	275,885	289,531
London St. Thomas Real Estate Board	201,946	216,846	225,981	226,002	240,147	245,760

Source: Multiple Listing Service (MLS®) data, August, 2011

51 London St. Thomas Real Estate Board is comprised of Elgin and Middlesex Counties

5.2 Local Economic Impacts

5.2.1 Municipal Finance

As noted in Section 5.1.1, the Ford Plant is a significant source of municipal revenue, particularly for the Township. That revenue stream has already started to decline for 2011 as a result of the reassessment of the property and the reduction in demand for municipal water. Further declines are anticipated in future years as the Plant is closed and the property is reassigned to the vacant building class or possibly vacant land class if the buildings on site are removed.

To date, the Township has been able to moderate the impact of the revenue loss by accessing a reserve that was established for this purpose. However, increases in property taxes and water rates for residential and other properties in the Township as a result of the Plant closure are likely inevitable.

Figure 31provides a recalculation of the Township's 2010 property tax rate based on both the reassessment of the Ford Plant that occurred in 2011 and the further reduction in property tax revenue as a result of the full closing of the plant. This calculation was provided for illustration purposes to demonstrate the increase in property taxes that would be required to maintain the 2010 tax revenue if there were no other adjustments to the Township's budget in 2010 other than the loss of property tax revenue from the Ford plant. It does not forecast the actual tax impact for 2011 or future years.

FIGURE 31: ILLUSTRATION OF POTENTIAL PROPERTY TAX IMPACT, TOWNSHIP OF SOUTHWOLD

	2010 Actual	Potential Impact of Reduced Ford Assessment	Potential Impact of Vacant Building Assessment
Weighted Assessment			
General Levy	$549,200,337	$481,795,184	$462,388,523
PIL	$64,404,602	$64,404,602	$64,404,602
Total	$613,604,938	$546,199,785	$526,793,125
Tax/PIL Revenue	$1,955,255	$1,955,255	$1,955,255
Weighted/Residential Tax rate	0.00318650	0.00357974	0.00371162
Difference from 2010		**12.34%**	**16.48%**

As is evident from the figure above, applying the 2011 reassessment of the Ford property to the total weighted assessment in the Township produces a decrease in weighted assessment of 12.34%. This means that had the reassessment occurred in 2010, the Township would have required a tax rate increase of over 12% to maintain the same tax revenue for 2010. The actual tax increase for 2011 was in the range of 2.2%. As noted earlier, the Township has been able to moderate the impact of the reduced assessment of the Ford property through transfers from reserve funds. In 2012, when the plant will be closed, the Township will see a further reduction in tax revenue as the property will be classified as vacant and will be eligible for a property tax rebate. In order to offset that rebate, had the plant been vacant in 2010, it would have been necessary to increase property taxes by almost over 16% to maintain the same tax revenue.

Municipal consideration has also been given to expenditure impacts. This consideration evaluated the closure of the Plant and the effect of municipal expenditures. Factors such as potential cost savings as a result of a reduction in the demand for municipal services provided to the Ford Plant, as well as potential cost increases were evaluated.

At the Township level, the key municipal services are:

- general government (including Council, Administration and Finance)
- protection to Persons and Property (including Fire Department and Police)
- roads
- environmental Services (including Water Department and Waste Management)
- recreation.

No change in the way service is delivered or the cost of providing services is feasible for most Township functions. For example, the municipality will continue to be responsible for maintaining the roads in the vicinity of the Plant and will be required to provide fire and police protection to the property. The Township does not maintain any special equipment or staff to provide fire protection to the Plant as it relies on a mutual aid agreement with the City of St. Thomas in the event of a large fire. Police service is provided by the Ontario Provincial Police, under contract to the Township, and the cost of this service is not expected to be adjusted as a result of the Plant closure. The Township does not provide waste water or solid waste collection service to the Plant.

The one area that will be affected is Water Service. With the Plant closure, demand for water to the property is expected to reduce by 99%.The Ford Plant is the end user of a 500 mm diameter watermain. As the line is not looped, the limited turnover of water within the pipeline is expected to result in stagnant water conditions in the pipe which is not acceptable. The Township proposes to address this problem by constructing a new watermain along Clinton Line to create a loop and minimize requirements for flushing. The cost of this work is estimated at approximately $900,000.The one-time cost to the Township, net of Provincial funding, is $300,000. If this cost is annualized over 10 years at 6%, the annual payments are in the range of $40,000.

In summary, the net impact to the Township has been estimated for 2011 at a potential $210,000 loss in property tax revenue as a result of the reassessment of the Ford property and an increase in capital expenditures of $300,000 to fund the cost of the watermain looping annualized at a cost of $40,000 per year.

In order to compensate for the reduced assessment and payment of vacant property and building rebates, the Township will likely need to increase property taxes. Based on a review of 2010 expenditures and revenues for the Township, that increase could be in the range of 16%. The actual increase in taxes in subsequent years may be lower as the Township makes use of reserves and other measures to address the shortfall.

It should be noted that the property taxes for Township purposes account for only a percentage of the total tax bill paid by property owners in Southwold. In 2010, the Township portion accounted for approximately 28% of the general tax payments for residential properties with the balance being made up of County and Education taxes. In the same year, the Township share accounted for just over 18% of the general tax payment for commercial properties.

County services may also be affected. Key County services include General Government, Transportation (Roads), Public Health, EMS (Ambulance Services), Assistance to Aged Persons, Social Assistance, Social Housing and Library. No specific cost savings have been identified and the potential exists for increased demand for County services, particularly social assistance. The Ford property accounted for about 3% of the County property tax revenue for 2010. The reassessment and closure of the plant will have an impact on County revenues, but it will not be as significant as that experienced by the Township.

Additional impacts will be experienced within the Township and the County as a result of the loss of contributions discussed in 5.1.1 to community organizations particularly the United Way. These contributions were made in the form of both financial support as well as volunteer hours. The United Way has indicated that this loss will have a significant impact on their organization.

5.2.2 Employment + Labour Income

As indicated in Section 5.1.2, the estimated employment at the Talbotville Ford Plant in 2007 was 2,200 persons. By mid-2011, that employment level had been reduced to 1,325 persons. With the closure of the plant, virtually all of those positions have been (or will be) eliminated by the end of 2011.

Therefore, with the plant closure, 2,200 manufacturing jobs have been eliminated in the Township of Southwold since 2007.This represents 86% of the Township’s 2006 manufacturing employment base and 56% of total employment in the Township as of 2006.Within the context of Elgin County and St. Thomas, the reduction in employment at the Plant is equal to almost 12% of total employment in this area in 2006.The loss of the Ford Plant clearly represents a significant decline in the number of jobs in the local economy. Given the relatively higher economic multiplier (refer to Section 5.1.3) in the auto sector and the comparatively high average wage rates in the manufacturing industry the economic impact will be felt well beyond the Ford Plant.

The loss of direct employment will be further exacerbated by impact on the indirect and induced economies. These are discussed in the sections that follow. In order to understand the impact of this direct employment loss to residents of Southwold, an analysis of commuting patterns was undertaken. This analysis provides a basis for estimating the number of jobs at the Ford Plant that are held by residents of Southwold. Figure 32summarizes where employed residents commute from for manufacturing employment in the Township of Southwold. As identified in Figure 32, the Talbotville Ford Plant represented approximately 86% of the total 2,550 manufacturing jobs in Southwold as of 2006.

FIGURE 32: WHERE EMPLOYED RESIDENTS COMMUTE FROM FOR MANUFACTURING EMPLOYMENT IN SOUTHWOLD (CENSUS 2006)

Rank	Municipality	Total	%
1	London	1160	45.5%
2	St. Thomas	670	26.3%
3	Central Elgin	150	5.9%
4	Southwold	80	3.1%
5	Strathroy-Caradoc	75	2.9%
6	Middlesex Centre	60	2.4%
7	Malahide	55	2.2%
8	West Elgin	55	2.2%
9	Aylmer	50	2.0%
10	Dutton/Dunwich	35	1.4%
Other Municipalities		160	6.3%
Total		**2,550**	**100.0%**

Source: 2006 Census, Place of Work

The commuting patterns indicate that in 2006, 80 employed Southwold residents worked in the manufacturing sector, of which most were employed at the Ford Plant. Thus, the closing of the Ford plant can be estimated to result in the loss of up to 80 direct jobs for residents of the Township.

5.2.3 Regional Suppliers

The closure of the Ford Plant will have significant impact on its suppliers and the employees of those businesses. As discussed in Section 5.1.3, every full time equivalent position provided directly in automotive manufacturing in Ontario, generates 4.5 jobs at other businesses, including part suppliers, in the Province. Based on the 2007 employment level of 2,200, the workforce decline and ultimate closure of the Ford plant can be expected to result in the loss of almost 10,000 indirect jobs in Ontario.

Of the 208 respondents to the online business survey, 12 (6.3%) indicated that the recent downsizing of operations at the Ford plant had caused a reduction in employment within their own businesses with a total of 37 persons laid off to date. Approximately half of these jobs were at businesses in the Elgin/St. Thomas area.

With the closure of the plant, 17 of the surveyed businesses were expecting to layoff employees. In the majority of the cases, the layoffs would be less than 25% of total work force; however, two businesses expected to reduce workforce by up to 100%.

Three of the businesses that expect to be directly affected by the Ford Plant closure are located in the Elgin/St. Thomas area. Total employment at these operations is estimated to be 210 employees. Two of these operations anticipate a reduction in employment of up to 100%, the third business, which has a much smaller workforce, anticipates a workforce decline of less than 25%.The potential loss in employment at these operations is estimated to be over 200 jobs in addition to the layoffs already experienced as a result of earlier downsizing of the Ford Plant for a total loss of indirect employment of approximately 220 jobs. In addition to these employment losses, there may be additional losses at other local suppliers that did not respond to the survey. The potential loss of indirect employment at business in Southwold is estimated to be in the range of 15 jobs.

5.2.4 Local Spending Benefits

Figure 33 summarizes the ratio of jobs within the Township of Southwold that are directly associated with the Talbotville Ford Plant (manufacturing jobs).The Township also has a small industrial base outside of the Ford Plant in manufacturing, transportation/warehousing, administrative and support services, wholesale trade and construction, of which a portion of the remaining industrial jobs are indirectly associated with the Ford Plant. The remaining retail/population-related jobs represent induced employment which largely benefit from labour income associated with the Ford Plant as well as the remaining jobs in the export-based industrial sectors.

FIGURE 33: TOWNSHIP OF SOUTHWOLD – RATIO OF DIRECT/IN-DIRECT EMPLOYMENT TO INDUCED EMPLOYMENT

Predominantly Direct/Indirect Employment Sectors (Export-Based Sectors)	2006		Approximate Ratio of Direct/In-Direct Employment to Induced Employment
	Employment	Percent of Total	
Manufacturing	2570	74.4%	
Utilities	0	0.0%	
Transportation and Warehousing	100	2.9%	
Administrative and Support, Waste Management and Remediation Services	90	2.6%	
Wholesale Trade	85	2.5%	
Construction	60	1.7%	
Sub-Total	**2905**	**84.1%**	
Predominantly Induced Employment Sectors (Retail/Service Sector)	**2006**		
	Employment	**Percent of Total**	
Professional, Scientific and Technical Services	50	1.4%	
Information and Cultural Industries	10	0.3%	
Finance, Insurance, Real Estate and Rental and Leasing	0	0.0%	
Health Care and Social Assistance	140	4.1%	
Educational Services	115	3.3%	
Retail Trade	80	2.3%	
Accomodation and Food Services	75	2.2%	
Other Services (except Public Administration)	60	1.7%	
Arts, Entertainment and Recreation	20	0.6%	
Sub-Total	**550**	**15.9%**	
Total	**3455**	**100.0%**	5:1

Source: Statistics Canada, 2006 Census.

As identified in Figure 33, there is one locally induced job within the Township of Southwold for every five direct or in-direct jobs. Accordingly, the loss of 80 direct jobs plus 15 indirect jobs (as identified in Section 5.2.3) would potentially result in the loss of 19 induced jobs with the retail and service sector within the Township of Southwold. This represents approximately 3% of the local job base within the retail/service sector.

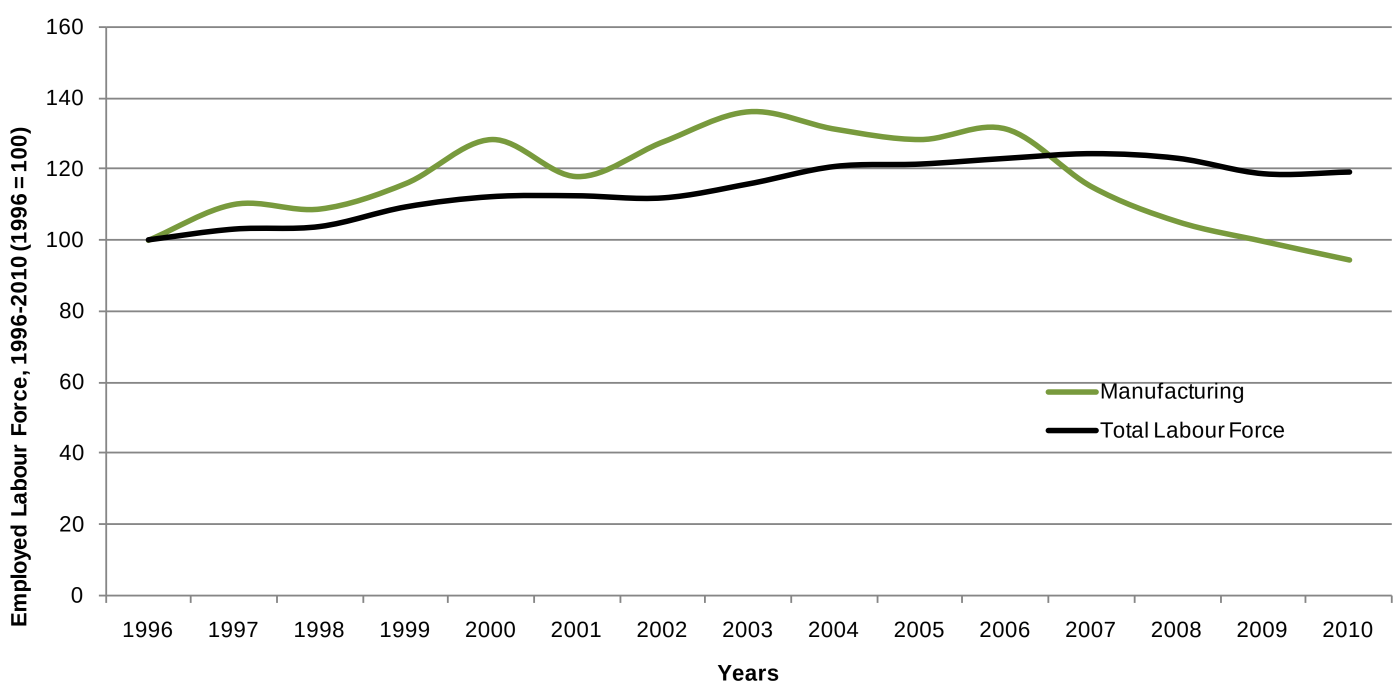
For the City of St. Thomas and Elgin County as a whole a total of approximately 1,030 direct jobs would be lost as a result of the closure of the Talbotville Ford Plant based on 2006 Census commuting patterns. For the City of St. Thomas and Elgin County as a whole, the ratio of direct/indirect to induced employment is approximately 1 to 1. Accordingly, the induced impact considering Elgin County as a whole including the City of St. Thomas would be in the range of slightly over 1,000 induced jobs. The results of the online employment survey reinforce this analysis. Of the 200 businesses surveyed, approximately 20 businesses which are not directly or indirectly associated with the Ford Plant indicated that their business would be negatively impacted by the closure of the Plant.

5.2.5 Property Values

Looking forward, the impact of the closure of the Talbotville Ford Plant on housing price trends in Southwold and the surrounding regional market area will be largely dependent on the strength of the regional labour force base and how successful the regional economy will be in transitioning to existing and emerging clusters which will be tied to the service sector and knowledge-based economy. To date, the London CMA has had considerable success in this area, which continues to support a healthy housing and residential land market.

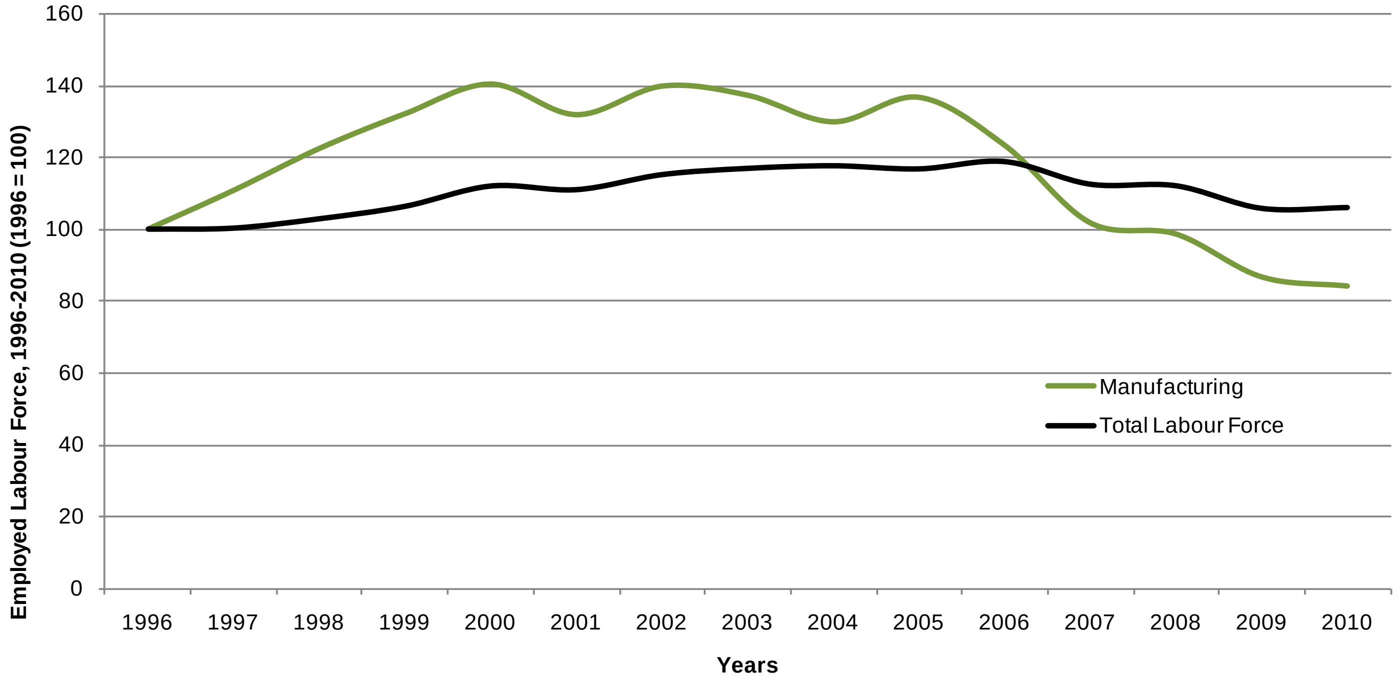
Figure 34 and Figure 35 summarize the recent labour force trends in the manufacturing sector vs. total labour force from 1996 to 2010 for the Windsor CMA and London CMA. As previously identified, these two CMAs reported the weakest housing market of the CMAs in Southwestern Ontario. For both of these CMAs, the manufacturing sector has experienced a relatively steady decline since 2008.The total labour force for the Windsor CMA has also experienced a gradual decline since 2006.However, the total labour force for the London CMA has remained relatively stable during the post 2006 period as a result of strong growth in the service sector.

FIGURE 34: LABOUR FORCE GROWTH, LONDON CMA, 1996-2010



Source: Statistics Canada. Table 282-0112 - Labour force survey estimates (LFS)

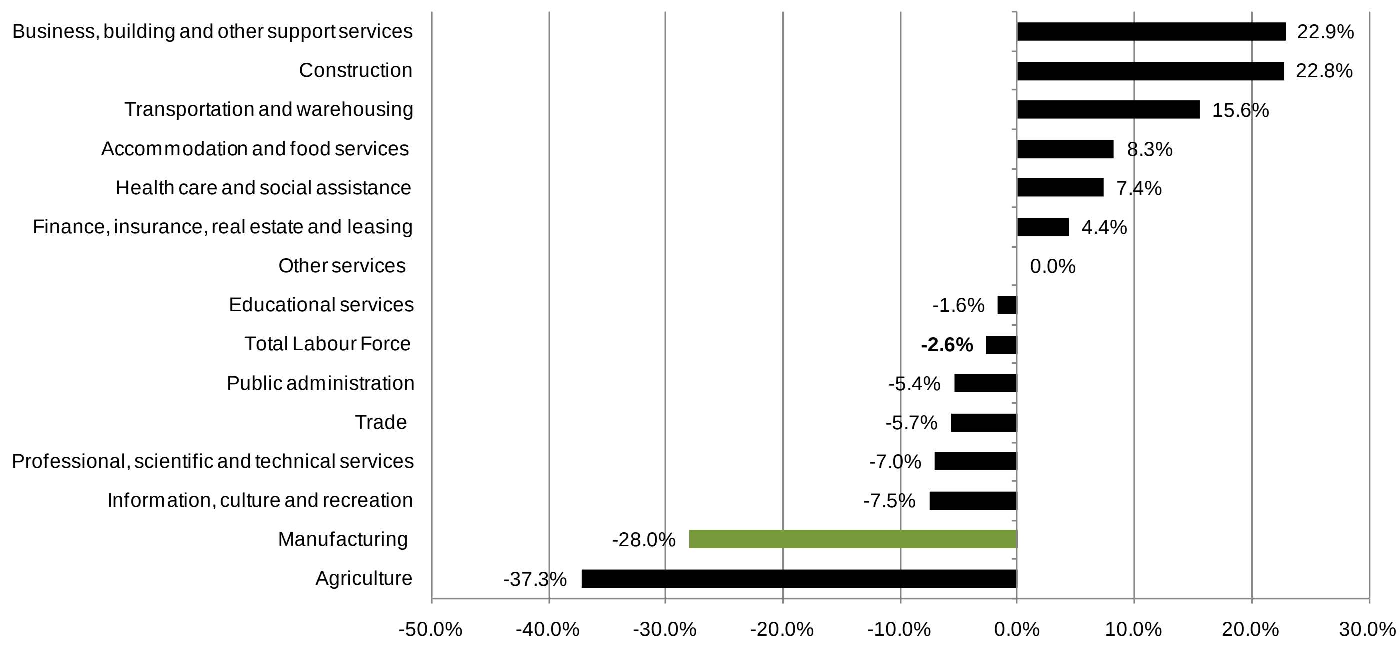
FIGURE 35: LABOUR FORCE GROWTH, WINDSOR CMA, 1996-2010



Source: Statistics Canada. Table 282-0112 - Labour force survey estimates (LFS)

As summarized in Figure 36, within the London CMA several “knowledge-based” sectors, including business, building and other support services, health care and social services and finance, insurance, real estate and leasing, have experienced strong growth over the past five years. Typically, these sectors provide employment opportunities with similar income earning potential (and in some cases better) when compared to the manufacturing sector. Many of these sectors also provide a high percentage of full-time employment.

FIGURE 36: LABOUR FORCE GROWTH BY SECTOR, LONDON CMA, 2006-2010



Note: (a) Forestry, fishing, mining, quarrying, oil and gas; and (b) Utilities have been omitted due to disclosure control

Source: Statistics Canada. Table 282-0112 - Labour force survey estimates (LFS)

More broadly, housing prices are impacted by several factors which can influence housing affordability, which is typically measured in terms of monthly carry costs. One of the key variables which impact the monthly carry cost of a home is mortgage interest rates. Given the current uncertainty in the global economic market, it is unlikely that the Bank of Canada will significantly increase the prime interest rate within the next two years. In turn, these should help keep mortgage interest rates close to all-time lows. Beyond the next two years, it is foreseeable that any increase in the prime interest rate may have a moderately negative impact on housing prices and residential property values across the Province, including the Township of Southwold and surrounding regional market area.

6 Automotive Industry – Community Perspectives

In order to develop a clear understanding of the impact the Ford Plant closure will have on the region, an extensive stakeholder consultation process was conducted. This section of the report provides a summary of consultation findings from the on-line employer survey and stakeholder interviews. At the beginning of the project, a focus group was conducted with employment agency intermediaries regarding project expectations and outcomes. These results are presented in Appendix B.

6.1 Employer Survey

A web-based employer directed survey was made available for a four week period and broadly distributed through the use of social media and direct network distribution. This survey provided an opportunity for the broader business community to provide input regarding the business impact of the Talbotville Ford Assembly Plant closure, their business relationship with this Plant, current and projected future labour force needs and perceived influence on community image. The survey also provided an opportunity for employers to comment on the issues they encounter when recruiting people and necessary actions that the Township of Southwold and Elgin County staff should take into consideration to support the impacted workforce. This section is designed to provide a brief synopsis of the survey findings and is supplemented with a comprehensive survey summary, by question, in Appendix C.

The business community responded to the survey very positively. A total of 207 respondents gave of their time and shared their perspectives. Approximately one-third (20.6% from Elgin County and 16.0% from St. Thomas) of respondents represented the Elgin County area, one-third of respondents represented the City of London (31.1%) and one-third (32.3%) of respondents represented communities adjacent to Elgin County or the City of London.

Responses were well represented across industry types. The largest representation was found in Other Services (except Public Administration) at 17%, followed by Manufacturing and Public Administration (10.7% respectively), Retail Trade (10.2%) and Finance and Insurance (9.2%). All other industry types fell below a 9% response rate. A large majority (78.9%) of these businesses had been in operation for over 10 years and had fewer than twenty employees. The survey also drew good representation from large firms with more than 100 employees.

Talbotville Ford Plant Supplier Information - Of the 18 companies (9.2%) that were directly or indirectly a supplier to the Talbotville Ford Assembly Plant, five indicated that their company decreased their employment at their place of business due to the Talbotville Ford Assembly Plant's downsizing. In addition, five companies anticipated a decrease in employment at their place of business as a result of the closure. Two Elgin County firms indicated 76-100% of their business' employment base will be downsized. One of these firms was in the construction industry and the other was in the manufacturing industry. The three other firms indicated less than 25% of their employment base would be downsized.

Over nine in ten (91.1%) businesses do not anticipate a decrease in employment at their place of business as a result of the Plant closure. Nearly every employer, with the exception of two firms, anticipated less than 25% of their employees would be downsized as a result of the closure.

Of the 31 respondents who responded to the question related to the percentage of annual sales directly from the Ford Plant, 22 of them indicated that 0% of their annual sales were directly from the Plant. A further five of them indicated less than 5% of their annual sales were directly from the Plant. Only one firm could attribute greater than 75% of their annual sales from the Plant.

Recruitment Practices – Depending on the type of occupation the necessary skills to fill job vacancies varies.

- managerial occupations have been commonly filled by employees who have obtained a university education.
- technical occupations have been commonly filled by employees who have obtained a college education or apprenticeship training.
- semi-skilled occupations have been commonly filled by employees with on-the-job training.
- administrative occupations have been commonly filled by employees with a college education.

While recruitment practices varied, the most common recruitment method is word of mouth, but internal job posting boards, job websites and local employment support agencies are also common.

Common issues that respondents stated they encounter when recruiting people from the local labour force include:

- an attitude of entitlement
- lack of education
- lack of customer service skills
- lack of sales skills for commission based jobs
- lack of initiative
- lack of entrepreneurial spirit.

Some respondents stated that they try to match job candidate experience and capabilities with employment opportunities within their companies. It is important that new hires fit into the company culture.

Respondents reported that people who are trying to find local employment require accurate and timely information about local support networks and assistance with job searching, interviewing, preparing resumes, learning to write cover letters and accessing the hidden job market.

Future Labour Force Requirements – One-half (50.5%) of the employers do not expect to hire and will likely stay the same in the next year. One-third of respondents (33.0%) expect to hire in the next year. Many employers that are expanding indicated that they have been in business for over 10 years. They represent a variety of sizes in terms of the number of employees and industries. Some of the most common industry responses were for:

- manufacturing (nine responses)
- other services, which typically include automotive servicing centres, consumer goods servicing, salons and non-profit organizations (six responses)
- educational services (four responses)
- finance and insurance (four responses).

Employer Skills Requirements – All of the skills listed in the survey were important for a business' success. The skills with the highest level of importance for business success were reading skills (3.80), oral communication skills (3.78), team work skills (3.67) and customer service skills (3.66).Other skills listed included math, written communication skills, computer and technologies literacy skills, critical thinking and analysis skills and decision making skills.

The skills most difficult to find among employees were critical thinking and analysis skills (59.3% of respondents) and customer service skills (50.6% of respondents).A common skill (or attitude) mentioned by respondents included the ability to motivate yourself on the job.

Community Image – Nearly all respondents (94.0%) felt that it was very or moderately important for positive stories or qualities of the community to be communicated. The most common responses describing the uniqueness about the community's quality of life included:

- family centred and friendly
- slower paced, more affordable community with less traffic, congestion and commuting

- mix of urban and rural where residents can shop locally yet be close enough to a larger city to experience its cultural experiences or events.

Respondents stated that the most important cultural assets or amenities are the railway heritage assets and history, heritage buildings (e.g. Backus-Page House), art gallery, summer festivals, courthouse and visual and performing arts. There are also Amish and Dutch communities that can add to Elgin County's diversity.

Implementation- The most common suggestions for the Township of Southwold and County of Elgin should take into consideration to support the impacted workers of the Ford Plant to re-enter the local labour force are as follows:

a. **Retraining and education upgrading support–** The laid off workers will need assistance for retraining and education upgrading. Programs that provide financial support assistance (i.e. employment insurance) during their retraining and/or education upgrading need to be put in place. These laid off workers need to be approached early and proactively to prevent dire situations later. There is a need to encourage training in fields where there are skills gaps and a demand for more people with these skills. Individual skills assessments need to be completed that match qualifications to employment opportunities.
b. **Job searching skills development support–** The laid off workers will need assistance when job searching. Many of these workers have been with the Ford Plant for a long time and have not needed to develop these skills. These workers will need to be informed of local labour market wage levels, which may be lower than wage levels provided by the Ford Plant.
c. **New business opportunities support –** Many laid off workers develop skills that are marketable and can be used for new business opportunities. Entrepreneurship and small business can be a viable option for some of the laid off workers. The Township of Southwold and County of Elgin should encourage entrepreneurial and small business programs that provide guidance for starting a business.
d. **Support for the families –** Many respondents stated that being laid off from the Ford Plant will take an emotional toll on the worker and his/her family. There needs to be counselling supports available for the whole family. The stories of hope, of people getting jobs, industries with new job openings need to be promoted to the impacted workers.

6.2 CAW and Ford Action Centre Representatives Interview

A separate consultation with the president of CAW Local 1520 and representatives from the Ford Action Centre was also conducted. As part of this consultation, the CAW informed the consulting team of the negotiated key elements of the closure package. These elements included:

- a pre-adjustment program to increase awareness and understanding of the impact of the layoff and types of services that would be available
- a tuition refund program where each worker that retained their recall rights could access up to $3,250 over a two year period
- an on-site action centre to support workers
- a negotiated severance package.

The representatives informed the project team of the skilled trades within the Plant and the short-term training sessions that were offered to laid off workers. A profile of the employees (i.e. place of residence, gender, education, etc.) was also provided to the project team.

The representatives were asked what the Township of Southwold and County of Elgin should consider as action steps. The responses were as follows:

- apply political pressure at the provincial and federal level regarding procurement policies (i.e. fair trade vs. free trade)
- Increase the knowledge of the skill sets of impacted workers and use this knowledge to attract new business investment
- Develop an industrial strategy that defines the future of manufacturing in the County
- Promote on-going support for access to skills enhancement training such as literacy and upgrading.

6.3 Stakeholder Interviews

A series of stakeholder interviews was conducted with a wide variety of key stakeholders across the region. Specifically municipal staff, economic development officers and organizations and community service providers were asked a plethora of questions regarding the key assets and barriers in terms of economic development in the region. A full list of the stakeholders interviewed can be found in Appendix C.

The community stakeholders interviewed were very responsive to the consultation process with an overwhelming majority commenting that they were extremely pleased that this study was being conducted and that it was necessary. A summary of aggregated responses follows, respecting participant confidentiality and continuity of response.

Will your business/organization be negatively impacted by the closure of the plant? If yes, how?

Each of the respondents questioned answered that the closure of the Ford Plant would negatively impact both their business and organization as well as more broadly in terms of the larger community. Many of the people interviewed were members of local municipalities and all were concerned with the loss of their tax revenue. For those respondents in the social services provisions sector many felt that they would lack funds and capacity to deal with the potential social ramifications. Small business owners also reported being concerned that less disposable income would be circulated in the local economy.

To what extent has your business/organization benefited from the Ford Plant's presence in Elgin County?

Many of the respondents commented that the Ford Plant's presence was welcome in the area. Along with the increased level of employment it provided for the area, which supported small business, the company also gave generously to local charities and contributed to a sense of pride within the region.

From your perspective, what do you see as the top three challenges the area will face as a result of the plant closure?

Largely the respondents were concerned with future tax increases due to the lack of tax income from the Ford Plant. This not only affects local residents in their residential land taxes but also could negatively impact the ability of attracting new investment to the area. Aside from the tax base, most respondents also commented on the already strained labour market and the fact that there were few jobs in the region.

From a business perspective, what factors have made the County of Elgin a good place to operate a business from in the past?

Surprisingly, there was a lack of a response to this question. Many of the respondents focused on the negative aspects of locating a facility to the region even when asked for positive responses. With that being said, there were positive factors highlighted including:

- Cheap and affordable land compared to many surrounding areas;
- Extremely competitive and affordable tax rates;
- Availability of skilled workers in the area especially workers in the trades.

From a business perspective, what barriers or obstacles have made it difficult to do business in Elgin?

Many of the respondents felt that Elgin County was a considerable distance away from any large urban centres, namely Toronto. This perception of the region has left it relatively underdeveloped. In conjunction with this, the lack of serviced land and industrial zoned property was also seen to be a clear impediment to past and future development opportunities. Some respondents also highlighted the lack of skilled workers in particular fields as being an impediment. Specifically, many people cited the lack of university educated professionals as a key obstacle.

From your perspective, what are some of the common issues employers encounter when recruiting from the local labour force?

Many of the respondents did not respond to this question. Of those that did respond, discussion focused around the employer's issue of not knowing how to market job opportunities.

What are the most important skills that employers are seeking in candidates?

Respondents largely agreed that basic computing, critical thinking and customer service skills were necessary. Aside from these skills the vast majority of respondents stated that each job would require a specific skill set and that these skills would vary significantly from opportunity to opportunity.

What are the most important actions that the Township of Southwold and County of Elgin should consider to support the Ford Plant's impacted workers re-entry the local labour force?

Many of the responses to this question were extremely varied and largely split into two dichotomies: one being that the Township and County should do everything in their power to attract large-scale manufacturing back to the facility and an opposing view that they should work to diversify the economy in the region and work to minimize the importance of manufacturing on the local labour market. It should also be noted that many of the respondents pointed to the growing importance of small businesses and entrepreneurs in the local economy. Many of the employees previously employed by other manufacturing facilities that have closed have become entrepreneurs in creative industries and skilled trades. Most respondents felt that this development trend could be more stable and sustainable in propelling the County's economy. With that being said, there was also acknowledgment that small-business could never fully take the place of a large corporation employing hundreds of people.

We know that the challenge of many communities faced with major plant closures is maintaining a positive image of the community for residents, visitors and tourists. How important do you feel it is for the positive stories and qualities of the community be communicated?

Respondents who answered this question understood the importance that positive stories and communications play in assisting a community in invigorating economic development and contributing to a sense of community pride. Respondents noted that the County of Elgin is doing well in marketing the area as a viable economic region as well as providing local residents with good news stories.

How would you describe what is unique about the quality of life in the community?

Many respondents agreed that the quality of life in Elgin County was exceptional and attributed this to the rural pace of life and the proximity to Lake Erie and the City of London. Respondents also pointed to the low cost of living and low property taxes as other key factors that contribute to the areas quality of life.

Studies show that history and cultural are part of what attracts people to want to live and work in a community. What would you say are the communities most important cultural assets and amenities?

Many of the respondents pointed to Elgin County's agricultural past and present in contributing significantly to the cultural and historic importance of the region. In addition, respondents also explained that each of the community's in the area have their own uniqueness that plays an important role in attracting visitors and residents.

7 Broader Impacts

Throughout the 20th century, manufacturing jobs have provided economic stability for individuals and entire communities throughout Ontario. With the implementation of the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA) and the recent recession and financial crisis the manufacturing industry has left many communities reeling from the negative impacts. The implications of a large-scale factory closure goes far beyond the immediate and longer term fiscal and economic impacts, to influence the livelihood and family fibre and community sustainability. The employees of automotive factories in particular are typically long-term, older employees with little to no work experience outside of the industry[52]. Not only are these people then losing their income but also a piece of their identity and social network.

There are invariably social implications of economic change and restructuring particularly felt from large-scale layoffs. This section examines broader implications that require consideration and attention.

7.1 Social Implications of Economic Restructuring

7.1.1 Community Impacts

While this section may draw attention to several themes portrayed here for their negative influence, it is critically important that they be received in the context for which they are intended. To not recognize these challenges would be a disservice to the community, for without knowledge and understanding it is difficult to proactively shift thinking from challenge to opportunity. The Township of Southwold and County of Elgin have undertaken this study for the purpose of ensuring that implications and impacts are clearly documented and validated. It is only through this approach that strategic directions to support community resiliency and future economic competitiveness can be developed and implemented.

There is a large body of work that highlights that the community implications of economic restructuring are complex and multifaceted[53]. Community economic transformations create both new opportunities and challenges. Gaps in social infrastructure including childcare and housing are exposed and other social issues including poverty, violence and family conflict may increase. Due to the economic and financial impact of an economic downturn many community-based organizations struggle with availability of reduced funds to provide increased programming and services.

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52 In a discussion with CAW it was found that many of the workers from the Talbotville facility had worked there for their entire careers.

53The Economic and Social Impacts of Job Loss (1998) http://www.ncsociology.org/hossfeld.htm

The implications of economic restructuring are also felt heavily on the sense of place and identity of the larger community. Bad news stories become more explicit than those of good news due to both the perception of hard times but also the reality of unemployment and lack of income. Mainstream facades can begin to suffer with ripple effect service sector closures and the community can begin to believe its own bad press.

7.1.2 Personal Impacts

Job loss is a traumatizing and difficult experience for anyone to endure but can be particularly trying on those workers who face barriers due to age, education and ability. For many, working at the Ford Plant was their first and only full-time employment. The prospect of looking for other employment or going back to school can be a traumatizing experience. This loss of security, self-identity and purpose can often trigger periods of despair, depression and anxiety and increase the incidence of drug and alcohol usage and family violence. Further complicating the return to work is the fact that even when new employment is secured, workers oftentimes struggle to adjust to the new culture and workplace environment or are faced with a second round of layoffs.

In today's economic climate it is increasingly difficult to find the wage rates seen in unionized automotive plants within similar occupations with little to no formal education[54]; this translates to the need for unemployed workers to lower their salary expectations even after retraining for a second career. Such reduction in family income results in the need to adjust their family consumption patterns on a more permanent basis. The long term lifestyle and personal impacts of a job loss can be difficult to comprehend for the family of the worker and therefore the emotional and psychological impacts are also transferred to workers' spouses, children, parents and close friends.

54 Professor G. William Domhoff (2005) Wealth, Income, and Power

7.2 Creativity, Culture and Quality of Place

There are ways of mitigating the negative effects of job losses on a community and by providing quality of place and positive messaging a community can rally to ensure future prosperity. This section explores the local perspectives through this lens.

There is a growing body of evidence related to the important role played by creativity, culture and quality of place to growing local economies.[55] Successful municipalities are those that offer an appealing and attractive community, that are diverse and welcoming, that offer interesting public spaces, that celebrate public art and urban design and understand that linking these elements are the magnet to attract people and talent. Many of these same qualities of place are also major attractors in an expanding tourism industry, an increasingly important consideration in local economic development strategies.

Cultural resources are instrumental in defining the unique identity of a community. Part of this identity is shaped by a community's physical or tangible cultural resources. However, it is also shaped by its intangible cultural resources – the important stories and traditions associated with that community that say something important about its unique identity and sense of place. Combined, these cultural resources have a strong impact on the overall image and perceptions of the success and vitality of the community. Profiling these assets can be a means of reversing a downward spiral in community image that can result from major economic developments such a plant closure.

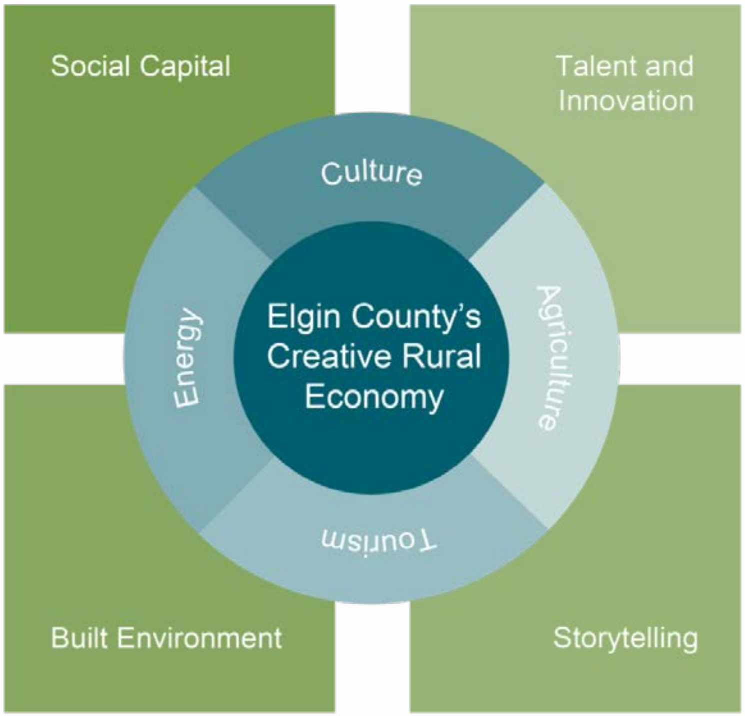
Recognizing the importance of considering this aspect to inform the study, several questions were developed and included in both the on-line survey and the interviews conducted with local stakeholders, as discussed earlier in the report. Questions explored community attitudes and perceptions related to community image, quality of life and cultural resources. Overall, survey and interview findings confirm the importance of these issues to economic recovery and future prosperity.

County of Elgin Economic Development Strategy and Action Plan 2011-2014

*The County of Elgin Economic Development Strategy and Action Plan 2011-2014*was adopted by County Council on September 13, 2011. The Plan places a strong focus on creativity, culture and quality of place as driving themes in the strategy as reflected in the following diagram.

55 Canada's Creative Corridor: Eastern Ontario's Creative Economy. Prepared by Miller, Dickinson Blais; Authenticity and the Martin Prosperity Institute. http://www.buildanewlife.ca/site/index.php/Collaboration-Centre/Regional-Creative-Economy/Regional-Creative-Economy.html

FIGURE 37: ELGIN COUNTY`S CREATIVE ECONOMY



The strategy recognizes the major shift in local economies – specifically in suburban and rural Ontario – away from manufacturing, agriculture and other 'traditional' industries and toward a creative economy driven by ideas, innovation, knowledge, collaboration and creativity. It notes that communities that can identify and support elements of their creative economies – starting with cultural resources – will be well-positioned to capitalize on the opportunities that this shift produces.

The strategy recognizes the critical importance of sustaining and enhancing quality of place in drawing talented people, which in turn attract business investment. The notion of culture-led economic development in the strategy rests on the premise of the value of ***place***– and that those environments where diverse cultural experiences and amenities are offered are better positioned to attract and retain creative people and businesses and to generate wealth for their communities. The County of Elgin, as evidenced through its economic development and tourism programming has a unique quality of place, offering residents and visitors idyllic rural landscapes, agri-tourism and waterfront living and recreation; giving the region a strong competitive advantage on which they can attract and retain investment and talent.

The *Economic Development Strategy and Action Plan* is built on4 overarching goals with cultural resources figuring prominently across all four goals.

1. Build Social Capital
2. Enhance the Built Environment
3. Develop Talent and our Entrepreneurs
4. Tell our Story

The final goal 'Tell Our Story' places a strong emphasis on the importance of storytelling as a means of communicating positive stories and community image, as well as attracting people, investment and tourists. Storytelling can be an instrument that can be used by the Township of Southwold to communicate and create a renewed sense of identity and confidence in the Township. A theme emerging from the consultation process was that one element of the community's identity was connected directly to the Talbotville Plant. The loss of the Plant in the eyes of some negatively impacted the identity and civic pride felt by its citizens. A positive sense of community pride and identity is an essential part of any economic recovery strategy.

8 Best Practice Responses to Facility Closures

The following ‘matrix’ presents a summary of best practices in responding to industry declines or large facility closures. The matrix provides a summary of information on the site of closure and number of jobs lost (typically associated with a manufacturing or resource-based operation) and goes on to briefly review the key responses, outcomes, successes and lessons learned from each of these cases.

The findings from this review suggest that there is not necessarily a ‘one size fits all’ approach to factory or facility closure and job loss. The resources brought to bear to respond to these challenges are highly variable, ranging from modest local partnership funding to create economic strategies and plans, to multi-million dollar grants and loan programs from specially-designated state and federal programs. However, most communities started from a central goal of replacing lost jobs and pursuing economic diversification as a strategy for resiliency and growth and, regardless of their level of success, originated in a community-based identification of the need to pursue a coordinated response. In that sense, Southwold has been proactive and in line with best practice trends in undertaking this study and other initiatives completed to date.

The examples are drawn primarily from locations in the United States, particularly in the ‘Rust Belt’ Region which has been subject to ongoing closures in the manufacturing industry for a number of years. As such, communities in this region have had greater experience in responding to industry decline and provide a greater level of detailed information and therefore richer source of potential practices and responses for Southwold to draw upon. That being said, communities from Ontario have also been reviewed to provide an understanding of potential responses in the provincial context.

FIGURE38: BEST PRACTICE RESPONSES TO FACILITY CLOSURES

Community and Population	Facility Closure/ Downsizing (Year)	# of Direct Jobs Lost	Primary Responding Agency	Funding Raised & Received	Key Outcomes & Successes	Lessons Learned	Key Source(s)
Ponca City, OK (24,507 - 2010)	Conoco (1993) / ConocoPhillips (2002 – oil and petroleum)	1,400 (1993) 3,500 (2002)	Economic Development Advisory Board (EDAB), formed in 1994 → Ponca City Development Authority (PCDA) in 2003	Adoption of 0.5 cent sales tax; used for funding incentives to attract 2 major employers and 20 smaller businesses	BR&E program established; collaboration with Pioneer Technology Centre for vocational training, small business incubator; creation of knowledge-based jobs through PCDA/OSU/ ConocoPhillips partnership (University Multispectral Lab)	Emphasis on quality jobs in knowledge-based industries; focus on building strong workforce, investing in training and worker attraction; resourcefulness and partnerships are critical	http://restoreyoureconomy.org/wp-content/uploads/2011/02/PoncaCity_EconDiversification_Mar2010.pdf
Akron, OH (199,100 – 2010)	Various, 1970s-present (rubber manufacturing)	Est. ~19,500	Akron Plus economic development study (1986)	$4.3M for study from multiple partners including Chamber of Commerce, University of Akron, state and county; various private foundation grants	BR&E program; retention of Goodyear HQ & 3,000 jobs(2007); small business incubator (1983) purchase and servicing of vacant land; Joint Economic Development District partnership to share tax revenues from new developments in surrounding communities	Emphasize education and investment in quality of place for worker attraction; importance of diversification (e.g. polymers, biomedical, nanotech); need multi-tier partnerships for success	http://restoreyoureconomy.org/wp-content/uploads/2011/02/Akron_BuildingonAssets_Mar2010.pdf

Community and Population	Facility Closure/ Downsizing (Year)	# of Direct Jobs Lost	Primary Responding Agency	Funding Raised & Received	Key Outcomes & Successes	Lessons Learned	Key Source(s)
Huntington, WV (49,138 – 2010)	Owens-Brockway (1993 - glass manufacturing)	623	Huntington Municipal Development Authority, formed to purchase plant and site (858,000 sq. ft.); public task force for site reuse and economic development strategy	$1,4M federal loans and $0.6M community block grant, $2.5M from US E.D.A. and state of WV for site improvements	Creation of Huntington Industrial Centre at old site; designation as an Enterprise Community and Empowerment Zone → qualification for federal grants; creation of 1,700 new jobs (450 at Centre) within 3 years	City took on risk of absorbing the purchase and remediation of facility (with multiple funding sources); citizen participation and task forces, with assistance from professionals drove designation programs and redevelopment strategies	http://www.eda.gov/PDF/1g3_1_innovldep.pdf
Smiths Falls, ON (8,777 – 2006)	Hershey Company (2007/8– confectionery) and others	600	Town Economic Development Office & ED Advisory Board, Lanark County, Ministry of Economic Development and Trade (MEDT)	$335,000 from MEDT for economic development strategy & other initiatives including Alternative Use Study for plant	Completion of 5-community ED Strategy; creation of economic development website, launch of BR&E program; critical focus on infrastructure investments and expansion of institutional employers (health care, OPP) have been successful	Asset-based community development is key; creative approaches to growth (e.g. multi-language immigrant portal for talent attraction, international education partnerships) are necessary;	http://www.ontariobusinessreport.com/en/communities/articles/communities_article_06.asp http://www.advantagesmithsfalls.ca/en/

Community and Population	Facility Closure/ Downsizing (Year)	# of Direct Jobs Lost	Primary Responding Agency	Funding Raised & Received	Key Outcomes & Successes	Lessons Learned	Key Source(s)
Danville, VA (43,055 – 2010)	Tultex (1999 – textiles)	6,000	City and County; private sector foundation 'Friends of the Piedmont' (FOTP) established as a non-profit corporation in 2000	Grant funding through Tobacco Revitalization Opportunity Fund; $50K strategic plan funding through Danville Community Foundation	Developed 3 regional business parks; extension of rural broadband and development of an Institute for Advanced Learning and Research, connected with Universities to deliver distance learning and enhance youth retention; over 5,800 new jobs and $900M in capital investment since 2000	Use of non-traditional funding sources; importance of regional, public-private cooperation and political support; focus on developing a qualified local workforce to retain local and attract foreign companies; invest in business-related infrastructure	http://www.iedconline.org/secure_view.php?file_path=EDJournal/Summer_09/IEDC_EDJ_Wright.pdf
Kalamazoo, MI (74,262 – 2010)	Multiple; GM (1999 – automotive);Pfizer (ongoing pharmaceutical)	4,000 (1999) 4,000+ ongoing	City, County, state and private donors	$12M in private donor, County and state funds to Innovation Center	Construction of Southwest Michigan Innovation Center (2003) for biotech incubation and entrepreneurship; opening of Michigan Technical Education Center (2001); Kalamazoo Promise providing scholarships to local colleges for high school completion	Invest in early-stage education; get 'ahead of the curve' with bricks and mortar investments; find private partners; promote successes to outlets in and outside of community	http://www.iedconline.org/secure_view.php?file_path=EDJournal/Fall_07/IEDC_EDJ_Kitchens.pdf

Community and Population	Facility Closure/ Downsizing (Year)	# of Direct Jobs Lost	Primary Responding Agency	Funding Raised & Received	Key Outcomes & Successes	Lessons Learned	Key Source(s)
Aylmer, ON (7,069 – 2006)	Imperial Tobacco Plant (2007)	80	City, County and private donors	Funding through the Federal Economic Development Agency for Southern Ontario, Local governments, private sponsors	After sitting vacant for three years, the 5,500 square foot facility was re-opened in 2010 as the Elgin Innovation Centre. This facility offers "the most competitive leasing rates along the 401 for SMEs looking to expand."	Flexible zoning in conjunction with a well serviced facility may be an attractive investment opportunity for private investors; Community consultation can help target renovation efforts.	http://www.iceinnovation.ca http://www.aylmer.ca/uploads/Business/newsletter-vol1.1.pdf

8.1 Case Studies

In addition to the above matrix, four other communities have been profiled as case studies, to provide more detailed examples of the steps undertaken to respond to a shift in a community's economic base and/or a sharp decline in employment brought about by a facility closure and downsizing.

8.1.1 Welland, Ontario – Negotiated Plant Closure

In 2008, John Deere Ltd. announced the impending closure of its Welland Works plant, which had been a staple employer in the community for over 100 years. The closure was to result in the loss of 800 well-paying jobs, with the Welland Operations being moved to Wisconsin and Mexico. Prior to this announcement, the community lost over 3,200 manufacturing jobs, or 40.6% of its manufacturing employment base, between 2001 and 2008. As stated in an Issues

Report for the City's Official Plan, this will decrease the role of manufacturing from 28% of the labour force to just over 17%[56].

The Canadian Auto Workers (CAW) union negotiated a closure agreement with the company in order to provide appropriate severance to its workers, who were laid off between April and November of 2009. Workers received four weeks' pay for their first year of employment and 2.5 weeks' pay for each subsequent year to a maximum of 65 weeks' pay, as well as an early retirement option[57]. Another part of the settlement included a commitment of $200,000 in funding for worker assistance and training, the result of which was the establishment of the John Deere Action Centre as a partnership between John Deere, the CAW and the provincial (Ontario) government. The Action Centre was a volunteer peer-driven service centre dedicated to upgrading skills, preparing for and applying to new jobs and providing labour market information. The Action Centre was also able to facilitate the entry of displaced workers into second career programs at Niagara College and assistant some trades workers in receiving additional certification to improve their employability. As of February 2010, it was estimated that 40% of those that had visited that Action Centre had either returned to school full-time, found new jobs, or had retired.[58] Similar partnerships are established to respond to plant closures in other communities, including Southwold.

As a result of both provincial and municipal government policy, and a concerted effort on the part of local and regional economic development departments, there have also been recent successes in attracting large employers to Welland which have helped the Town and the Region adapt to the job losses seen as a result of the John Deere closure. The Town was recently successful in attracting Toronto-based Oneworld Energy Inc. and its subsidiary COU Solar Inc. to develop a "solar manufacturing hub"(panels, inverters, etc.), which is estimated to employ 200 to 300 direct full time jobs and up to 1,000 indirect and ancillary jobs. It is also geared towards attracting additional foreign solar manufacturers over time.[59] The success of this project was due to a variety of factors that would be useful for communities like Southwold to consider. These included: an active and willing local and regional economic development team, supported by a targeted sector strategy focused on green energy; the active work of the local Workforce Planning Board; the availability of highly-skilled labour, particularly industry programs offered through Niagara College; and partnerships with the public sector, including the cooperation of Welland Power (the local utility) contributing assets. In addition, the current feed-in tariff (FIT)

56 Dillon Consulting, et al. December 2008. "City of Welland New Official Plan. Background Policy Report: Issues, Opportunities and Constraints." http://www.welland.ca/development/OfficialPlanIssuesReport-01222009.pdf

57 CAW-TCA Canada. January 15 2009. "John Deere Welland Works Closure Agreement." http://www.caw.ca/en/5373.htm

58Welland Tribune. February 2010. "John Deere Welland Works no more." http://www.jdaction.ca/documents/articles/WellandTribune27Feb10.pdf

59Canadian Business Journal. "City of Welland." http://www.cbj.ca/business_in_action/municipal/city_of_welland.html program and domestic content requirements for renewable energy developments, part of the provincial energy framework under the *Green Energy Act*, was instrumental in ensuring the investment was made in Ontario.[60]

The experience of Welland made it clear that multiple resources and approaches need to be marshalled in order to successfully respond to and adapt to a plant closure. While John Deere was a cornerstone of the city and region's manufacturing economy for many years, and both the CAW and local partners advocated for a closure agreement to address the immediate impacts of the closure, there was an ongoing effort to train workers and attract industry that established the conditions for the City to be successful in pursuing other businesses. The programs offered by Niagara College in green technologies, the strategic sectors identified by the Town and Niagara Region economic development offices and the opportunistic policy framework worked together to make the city an attractive destination for additional investment. In a similar fashion, Southwold must evaluate the breadth of resources in the Township and the County that can be called upon to increase the resiliency of the area and increase its potential for future business development and job growth.

8.1.2 Cobourg, Ontario - Green Tech Innovation Centre

The Kraft Plant in Cobourg, Ontario was closed in 2008, resulting in 200 layoffs and significantly decreasing the Town's tax revenue. Subsequently, the plant was bought and divided into over 17smallerindustrial, warehousing and office spaces and developed into Cobourg's Innovation Centre - a green tech and innovation incubator. The incubator offers a variety of services that include:

- investment in the business
- government grants and loans
- business development services
- mentoring services to help grow small business
- a great community to relocate business and families.

Firms interested in utilizing the services and space must meet a minimum set of requirements. These requirements include: a patented product, three years of sales history and three years of financial operating history.

Recently the Cobourg Innovation Centre has signed an agreement with Courtice Industries to establish a state-of-the-art recycling facility. It will provide recycling services to Ontario municipalities and private industries to process dry recyclable

60Oneworld Energy Inc. March 11. 2010. "Oneworld Energy to build "Solar Manufacturing Hub" in the City of Welland, Ontario. http://oneworldenergy.com/docs/Oneworld_to_build_Solar_Manufacturing_Hub_in_Welland_03-11-10.pdf materials which will include paper, cardboard, plastic, metal and aluminum containers. The installation alone will create 30,000 hours of employment for trade's people. Courtice Industries anticipates they will employ 60 people full-time by the end of 2012 and once they reach their anticipated production, this facility will employ up to 120 people, generating an annual payroll of $5,000,000 and $2,000,000 annually in spin off business. Even after this investment there is still significant space within the Cobourg Innovation Centre to set-up operations.

Facilities of the size of the Ford Plant site in Southwold and the Kraft Plant in Cobourg can accommodate a large number and wide variety of operations within one serviced facility. This model offers multiple lessons for the Township of Southwold and County of Elgin. It emphasizes the importance of expanding marketing efforts to a variety of audiences. Property management companies, as well as manufacturers or small business organizations, may be interested in purchasing the vacant facilities. A property management company interested in maintaining the facility and leasing available spaces to industrial businesses creates multiple opportunities for the property. Second, flexibility is paramount to the success of attracting buyers to a large-scale property. The Township and County should work with potential buyers and ensure that flexibility can be found within the zoning bylaws to consider multiple industrial uses on a large-scale property.

8.1.3 Owen Sound, Ontario - Large-Scale Attraction and Worker Supports

The PPG Plant in Owen Sound, Ontario once provided employment for over 500 workers, however, due to automation and decreasing production PPG was closed in 2009. At that time, only 170 workers were permanently laid off. The 73 acre industrial site has been vacant for almost two years but the City of Owen Sound is actively trying to find a buyer.

Owen Sound's economic development staff are marketing and promoting the site through multiple mediums. The site pamphlet is featured prominently on the main page of the community's economic development website. In addition to prominent web space, the Town has attended specific tradeshows in green tech and other growing industries. By focusing most of their attention on attracting a large-scale manufacturing buyer, the City of Owen Sound is able to concentrate their efforts and develop a multi-pronged attraction campaign.

This best practice has been coupled with a strong emphasis on transitioning the workers seamlessly into retraining opportunities and second careers. The CAW Action Centre works with employees to ensure they have access to necessary programs and supports for retraining and job skills assistance. Similarly to PPG, Ford is also using the Action Centre model to assist employees in transitioning. The Township and County can learn from Owen Sound's efforts in advertising and marketing the property and developing a similar multi-pronged marketing campaign in conjunction with the realtor to attract large-scale buyers.

8.1.4 Platteville, Wisconsin – Training and Incentives

Platteville, Wisconsin is a small city of just over 10,000 people located in southwestern Wisconsin. In 1996, Advance Transformer – a division of large lighting manufacturer Phillips – announced it would be moving the operations at the Platteville plant and closing down, eliminating 620 jobs. These jobs accounted for 20% of the manufacturing workforce in Platteville's Grant County at the time.[61]

With a short window to respond to the closure, the community convened an Employment Response Team composed of a wide range of stakeholders including municipal, county and state development and social service officials; employees and company representatives from Advance Transformer; employment services; media; and other private sector representatives. The effective 'lead agency' was the Southwest Wisconsin Private Industry Council (SWPIC), a business group, which received $100,000 from the state to open a job centre and assist workers in receiving certification and accreditation. However, more critically, it also began a process of funding applications that would set the stage for a broader economic revitalization in the area. Given the timing of the closure and the industry that it took place in, the SWPIC applied for and successfully received Transition Adjustment Assistance funding as a result of the North American Free Trade Agreement (NAFTA-TAA funding). This allowed for an expansion in the job center's activities; by September of that year, 409 dislocated workers were certified for TAA services; by the end of the program in February 1997, 545 former employees had been certified in the dislocated worker program, and 483 received comprehensive employment training.[62]

At the same time that this comprehensive training program was underway, the Wisconsin Department of Commerce established Grant and neighbouring Lafayette Counties as a Development Zone, which included a commitment of over $1 million in tax credits and incentives for business attraction.[63] This was complemented by low-interest loans from local banks totalling over $700,000 to assist employment-generating projects in the community. Ultimately, the banks underwrote a further $1.5-million dollar loan to support the purchase of the Advance Transformer building in 1998 by a machining company, which used the site to expand its operations and hire local workers. It is estimated that the collective impact of these initiatives directly resulted in the creation of 1,500 new jobs, completely replacing the lost jobs in the community and more.

61Wisconsin Department of Commerce. "Plant Closings and Layoffs: Platteville Experience". http://www.commerce.state.wi.us/bd/BD-LayoffsPlatteville.html

62Southwest Wisconsin Technical College. 2007. "Platteville Advance Transformer Dislocated Worker Study." http://www.swtc.edu/workarea/showcontent.aspx?id=2144

63Wisconsin Department of Commerce. "Plant Closings and Layoffs: Platteville Experience". http://www.commerce.state.wi.us/bd/BD-LayoffsPlatteville.html

In addition, a dislocated workers study of former Advance Transformer was undertaken by the Southwest Wisconsin Technical College in 2007, funded by the Governor's Council on Workforce Investment. Conducted 10 years after the plant closure, it showed clear benefits of the approach taken by the community in ensuring the successful re-employment of displaced workers.[64] The success of Platteville was premised on a two-pronged approach focused on worker skill training and capacity building, as well as proactive business attraction policies with assistance from higher levels of government. As noted by those involved, the ability to bring all partners involved in the closure, training and economic development aspects of the facility shutdown as soon as possible was instrumental in setting a successful course for the Town. Critically, the importance of a strong central committee that was able to advocate effectively to senior levels of government and funding agencies went a long way in the Town's successes. Additionally, the conduct of a follow-up study with displaced workers to track progress was also able to not only reinforce these findings, but provide municipal leaders with policy directions to address any remaining training or workforce gaps.

64Southwest Wisconsin Technical College. 2007. "Platteville Advance Transformer Dislocated Worker Study." http://www.swtc.edu/workarea/showcontent.aspx?id=2144

9 Local Action Plan

Drawing from the results of the economic impact research analysis of the Talbotville Ford Assembly Plant closure, it is clear that a multi-faceted approach to action will be required to direct the Township of Southwold and County of Elgin to respond effectively and appropriately to the economic and fiscal fallout. For the County and Township to respond at this time, a fresh approach to the new economic reality of business investment attraction in Ontario is required. A key focus on fostering or creating an environment that supports the growth of the economy and prosperity for local residents and businesses is essential.

The provincial economy has changed irreversibly and there has been a decline in employment opportunities among large industrial operations. The traditional model of investment attraction where: INDUSTRIAL RECRUITMENT + SITES = ECONOMIC DEVELOPMENT may have been viable when Ford Canada began investing in the Talbotville Ford Plant in the 1960s. The Township, County and local stakeholders must capitalize on the strengths and talent of the labour force and the unique community assets that contribute to the area's quality of life experience of its residents.

A new approach puts INNOVATION + TALENT + QUALITY OF PLACE = ECONOMIC DEVELOPMENT at the forefront for communities determined to attract sustainable employment and investment. To be most successful, local leadership must place this new economic reality into the context of establishing the best possible local business environment. A key step to advance this welcoming climate has been taken by the Township with its recently formed Southwold Economic Development Committee. The Committee's general objectives are as follows.

> *To identify new industrial and residential housing development possibilities, promote tourism, large and small business opportunities, agricultural businesses and other appropriate economic development opportunities.*
>
> *To evaluate these opportunities and bring them to Council for consideration.*

Looking at regional positioning, The County of Elgin is responsible for economic development activities across the seven municipalities that make up the County, including the Township of Southwold. In 2011, the County's Economic Development and Tourism Department led the creation of an Economic Development Strategy that directs the department's actions and guides the growth and vision of current and future development across the County. The plan identifies numerous actions and strategies that promote and encourages growth and economic sustainability, many of which are currently being initiated or planned. Several of these initiatives have been highlighted below, emphasizing their relevance and value towards addressing the economic impact of the Talbotville Ford Assembly Plant closure.

In addition, high level local actions and recommendations which provide clarity and direction to the Township of Southwold and its Economic Development Committee are presented in this section. It is important to recognize that these actions may be led and/or supported by the Township but may require collaboration with the County of Elgin, all levels of government, local stakeholders, businesses, economic development, education and training institutions and community organizations in an effort to maximize impact and resource allocations.

The project team has identified four key themes to guide the recommendations to the Township of Southwold.

1. **Planning for future development** – addressing the future possibilities of the Talbotville Ford Assembly Plant property and fostering a supportive business environment.
2. **Workforce transition** – strengthening local capacity to support displaced workers to transition to new employment and business opportunities.
3. **Celebrating community resiliency** – showcasing and celebrating the community's successes and future opportunities.
4. **Municipal stewardship** – adapting to municipal financial constraints and being a steward of the future potential.

Following is a selection of current initiatives being implemented under the leadership of the County of Elgin. It should be noted that this list is not exhaustive, but rather these actions were identified for their complementary relevance to the recommendations and actions proposed for the Township of Southwold.

9.1 Elgin County – Current and Ongoing Initiatives

Planning for the Future:

1. Working with officials at Ford Canada, Ford's local representatives and representatives of Elgin County will explore alternative uses for the vacant Plant, aligning, where possible, with Elgin County's economic development strategy;
2. Preparing a profile for the promotion of the former Talbotville Ford Assembly Plant property and make it available through Township and County websites;
3. Developing policy that aims to increase diversification in Elgin County's economy. This could include benchmarking Elgin County's competitive advantages to attract new investment and support activities to help small business in the community;
4. Collaborating with local small business service providers and the local chambers of commerce to support and encourage entrepreneurship through funding programs, skills workshops and knowledge sharing;
5. Engaging with local entrepreneurs and small business owners to share information pertaining to the planning, zoning and licensing needs of small-sized, home-based businesses in the region;
6. Undertaking an employment land strategy to inform municipalities (i.e. the Township of Southwold) of future land use requirements and desired locations for investment;

Workforce Transition:

1. Working with local post-secondary institutions to inform and support development of relevant shorter and longer term training programs related to existing and emerging economic sectors, including: green energy and advanced manufacturing; skilled trades; agriculture and culture;
2. Encouraging and supporting ongoing communication and interaction with local employment and social services agencies, post-secondary institutions, schools and other stakeholders to develop strategies to increase labour force capacity and relevancy;
3. Developing a collaborative approach with local agencies to maximize information dissemination on services and supports available in the local community to support displaced and unemployed workers;
4. Supporting collection and dissemination of labour market information through participation and promotion of activities that are directed towards local LMI research;
5. Promoting communication channels to maximize awareness of good news stories where displaced workers find new local employment or business opportunities;

Celebrating Community Resilience:

1. Working to develop a comprehensive understanding of good news stories occurring in the County. Keep a "finger on the pulse" of the community and develop a network of stakeholders who can inform and share it with the broader community;
2. Considering undertaking cultural mapping and municipal cultural planning including agricultural and recreational activities at the County level to validate and promote local assets;
3. Developing a regional program to communicate positive stories about the community and renew a clear sense of identity;
4. Developing and sharing a clear understanding of the new face of manufacturing in the region realizing that the sector will continue to play an important role in shaping the local economy but also that the structure of the manufacturing sector is being altered;
5. Articulating a community identity that builds on existing cultural and manufacturing heritage and includes new elements of the economy that direct the region into a sustainable future;

Municipal Stewardship

1. Reviewing municipal services to identify potential cost savings;
2. Implementing moderate increases in tax rates through the use of reserves and debt financing when necessary;

9.2 Township of Southwold – Action Plan

Carrying forward with the four themes of **Planning for future development**, **Workforce transition**, **Celebrating community resiliency**, and **Municipal stewardship**, this action plan has been informed by the knowledge gathered as part of the research process. This plan recognizes the importance of building on the current initiatives underway by the County and the Township, and complimenting these efforts with additional actions.

The strategic actions in each of these theme areas are supported by implementation considerations to ensure they are tangible, achievable and measurable. These two considerations are:

1. **Community partners** – the partners that can provide assistance in the form of knowledge, funding or in-kind resources to advance the implementation of the action
2. **Role** – determining where the Township can drive the implementation of the action (i.e. lead) and where it can provide assistance and other forms of support to advance the action (i.e. partner).

The timing for the new initiatives, unless otherwise stated, is over the short-term (i.e. two years).

The implementation of the recommended actions for the plan must be accompanied by effective performance measurement and monitoring. Performance measurements are a tool to evaluate the effectiveness of an organization's activities. By tracking and reporting on its efforts, the Township will be more likely to:

- be accountable and responsive to the expectations of its stakeholders
- be able to demonstrate the return on investment
- improve its performance by learning from past efforts
- secure additional support (in the form of staff, funding and other resources) to pursue its mandate.

To that end, this strategy provides a series of potential performance measurements. These measures are suggestions to inform a more detailed accounting and evaluation of the activities and to help communicate to Township and County councils.

9.2.1 Planning for Future Development

Planning for economic development is critical in ensuring that the Township and County economies remain vibrant and growing. While the closure of the Talbotville Ford Assembly Plant is a significant blow to the local economy, through clear visioning and comprehensive policy and planning, local governments and stakeholders can ensure a proactive approach to advance the community and achieve positive results for businesses and residents. The actions that follow build on current initiatives and draw on the community strengths to support a competitive economic future.

Action	Considerations	Community Partners	Role
1. PROACTIVELY and CONSISTENTLY distribute the Talbotville Ford Assembly Plant profile and that of other available industrial, commercial and residential properties to promote opportunities through local, regional, provincial, national and international investment channels – both generally and sector-specifically.	This dissemination of information can be done through multiple avenues, including: ▪ The County's Economic Development website ▪ By Economic Development staff at tradeshows and conferences ▪ Networking with sector-specific businesses and cold calls The Township of Southwold can take a supporting role in this effort and coordinate with the County's Economic Development and Tourism Department to take the lead on specific events or initiatives as they arise.	County of Elgin	Lead
		Township of Southwold	Support
2. If the former Talbotville Ford Assembly Plant remains vacant after two years, advance a	The Township of Southwold can:	Township of Southwold	Lead

Action	Considerations	Community Partners	Role
strategic visioning project and strategy for this property to ensure that the economic potential of the site is maximized. - As part of this effort, undertake a comprehensive case study review of other large, vacant and former manufacturing plants to determine the appropriate level of investment that is required to reuse or subdivide a large scale property.	- Facilitate a strategic planning and visioning session with local stakeholders and representatives from the business community. - Devote staff time to developing a list of best practices that can inform the process and determine alternative uses for the facility.	County of Elgin	Partner
3. Network with surrounding municipalities to share information about the effects of the closure on their community and the benefits of attracting new investment to the Ford Plant for their local economic development	- Facilitate information session with local municipalities about the Economic Impact Study - Make available a brief 'elevator pitch' and link to the real estate page for the Ford Plant to post on their local websites	County of Elgin	Lead
4. Use the results of the Economic Impact Study	Utilize the information presented in this	County of Elgin	Lead

Action	Considerations	Community Partners	Role
and the actions of the Plan to inform the Township of Southwold and County of Elgin's strategic planning processes.	document to influence and guide future strategic planning exercises at both the County and the Township. ▪ The Township of Southwold can work to influence and inform the strategic directions of the County by utilizing the findings of this document. ▪ The Southwold Economic Development Committee can hold a strategic planning day to facilitate a comprehensive review and discussion resulting in a 12 month work plan to advance priority actions	Township of Southwold	Lead
5. Develop a Township of Southwold municipal web presence with up-to-date economic information with specific attention placed on the Talbotville Ford Assembly Plant site. This information should seek to complement the current economic development work being done by Elgin County.	Work with IT staff to increase the prominence of economic development throughout the Township website. This could include: ▪ Increasing the prominence of the link to the County's Economic Development website on the home page ▪ Creating an additional Economic Development page on the Township site showcasing Southwold competitive advantages ▪ Profiling the Talbotville Ford Assembly Plant prominently on the site.	Township of Southwold	Lead

Action	Considerations	Community Partners	Role
6. Pursue Provincial programming to assist in the development of the local economy. These projects should seek to support and complement the work being done at the County level including, but not limited to, the Business Retention and Expansion initiative currently underway.	Develop a proposal for funding to OMAFRA to take part in rural programming namely the *First Impressions Community Exchange*. Other programming and planning tools to be considered include: ▪ CED Training to Economic Development Committee members by OMAFRA ▪ Rural Community Improvement Planning ▪ SWEA and SCOR (potential for funding or funding support) ▪ Actively participate in the identification and visitation of local businesses as part of the County BR&E initiative. ▪ Be proposal ready – identify priority areas and proactively begin the process to advance the concept, seek partnerships – this approach will best position the Township should funding announcements be made.	Township of Southwold	Lead
7. Maintain an updated demographic and economic profile of the municipality and surrounding area and highlight any major shifts and trends.	The Township of Southwold can work to create a comprehensive statistical community profile to be used for such purposes as promotional materials to potential investors. Labour force profiles should be created to represent the broader commuting shed.	Township of Southwold Workforce Planning Board of Elgin/Middlesex	Lead Partner

Performance Measurements

- Number of property inquiries
- Increase in Indeterminate business counts
- Number of calls pertaining to new investment
- Number of small businesses started
- Website hits (and length of stay) on links related to Ford facility

9.2.2 Workforce Transition

This geographic region has strong education and training support infrastructure. By continuing to work with and build relationships with the local educational and training providers, the Township and County staff can support the local labour force and present an evidence-based, relevant profile of local labour force strengths, skills and competencies to potential investors.

Action	Considerations	Community Partners	Role
1. Create supportive meeting spaces (e.g. Shedden Keystone Complex) for local employment support services to host job skills and training programs for displaced workers.	The Township should provide facility space and meeting rooms for activities directed at supporting transition for the workers directly affected by the Ford Plant closure.	Township of Southwold	Lead
2. Provide support and assistance for qualified organizations that may seek available funding to support training when the Ford Plant is sold and reused for employment use.	The Township of Southwold can work to influence and inform the process of seeking funding for training purposes when a suitable buyer is found for the Ford Plant property. The Township could support these efforts by: ▪ Offering letters of support to accompany funding applications ▪ Actively participating, where appropriate, on project application	County of Elgin	Lead
		Township of Southwold	Partner

	teams, advisory committees, etc. ▪ Seeking and sharing information on new funding opportunities that will benefit the community and its residents		
3. Encourage local businesses to advertise job vacancies through local job boards, employment support agencies, Ford Action Centre; utilize these resources to also seek suitable candidates.	The Township can actively engage with the local business community to encourage the use of local job posting boards and agencies when filling job vacancies. The Township could promote these through: ▪ Providing web links to an inventory of local employment support agencies that offer these services ▪ Utilizing these services to promote any employment opportunities within the Township	Township of Southwold	Lead
4. Encourage representation of workforce development expertise at the Township of Southwold economic development committee	The Township of Southwold economic development committee should recruit members from the workforce development community (including local agency representatives, Labour Force Planning Board representatives, etc.) to sit on the committee ensuring a strong link between economic and workforce development.	Township of Southwold	Lead

Performance Measurements

- Number of graduates from regional post-secondary educational programs (retraining and adult education)
- Number of new employment programs developed through additional funding access
- Number of requests for Township of Southwold meeting spaces to be used to bring workforce related groups together
- Number of good news employment stories

- Increase in funding dollars received for (re)training

9.2.3 Celebrating Community Resilience

It is pivotal for the Township of Southwold and Elgin County to understand the importance of developing positive messaging, storytelling and place building for the region. The recent economic downturn experienced throughout the region, not just with this Ford Plant closure but also prior manufacturing facility closures, has negatively influenced community pride and threatens external perceptions. To this effect, this action seeks to rebuild a sense of community pride and identity.

Action	Considerations	Community Partners	Role
1. Communicate the results of the Talbotville Ford Assembly Plant closure economic impact study with the general public and County of Elgin member municipalities.	▪ Upload the study to the Township website and create a blog that allows for community input and responses. ▪ Create a two page communications summary of the study and distribute it through property tax billings	Township of Southwold	Lead
2. Communicate the new economic reality message of INNOVATION + TALENT + QUALITY OF PLACE = ECONOMIC DEVELOPMENT to local leadership, interested stakeholders and the broader public.	Showcase economic activity on local website Create a prominent web link to County of Elgin Economic Development Strategy	Township of Southwold	Lead
3. Initiate a periodic *Community Day* that welcomes citizens of Southwold into the Township office where they can view good news stories,	There are many ways in which a Community Day could be facilitated including:	Township of Southwold	Lead

participate in informal conversation about current Township initiatives with local leaders, Councillors and Township staff.	- Sunday Brunch - Saturday morning open houses - Evening events Organizing an event where members of the community can become actively engaged with Township representatives outside of Council Meetings and day-to-day operations can foster a sense of community and togetherness.		
4. Initiate on-going dialogue between the Southwold Economic Development Committee and County of Elgin Economic Development Office staff to promote awareness of mandates and opportunities for collaboration; expand communication among and between Township of Southwold and other municipalities that are impacted by the plant closure.	Engage in mutual dialogue to ensure clear understanding of roles and responsibilities and to identify areas of collaboration. Invite County staff to participate in a Township-County strategic planning discussion at which priorities can be reviewed and opportunities for cross-collaboration and support identified. Initiate outreach to other Economic Development departments and municipalities also impacted by the closure.	Township of Southwold	Lead

Performance Measures:

- Number of good news stories published in local papers, on social media and in other mediums
- Develop a community survey that offers stakeholders in the community an opportunity to express their vision and opinion of the area
- Number of participants attending Community Day

9.2.4 Municipal Stewardship

Closure of the Talbotville Ford Assembly Plant will have a dramatic effect on the economic and social well-being of the impacted work force in addition to greatly affecting the financial security of the Township and County. Both the workers and the Township earned significant revenue from Ford Canada and it will be necessary to accommodate to the new reality without this revenue. The actions below highlight ways in which this revenue can be supplemented or replaced by alternative cash flows.

Action	Considerations	Community Partners	Role
1. Explore the feasibility of providing sewer services beyond the fringes of St. Thomas and into industrial areas.	▪ Use the results of the County of Elgin's forthcoming Employment Land Strategy to determine the demand for serviced industrial areas in Southwold ▪ If there is a demand for more industrial land, initiate discussions with the City of St. Thomas for a municipal servicing agreement for Southwold's industrial areas.	Township of Southwold	Lead
		County of Elgin City of St. Thomas	Support Partner
2. Communicate municipal stewardship efforts to the Southwold ratepayers to ensure that they understand the extent that residential tax rates were out of line with neighbouring municipalities.	▪ Create a tax rate comparison summary and distribute it through property tax billings. ▪ Create a blog on the Township website regarding tax rate comparison and invite public input and responses.	Township of Southwold	Lead
		County of Elgin	Support
3. Host an interactive "Understanding your Tax Dollars" event which provides opportunity for Township of Southwold to present budget expenditures, revenue allocations, and promote	▪ Examine capacity to host a web-cast event ▪ Host an event that promotes transparency, inclusiveness, and	Township of Southwold	Lead

a collaborative budget process. - Niagara Region hosted a similar event in Jan 2011 that was delivered via web-cast, in partnership with the local cable channel; residents were invited to "tweet" questions which were addressed following a presentation of how residential tax dollars were used – what services, costs, etc. It was led by the CAO, with support of senior staff and Council members.	collaboration		

Performance Measures:

- Increase in non-residential tax assessment
- Change in municipal tax rates
- Participation in "Understanding your Tax Dollars" event

Appendix A: Local Programming and Services Overview

Note: This inventory is not meant to be exhaustive but rather reflects those programs and services that were identified through existing lists made available through the local consultation process. Please note that not all programs and services may be relevant or accessible to those impacted by the Talbotville Ford Assembly Plant closure.

Education and Training Program

- **Literacy and Basic Skills Program** provides free training in reading, writing and basic work skills. It can help Ontario workers reach their goals for: upgrading education and training, getting a job and becoming more independent. The training available is free. It is designed for people whose reading, writing, math and essential skills are below the Grade 9 level. The program helps people identify their goals and decide on a training plan to reach them. The training is offered in many places including school boards, community agencies and Colleges of Applied Arts and Technology. It may be offered by tutors, who work one-on-one, or in small groups or classrooms.
- **Fanshawe College** has over 15,000 students, 100 post-secondary programs and approximately 4000 new graduates per year. It is a recognized leader in post-secondary education in Southwestern Ontario. Career Services at Fanshawe offers a wide range of services that can put employers and potential employees in touch. They provide:
    - current starting salary ranges
    - a free year-round online job posting service
    - information on student availability and academic programs
    - career fair and other employment events
    - coordination of on-campus interviewing and recruitment sessions.
- **Fanshawe College St. Thomas/Elgin i**s a Community College satellite campus offering many diploma and certificate programs, a personal support worker program, continuing education courses, apprenticeship training and corporate training services.
- **The University of Western Ontario** is among Canada's leading research-intensive universities and provides the nation's best student experience, placing first for eight consecutive years in the Globe and Mail's University Report. Western offers over 200 different programs in 12 faculties to 25,000 undergraduates and approximately 5000 graduate students. The Student Success Center's Free Online Job Postings are available to all employers who wish

to recruit Western students and/or alumni, all of whom have access to the job posting site. All positions are posted through Career Central, the university's online information management system.

- **Youth Opportunities Unlimited (YOU)**programs and matching services are free to employers. All youth in the YOU programs receive valuable Health and Safety training before a resume reaches an employer. Other industry specific training provided by YOU include: Safe Food Handling, Smart Serve and Service Excellence. Youth have also engaged in workshops and 1-1 sessions regarding employer expectations, workplace conventions and job retention skills. Youth involved in Enterprise Services have months of hands-on training in retail, kitchen, environmental recycling and woodworking.
- **St. Thomas Adult Learning Centre** is an all-adult school where the learner can obtain credits to earn their high school diploma, upgrade their literacy/numeracy skills in our Gateway program and/or learn English as a second language. The centre offers a pre-apprenticeship hairstyling program that runs annually and a Personal Support Worker Program that runs bi-annually. The Gateway to Learning service provides small math and English upgrading classes to adults. Programs are free and learners can join at any time during the school year. These classes are recommended for adults who want to refresh and update their basic reading, writing and math skills so that they are able to complete their grade12, GED exam, become job ready and build confidence.
- **YWCA St. Thomas-Elgin** is a multi-service agency serving adults looking to upgrade their reading, writing, numeracy and computer skills, newcomers looking for settlement services or English language classes, women or children seeking emergency shelter and transitional housing, at risk youth skills/employment programs, recreation and before and after school programs.

Human Resource/Employment Support Programs

Employment Ontario

- **Employment Ontario** helps Ontarians find work. They provide resources - such as who's hiring in the community - as well as personalized advice and services to help people assess their skills and experience, find work and start on the path to skills training. They also help employers with hiring and offer financial incentives to offset some of the costs of providing on-the-job training and work experience. With regards to assisting people who are looking for employment opportunities this program provides:
    - an assessment of skills and experience
    - information about different careers and occupations
    - local labour market, employment and training opportunities

- information about all Employment Ontario programs and services
- advice about and referral information to other community services and support.

- **Second Career Program** is a cost-sharing grant provided on the basis of need. It provides laid off workers with skills training to help them find jobs in high-demand occupations in Ontario and provides them with financial support. In total Second Career will provide up to $28,000 for education expenses including: tuition, books, other instruction costs, transportation and a basic living allowance. Additional support can be provided for those people with disabilities, dependents and those who need to live away from home while completing academic upgrading.
- **Ontario Self Employment Benefit** provides unemployed people who are or have recently been eligible for Employment Insurance with income and entrepreneurial support while they develop and start their business. Job seekers who are unemployed can apply to participate if they meet one of the following conditions:
    - they established a claim for Employment Insurance benefits or their Employment Insurance benefit period ended within the past three years
    - they established a claim for Employment Insurance maternity or paternity benefits, were paid benefits within the past five years and are re-entering the labour force after having left it to care for a newborn or newly adopted children.
- **Ontario Works** has two social assistance programs to help eligible residents of Ontario who are in financial need. The Ontario Disability Support Program helps people with disabilities through income support and employment services. The second program called Ontario Works helps people who are temporarily in financial need. If a worker in Ontario is in temporary financial need, Ontario works can provide them with money and help them find a job. If a worker qualified, Ontario works can provide them with: financial assistance to help over the costs of basic needs and employment assistance to help prepare the work for and find a job. To be eligible for Ontario Works, you must:
    - live in Ontario
    - need money right away to help pay for food and shelters
    - be willing to take part in activities that will help you find a job.

  In order to assess each person's eligibility the government takes into considers two aspects:
    - a person's financial situation
    - a person's willingness to take part in activities to find a job.

There are a plethora of activities that Ontario Works' supports that can give you practical help to prepare for and find a job. These include:

- workshops on looking for work, resume writing and preparing for an interview
- referrals to job counselling or training programs
- information on who's hiring
- access to basic education
- access to telephones, faxes, computers and job banks.

- **Targeted Initiative for Older Workers** helps unemployed older workers increase their ability to find and keep a job while the local economy changes. This initiative will help workers who are aged 55 to 64 who are employed and who lack skills need to find a new job and who live in a vulnerable community with a high unemployment rate to provide training in job seeking.
- **Employment Insurance** provides temporary financial assistance to unemployed Canadians who have lost their job through no fault of their own, while they look for work or upgrade their skills. Canadians may be entitled to receive EI regular benefits if they:

  - have paid premiums into the EI account
  - lost your employment through no fault of your own
  - have been without work and without pay for at least seven consecutive days in the last 52 weeks
  - have worked for the required number of insurable hours in the last 52 weeks or since the start of your last EI claim, whichever is shorter
  - are ready, willing and capable of working each day
  - are actively looking for work (you must keep a written record of employers you contact, including when you contacted them).

The process of applying for employment insurance is facilitated through Service Canada. As soon as a worker is laid off they should apply for benefits (this can be done online), even if the Record of Employment has not been issued yet.

- **Service Canada** was created in 2005 to improve the delivery of government programs and services to Canadians, by making access to them faster, easier and more convenient. Service Canada offers single-window access to a wide range of Government of Canada programs and services for citizens through more than 600 points of service located across the country. Some of their services include applying for a social insurance number and applying for employment insurance.

- **London Employment Help Centre** is a community-based not-for-profit organization that provides career counselling, employment adjustment and placement services to displaced workers as well as advocacy services to individuals who have lost their social benefits. The Help Centre was established in response to Union needs as a result of the 1980's recession when a large number of workers were downsized throughout the economy. The Help Centre offers a plethora of different workshops including:
    - how to write resumes and perform at a job interview
    - career exploration: planning for change
    - winning interview techniques
    - refining your marketing skills
    - networking for success
    - your rights and responsibilities
    - work processing
    - email and internet navigation
    - social media.
- **Community Employment Choices** provides Middlesex County with job search support, career planning, training information and job placement opportunities. It also provides a plethora of services to employers in Middlesex including: information on the local labour market, site to post employment opportunities and incentives to support wages, apprenticeship and placement. This is an Employment Services program funded by Employment Ontario.
- **Employment Services Elgin p**rovides a variety of services to the unemployed and underemployed of Elgin County including Access to Employment Ontario Programs such as Second Careers, Job Creation and Self Employment Benefit. Specialized programs for older workers, students and youth are also provided.
- **Goodwill Career Centres** is an $8 million, non-profit, social enterprise that recycles donated goods to create meaningful work for persons who face disabilities and other barriers to employment. They believe that work is transformational and can form the cornerstone of a person's life and create healthy communities. Their core mission is to provide work opportunities, skills development and employment supports for those who are excluded from work and social opportunities because of challenges such as disability, language barrier, age and race.
- **London Training Centre** provides training and support for the local food services sector. Participants at the centre who complete the program obtain required industry certifications including WHMIS, Safe Food Handler and Smart Serve. Job matching and placement support can be provided to ensure success for both the employer and employee.
- **Multi-Service Centre (MSC) Employment Services** is a non-profit, charitable organization and provides a wide array of Adult Literacy and Essential Skills, Employment and Home Support Services. MSC was designated as the

Employment Ontario delivery site for the Tillsonburg area in August 2010. All MSC employment programs, funded by Employment Ontario, are provided at no cost to the client and include:

- information and referral
- employment consulting and planning
- job search support and workshops
- career exploration and formal vocational assessment
- hiring and training incentives
- recruitment services and skills development opportunities.

- **West Elgin Support Services** is part of Employment Services Elgin, a partnership developed to create streamlined delivery of employment services. The partnership consists of Human Resources Development Canada, Elgin Association for Community Living, Ontario Works, Fanshawe College Employment Services and Elgin/St. Thomas Youth Employment Counselling Centre. At this location, the YECC in collaboration with Fanshawe College delivers:

  - Employment Services, a provincial program to assist people find employment through employment counselling, employment workshops and job placements
  - information and Referral service for the partnership of Employment Services Elgin which provides reception, referral to internal and external resources and coaching IRS users accessing resources and technology available in the Resource Centre
  - Summer Jobs Services (SJS) year round and during the summer, in partnership with the HRDC Student Services, provides assistance to students seeking summer employment.

  An Aylmer satellite location opened in 1998 and is operated full time. A West Lorne satellite location has opened in 1999 and services offered there continue to expand to meet the needs of the West Elgin area residents. Services in the Port Stanley area are delivered within that community from a summer office.

- **WIL Counselling and Training for Employment and WIL Employment and Learning Resources Corporation** are non-profit organizations primarily dedicated to facilitating the economic and social integration of immigrants and Canadians into the London area. To this end, WIL provides services in information, referral, assessment, employment counselling and preparation and facilitation of volunteer work experience placements leading to employment. In 2009-10 WIL provided employment supports and services to individuals originating from 105 different countries. WIL has extensive experience managing and sponsoring municipal, provincial and federally-funded community projects, programs and services. Current undertakings include:

- Access Centre for Regulated Employment
- Skills International
- Clothing Works
- The Mentorship for Newcomer Success program
- Employment Sector Council of London-Middlesex
- The London Middlesex Immigrant Employment Council.

WIL specialized in providing employment programs and services for immigrants and newcomers and also provides a full range of employment services for all job seekers. These services include assessment, employment counselling, career development programs, employment skills readiness evaluations and educational upgrading opportunities. All of their programs and services are designed with flexibility to meet your own individual needs.

- **Skills International** is committed to full and relevant employment for all of Canada's immigrants through skillsinternational.ca. This web-enabled, searchable database of candidate profiles is dedicated exclusively to profiling the skills of immigrant job seekers in Ontario. The first of its kind in Canada, this tool unites pre-screened, internationally training individuals with employers who need their skills. It is cost effective, efficient and easy to use.
- **Ontario Works St. Thomas-Elgin** provides financial and employment assistance to people in financial need. In order to receive employment assistance you must first qualify for financial assistance. Eligible participants receiving assistance through Ontario Works engage in a wide range of employment assistance activities, in order to prepare, find and maintain employment. Every person has the right to apply for assistance and to have an application taken. If you are in temporary financial need, Ontario Works can provide you with money and help you find a job. To be eligible to receive help from Ontario Works you must:
  - live in Ontario
  - need money right away to help pay for food and housing costs
  - be willing to take part in activities that will help you find a job.

Business Development Programs

Provincial Programming

There are a plethora of commercialization programs available through the Ontario Government to researchers and scientists who wish to bring their products to market. Some of these include:

- **Technology Development Fund –** The Ontario Power Authority, in collaboration with the Ontario Centres of Excellence and CEATI International, is responsible for this funding program that is a grant fund established to help promote the development and commercialization of technologies that have the potential to improve electricity supply, conservation and demand management. Pre-commercial technologies or applications typically face a greater challenge in attracting the interest of venture capitalists and manufacturers due to the risk associated with the projects at this stage. The Fund's objective is to help these technologies and processes evolve to more commercially viable stages so they can benefit Ontario's electricity consumers.
- **Ontario Tax Exemption for Commercialization –** Through Ontario Ministry of Research and Innovation, it is aimed at supporting innovation in Ontario's economy by encouraging the commercialization of intellectual property which has been developed by qualifying Canadian universities and colleges. OTEC applies to newly established corporations in priority areas, offering a refund of corporate income tax and corporate tax paid for the first ten taxable years. In order to qualify for the Ontario tax exemption, a corporation must be a new corporation, incorporated in Canada that is not formed as a result of an amalgamation or merger and must derive all of its incomes from eligible commercialization activities carried out in Ontario.
- **Communities in Transition Initiative (CiT)** provides assistance to communities and industry sectors across Ontario, facing economic development challenges, including plant closures, significant job losses and industry-wide restructuring. The flexible, community-tailored CiT assistance supports innovative economic development solutions not covered under existing provincial programs. CiT is a continuous intake program that a range of organizations are eligible to including:

    - local authorities, such as municipal governments or local economic development organizations
    - professional/business associations assisting transitioning sectors or industries
    - regional or professional associations focused on economic development.

    For-profit businesses are not eligible for funding. Past recipients of this fund have used it to fund the development of comprehensive economic development strategies, FDI strategies, small business and entrepreneurship programs, tourist strategies, task force funding and others.

- **Strategic Jobs and Investment Fund** is a discretionary grant and loan program designed to support leading-edge investments and jobs in Ontario. It is of interest to innovative companies that make anchor investments in Ontario that support cluster development and leading-edge initiatives that build long-term prosperity and global competitiveness. This program focuses on four priority sectors:

    - clean/green technologies
    - financial services

- information and communication technology
- life sciences.

Investments or expansions must meet the project minimum threshold of $10 million of eligible costs or create 50 new high-value jobs. Project must meet the thresholds within five years. SJIF is a discretionary, non-entitlement program with a limited funding allocation. However, for projects that are willing to investment a substantial stake in the province this program is worth considering.

Local Programming

- **Elgin-St. Thomas Small Business Enterprise Centre** is a community-based, non-profit organization overseen by a volunteer Board of Directors who ably represents the population of Elgin County. The corporation was federally incorporated as Elgin Community Futures Development Corporation in 1996 and is staffed by business professionals who encourage entrepreneurship and the pursuit of economic opportunities. It was in 1986 that Elgin Community Futures Development Corporation was opened. Since then it has been assisting and encouraging job creation through the creation of small business enterprises and community economic development throughout Elgin. As an organization that just keeps re-investing itself, they have undergone another such transformation and have become the Elgin Business Resource Centre. The Centre is a member of Community Futures Development Corporations, Economic Developers Association of Canada, Economic Developers Council of Ontario, National Business Incubation Association and the Canadian Association of Business Incubation.

  The Elgin Business Resource Centre offers one-on-one counselling on a wide range of business needs. The Centre is a developmental lender proving entrepreneurs with business loans of up to $150,000 to qualified clients, for start-up, expansion or preservation of an existing business within the region with an emphasis on economic diversification and job maintenance or creation. They regularly inform small business about:

  - business planning
  - market research
  - business structure
  - financial assessment and readiness for financing
  - cash-flow forecasts
  - business expansion.

- **ICE, Innovation Centre for Entrepreneurs** helps nurture entrepreneurial companies, helping them to grow and prosper by providing the education and support young businesses need. With qualified, professional counsellors, ICE staff workers with small business clients to complete a Detailed Needs Assessment and Identification. Through this assessment, counsellors determine the level of help needed to customize a program with:

- coaching and entrepreneurial training
- business plan review and development support
- seminars, forums and various educational tools.

Client businesses have access to qualified, professional help when you need it, plus help with essential monthly services that sometimes get in the way. These monthly services are included in ICE program fees:

- utilities
- internet service and equipment
- telephone service and equipment
- common area maintenance (CAM)
- conference and meeting services and facilities
- business development, coaching and venture assistance
- reception services
- copier/printer/mail room/fax
- business, professional and investor networking
- prestigious address with high visibility and public exposure
- employee and guest parking/outdoor amenities.

ICE is conveniently co-located with the Elgin Business Resources Centre and the Elgin/St, Thomas Small Business Enterprise Centre (SBEC). ICE shares the services of both the EBRC and SBEC to accommodate the various needs of our clients, including:

- accessing government resources
- loans
- special programs needed to achieve success
- business planning
- insurance and taxes
- human resources.

Depending upon individual client needs, additional programming may include:

- access to know-how/professional service networks

- business round tables/one-on-one mentoring
- interim boards
- helping with access to sources of capital
- enable client networking/entrepreneurial community interaction.

- **South Central Ontario Region (SCOR) Business Portal** supports entrepreneurs, investors and the business community. This online service is the first in Canada, offering access to business support services available to entrepreneurs in the region. Businesses, both new and experienced, will find the portal a valuable source of information on services, programs and business capital. This dynamic online site directly links entrepreneurs to professionals and agencies providing support services in the region. This site is run by a partnership of five counties in the South Central Ontario area. The Counties of Brant, Elgin, Middlesex, Norfolk and Oxford are committed to supporting business development and economic growth to all in the region.

Appendix B: Project Launch Focus Group

A focus group session was held with representatives from employment support organizations, local CAW Local 1520 and affected municipalities. Fifteen representatives provided input on workforce impact and support approaches. Six questions were discussed with those in attendance. The question responses are summarized as follows:

What needs to happen to minimize the impact on the displaced workers from the Talbotville Assembly Plant closure?

For Southwold Township and the County of Elgin to minimize the impact on the displaced workers from the Talbotville Ford Assembly Plant closure, the attendees suggested that these workers and their families need to ensure that the necessary support services are known to them.

What information might support local agencies/CAW/Action Centre in the delivery of their services and supports to this target group?

The information that might support local agencies/CAW/Action Centre in the delivery of their services and supports to this target group are an inventory of skill sets of the laid off workers, communication of available employment services, communication of training and skills upgrading needs and communication of businesses/ employers expanding in the area.

How are intermediaries working collaboratively to maximize resources and meet the demand on services?

Intermediaries are working collaboratively to maximize resources by continuing a dialogue between them to better understand and service client demand and by connecting clients to appropriate existing services.

What must be included in the research to inform the action plan that will emerge through this process?

Research that must be included to inform the action plan are:

- the results and directions from the Elgin-St. Thomas labour force strategy and local economic development strategies
- answers to skills recognition and skills development questions, which include the following.
    - What are the local skills that exist at the plant?
    - What are the skills gaps?

- What are the skills that businesses need?

How do we tap into existing knowledge, data, local intelligence, networks to strengthen the end report and the strategies included?

Attendees suggested that for the project team to tap into existing knowledge, data, local intelligence and networks to strengthen the strategies, there is a need for consistent messaging when discussing the project and delivering the future employment services. During implementation, there will be opportunities for marketing the displaced workers for employment opportunities.

Who is missing from this discussion?

The organizations that are missing from the project discussion are the local school boards, City of London Ontario Works and St. Thomas and Elgin Safe Communities Coalition.

Attendees

- Barbara Arbuckle, Director, Ontario Works
- Cindy Moniz, Director, Employment Services Elgin
- Sharon Lupton, Labour Programs & Services Coordinator, United Way of London & Middlesex
- Debra Mountenay, Elgin Middlesex Oxford Workplace Planning and Development Board
- Martin Withenshaw, Projects Manager, Elgin Middlesex Oxford Workplace Planning and Development Board
- Carol Stewart, Employment Sector Council of London Middlesex
- Shane MacPherson, CAW Local 1520
- Chris Hubbard, Coordinator, Ford Action Centre
- Mark Van, MTCU – Adjustment Advisory Program
- Alan Smith, General Manager, County of Elgin
- Donna Ethier, CAO, Township of Southwold
- Suzanna Dieleman, Treasurer, Township of Southwold
- Jim McIntyre, Mayor, Township of Southwold
- Paul Plant, Senior Business Advisor, Ministry of Economic Development & Trade
- Robert Collins, LMI Project Director, London Economic Development Corporation

Appendix C: Online Business Survey

No. Of Responses: 207

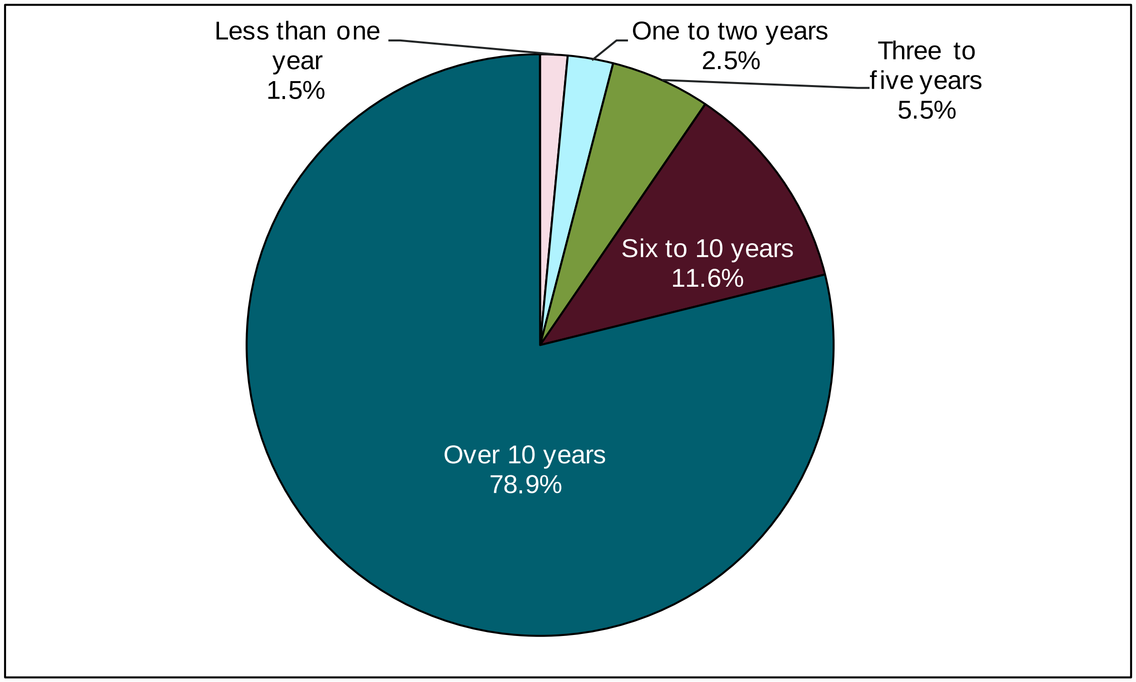
Getting Started

1. Please identify your business location(s). If you have more than one location, please select all that apply.

2. What is your primary type of business?

Industry	No. Of Responses	Percentage of Total
Agriculture, forestry, fishing and hunting	12	5.8%
Mining and oil and gas extraction	0	0.0%
Utilities	0	0.0%
Construction	8	3.9%
Manufacturing	22	10.7%
Wholesale trade	4	1.9%
Retail trade	21	10.2%
Transportation and warehousing	2	1.0%
Information and cultural industries	3	1.5%
Finance and insurance	19	9.2%
Real estate and rental and leasing	2	1.0%
Professional, scientific and technical services	15	7.3%
Administrative and support, waste management and remediation services	3	1.5%
Educational services	12	5.8%
Health care and social assistance	15	7.3%
Arts, entertainment and recreation	6	2.9%
Accommodation and food services	5	2.4%
Other services (except public administration)	35	17.0%
Public administration	22	10.7%
Total	**206**	**100.0%**

3. How many years has your business been in operation?

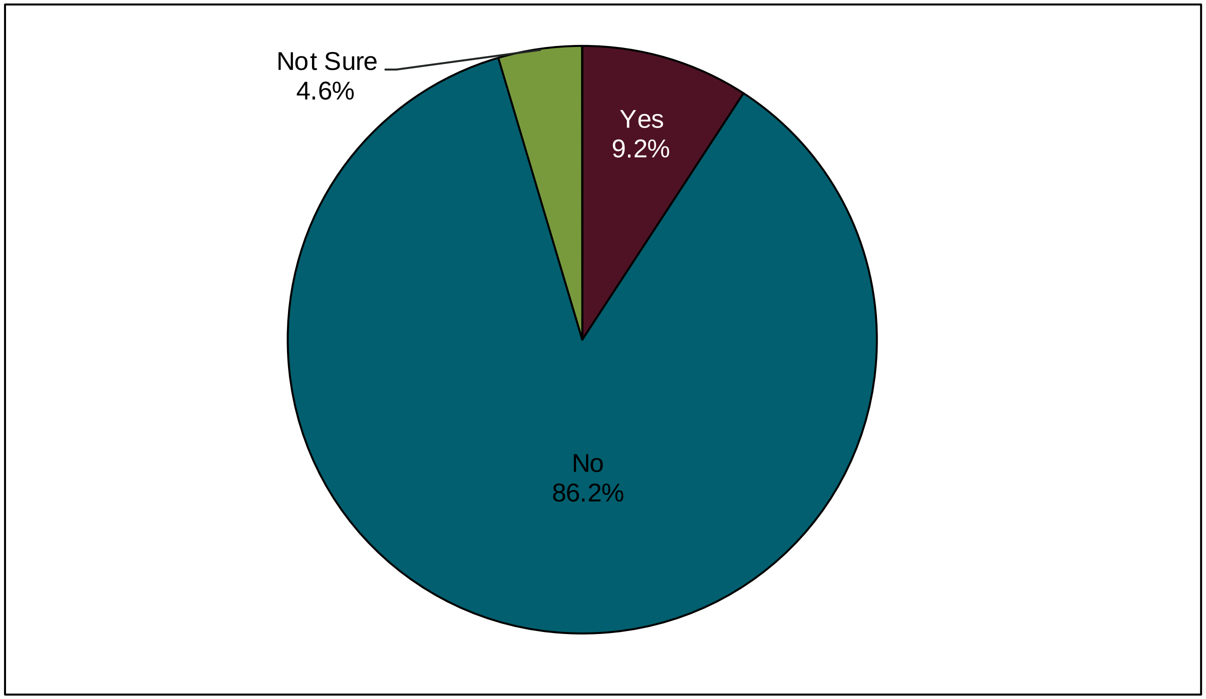


4. How many employees, including you, currently work at this business?

Answer Options	1-4	5-9	10-19	20-49	50-99	100+	Percentage of Total Responses
Full time (30 hrs. or more a week)	33.7%	11.4%	14.7%	15.8%	6.0%	18.5%	100.0%
Part time (less than 30 hrs./week)	50.9%	16.7%	7.9%	7.0%	6.1%	11.4%	100.0%

Talbotville Ford Plant Supplier Information

1. Is your company either directly or indirectly a supplier to the Talbotville Ford Assembly Plant?



Of the 18 companies (9.2% of the companies) that are directly or indirectly a supplier to the Talbotville Ford Assembly Plant, five indicated that their company has decreased their employment at their place of business due to the Talbotville Ford Assembly Plant's downsizing. In addition, five companies anticipate a decrease in employment at their place of business as a result of the plant closure. Two Elgin County firms had indicated 76-100% of their business' employment base will be downsized. One of these firms was in the construction industry and the other was in the manufacturing industry. The three other firms had indicated less than 25% of their employment base would be downsized.

2. Has the Talbotville Ford Plant's recent downsizing resulted in decreased employment at your place of business?

Answer Options	Response Count	Response Percent
Yes	12	6.3%
No	178	93.7%
Total	**190**	**100.0%**

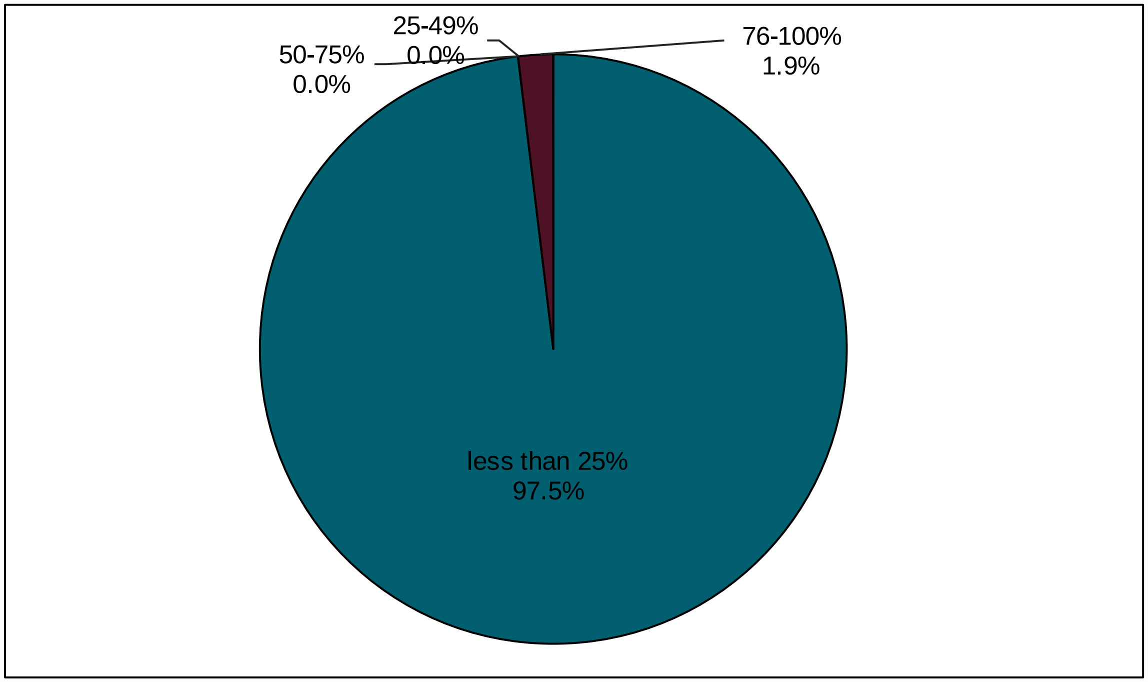
3. How many employees have been laid off as a result of the downsizing over the past 12-18 months?

   The majority of businesses responded by stating that no employees have been laid off as a result of the downsizing over the past 12-18 months. Twelve businesses indicated that they had layoffs as a result of the downsizing over the past 12-18 months, which totalled 37 layoffs.

4. Do you anticipate a decrease in employment at your place of business as a result of the Talbotville Ford Plant closure?

Answer Options	Response Count	Response Percent
Yes	17	8.9%
No	173	91.1%
Total	**190**	**100.0%**

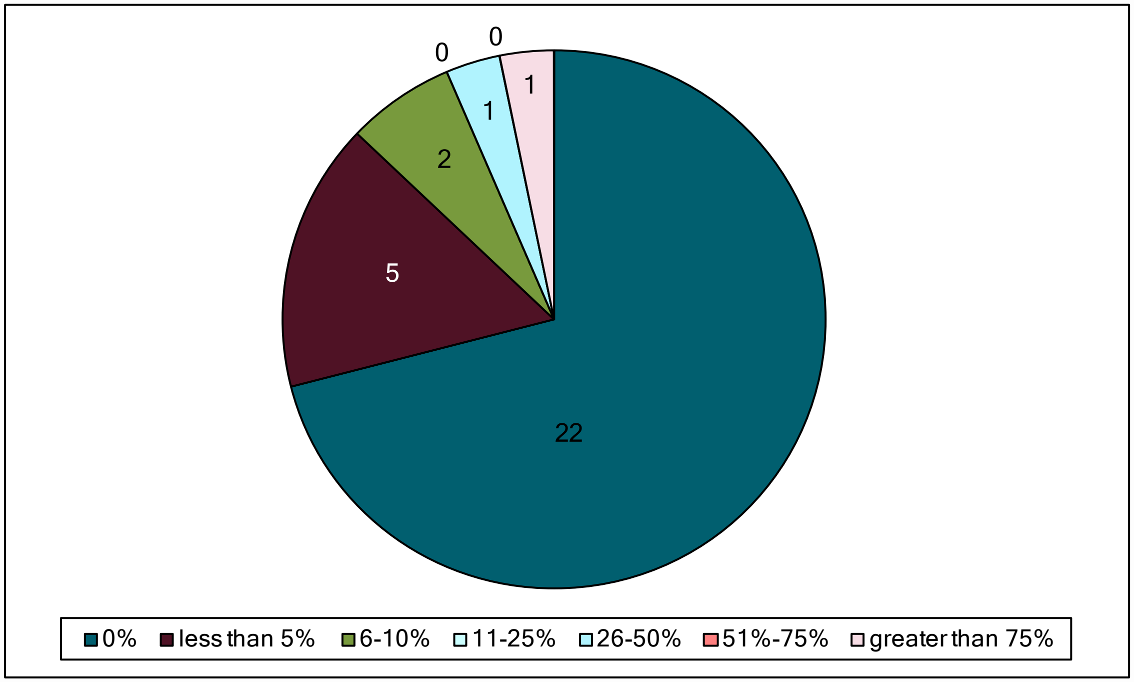
5. What percentage of your business' employees do you anticipate will be downsized as a result of the Talbotville Ford Plant closure?



6. How successful (if at all) has your business been in shifting production to other manufacturers (i.e. other automotive manufacturers, wind energy, etc.)?Please comment.

This question was not applicable for many respondents.

7. What percentage of your annual sales were directly from the Talbotville Ford Plant?



Of the 31 respondents who answered this question, 22 of them indicated that 0% of their annual sales were directly from the Talbotville Ford Plant. Only one firm could attribute greater than 75% of their annual sales from the Ford Plant.

8. Do you anticipate a decrease in annual sales at your place of business as a result of the Talbotville Ford Plant closure?

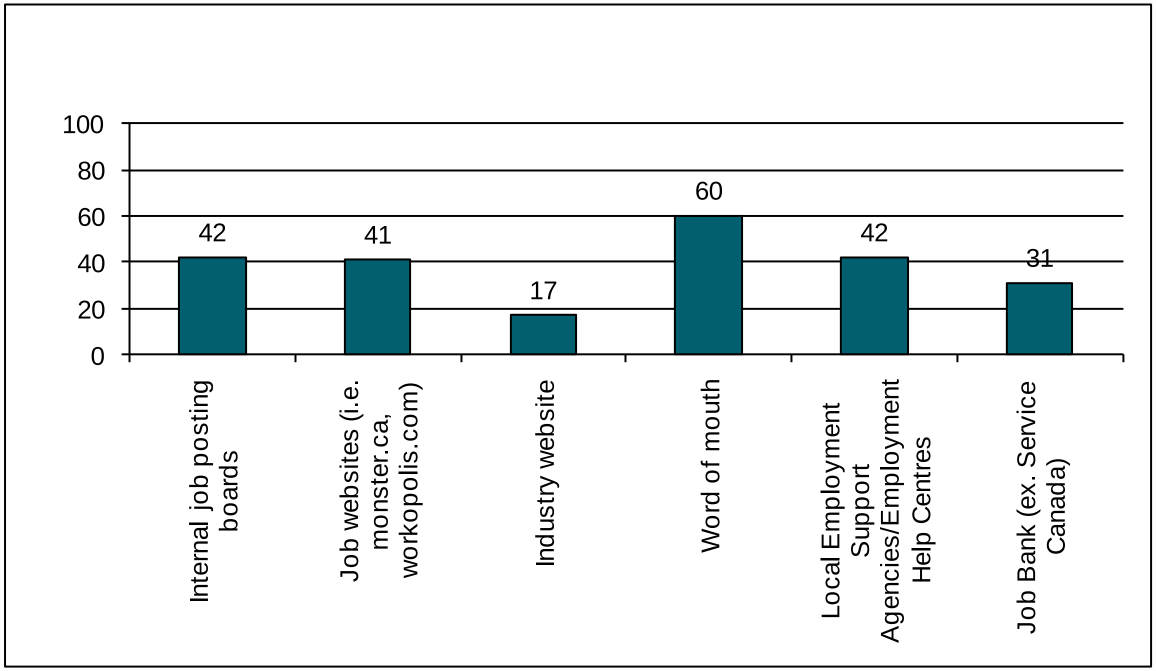
Answer Options	Response Count	Response Percent
Yes	11	33.3%
No	22	66.7%
Total	**33**	**100.0%**

Recruitment Practices

1. Where do your employees obtain the necessary skills to fill job openings?

Answer Options	University	College	Apprenticeship/ Trades School	High School	N/A - On the job training	Response Count
Managerial occupations	42	27	3	1	16	89
Technical occupations	1	28	22	3	18	72
Semi-skilled occupations	1	20	13	10	31	75
Administrative occupations	4	53	7	5	21	90
					answered question	**96**

2. What methods do you commonly use to recruit for job openings?



Other methods that were suggested include the newspaper, social media websites and recruitment agencies.

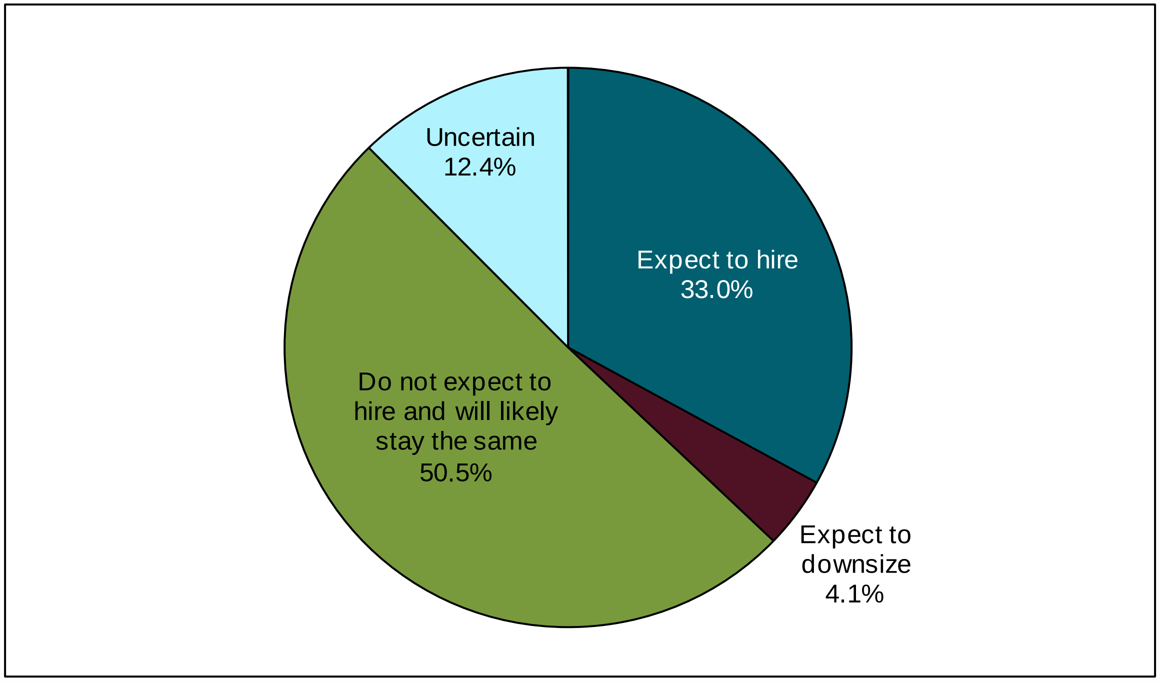
3. Do you find it difficult to recruit from the local labour force for the skill sets that you are seeking?

Answer Options	Response Count	Response Percent
Yes	32	33.0%
No	65	67.0%
Total	**97**	**100.0%**

Some respondents had stated the importance of people seeking jobs to have a good work ethic and good communication skills. Specific skills that were needed by employers include multi-lingual skills and sales skills.

Future Labour Force Requirements

1. What are your job growth expectations in the next year?



2. In your business, are you concerned with the number of employees retiring in the next five years?

Answer Options	Response Count	Response Percent
Yes	25	25.3%
No	74	74.7%
Total	**99**	**100.0%**

Employer Skills Requirements

3. Using the scale of 1 to 4 where 1 is "not important" and 4 is "very important", please rate the following skills to indicate the level of importance each one has to your business' success.

Answer Options	Average
Math skills	3.40
Reading skills	3.80
Written communication skills	3.61
Oral communication skills	3.78
Computer and technologies literacy skills	3.33
Customer service skills	3.66
Critical thinking and analysis skills	3.61
Decision making skills	3.52
Team work skills	3.67

4. Of the following skills, please select all that are the most difficult to find among job seekers?

Answer Options	Response Count	Response Percent
Critical thinking and analysis skills	48	59.3%
Customer service skills	41	50.6%
Decision making skills	30	37.0%
Written communication skills	29	35.8%
Oral communication skills	29	35.8%
Team work skills	27	33.3%
Computer and technologies literacy skills	22	27.2%
Math skills	14	17.3%
Reading skills	14	17.3%
Answered question		**81**

A common skill mentioned by respondents included the ability to motivate yourself on the job.

Community Image

1. Using the scale of 1 to 4 where 1 is "not important" and 4 is "very important", please rate the following: How important do you feel it is for the positive stories and qualities of the community to be communicated?

Answer Options	Response Count	Response Percent
not important at all	0	0.0%
marginally important	5	6.0%
moderately important	24	28.6%
very important	55	65.5%
Total	**84**	**100.0%**

2. How would you describe what is unique about the quality of life in the community?

   The most common responses describing the uniqueness about the community's quality of life included:

- family centred and friendly
- slower paced, more affordable and less traffic, congestion and commuting
- a mix of urban and rural where residents can shop locally yet be close enough to a larger city to experience its cultural experiences or events.

3. Studies show that history and culture are part of what attracts people to want to live and work in a community. What would you say are the communities most important cultural assets or amenities?

   Respondents stated that the most important cultural assets or amenities are the railway heritage assets and history, heritage buildings (e.g. Backus-Page House, Eldon House), art gallery, summer festivals, courthouse and visual and performing arts. There are also Amish and Dutch communities that can add to Elgin County's diversity.

<u>Open-ended Comments</u>

4. What are some issues that you encounter when recruiting people from the local labour force?

   Common issues that respondents stated they encounter when recruiting people from the local labour force are:

   - an attitude of entitlement
   - lack of education
   - lack of customer service skills
   - lack of sales skills for commission based jobs
   - lack of initiative and
   - lack of entrepreneurial spirit.

   Some respondents stated that they try to match job candidate experience and capabilities with employment opportunities within their companies. It is important that these candidates will fit into the company culture.

   Respondents stated that people who are trying to find employment in the local labour need accurate and timely information about local support networks and assistance with job searching, interviewing, preparing resumes, learning to write cover letters and accessing the hidden job markets.

5. Identify three things the Township of Southwold and County of Elgin should take into consideration to support the impacted workers of the Talbotville Ford Plant to re-enter the local labour force.

   a. **Retraining and education upgrading opportunities –** The laid off workers will need assistance for retraining and education upgrading. Programs need to be put into place that provide financial support assistance (i.e. employment insurance) during their retaining and/or education upgrading. These laid off workers need to be approached early and proactively to prevent dire situations later. There is a need to encourage training in fields where there are skills gaps and a demand for more people with these skills. Individual skills assessments need to be completed that match qualifications to employment opportunities.
   b. **Job searching skills development –** The laid off workers will need assistance when job searching. Many of these workers have been with the Ford Plant for a long time and have not needed to develop these skills. These workers will need to be informed of local labour market wage levels, which may be lower than wage levels provided by the Ford Plant.
   c. **New business opportunities –** Many laid off workers have developed skills that are marketable and can be used for new business opportunities. Entrepreneurship and small business can be a viable option for some of the laid off workers. The Township of Southwold and County of Elgin should encourage entrepreneurial and small business programs that can provide guidance to starting their own business.
   d. **Support for the families –** Many respondents stated that being laid off from the Ford Plant will take an emotional toll on the worker and his/her family. There needs to be counselling support available for the whole family. The stories of hope, of people getting jobs, industries with new job openings need to be promoted to the impacted workers.

6. What training/professional development opportunities do you provide your employees?

   Many respondents indicated that they provide training/professional development that is relevant for the employees. This training/professional development includes accredited and related college/university courses, conferences, workshops, workplace safety and seminars.

7. If you have any further comments, please provide them below.

   Respondents were very supportive of helping and encouraging the impacted workers at the Ford Plant as they transition into new employment opportunities.

Appendix D: List of Community Stakeholders Interviewed

- Bob Hammersley, CEO, St Thomas and District Chamber of Commerce
- Cephas Panschow, Community Development Officer, Corporation of the Town of Tillsonburg
- Chris Hubbard, Ford Action Centre Coordinator
- Cindy Moniz, Executive Director, Employment Services Elgin
- Dale Arndt, Airport Superintendent, St. Thomas Airport
- Deb Mountenay, Elgin, Middlesex, Oxford Workforce Planning and Development Board
- Dennis McGee, President, CAW Local 1520
- Donald Lamb, Legal Support Services Paralegal
- Donna Ethier, CAO, Southwold Township
- Eugenio DiMeo Director of Community and Corporate Services, Township of Malahide
- Heather Adams, CAO, Town of Aylmer
- Joanne Groch, CAO, Municipality of West Elgin
- Jody Berkelmans, Supervisor of Employment and Income Support, Ontario Works
- Ken Loveland, CAO, Municipality of Dutton/Dunwich
- Kim Verkuil, Supervisor of Employment and Income Support, Ontario Works
- Kyle Kruger, CAO, Municipality of Bayham
- Lucy More, World Financial Group
- Michelle M. Casavecchia, CAO, Township of Malahide
- Peter White, President and CEO, London Economic Development Corporation
- Robert Broadbent, City of St. Thomas Fire Department
- Robert Wheeler, General Manager, St. Thomas Economic Development Corporation
- Susan Wilson, Clerk, Township of Malahide
- Sharon Lupton, Chair, Ford Action Centre
- Ted Uffen, Uffen Incorporated
- Yvon Robichaud, Debt Freedom Financial Services