



Acoustical Association Ontario

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Provincial in scope ...

Provincial in outlook

ICI Construction Outlook



In its recent release of "Trends In Investment and Building Permits, the Ontario Construction Secretariat (OCS) indicated that the first quarter of 2013 is showing signs of mediocre activity in "terms of investment." Even though there were encouraging investment gains in the Industrial and Commercial sectors of the Industry, these were offset by a significant drop in investment in the Institutional sector. The Report further notes that Building permit data suggests that these

trends will continue to hold in the coming quarters.

Seasonally adjusted, ICI investment totalled \$4.2 billion in the first quarter of 2013 down roughly 1% relative to last year. There has been some concern among Industry stakeholders have been concerned as to whether the private sector could carry the ball as institutional investment winds down. The report noted that private investments were encouraging, however, they were insufficient to boost total ICI investment in the quarter.

The OCS ICI investment analysis indicated that Industrial investment increased 23% over the first quarter of 2012 showing that this sector has pulled itself out of the 2009 recession as a result of improving trends in the mining, utilities and manufacturing sectors. However of concern is the fact that these gains were not broad based with particularly sharp declines in the Windsor and London areas.

Commercial investment, at an 8% increase year over year, did not do as well as in the industrial sector, however, at a value of \$2.4 billion as opposed to the \$521 million invested in the industrial sector the impact was significant. At \$1.4 billion, Toronto, reaching its highest quarterly level since 1997, made the highest contribution to the increase in commercial investment. But the gains in this sector were even more narrowly concentrated than in the Industrial sectors with only 4 of the 15 Census Metropolitan Areas (CMA) registering increases.

Institutional investment showed a completely different picture, plunging (for the sixth straight time) 7% in the first quarter leaving the value of investment in this sector 20% below its level last year. Of the 15 CMAs eight posted declines, led by the Niagara region which plummeted by 52%. The outlook for this sector does not look bright as all levels of government reign in spending.

The following chart summarizes the first quarter permit values released for each of the geographic areas of the Province. This will give some indication of what is expected in the next few quarters of this year.

First Quarter 2013 - Permit Values

Sector/Region	Northern		Eastern		GTA		Central		South Western	
	Value (000s)	% Change	Value (000s)	% Change	Value (000s)	% Change	Value (000s)	% Change	Value (000s)	% Change
Industrial	\$19,689	▲ 571%	\$28,780	▼ 28%	\$206,128	▲ 11%	\$69,335	▼ 37%	\$96,519	▲ 100%
Commercial	\$28,308	▲ 46%	\$154,037	▼ 43%	\$699,783	▼ 12%	\$201,127	▼ 32%	\$115,779	▲ 37%
Institutional	\$16,883	▲ 32%	\$40,110	▼ 49%	\$269,270	▼ 55%	\$111,634	▲ 1%	\$34,697	▼ 69%
Total ICI	\$64,880	▲ 85%	\$222,927	▼ 42%	\$1,175,181	▼ 26%	\$382,096	▼ 26%	\$246,995	▲ 1%

The Mathews Dinsdale Minute



Strange as it may be, we are back to the Income Tax Act. In January we wrote about Bill C-377 which sought, by way of amendments to the Income Tax Act, to impose certain reporting obligations on trade unions in Canada. At that time we outlined the reporting requirements which included salary disclosure for all persons with compensation over \$100 000 and reporting of various payments over \$5000.00.

In what appears to be a bit of political wrangling, the Conservative dominated Senate has rejected the bill which had passed third reading in the House of Commons. The Senate made various amendments to the bill and sent it back to the House of Commons for further consideration. As the House has recessed for the summer the bill will not be dealt with again until the fall.

Recently, the House of Commons had amended Bill C-461 The CBC and Public Service Disclosure and Transparency Act to raise the threshold for disclosing public-servant salaries from \$150 000 to the highest possible payment for deputy minsters which is \$444 661. The Senate, in amending Bill C-377 raised the disclosure threshold for union employee \$100 000 to \$444 661. In addition, with an NDP triggered debate about the continuing validity or necessity of the Senate it appears that the Senate was seizing the opportunity to attempt to prove that it still plays a role beyond a rubber stamp of the House of Commons.

Next steps will be interesting. While Bill C-377 was a private members bill, it had strong support from the Conservative Majority Government. Thus, this may not be the last piece of this political manoeuvring. Stay tuned.



AAO Conference & Annual General Meeting



Members are reminded that the 2013 Conference will be held from Friday, September 27th through to Monday September 30th at the luxurious J.W. Marriott, The Rosseau Muskoka Resort. Everyone should have received a registration form in the mail. If you have not received your registration form and itinerary please contact Colleen Askew at Flare Events - 289 221 0291. Members are reminded that registrations and payments are due by July 31st and accommodations will be on a first-come-first-served basis, therefore, if you are interested, please submit your registration and payment as soon as possible.



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