

# Cardus Construction Competitiveness Brief: Region of Waterloo

February 20, 2013

The Cardus Construction Competitiveness Monitor is an ongoing project. Read the first report, Ontario Municipal Construction Markets, online at [www.cardus.ca/workandeconomics/publications](http://www.cardus.ca/workandeconomics/publications)

In October 2012, Cardus published its first *Construction Competitiveness Monitor*, focusing on Ontario municipalities. The intent of this series of papers is to continually monitor the impact of labour monopolies on the taxpayers and construction budgets of municipalities, school boards, and crown corporations and agencies.

Since the publication of our original paper, an application filed on December 15, 2012 opened the possibility that construction work in the Region of Waterloo will be subject to a labour monopoly. This background brief estimates the impact that a successful application would have on the Region, and on the province as a whole. For details on methodology, please see the October 2012 Cardus Construction Competitiveness Monitor.

The Region of Waterloo, which has approximately 553,000 taxpayers, would be Ontario's fourth major urban centre to be subject to labour monopolies (FIGURE 1).

If the Region became subject to a labour monopoly, 28% of Ontario's population would be subject to labour monopolies, an increase of 2% from our original study (FIGURE 2).

The Region's 2012 Capital budget is \$465,000,000. Of this total budget, we estimate that approximately \$194,923,000 would be subject to a labour monopoly (FIGURE 3).

If the application is successful, approximately \$941,923,000 worth of Ontario-wide municipal construction work would be subject to labour monopolies (2012 dollars and budgets)(FIGURE 4).

## COST IMPLICATIONS:

Based on available estimates, the impact of a labour monopoly on the Region of Waterloo's 2012 budget is noted below in FIGURE 5.

As the Region's approved 10-year capital forecast is \$3.9 billion (in constant 2012 dollars), the year over year impact of a potential labour monopoly is significant and cause for concern.

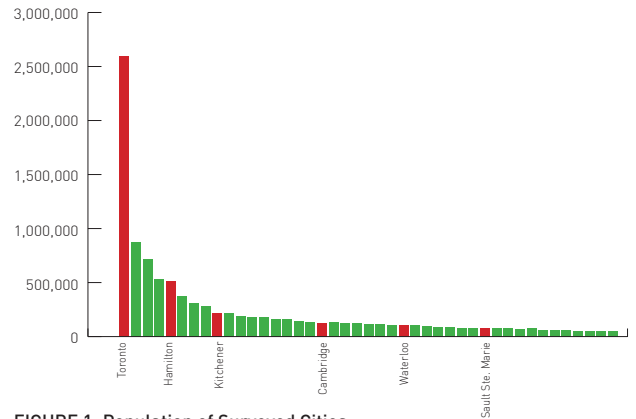


FIGURE 1: Population of Surveyed Cities

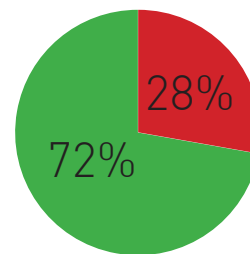


FIGURE 2: Percentage of Ontario Taxpayers subject to labour monopolies (All Ontario-Non-surveyed cities assumed open).

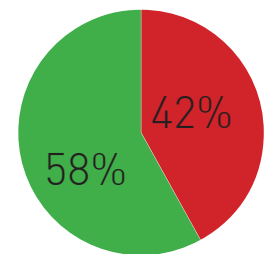


FIGURE 3: Percentage of Region of Waterloo's capital budget affected by potential labour monopoly (2012).

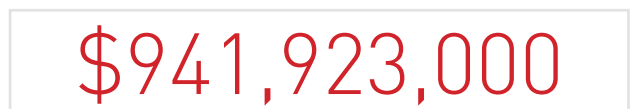


FIGURE 4: Estimated total amount under restrictions in Hamilton, Toronto, Kitchener, Cambridge, Waterloo, and Sault Ste. Marie

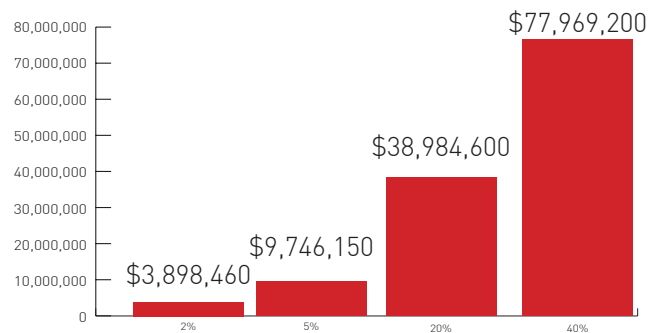


FIGURE 5: Estimated impact of labour monopolies on the Region of Waterloo's 2012 budget.