

[FOR IMMEDIATE RELEASE]

## Construction Sector Groups Applaud Federal Commitment to Implement Prompt Payment Law

**November 22<sup>nd</sup>, 2018—OTTAWA** The National Trade Contractors Coalition of Canada (NTCCC) is applauding the federal government for committing to pass Prompt Payment Legislation in the Fall Economic Statement, tabled yesterday.

Finance Minister Bill Morneau made the announcement on Wednesday afternoon in Ottawa that the government will use federal prompt payment legislation to drive continued progress for the middle class. Trade contractors also know that this measure will improve Canada's competitiveness and attract investment in the construction sector.

"The government has shown that it is hearing small business owners and workers in the construction sector loud and clear," said Sandra Skivsky, Chair of NTCCC. "Canada is finally catching up with the U.S., U.K., The E.U., New Zealand, Australia and other developed countries and this will make Canada a better place to do business."

Delayed payments throughout the construction chain have become an increasingly difficult issue facing Canada's construction sector for decades. Payment bottlenecks leave small and medium-sized businesses without the cash flow they need to contribute to pension and benefit plans, make competitive bids on new projects, take on apprentices, and even pay salaries and suppliers. As a result, the construction sector has reduced productivity.

When Minister Carla Qualtrough received her mandate letter in October 2017 it became clear that the government was focused on solving the problem of delayed payments. It prioritized "ensuring prompt payment of contractors and sub-contractors who do businesses with [Public Services and Procurement Canada]."

"We are very encouraged by this step," said Skivsky "The federal government has worked with all stakeholders to ensure its prompt payment model reflects best practices globally and domestically and it will be a good blueprint for the provinces."

In late 2017, Ontario passed legislation that created *The Construction Act* which enshrines prompt payment principles throughout the construction sector in Canada's largest province. The federal government's process has been informed by the approach taken in Ontario that generated consensus among participants after industry-wide consultation. Other provinces like Saskatchewan, Manitoba and Québec have all begun the process of initiating their own prompt payment laws in recent months. Advocacy efforts are underway in Nova Scotia, British Columbia and Alberta to get those governments to move in the same direction.

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*The National Trade Contractors Coalition of Canada (NTCCC) was established in 2004 to provide an organized forum for Canada's national trade organizations to share information, resources, and to collaborate on issues that are of common interest all. The membership is currently comprised of: Canadian Roofing Contractors Association, Canadian Automatic Sprinkler Association, Canadian Masonry Contractors Association, Canadian Electrical Contractors Association, Mechanical Contractors Association of Canada, Interior Systems Contractors Association, Thermal Insulation Association of Canada, Heating Refrigeration and Air-Conditioning Institute of Canada-Contractors Division, Sheet-Metal Contractors Association, and the Canadian Institute of Steel Construction.*

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