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MEDIA RELEASE
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Industry applauds government move to protect Saskatchewan contractors

REGINA (November 20, 2018) – The Saskatchewan Construction Association (SCA) and Prompt Payment Saskatchewan (PPS) praised the government’s introduction of prompt payment rules in an amendment to the *Builders’ Lien Act* brought forward in the Saskatchewan Legislative Assembly today.

Prompt payment rules are in place in many democracies across the world and serve to ensure that contractors are paid for the work they complete without undue delays. Systemic late payment in the construction industry is the result of both (1) the complexity of projects, and (2) a quirk of construction law whereby owners are not in breach of contract for not paying but contractors are in breach for discontinuing work when they have not been paid.

“It’s difficult to run a business when all your money is tied up in material and labour costs, but you haven’t been paid for the project – and have no idea when you will get paid,” explained Ryan Tynning, Co-Chair of PPS and Owner of Swift Plumbing and Heating in Swift Current. “There are times when we can’t afford to bid on new jobs or do the things we need to be successful because we aren’t being paid for the work we’ve already done.”

Delayed payments to general contractors and trade contractors have a negative impact on the economy by reducing competitiveness and efficiency. These effects are the result of financial uncertainty preventing contractors from: investing in their people through apprenticeship and training; investing in new equipment and innovation; or, having the capital required to secure bonding or bid on new work.

While contractors have always been able to sue for late payment, the process is expensive and slow. Instead, the SCA and PPS sought prompt payment legislation in line with Ontario’s Bill 142 passed in December 2017, which laid out clear responsibilities and processes to keep payments in construction fair, timely, and transparent. Prompt payment provides a fast moving and binding adjudication process that secures payment in about 55 days while considering the rights of all parties.

“We strongly support the introduction of prompt payment provisions today,” said Mark Cooper, President and CEO of the SCA. “We look forward to reviewing the rest of the draft amendments to the *Act* and working with the government to finalize legislation that’s good for Saskatchewan businesses and workers.”

The SCA will continue to work with the provincial government to help strengthen and build Saskatchewan, while advocating for growth and a strong economy on behalf of their membership.

Prompt Payment Saskatchewan is a coalition of the General Contractors Association of Saskatchewan, Mechanical Contractors Association of Saskatchewan, Electrical Contractors Association of Saskatchewan, Saskatchewan Masonry Institute, Canadian Institute of Steel Construction, Saskatchewan Roofing Contractors Association, Saskatchewan Association of Architects, and SCA.

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