

Presentation to the Select Standing Committee on Finance

Held via video/teleconference

June 4, 2020

Committee members include: Bob D'Eith (Chair), Doug Clovechok (Deputy Chair), Donna Barnett, Rich Coleman, Mitzi Dean, Ronna-Rae Leonard, Nicholas Simons

Good afternoon.

My name is Chris Atchison. I am President of the BC Construction Association.

Thank you for allowing me this opportunity to speak to you today.

The BCCA is a non-profit association serving employers in BC's industrial, commercial, and institutional (or ICI) construction sector.

We represent the whole of industry, regardless of labour affiliation and regardless of membership status. We are non-partisan.

We operate a number of no-fee workforce development programs, as well as BidCentral – BC's largest source of construction project opportunities.

Our industry, as you know, was declared an essential service by BC's government at the beginning of our provincial state of emergency. Our sector has been operating during this pandemic, our workforce at the frontlines of our economy - and at some risk, - as we worked during a period - all struggling to understand coronavirus, all striving to create and adopt effective safety protocols, all learning as we went.

I mention this to acknowledge this government's leadership and foresight in declaring construction an essential service, and also to make the point that as an industry we united to ensure the safety of our workers in a way that has made us proud. In the midst of this uncertainty and risk, we came together. And to date, there have been 0 COVID-19 outbreaks or clusters on BC job sites.

To convey the significance of this achievement, I would like to share a few key statistics that demonstrate the magnitude and importance of BC's ICI sector:

- We represent roughly 8.9% of GDP
- We employ 242,000 workers
- 183,000 of those are skilled-workers on the tools on construction sites
- This is nearly 10% of the entire provincial workforce
- There are also more than 25,000 employers

Clearly, our scale is such that a successful economy in BC relies on a successful construction industry.

Which brings me to my next point.

I do not stand before you today to ask for infrastructure spending. Or for additional supports for construction businesses and workers. Not because these are not important or necessary, but because today I must focus on one industry priority only: **Prompt Payment** legislation.

We must ensure that the billions of taxpayer dollars budgeted for construction services, and the additional billions in funding for infrastructure that is coming from the federal government, gets to the British Columbians who have earned it.

I urge you to follow the leads of the federal government, provinces of Ontario, Saskatchewan, and Nova Scotia, to pass prompt payment legislation in BC and ensure that the billions of dollars spent on publicly funded infrastructure projects makes it into the bank accounts and pockets of the trades people and small contractors who have earned it.

Especially now as we face economic challenges on a scale not known in our lifetimes, there is no more essential contribution that our government can make to BC's construction industry or to BC's economy than ensuring a smooth payment pipeline through our industry, from owners to general contractors, from generals to trades and subtrades, to manufacturers and suppliers, to architects and engineers.

When Prime Minister Trudeau announced the acceleration of \$2.2BN in infrastructure funding to Canadian cities earlier this week, I assure you there were those in BC's industry who wondered just how far the "Acceleration" would travel. Would it travel to their own small business, to their own kitchen table?

We estimate that lack of prompt payment costs the BC government in excess of \$3B per year.

For too long, contractors have been treated as defacto banks by bad actors who take advantage of a complex system that does not compel the release of funds for work substantially completed. Rather than risk reputation - or further expenses by starting a legal process, employers are often forced further into debt in order to pay their bills, payroll and future pursuit costs. Unwarranted and unjustified bankruptcies occur as a result of this flawed system.

Last year, this committee officially recommended that the BC government look at Prompt Payment legislation. And I stand before you today asking that more be done this time.

There is no better time, no better reason, and no better opportunity to make this a key priority for our government's post-COVID response, for BC's ReStart plan. There has never been greater urgency to offer legislative leadership towards the essential industry that has demonstrated such commitment to this province at this critical juncture.

Government and industry have a shared responsibility and desire to make sure that every dollar spent is well spent. Prompt Payment Legislation will positively impact every business, every project, and every worker, relieving a layer of financial stress for many BC families who are experiencing severe hardship.

Yes, construction is an essential service. And so is getting paid for the work you do. Thank you for your consideration.