

Niki Sharma
Attorney General
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October 16, 2023

Dear Attorney General Sharma,

THE ECONOMICS OF BC'S CONSTRUCTION INDUSTRY

The priority of the BC Construction Association (BCCA), The Electrical Contractors Association of BC (ECABC), The Mechanical Contractors Association of BC (MCABC), and the 30 industry partners co-signing this letter remains unwavering. We fervently believe that **Prompt Payment Legislation**, Lien Reform and Adjudication are a boon to British Columbia's economic health. Without these, one of BC's largest and most essential industries struggles in the face of this province's ongoing and urgent need for more housing and infrastructure development. The signatories of today's letter come together both in welcoming your government's intention to examine **Prompt Payment Legislation for British Columbia**, and in supporting its rapid enactment.

Our industry is dynamic and active by nature, yet delays in payment risk hampering healthy labour relations and crippling new development. No other industry is asked to wait 90 or 120 days for payment. No other industry deals with the challenges of 10% holdback on projects that sometimes stretch over years. No other employer finances their clients by covering salaries and suppliers from their own reserves. Construction companies must be able to leverage sums due. These are funds that should be going into new projects. Delays are costly to the industry, and to the economy.

We implore you to remove these barriers to development and healthy competition. About 90% of BC contractors are small companies. These are not multinational conglomerates with deep pockets.

Help them stay in business to build the infrastructure British Columbia needs.

Help them retain skilled workers in this province while attracting new workers that know the industry is stable and will continue growing.

Help them obtain payment due in a prompt manner so that they and the province can continue to flourish.

Prompt Payment Legislation is not experimental; this intelligent legislation is in place or under review in nations around the world, including several Canadian jurisdictions. Except PEI, Newfoundland and Labrador, plus the three territories, BC is behind as provinces that have moved forward with **Prompt Payment Legislation** have created stability in their construction industry and economy. We are one of only a small handful of Canadian jurisdictions failing to take the steps needed to enact **Prompt Payment Legislation**.

The construction industry ranks #1 in BC as a goods sector employer, and contributes 9.7% of provincial GDP, up from 8.9% in 2022. Despite this, investments in BC's ICIR industry have decreased by 11% since February 2020. Labour costs have increased by 11% over the same time period, with the number of trade workers plummeting by 9% in 5 years. These challenges are real.

Prompt Payment Legislation is an economic necessity in the best interest of the community you serve.

We are confident that it is the best path forward for a strong, resilient economy, and construction industry in British Columbia.

The list of signatories are your partners and express their support for the message conveyed and remain available should you have questions or ideas about how we can all work together. We look forward to working with you to move our province confidently into a successful future, starting with **Prompt Payment Legislation.**

Sincerely,



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