

BC'S CONSTRUCTION INDUSTRY DESERVES PAYMENT CERTAINTY

PROMPT PAYMENT LEGISLATION: IT JUST MAKES SENSE

PAYMENT CERTAINTY IS ESSENTIAL

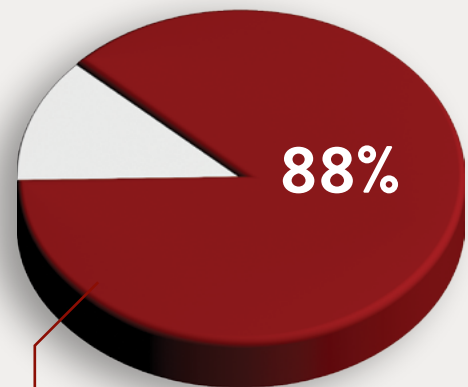
Prompt Payment Legislation will ensure BC's builders are paid on time, and that the construction projects BC desperately needs move ahead in the most efficient, fair and effective way possible. It will allow critical housing and infrastructure projects to proceed with confidence and will create certainty and efficiencies strengthening industry competitiveness and productivity.

The lack of payment certainty which plagues this province's construction industry disproportionately affects the contractors, subcontractors and tradespeople who build BC. Payment delays lead to cash flow problems and exacerbate the inequalities of bargaining power in contracts, putting businesses in jeopardy and threatening livelihoods throughout the construction pyramid.

Prompt Payment Legislation is already in place in most Canadian jurisdictions. British Columbia's failure to immediately enact this legislation weakens its ability to compete nationally and retain the investment and workforce it desperately needs to build and maintain our province.

88% of the construction industry is reporting late payments on invoices. This avoidable strain and ever-present economic risk is unconscionable.

Source: 2024 BC Construction Industry Survey.
Construction represents 10.3% of BC's GDP.



● Late Payments Reported

The BC Construction Association (BCCA) and more than 30 industry-leading co-signatories urge our province to support the introduction of Prompt Payment Legislation, Adjudication and Lien Reform early in the upcoming legislative cycle.

Broad policy and industry goals cannot be achieved without payment certainty for the construction sector.

THE MANY BENEFITS OF PROMPT PAYMENT LEGISLATION



Economic Stability

Prompt payment ensures a more predictable and stable financial environment, benefiting not only the construction sector but the broader economy. Reliable payment schedules lead to increased investment in projects, higher productivity, and job creation. Financial stability is particularly important for the construction industry's small businesses, improving their ability to plan and operate.

Consistency and Fairness

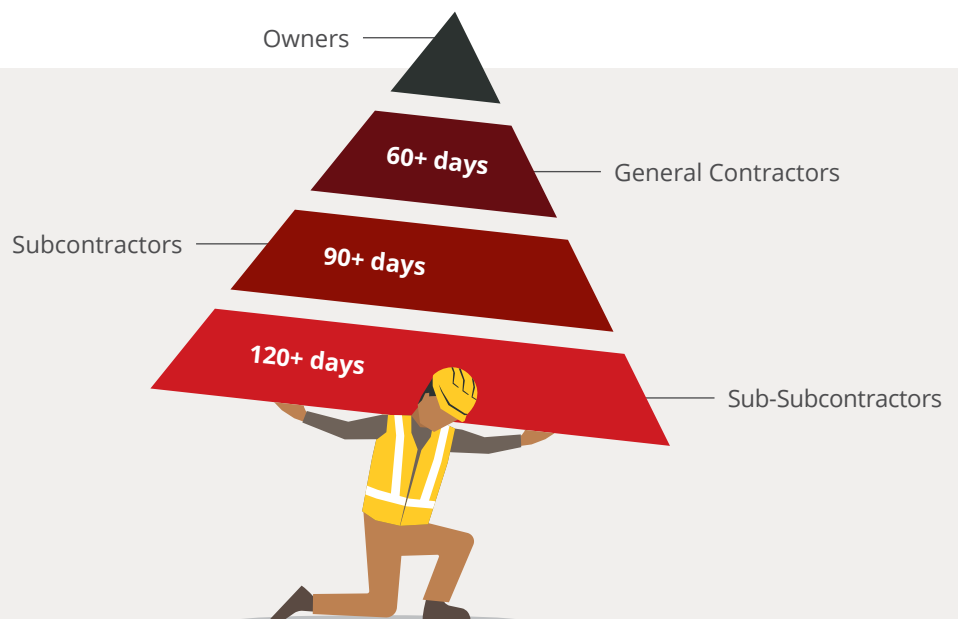
Prompt Payment Legislation is about ensuring fairness and security for all. Enforcing consistent payment timelines and adjudication processes across all sectors offers businesses the certainty they need to manage their cash flow and continue operations. It reduces disputes and fosters a fairer contractual environment.



Support for Growth and Innovation

Reliable payment practices encourage growth and innovation, resulting in an even more productive construction industry. Benefits to the economy and to communities across British Columbia are unmistakable.

THE CRUSHING IMPACT OF PAYMENT DELAYS



British
Columbia
Construction
Association



THE BUSINESS CASE FOR THE ADOPTION OF PROMPT PAYMENT LEGISLATION IS STRONG:

- Ensures the construction industry remains capable of delivering the housing and infrastructure essential for British Columbians.
- Alleviates the disproportionate burden of payment delay borne by parties near the base of the construction pyramid.
- Provides recourse and enforcement mechanisms to address payment delays which have become normalized in BC.
- Mitigates the impact of paid when paid, paid if paid clauses and addresses inequalities of bargaining power among parties while preserving their freedom of contract.
- Facilitates cash-flow down the construction pyramid which is highly susceptible to payment “freeze-ups”.
- Provides consistency with respect to applicable timelines, payment obligations, and enforcement mechanisms across all sectors of the construction industry.

Certainty for industry = payment certainty + clear resolution timelines

We embrace challenges

We can evolve. And we must.

Listen to impact statements from members of BC’s construction industry.

Visit bccasn.com/industry-priorities/prompt-payment



THE TIME FOR LEGISLATION IS NOW

PRECEDENTS IN OTHER CANADIAN JURISDICTIONS

Most of Canada is embracing the need for Prompt Payment Legislation, setting a fair and just benchmark that British Columbia must meet to remain competitive. The path is clear.

British Columbia



Federal Government



Alberta



Saskatchewan



Manitoba



Ontario



Quebec



Nova Scotia



New Brunswick



For a detailed analysis, consult **"The Time to Act Promptly is Now: A Paper on the Benefits of Prompt Payment and Adjudication Legislation"** by WeirFoulds LLP. Proactively commissioned by the BCCA to support payment certainty in BC's construction industry, this document complements the **"Cross-Jurisdictional Legislative Comparison of Prompt Payment and Adjudication Regimes Across Canada"** (November 2023).

The full analysis is available on the BCCA website at: bccasn.com/industry-priorities/prompt-payment.