

FOR IMMEDIATE RELEASE

Prompt Payment Ontario Congratulates Government on Release of the Construction Lien Act Review Report

Toronto, ON (September 26, 2016) - Today, members of Prompt Payment Ontario (PPO) congratulate the Ontario Government on the release of the Construction Lien Act Review Report. Members of PPO participated in the consultation process for the Review and they are look forward to working with the government on the creation and introduction of legislation to modernize the Construction Lien Act in spring 2017.

The CLA Review recognizes that delinquent payments in our construction sector lead to many issues beyond financial instability. Employment rates are lower and apprenticeship opportunities have been decreased due to financial risk. Moreover, some trade contractors resort to off-loading payroll risk by increasing the number of self-employed, independent operators in their workforce, thus increasing the underground economy. As late payment puts employers at risk it also increases the risk to workers' pension and benefit plans.

Moreover, the increase in late payment risk in the construction industry not only has negative consequences for the workers and businesses, but also the provincial government. Government construction costs are higher because trade contractors must incorporate the risk of late payment into their bids. The increased risk also reduced the amount of work trade contractors can afford to take on, thus reducing the bidding pool for projects.

“Late payment is one of the biggest risks to Trade Contractors, their employees and suppliers. We are glad to see the report’s recommendation to legislate a prompt payment regime for the public and private sectors. Putting this legislation in place will ensure that we can Build Ontario. Prompt Payment is simply ‘doing the right thing’, those that oppose it must have another agenda.”

PPO thanks Bruce Reynolds and Sharon Vogel for their diligent efforts in undertaking this critical review, as well as the ongoing support and cooperation of various Ministers and Members of Provincial Parliament. Members of PPO are looking forward to working with parliamentarians on implementing prompt payment legislation in Ontario as soon as possible.

PPO would like to thank their various members, particularly our union partners on behalf of the workers, who have provided ongoing support in this endeavour. Your tireless efforts have helped to raise awareness to the ongoing issues of delinquent payment in our construction sector and have assisted in a solution.



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Prompt Payment Ontario (PPO) is a sole-purpose alliance or coalition of contractor associations, unions, suppliers, general contractors, pension trust funds, and anyone else who has an interest in seeing prompt payment legislation enacted in the province of Ontario. Its purpose and goal are just that, to persuade the Ontario government that delinquent payment is a growing problem in the construction industry and that legislation is needed to ensure that money flows as it is intended down through the contractor supply chain.