



PRESS RELEASE

The Honourable Don Plett, Senator, Manitoba

FOR IMMEDIATE RELEASE

The Canada Prompt Payment Act Passes 3rd Reading in the Senate

Ottawa, ON (May 4, 2017) – THURSDAY – The Senate Passed Bill S-224, *the Canada Prompt Payment Act*, Senator Don Plett's Bill addressing the systemic problem of delays in the construction industry. The Act will ensure that contractors and sub-contractors on federal government construction work are paid in a timely manner. The bill passed late in the day Thursday, unanimously.

"As a former trade contractor, I know that in the construction industry, it is a tolerated practice that there are no strict timelines for payment, even when all parties are satisfied with the work completed," Senator Plett said on Thursday. "Delay in payment is the number one reason small and medium sized businesses in the construction industry are going out of business in Canada".

Among other things, Bill S-224 ensures that the government institution must make progress payments to a contractor on a monthly basis, or at shorter intervals provided for in the respective contract. This payment requirement is consistent down the contractual chain. The bill also accounts for milestone payments, when applicable, and permits contractors the right to suspend work, terminate a contract and collect interest on late payment.

Senator Plett noted in his remarks on Thursday that only two witnesses -- the General Contractor who testified, as well as the Hon. Steve MacKinnon, Parliamentary Secretary for the Minister of Public Services and Procurement, representing the Government -- were opposed to the bill.

"We had twenty witnesses at committee. Eighteen were not only supportive, but were pleading with the committee to pass this legislation quickly, and to finally give them an enforceable solution to this problem," the Senator stated. "Only two of those twenty witnesses raised concerns. And which two would those be? Those who are not paying their bills on time."

Senator Plett brought forward a number of amendments at committee stage to strengthen and clarify the legislation, as well as to deal with some concerns that were raised by the general contractors & senators from the committee. All proposed amendments were adopted unanimously by the committee, and subsequently by the Senate.

As for the next stage, despite the mild opposition expressed by the Parliamentary Secretary in committee, Senator Plett noted today that, "this is not a partisan issue. The NDP supports this. The Conservatives support this. And several Liberal MPs have indicated their strong support for this bill. I have every reason to believe that Bill S-224 will pass the House of Commons and quickly. They owe it to Canadian workers."

Senator Plett's efforts have been praised by the industry. "It's a great day for Canada's construction industry. We thank the Senate for their support on this industry priority and we look forward to working with Members of Parliament on the next phase. It's all about doing the right thing, said Del Pawliuk, President of the Mechanical Contractors Association of Canada.

Ed Whalen, President, Canadian Institute of Steel Construction, also weighed in on Thursday stating: "We thank the Senate for their support and passage of Bill S-224, the Canada Prompt Payment Act. We are one step closer today to solving the construction industry's most critical issue, and to securing millions of Canadian middle class jobs".

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