



For immediate release

Trade Contractors Call on Ontario to Ensure Prompt Payment *Construction Lien Act must be amended to protect small businesses*

Toronto, November 18, 2009 – Today, the National Trade Contractors Coalition of Canada (NTCCC) called on the Ontario Government to help ensure the success of small businesses by creating a legislative framework for prompt payment. As a first step, they suggest making amendments to the *Construction Lien Act*.

During the normal course of business, a trade contractor carries substantial up-front costs to complete a particular job. This includes equipment, materials, and employee salaries. These costs are substantial, even if they are expected.

To a certain extent, all businesses are forced to carry some costs while they wait for payment. In most industries, payment is received when goods or services are delivered or along some other predictable schedule. In the construction industry, however, it is a tolerated practice that there are no strict timelines for payment of services delivered.

“Even at the best of times, businesses rely on being promptly paid for services delivered,” said John Blair, President of the Canadian Masonry Association. “Delays increase costs, as we are forced to borrow to cover operating expenses. But a much more worrisome, and very real, concern is that delayed payments will limit our ability to carry out future business. This can inevitably lead to businesses closing and loss of jobs.”

NTCCC believes that improvements in this regard can be achieved by amending the *Construction Lien Act*, R.S.O. 1990, as suggested by the Council of Ontario Construction Associations. These include clarifying what constitutes an “improvement” under the act, continuing a contractor’s lien rights for a longer period of time, and protecting liens in the event of a discharge of action. These reforms are also supported by associations representing high-rise builders.

“By so-ensuring prompt payment, Ontario will be at the vanguard of a national effort to provide financial stability for contractors” said Blair. “Such stability will protect jobs across the province, reduce the costs associated with construction, and help thousands of small businesses remain successful.”

- 30 -

The National Trade Contractors Coalition of Canada (NTCCC) was established in 2004 to provide an organized forum for Canada’s national trade organizations to share information, resources, and to collaborate on issues that are of common interest to all. Its membership is comprised of national trade organizations including:

- Mechanical Contractors Association of Canada
- Canadian Electrical Contractors Association
- Canadian Masonry Contractors Association
- Canadian Automatic Sprinkler Association
- Canadian Roofing Contractors Association
- Heating, Refrigeration and Air Conditioning Contractors of Canada
- Ontario Sheet Metal & Air Handling Group
- Thermal Insulation Association of Canada
- Interior Systems Contractors Association

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