



For immediate release

Trade Contractors Calling for Prompt Payment Legislation

Economic climate increases credit pressures on trade contractors

OTTAWA, May 20, 2009 – Last week, the National Trade Contractors Coalition of Canada (NTCCC) was on Parliament Hill urging politicians to create Prompt Payment Legislation to alleviate some of the pressure from the current economic situation affecting their businesses across Canada.

NTCCC members, representing over 12,000 contractor companies who employ as many as 250,000 individuals, are skilled trade contractors that are hired by general contractors for specific parts of a larger construction project. The group of trade contractors, from electrical to plumbing, masonry to roofing, interior systems to sheet metal, are “the ones who do the work” and want to ensure that their services are being compensated in a timely manner.

“During these economic times, government leadership is needed now more than ever,” said John Blair, Executive Director of the Masonry Contractors Association and Chair of the NTCCC’s Prompt Payment Committee.

In the construction industry, it is a tolerated practice that there are sometimes no strict timelines for the general contractors to pay the trade contractors for services rendered. For a trade contractor, carrying these costs limits the business’ cash flow and a cash flow crunch limits trade contractors’ ability to carry out future business. Late payment, then, is a serious impediment to small business, making already trying economic situations even more difficult and, in some cases, forcing companies to lay-off workers or go out of business all together. Small businesses rely on predictable revenue streams to remain successful; construction trade contractors are no different.

The NTCCC explained that the solution to the delayed payment problem is Prompt Payment Legislation, similar to what already exists in the United Kingdom and the United States. Prompt payment legislation in Canada would provide contractors with the tools to ensure that their businesses can remain competitive and productive, and would also encourage a culture of prompt payment that is presently absent and is much needed.

“Delayed payment hurts small businesses and hurts competitiveness,” explained Blair. “Prompt payment legislation would help to ensure that trade contractors have the support they need to run their business effectively.”

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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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