

New Ontario Prompt Payment Group Forms

RICHARD GILBERT - DCN - Oct 20, 2014

Leaders from a variety of segments of Ontario's construction industry are launching a new umbrella organization, Prompt Payment Ontario (PPO), which will advocate for the passing of prompt payment legislation in the province.

"The whole idea is to ensure that the government understands that PPO is the voice of the industry with respect to prompt payment," said PPO president Eryl Roberts.

"And, the only way we are going to get them to understand that is to keep putting our case forward to them and the general public."

The inaugural meeting of PPO was held Oct. 14 at the offices of the Interior Systems Contractors Association (ISCA) of Ontario in Woodbridge, Ont. PPO has at least 50 member groups in its fold.

"It is really all about creating an organization that gives a voice and opportunity to participate to all the stakeholders in the construction chain, who are in support of prompt payment legislation and the fair distribution of risk," said Roberts, who noted there are three main reasons for prompt payment in Ontario.

The first reason is to keep the government focused on prompt payment and the fair distribution of risk in the construction industry.

"We would have thought that majority status for the government would have maybe emboldened and energized the government on the principle of prompt payment," he said.

"But, we get the sense that, instead, it has been back-burnered. So, the primary purpose of Prompt Payment Ontario is to make sure that we keep the profile of prompt payment before the government to encourage them to act."

The second reason for pushing for the legislation is that the caucus of National Trade Contractors Coalition of Canada did most of the work on Bill 69 in the run up to the committee hearings.

"But, at those hearings, we heard from a number of other stakeholders, who spoke out in support of prompt payment," he said.

"So, Prompt Payment Ontario gives organizations such as pension plans, labour unions, suppliers and manufacturers, who all have a stake along with trade contractors, a voice and opportunity to participate in achieving prompt payment."

The third reason is that the initial push on Bill 69 was driven by the ICI (industrial, commercial and institutional) sector.

"What PPO does is extend to other trades the opportunity to participate, such as residential, who had both good and not so good things to say about prompt payment," said Roberts.

"But, there are many in that sector who would like to participate in achieving prompt payment in Ontario."

Three founding directors will incorporate PPO as a non-profit organization, including Ron Johnson deputy director of the Interior Systems Contractors Association of Ontario, and John Blair representing the Ontario Masonry Contractors' Association's and Roberts. At the meeting on Oct 14, members of the PPO elected directors and officers.

Roberts, who is the executive vice-president of labour relations with the Electrical Contractors Association of Ontario, said the Prompt Payment Act, 2013 or Bill 69 was driven by the National Trade Contractors Coalition of Canada.

"The Bill 69 issue was focused on the GCs and the trade contractors, where in fact you have to recognize that it is to flow through," said Roberts. "It doesn't just stop with us, the trade subcontractors. It goes to our subs-subs, suppliers, manufacturers, employees, labour organizations, their benefits plans and government, which should be involved, because it goes to the tax regime, as well."

Other people wanted to participate in shaping the legislation, when Bill 69 was introduced in the Ontario legislature on May 13, 2013.

Bill 69 moved to second reading on May 16 and was referred to the Standing Committee on Regulations and Private Bills, which voted to set the bill aside on April 2.

"There are different elements in Bill 69 that were used to promote its shelving, by the government," said Roberts.

"But, even with its setting aside, the result from the government was an initiative to analyze the existing legislation in Ontario to determine its viability."

Private and public owners raised concerns that Bill 69's payment timelines, progress payment provisions and lack of recognition for payments tied to milestones, would have created difficulties.

Linked to this discussion, the Attorney General of Ontario announced in late March that it would begin a review of the Construction Liens Act, under an independent party.

"I want to make it absolutely clear that everything related to Bill 69, except for its eventual passage, was a success," said Roberts.

"At no time has the industry been more united on the need for prompt payment and fair distribution of risk."

Bill 69 was killed on May 2, 2014, when the minority Liberal government's proposed 2014 budget was rejected by NDP and Conservative members of the Ontario legislative assembly. As a result, Bill 69 was not tabled in the legislature for third reading.