



**CONSTRUCTION**  
**ASSOCIATION OF NOVA SCOTIA**  
*Building with Skill and Integrity Since 1862*

## **CONSTRUCTION ASSOCIATION OF NOVA SCOTIA**

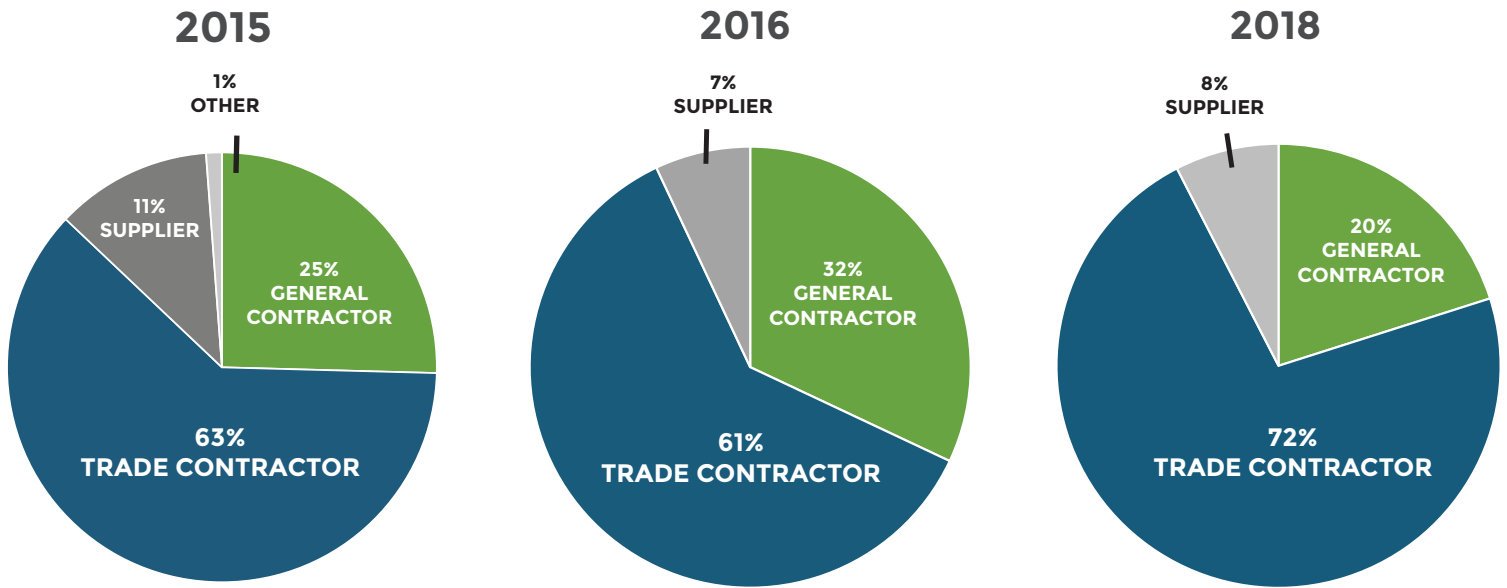
### **DELAYED PAYMENT SURVEY RESULTS** **2015 / 2016 / 2018** **Comparison**

Late payment practices are an important issue for Nova Scotia's construction industry and CANS has been lobbying the provincial government to enact appropriate payment legislation that would establish minimum norms for payment schedules. In an effort to substantiate our assumptions, CANS surveyed members in June 2015, December 2016, and February 2018 to solicit their feedback and help guide us on their behalf. The following report compares respondents answers between the three surveys.

# TOTAL NUMBER OF SURVEY RESPONDENTS:

2015 - 106 UNIQUE FIRMS | 2016 - 66 UNIQUE FIRMS | 2018 - 95 UNIQUE FIRMS

## RESPONDENTS WERE:



### OTHER COMPANIES IN 2015:

HEAVY CIVIL CONTRACTOR  
ROADBUILDER  
MANUFACTURER  
ASPHALT PAVING  
QUARRY

### OTHER COMPANIES IN 2016:

HEAVY CIVIL CONTRACTOR  
ENGINEER / CONSULTANT  
SUBCONTRACTOR  
SURETY  
SECURITY SERVICES & TRAFFIC CONTROL

### OTHER COMPANIES IN 2018:

MASONRY CONTRACTOR  
ROADBUILDER

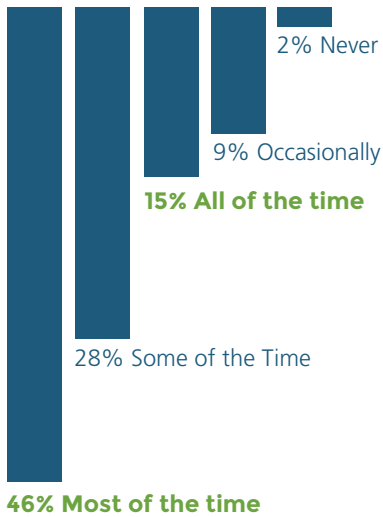
## NUMBER OF EMPLOYEES:

Year	76% UNDER 50	13% 50 - 100	11% 100 - 500
2015	76% UNDER 50	13% 50 - 100	11% 100 - 500
2016	70% UNDER 50	15% 50 - 100	15% 100 - 500
2018	65% UNDER 50	18% 50 - 100	17% 100 - 500

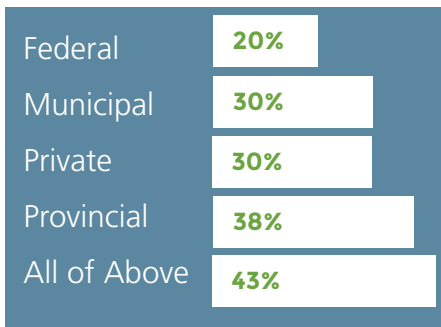
## 2015

# 61%

OF RESPONDENTS INDICATE DELAYED PAYMENTS ARE OCCURRING **MOST OR ALL OF THE TIME** ON THEIR PROJECTS.



RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR ON THE FOLLOWING PROJECTS:



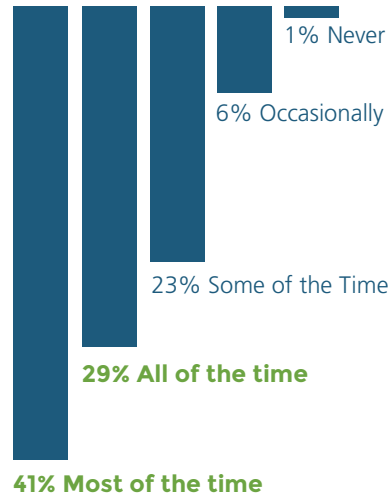
**50%** OF RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR MOST OR ALL OF THE TIME ON **PRIVATE** PROJECTS.

**45%** OF RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR MOST OR ALL OF THE TIME ON **PUBLIC** PROJECTS.

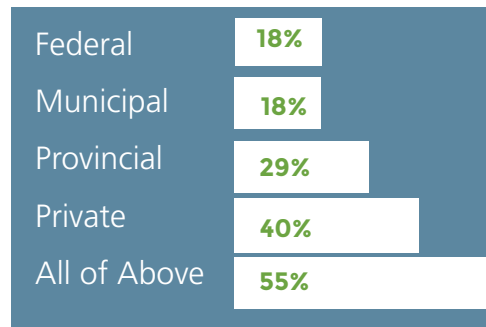
## 2016

# 70%

OF RESPONDENTS INDICATE DELAYED PAYMENTS ARE OCCURRING **MOST OR ALL OF THE TIME** ON THEIR PROJECTS.



RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR ON THE FOLLOWING PROJECTS:



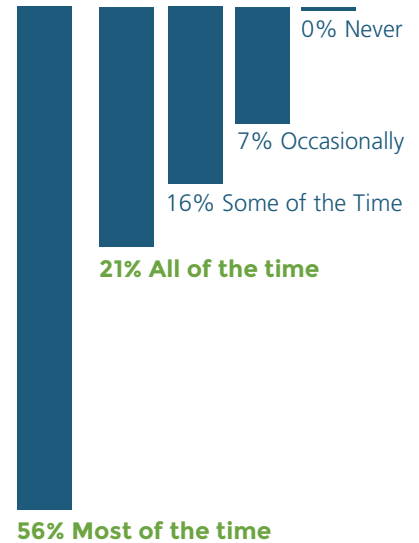
**51%** OF RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR MOST OR ALL OF THE TIME ON **PRIVATE** PROJECTS.

**55%** OF RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR MOST OR ALL OF THE TIME ON **PUBLIC** PROJECTS.

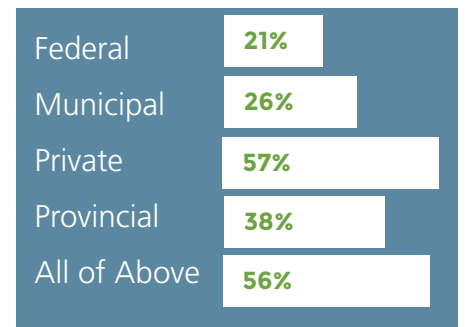
## 2018

# 77%

OF RESPONDENTS INDICATE DELAYED PAYMENTS ARE OCCURRING **MOST OR ALL OF THE TIME** ON THEIR PROJECTS.



RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR ON THE FOLLOWING PROJECTS:



**61%** OF RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR MOST OR ALL OF THE TIME ON **PRIVATE** PROJECTS.

**61%** OF RESPONDENTS INDICATE DELAYED PAYMENTS OCCUR MOST OR ALL OF THE TIME ON **PUBLIC** PROJECTS.

**RESPONDENTS AGREE OR STRONGLY AGREE THAT THEIR INVESTMENT IN THE FOLLOWING IS IMPACTED BY DELAYED PAYMENT:**

**2015**

**40%** EQUIPMENT  
**39%** HIRING  
**37%** WAGES & BENEFITS  
**28%** TRAINING  
**18%** SAFETY

**2016**

**63%** EQUIPMENT  
**55%** WAGES & BENEFITS  
**54%** HIRING  
**40%** TRAINING  
**30%** SAFETY

**2018**

**74%** EQUIPMENT  
**55%** HIRING  
**58%** WAGES & BENEFITS  
**51%** TRAINING  
**32%** SAFETY

**2015**  
**DELAYED PAYMENTS RESULT IN:**

**CHOOSING NOT TO BID SOME CONTRACTORS**

**72%**

**REDUCED WORKING CAPITAL**

**71%**

**CHOOSING NOT TO BID SOME OWNERS**

**59%**

**ADDING INTEREST TO THEIR BID**

**40%**

**REDUCED STAFF**

**22%**

**2016**  
**DELAYED PAYMENTS RESULT IN:**

**REDUCED WORKING CAPITAL**

**77%**

**CHOOSING NOT TO BID SOME OWNERS**

**74%**

**CHOOSING NOT TO BID SOME CONTRACTORS**

**69%**

**ADDING INTEREST TO THEIR BID**

**32%**

**REDUCED STAFF**

**27%**

**2018**  
**DELAYED PAYMENTS RESULT IN:**

**REDUCED WORKING CAPITAL**

**84%**

**CHOOSING NOT TO BID SOME CONTRACTORS**

**77%**

**CHOOSING NOT TO BID SOME OWNERS**

**73%**

**ADDING INTEREST TO THEIR BID**

**44%**

**REDUCED STAFF**

**29%**

# 2015

**56%**

OF RESPONDENTS BELIEVE THAT THE RIGHT LEGAL FRAMEWORK **DOES NOT** EXIST TO IMPROVE TIMELINESS OF PAYMENTS.

**50%** OF RESPONDENTS INDICATE THAT IT TAKES **BETWEEN 60 AND 90 DAYS** TO BE PAID FROM DATE OF INVOICE;

**37%** INDICATE PAY DAY IS BETWEEN 30 AND 60 DAYS.

**8%** INDICATE PAY DAY IS GREATER THAN 90 DAYS.

**81%** OF RESPONDENTS INDICATE THE AVERAGE PROJECT SIZE DELAYED PAYMENTS ARE OCCURRING ON IS **UNDER \$1 MILLION**

**18%** INDICATE IT'S LESS THAN \$5 MILLION.

**1%** INDICATE IT'S BETWEEN \$5 MILLION AND \$20 MILLION.

# 2016

**65%**

OF RESPONDENTS BELIEVE THAT THE RIGHT LEGAL FRAMEWORK **DOES NOT** EXIST TO IMPROVE TIMELINESS OF PAYMENTS.

**46%** OF RESPONDENTS INDICATE THAT IT TAKES **BETWEEN 60 AND 90 DAYS** TO BE PAID FROM DATE OF INVOICE;

**35%** INDICATE PAY DAY IS BETWEEN 30 AND 60 DAYS.

**17%** INDICATE PAY DAY IS GREATER THAN 90 DAYS.

**70%** OF RESPONDENTS INDICATE THE AVERAGE PROJECT SIZE DELAYED PAYMENTS ARE OCCURRING ON IS **UNDER \$1 MILLION**

**27%** INDICATE IT'S LESS THAN \$5 MILLION.

**2%** INDICATE IT'S BETWEEN \$5 MILLION AND \$20 MILLION.

# 2018

**70%**

OF RESPONDENTS BELIEVE THAT THE RIGHT LEGAL FRAMEWORK **DOES NOT** EXIST TO IMPROVE TIMELINESS OF PAYMENTS.

**54%** OF RESPONDENTS INDICATE THAT IT TAKES **BETWEEN 60 AND 90 DAYS** TO BE PAID FROM DATE OF INVOICE;

**28%** INDICATE PAY DAY IS BETWEEN 30 AND 60 DAYS.

**18%** INDICATE PAY DAY IS GREATER THAN 90 DAYS.

**62%** OF RESPONDENTS INDICATE THE AVERAGE PROJECT SIZE DELAYED PAYMENTS ARE OCCURRING ON IS **UNDER \$1 MILLION**

**31%** INDICATE IT'S LESS THAN \$5 MILLION.

**6%** INDICATE IT'S BETWEEN \$5 MILLION AND \$20 MILLION.

## RESPONDENTS PERCEIVE THE FOLLOWING AS REASONS FOR DELAYED PAYMENT:

**50% - OTHER PARTIES TAKING TOO LONG IN PAYMENT APPROVAL/PROCESSING**

**2015**

**50% - OTHER PARTIES ARE USING PAYMENTS AS A SOURCE OF FINANCING**

**45% - OTHER PARTIES TAKING TOO LONG IN PAYMENT APPROVAL/PROCESSING**

**2016**

**55% - OTHER PARTIES ARE USING PAYMENTS AS A SOURCE OF FINANCING**

**49% - OTHER PARTIES TAKING TOO LONG IN PAYMENT APPROVAL/PROCESSING**

**2018**

**52% - OTHER PARTIES ARE USING PAYMENTS AS A SOURCE OF FINANCING**

# RESPONDENTS AGREE OR STRONGLY AGREE THAT THOSE PARTIES CAUSING DELAYED PAYMENTS ARE THE:

2015

OWNER	91%
PRIME CONTRACTOR	81%
CONSULTANT	59%
TRADE CONTRACTOR	36%

2016

OWNER	87%
PRIME CONTRACTOR	85%
CONSULTANT	77%
TRADE CONTRACTOR	32%

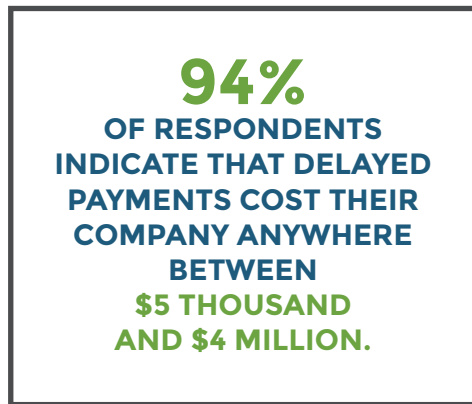
2018

PRIME CONTRACTOR	89%
OWNER	88%
CONSULTANT	60%
TRADE CONTRACTOR	31%

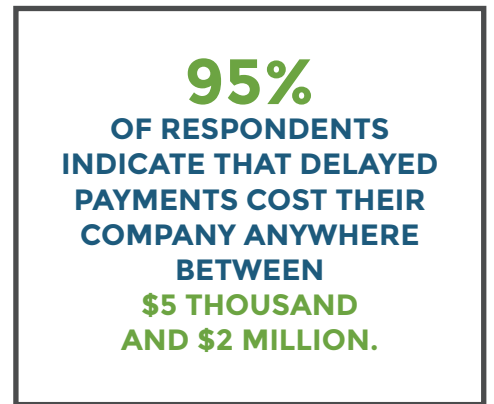
2015



2016



2018

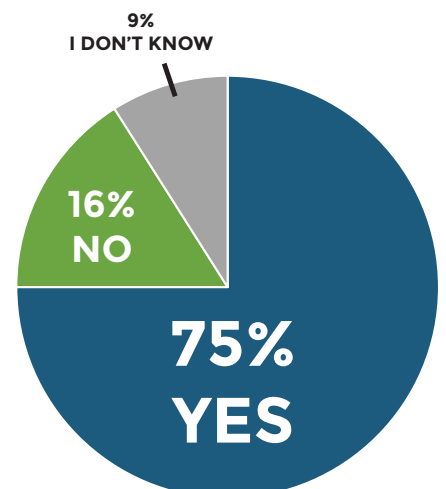
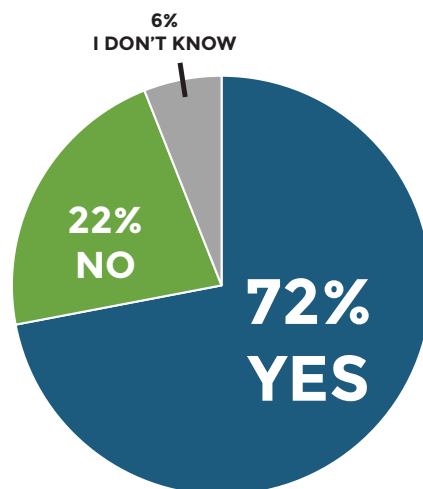
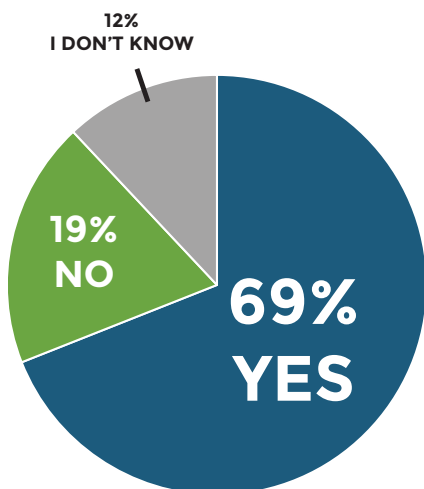


2015

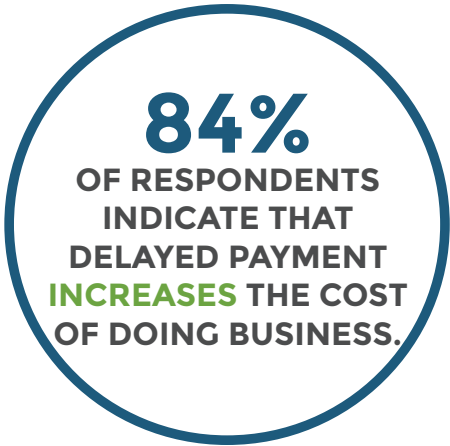
2016

2018

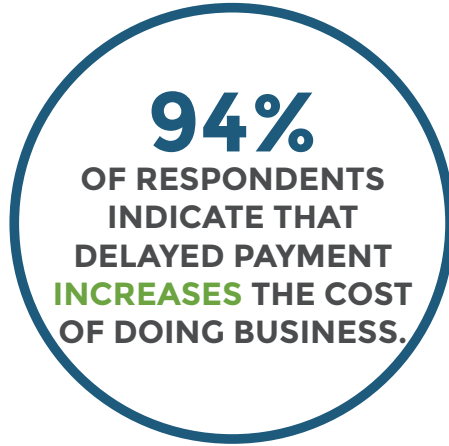
## DOES DELAYED PAYMENT INCREASE THE COST OF PROJECT DELIVERY? RESPONDENTS SAY:



2015



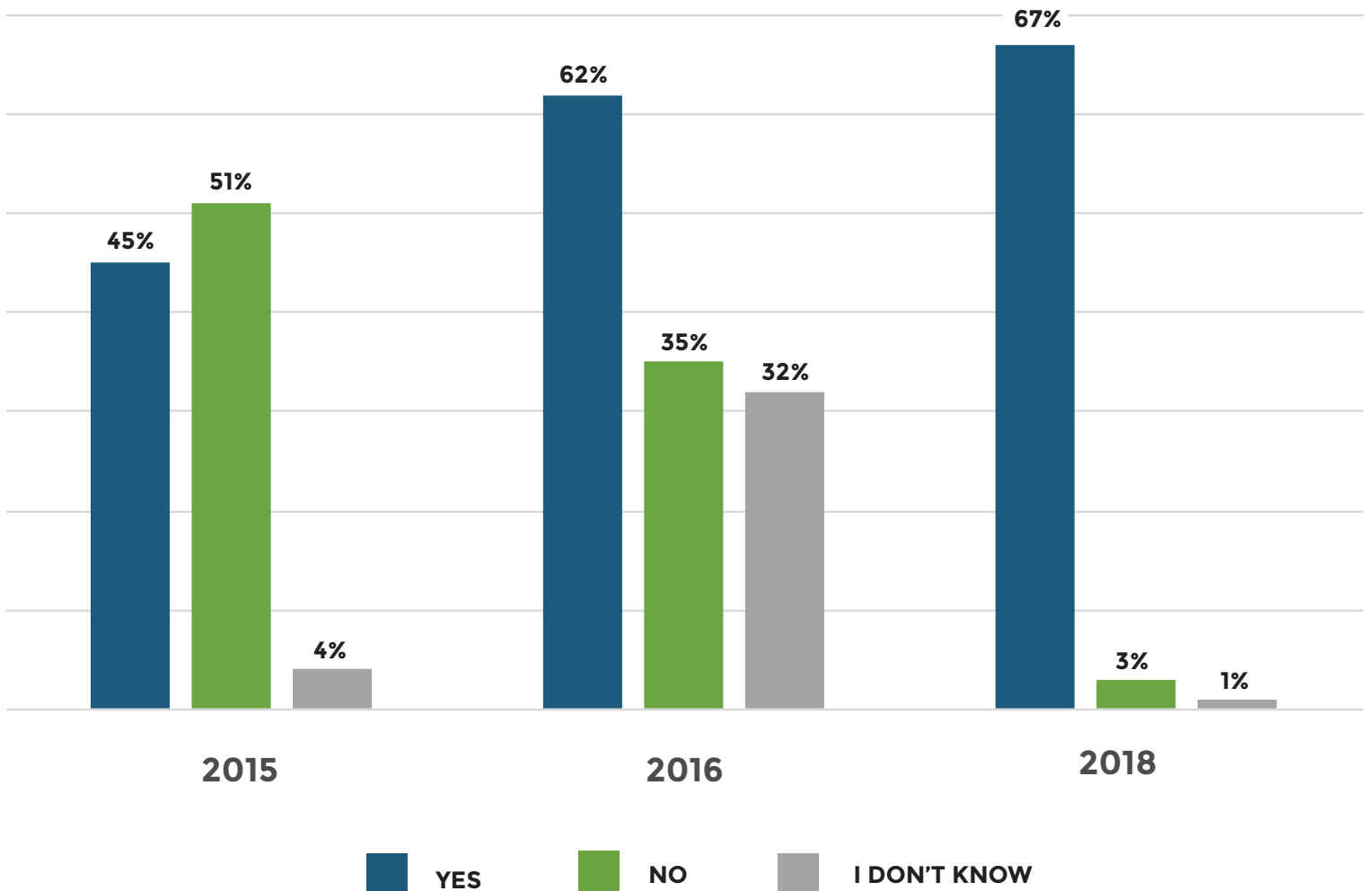
2016



2018

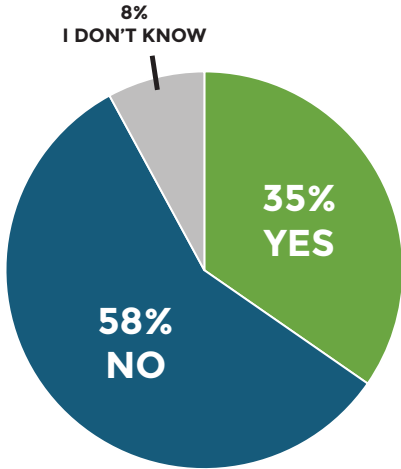


DOES DELAYED PAYMENT **REDUCE YOUR ABILITY TO BID WORK?**  
RESPONDENTS SAY:



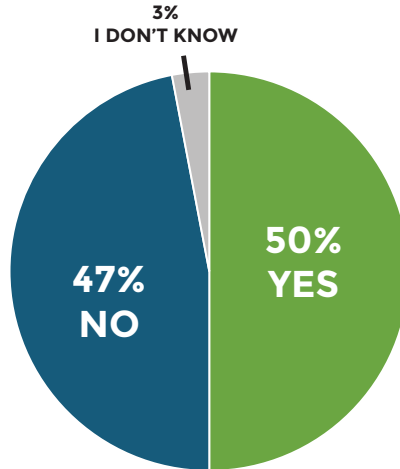
# 2015

**DOES DELAYED  
PAYMENT RESTRICT  
YOUR FIRMS ABILITY  
TO HIRE WORKERS?  
RESPONDENTS SAY:**



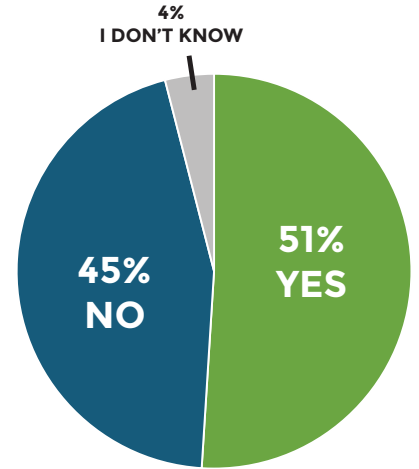
# 2016

**DOES DELAYED  
PAYMENT RESTRICT  
YOUR FIRMS ABILITY  
TO HIRE WORKERS?  
RESPONDENTS SAY:**



# 2018

**DOES DELAYED  
PAYMENT RESTRICT  
YOUR FIRMS ABILITY  
TO HIRE WORKERS?  
RESPONDENTS SAY:**



**RESPONDENTS AGREE OR STRONGLY AGREE THAT  
IF PAID IN A MORE TIMELY MANNER, FIRMS WOULD:**

## 2015

EXPAND OPERATIONS/GROW THEIR FIRM	66%
BID MORE PRIVATE PROJECTS	64%
ACQUIRE MORE/NEWER EQUIPMENT	57%
BID MORE PUBLIC PROJECTS	56%
HIRE MORE PEOPLE	44%
INCREASE USE OF APPRENTICES	30%

## 2016

BID MORE PUBLIC PROJECTS	70%
BID MORE PRIVATE PROJECTS	69%
EXPAND OPERATIONS/GROW THEIR FIRM	68%
ACQUIRE MORE/NEWER EQUIPMENT	65%
HIRE MORE PEOPLE	52%
INCREASE USE OF APPRENTICES	45%

## 2018

BID MORE PRIVATE PROJECTS	81%
EXPAND OPERATIONS/GROW THEIR FIRM	78%
ACQUIRE MORE/NEWER EQUIPMENT	73%
BID MORE PUBLIC PROJECTS	72%
INCREASE USE OF APPRENTICES	55%
HIRE MORE PEOPLE	53%



## RESPONDENTS COMMENTS FROM 2015 AND 2016:

“Lack of payment from certain groups causes our pricing to reflect that in the bids to these groups. **Those that treat us fairly receive more competitive prices.**”

“Delayed payment **prevents growth in Atlantic Canada.**”

“**Being paid and being paid on time** is the most important item in our business.”

“Banks do not finance any receivables that are over 90 days. This is the hardest on cash-flow and the **main obstacle of growing business.**”

“The new norm over the past several years is that we will be paid when the prime contractor is paid. My question is: **what if they are never paid?**”

“We **absolutely need legislation** on delayed payment.”

“We have ceased bidding certain sectors of our markets, as they are **uneconomical** when taking into account market prices, delayed payments and the cost of borrowing.”

“**Lost time** chasing unpaid invoices is a huge factor with delayed payments.”

“We have to pay our suppliers net 30 usually or incur **late pay charges.**”

“It is **simply not fair** for contractors or owners to hold on to payments for work that has been properly completed.”

“Change is **long** overdue.”

“Not being paid in a timely manner has **dramatically affected our business** so much so we are not willing to take the risk to expand.”