



For Immediate Release: Nova Scotia Prompt Payment Coalition calls on provincial government to commit to final regulatory and adjudication framework by Dec. 30, 2021

Payment delays in the construction industry are worsening and unacceptable in Nova Scotia's construction industry and the Nova Scotia Prompt Payment Coalition is calling on the provincial government to commit to having the final regulatory and adjudication framework in place by December 30, 2021.

"Our province needs a prompt payment solution that works for everyone, including tradespeople, contractors, government and consumers," says Duncan Williams, president and CEO of the Construction Association of Nova Scotia and a member of the Coalition. "While immediately felt in our industry, there is a serious risk to Nova Scotia's competitiveness long-term if we do not take action to fix the issue now."

Over the last several years, the construction industry has witnessed a very disturbing trend. Delinquent payment in the Industrial Commercial Institutional (ICI) sector, which employs over 30,000 people and contributes \$6 billion in revenue to our economy, is producing detrimental results for construction firms in our industry.

"Delinquent payments are hurting our economy and continues to worsen. Every year, 35-40 construction-related companies go bankrupt, resulting in 700-800 jobs lost, and these impacts are increasing at an alarming rate," says Williams. "Companies cannot invest in hiring workers, provide training and most importantly, offer a safe place for their employees to work."

CANS continues to survey its members to solicit feedback on prompt payment, having done so in 2015, 2016, and 2018. Here are some highlights from the most recent 2021 survey:

- 66% of respondents indicated that delayed payments are occurring most or all of the time on their projects.
- 75% believe that the right legal framework does not exist to improve timeliness of payments.
- 90% indicate that delayed payment increases the cost of doing business.
- 54% indicate that delayed payment reducing their ability to bid work and grow their business.
- 75% indicate that delayed payment increases the cost of project delivery.
- 74% agree or strongly agree that if paid in a timelier manner, their firm would expand operations/ grow their firm; while 65% indicate they would hire more people.

"Prompt payment legislation sets out the rights and responsibilities of all parties to a construction project through the establishment of minimum standards for payment, dispute

resolution and communication,” says Williams. “The Act will set out minimum payment requirements and will have a systematic approach to how money will be released with rights and responsibilities set forth for all parties to a construction project.”

If the provincial government enacts legislation, prompt payment will:

- Improve the movement of money in our economy.
- Increase fairness and transparency.
- Increase efficiency and productivity.
- Lower the cost of construction projects, public and private.
- Reduce burden on our judicial system.
- Drive investment, employment, training, innovation and purchase of equipment (i.e., apprentices).
- Increase competition and number of bidders on public work.
- Allow contractors to bid more work.

According to the Coalition, the previous provincial government, led by the Honourable Stephen McNeil, made a commitment to introduce prompt payment legislation at the Nova Scotia legislature’s fall sitting in 2020, however, that was delayed due to COVID-19.

Continues Williams, “We are asking that government commits to formally introducing prompt payment legislation and bring forward final regulatory and adjudication framework by December 30, 2021.”

The Nova Scotia Prompt Payment Coalition is a province-wide coalition led by the Construction Association of Nova Scotia and includes contractors, unions, suppliers, general contractors, trade contractors, and anyone else who is invested in working to convince the provincial government to enact appropriate payment legislation that would establish minimum norms for payment schedules.

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Media Contact:

Colleen Fiske-Pinaud
Director, Marketing & Communications
Construction Association of Nova Scotia
902-877-9170
cfiske@cans.ns.ca