

Manitoba PC Caucus



NEWS RELEASE

April 24, 2018

For Immediate Release

House passes Helwer's construction payments bill on second reading

Bill 218 provides for timely payments to contractors and subcontractors under agreements with owners

A private member's bill introduced by Reg Helwer, MLA for Brandon West, to ensure timely payments in Manitoba's construction industry was passed by the Legislative Assembly today on second reading. Bill 218, the Prompt Payments in the Construction Industry Act, would require construction site owners to make periodic payments to contractors at specified times and to make final payments to them promptly upon work completion. Similar obligations would apply to contractors' payments to subcontractors.

"This is a fair and balanced legislative proposal that would ensure a timely flow of payments across the construction industry to companies and workers," said Helwer. "Industry groups in our province have asked for this legislation for a long time. Payment delays affect the viability of businesses, general costs of construction and Manitoba's competitiveness across North America in attracting investment."

The legislation would also apply to payments between subcontractors and would permit contractors and subcontractors, with notice, to suspend work or to terminate contracts if payment obligations are not met. Bill 218 would apply to government as well as to the private sector, and would allow for an adjudicator to resolve payment disputes.

Some companies in Manitoba have been owed millions of dollars for goods or services and have not been paid according to contractual obligations. The absence of prompt payment legislation has added to a heavy burden on the Manitoba court system.

Industry groups across Canada are working with the federal and provincial governments to pass similar legislation. Our Progressive Conservative caucus has consulted the Manitoba Prompt Payment Coalition, a group of 29 organizations representing industry, trades and labour, which has called for legislated enforcement of timely payments of contracts. We have listened and acted.

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