

March 17, 2014

Honourable Kathleen Wynne  
Premier of Ontario  
Legislative Building - Room 281  
Queen's Park  
Toronto, ON M7A 1A1

Tim Hudak  
Leader of the Official Opposition  
Legislative Building - Room 381  
Queen's Park  
Toronto, ON M7A 1A8

Andrea Horwath  
Leader - New Democratic Party of Ontario  
Legislative Building - Room 113  
Queen's Park  
Toronto, ON M7A 1A5

Dear Sir/Madames:

**Re: Bill 69 – the *Prompt Payment Act, 2013***

We are a group of public and private sector owners of property and construction projects. We are writing to you to express our strong reservations concerning Bill 69, the *Prompt Payment Act, 2013*, the adverse impact it will have on the Ontario construction industry and our recommendation that Bill 69 not become law.

The aim of Bill 69 is to protect construction contractors and subcontractors from the difficulties of untimely payments. The general objectives of the Bill are laudable. As owners, we know the value that paying contractors promptly for properly completed work has for a successful construction project. However, Bill 69 will not only fail to accomplish its objectives, but it will bring about a radical change to many longstanding industry practices that are standard in the Ontario, Canadian and even global construction industries with consequences that have not been fully studied. The adverse impact on project costs, delays and litigation will, ultimately, be borne by Ontario home owners and buyers, employers and taxpayers.

Even though Bill 69 has passed First and Second Reading in the Legislature, and is already scheduled for public hearings at the Standing Committee on Regulations and Private Bills, Bill 69 was prepared with little, if any, consultation with any owners or with the broader construction industry. The failure to consult more broadly with all of the important stakeholders of the industry means the consequences of these changes have not been properly considered. Bill 69 will increase the costs of, and time for, completing construction projects in Ontario. It also has serious conflicts with existing law, most notably the *Construction Lien Act*. In addition, the consequences of eliminating contractual freedom and flexibility have not been fully considered. While we respect how private member's bills are organized by individual MPPs, much of this could have been avoided with a broader consultation among all stakeholders.

Many of the signatories to this letter have or will be making submissions to the Standing Committee. However, it is our collective view that Bill 69 is too deeply flawed to be corrected by amendments through the Standing Committee process, especially given the limited time provided for considering any amendments or any of the unintended consequences of this Bill. It is our strong view that Bill 69 should not become law, but that the government itself, rather than a private member, become seized of this important issue, engage in an extensive consultation with the whole industry and undertake a thorough research of payment issues in Ontario before considering the introduction of new legislation. We note that our view is shared by the Ontario General Contractors Association and the Fair Payment Reform Coalition (comprised of many of the significant and largest builders in the country) both of which recently published opinions that the process for prompt payment reform must be re-started.

In previous legislative reviews of prompt payment issues and even the *Construction Lien Act*, prior governments have struck working groups, the members of which represented a wide spectrum of industry stakeholders. It is our view that this is the best and only way to properly reform the construction industry, while ensuring successful construction projects and the economic health of one of Ontario's most important job creators and economic engines.

Sincerely,

Association of Municipalities of Ontario  
City of Mississauga  
City of Toronto  
Colleges Ontario  
Ontario Association of School Business Officials  
Ontario Catholic School Trustees' Association  
Ontario Home Builders' Associations  
Ontario Public Buyers Association  
Ontario Public School Boards' Association  
Ontario Sewer and Watermain Construction Association  
Residential Construction Council of Ontario  
York Catholic District School Board

cc: Standing Committee on Regulations and Private Bills  
The Honourable John Milloy, Government House Leader and Minister of Government Services  
Mr. Jim Wilson, Opposition House Leader  
Mr. Gilles Bisson, NDP House Leader  
The Honourable John Gerretsen, Attorney General  
The Honourable Eric Hoskins, Minister of Economic Development, Trade and Employment  
The Honourable Linda Jeffrey, Minister of Municipal Affairs and Housing  
The Honourable Glen R. Murray, Minister of Transportation and Infrastructure  
The Honourable Yasir Naqvi, Minister of Labour  
The Honourable Charles Sousa, Minister of Finance  
Mr. Steven Del Duca, Member of Provincial Parliament (Liberal-Vaughan)  
Mr. Monte McNaughton, Member of Provincial Parliament (PC-Lambton-Kent-Middlesex)  
Mr. Jagmeet Singh, Member of Provincial Parliament (NDP-Bramalea-Gore-Malton)