

August 9, 2023

PROPOSED PPCLA PROJECT EXEMPTION

To whom it may concern,

Further to a number of previous conversations during the stakeholder engagement process, and in addition to the many concerns that have already been well documented by other key stakeholders, Calgary Construction Association wishes to add our perspective to the GOA's intent to introduce a process by which specific projects or entities can seek exceptions from the terms of the PPCLA legislation.

For the record we agree with the concerns already presented by entities such as ATCC and the Surety Association to name but two. We echo these sentiments completely on behalf of our members and the many business owners that we represent across this industry.

What we cannot accept is the fact that, in principle, our industry and the legislation that was fought for over more than a decade, has been reduced to a minor bargaining chip in what was likely a long list of concessions demanded by a large corporation in a typical one-sided economic development negotiation. The proportion that this particular exception represents in that list will more than likely be a mere fraction of the overall package, but this has significant ramifications for our members, and makes this sell-out of industry all the more unpalatable.

It would also be naïve to ask us to accept that this step being taken, less than a year since the legislation was put in place, will not open the door to more of the same. This will in fact, in the course of time, undermine the basis of the legislation altogether.

The expectation on the part of GOA that industry would just accept this, coupled with the fact that GOA did not initially deem that they themselves should even be covered by the legislation in the first place, shows a consistent disregard for the liquidity challenges facing construction companies struggling to survive in the long term under increasingly poor payment practices by owners. As an added challenge this situation, and the associated risks, have been magnified as interest rates have now risen to several times the profit margins, if any, that industry is able to achieve.

This situation is in sharp contrast to your provincial counterparts in Ontario who, despite them being used by GOA as some kind of model to defend the concept of exceptions, actually refused to make such concessions available after they were overwhelmed with a slew of requests similar to this one

following the introduction of their own legislation. In contrast to GOA, they stood up for industry and small business owners.

This speaks volumes as to the different relationship and level of respect that exists between the Province of Ontario and their industry partners in terms of recognition of GDP contribution and the importance of a robust building sector when seeking to serve their community.

As a contrast this situation in Alberta demonstrates a new low level in what has been a growing dysfunctional theme in the working relationship between GOA and industry for a number of years and, after a number of challenging project outcomes and now this effective betrayal of industry, we can see that there is a long way to go before we have the foundational working relationship that can effectively serve Albertans with the infrastructure that they need.

We call upon the GOA to stand up for industry and refuse to grant this precedent-generating concession to an entity that has signed contracts offering 10-day payment terms when it has suited them in the past.

We also call upon the GOA to set up a Ministerial task force to study the obvious challenges that exist between industry and the province so that we can identify real solutions and collectively ensure Albertans get the infrastructure that they need, designed, built and serviced by the Albertans that they live alongside.

Regards,

A handwritten signature in black ink, appearing to read "Bill Black". The signature is stylized and cursive.

Wm (Bill) Black B.Sc. CEC, LEED AP
President & COO
Calgary Construction Association