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The Honourable Katrina Nokleby
Minister of Industry, Tourism and Investment
Minister Responsible for the Worker's Safety and Compensation Commission
PO Box 1320
Yellowknife, NT
X1A 2L9

April 9, 2020

Re: Support For Yellowknife Businesses During The COVID-19 Pandemic

Dear Minister Nokleby,

These are unprecedented times and the Yellowknife business community is in crisis. The impacts of the COVID-19 pandemic have been devastating for the Yellowknife business community, our 383 members and their employees. Some businesses have demonstrated creativity to remain partially in operation, while many others have been forced to close due to the nature of their businesses. Overhead costs are quickly depleting financial reserves and businesses are struggling to survive.

To help us react quickly to the needs of our membership, the Board of Directors established the *Business Resilience Working Group*, with the goal of making policy recommendations for the municipal, territorial and federal governments. On behalf of the Board of Directors, we share the following recommendations for your consideration:

Recommendation #1: Amend to Employment Standards Act's requirement to recall laid off employees within 60 days of lay off in order to give employers the ability to recall laid off employees up to 30 days after the lifting of the Northwest Territories state of emergency.

Recommendation #2: Allow liquor off-sales and delivery for businesses who sell liquor regularly as part of their food service.

Recommendation #3: Issue payment to all GNWT vendors within 15 days of receiving an invoice.

Recommendation #4: Provide another intake for BDIC's Working Capital Loan program, and transition loans already under this program and any new ones to be interest-free until 2021 and include creative repayment options with a grant component. One option could be similar to the federal program: if the balance of the loan is paid on or before December 31, 2022, there will be loan forgiveness of 25% (up to \$6250).

Recommendation #5: Waive WSCC premiums for 2020 in the Northwest Territories and Nunavut and consider waiving 50% of premiums for 2021.

Recommendation #6: Provide a top-up to the federal wage subsidy program for eligible businesses. This top-up would be available in respect of salaries that are greater than the federal subsidy contemplates (\$58,700) and should be an amount that reflects the higher costs of doing business and costs of living that Northerners face.

Recommendation #7: Work with the federal and municipal governments to develop a COVID-19 Commercial Rent Strategy for the Northwest Territories. This strategy should focus on providing rental relief for businesses who have been forced to close their doors or have seen decreases in revenue as a result of COVID-19. The Canadian Northern Economic Development Agency's mandate may make that agency a good partner for this program.

Our recommendations are built on the belief that all levels of government should invest in preserving our business community and helping entrepreneurs survive the current crisis. We understand the unique challenges and financial constraints facing the Government of the Northwest Territories - which is why our recommendations rely on leveraging both policy and fiscal tools.

We urge the Government of the Northwest Territories to commit to making the regulatory and legislative changes required to implement recommendations 1, 2 and 3 as soon as possible. These changes will help businesses immediately by providing flexibility to employers as they navigate federal employment programs, by allowing businesses to expand their services and generate additional revenue, and by getting payment to businesses faster which will help them weather this crisis.

We've heard about the success of BDIC's Working Capital Loan program – we've promoted this important resource to our membership and even helped a few businesses apply. Our fourth recommendation expands on this program's success – we'd like to see another intake offering loans that will be interest-free until 2021 with flexible repayment options. We're also asking the Government of the Northwest Territories to transition loans already under this program to the same interest-free terms.

We understand that recommendations 5 and 6 are bold and require a substantial amount of investment. We've told the federal government that the Canada Emergency Wage Subsidy program does not account for our Northern reality where operational costs and wages are substantially higher than other jurisdictions. For example, the average weekly wage for people working in service industries (tourism, hospitality) is \$1,373, which is 38.4% higher than the Canadian average of \$992. In addition, the average weekly wage for people working in goods producing industries (natural resources, construction) is \$1,955, which is 47.7% higher than the Canadian average of \$1,323ⁱ. Our businesses need Northern solutions to help them retain staff and ultimately to keep people in the Northwest Territories.

Finally, we know that rent represents a significant portion of our members' fixed costs and will be one of the first things to tip them into insolvency. That's why we're recommending that the federal, territorial and municipal governments collaborate to develop a COVID-19 commercial rent strategy. The Yellowknife Chamber of Commerce's Business Resilience Working Group is eager to work with federal, territorial and municipal partners to assist in creating an efficient and effective solution that provides relief for commercial landlords and their tenants.

We look forward to collaborating further as we both work towards ensuring the long-term success of businesses across the North.

Respectfully,



Tim Syer, President
Yellowknife Chamber of Commerce



Deneen Everett, Executive Director
Yellowknife Chamber of Commerce

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ⁱ NWT Bureau Of Statistics. (2020). Earnings and Wages. Retrieved from: <https://www.statsnwt.ca/labour-income/earnings-and-wages/>