

Member of Parliament for Northwest Territories
Michael McLeod
Justice Building, Suite 04
House of Commons
Ottawa, Ontario
K1A 0A6

April 8, 2020

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

Dear Mr. McLeod,

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 and 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. Our recommendations are built on the belief that our business community's success cannot be recreated and we must act quickly to shepherd these businesses through the current crisis. On behalf of the Board of Directors, we share the following recommendations for your consideration:

Recommendation #1: Waive the Canada Emergency Wage Subsidy program's 30% reduction in gross revenue requirement for any Northwest Territories businesses that have incurred losses as a result of COVID-19 and government-imposed restrictions.

Recommendation #2: Work with the Government of the Northwest Territories 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 or are unable to generate revenue as a result of COVID-19.

We commend the federal government for quickly creating and launching a number of programs, including the Canada Emergency Wage Subsidy program, which will provide fast relief for businesses and their employees. However, the current terms of the program do not account for the Northern reality where operational costs and wages are substantially higher than other jurisdictions. For example, the average weekly wage for people working in service producing 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 \$1,323¹.

Our friends at the Northwest Territories and Nunavut Chamber of Mines made a recommendation earlier this week that all mining operations, exploration and development companies should qualify for the Canada Emergency Wage Subsidy regardless of whether they have a 30% decrease in revenue. We recommend that this exemption extend to all Northern businesses. It is critical to recognize that operating a business in Yellowknife and across the north presents unique challenges and we know that so much of our business communities' success is reliant on the mines and mineral exploration industries.



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Our second recommendation involves collaborating with the Government of the Northwest Territories and the City of Yellowknife to develop and implement a commercial rent strategy. 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. 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 need to act quickly to provide support for entrepreneurs and small business owners – to help them survive the pandemic and thrive once it passes.

Respectfully,

Tim Syer
President
Yellowknife Chamber of Commerce

Deneen Everett
Executive Director
Yellowknife Chamber of Commerce

Sent via email to: Michael.Mcleod@parl.gc.ca

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