

ISSUE IN FOCUS



Celebrating 100 Years

SASKATCHEWAN
CHAMBER of COMMERCE

Considerations around the use of the Regional Relief and Recovery Fund by WD

Background:

On April 17th 2020, the Government of Canada announced nearly \$1 billion dollars in support to affected businesses and communities through the newly created RRRF. As you are aware, the initiative is comprised of two components: the first is \$675 million to support regional economies, businesses, organizations, and communities in various regions; and the second component is \$287 million to support Communities Futures Development Corporations that target small businesses and rural communities.

Issue:

Despite significant programs announced over the past several weeks, there are eligibility and coverage gaps that still persist and we encourage WD to use the monies allocated to them by the federal government to provide sustained funding for those businesses who do not meet the eligibility criteria for existing supports. The SCC has consistently heard from its members about the eligibility and coverage gaps for business owners who pay themselves through T5 dividend income, and businesses whose workforce consists mainly of contractors and not direct payroll employees.

Additionally, eligibility gaps remain for many businesses under the Canada Emergency Business Account (CEBA). To qualify for this program, currently businesses must demonstrate that they paid between \$20,000 to \$1.5 million in payroll in 2019. The original payroll eligibility criteria of between \$50,000 to \$1 million was stricter and led to many businesses being left out of the loan program.

Recommendations:

1. That WD use its share of the RRRF allocated for Saskatchewan to offer a one-time, 50% loan for eligible businesses on either a per room basis in the case of

resorts and hotels, or a per seat basis in the case of restaurants and banquets. This would be intended for businesses who are currently closed or whose activities have been significantly curtailed by the Province's public health order. We also recommend the government require eligible businesses who receive the loan to attest to stay open if and where permitted.

History:

Letter to Federal Minister of Western Economic Diversification Canada 2020