



June 3, 2020

MR. ROCKY SIMPSON  
MLA, HAY RIVER SOUTH

**Oral Question 196-19(2) COVID-19 Economic Cost and Support for Businesses**

This letter is in follow-up to the Oral Question you raised on March 12, 2020, regarding the COVID-19 Economic Cost and Support for Businesses.

In your question, you suggested a number of actions that this government could take to provide assistance to northern businesses during the coronavirus pandemic, which I committed to taking a closer look at. Your first suggestion was to reduce or eliminate the corporate tax on small businesses. The Department of Finance continues to review reducing the corporate tax on small businesses, in addition to other supports, and is committed to working with the appropriate Standing Committee to determine solutions that supports small businesses now and in the future.

Your second suggestion was to defer loan payments for northern companies that have borrowed from the Northwest Territories (NWT) Business Development and Investment Corporation (BDIC). From April 1 – September 24, 2020, clients (borrowers) of the BDIC can apply to reduce or defer up to three months of loan payments without penalty or additional interest charges. Regular interest will still be charged. I note that BDIC is the responsibility of the Minister for Industry, Tourism, and Investment, and I will therefore direct you to Minister Nokleby should there be anything further you would like to discuss respecting this matter.

Your final suggestion was to make improvement to the government's payment response time for suppliers of products and services to the Government of the Northwest Territories (GNWT). In order to ensure that small businesses and individuals have access to cash flows in the immediate term, the GNWT has changed payment terms on all invoices to "due now". This means that invoices that were previously scheduled to be paid in 30 days, will be processed immediately. It should be noted though, that this not mean payment will be immediate. While the GNWT has worked hard to maintain and enhance capacity to deliver these services there will still be some processing time required. The Financial and Employee Shared Services Division of the Department of Finance is committed to ensuring payments are processed as quickly as possible. Attached is a document setting out information on prompt payment measures during the course of the pandemic.

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Looking forward, I note that in the *2019-2023 Mandate for the Government of the Northwest Territories* there is a commitment to strengthen GNWT procurement policies and practices by reviewing existing policies and procedures to ensure the timeliness of payments. The goal of that exercise will be to standardize processing times for GNWT contractors. The deadline for completion of that review is slated for the Fall of 2021.

I want to thank you for bringing these issues to my attention.



Caroline Wawzonek  
Minister of Finance

- c. Minister of Industry, Tourism, and Investment  
Clerk of the Legislative Assembly  
Legislative Coordinator, Executive and Indigenous Affairs



## Economic Stimulus – Payments to Suppliers

### **What is the GNWT doing about payments to suppliers?**

The GNWT will be removing payment terms from invoices.

### **What date will the GNWT be removing payment terms?**

All new invoices entered starting Monday; March 23, 2020 will have the payment terms removed.

### **Will the GNWT be applying the discount fee normally charged for early release of payments at the supplier's request?**

No, the GNWT will not be deducting a discount for paying an invoice early.

### **How quickly will suppliers get paid?**

The GNWT still needs to follow the process and due diligence related to supplier invoices.

- Invoices must have the appropriate approvals before payments can be released.
- We are doing everything we can to input invoices in a timely fashion
- We are training staff to help process the large volume of invoices received each day
- We are working to get suppliers paid as quickly as we can
- Please be patient as we transition employees out of the office to working from home

### **How can I get in touch with Financial and Employee Shared Services?**

Email all invoices and inquiries to [financial\\_sharedservices@gov.nt.ca](mailto:financial_sharedservices@gov.nt.ca). The email address can also be found on our website.