



Job Creation and Taxation



Over the past few decades politicians of all stripes have created confusion in the minds of the public about the government's role in job creation. As a result, many people have come to believe that government is somehow directly responsible for job creation and job losses in the general economy. The reality is: government has little influence on the general state of the economy and employment, especially at the municipal level.

The state of the economy is determined by multiple influences: currency exchange rates, interest rates, international trade deals, consumer confidence, global natural resource supply and demand cycles, corporate expectations for return on investment, and a host of other factors well beyond the control of any one government (taxes and government regulation play a minor role in the economy). Global social and environmental issues are also increasingly important influences on consumer confidence and purchasing habits, which directly impacts the daily share prices of individual companies, stock markets, and, therefore, employment rates in regional and local economies.

Quesnel's local economy is further impacted by the mountain pine beetle epidemic limiting the available timber supply and driving up costs, as well as the rapidly increasing cost of energy. Council has no control over either of these significant negative influences on local employment.

In short, it is unreasonable to hold local government accountable for the general state of the economy and its influence on local employment in the private sector. However, Council can exercise some influence on the local economy in two key areas: taxation and spending. As such, we are actively adapting these policies to our current circumstances in order to provide positive incentives for investment and directly create local employment opportunities through public investments.

In its 2016 budget, Council is proposing a three-year tax freeze on local industry in an effort to entice investment in this sector and help stabilize its employment base. This does mean shifting the tax burden on to commercial and residential ratepayers, but Quesnel will still have one of the most affordable residential property tax rates in BC at the end of this three-year period.

Council is also changing its spending (procurement) policy in an effort to ensure as much of your tax dollars remain in our community as possible. This is the most direct way for Council to support local employment: using your tax dollars to directly invest in our community. This year almost \$30 million will be invested in Quesnel between the Arena Replacement and the West Quesnel Land Stability projects. Council and the North Cariboo Joint Planning Committee are making every effort to ensure this significant public investment in our community supports local businesses and creates local jobs – within the bounds of inter-provincial trade agreements.

Council is now testing the public will through a reverse petition to obtain permission to borrow up to \$10 million for a new Public Works facility, a long overdue investment in our community. If that project proceeds it will commence after the bulk of the arena project is completed, creating another year of employment for local contractors and tradespeople during this difficult downturn in the global economy.

While Council has very little influence over the broader economy and its effects on local employment, we can help stabilize and support our local economy and directly create local employment opportunities through proactive policies and prudent investments in public infrastructure.

Mayor Bob Simpson
bsimpson@quesnel.ca