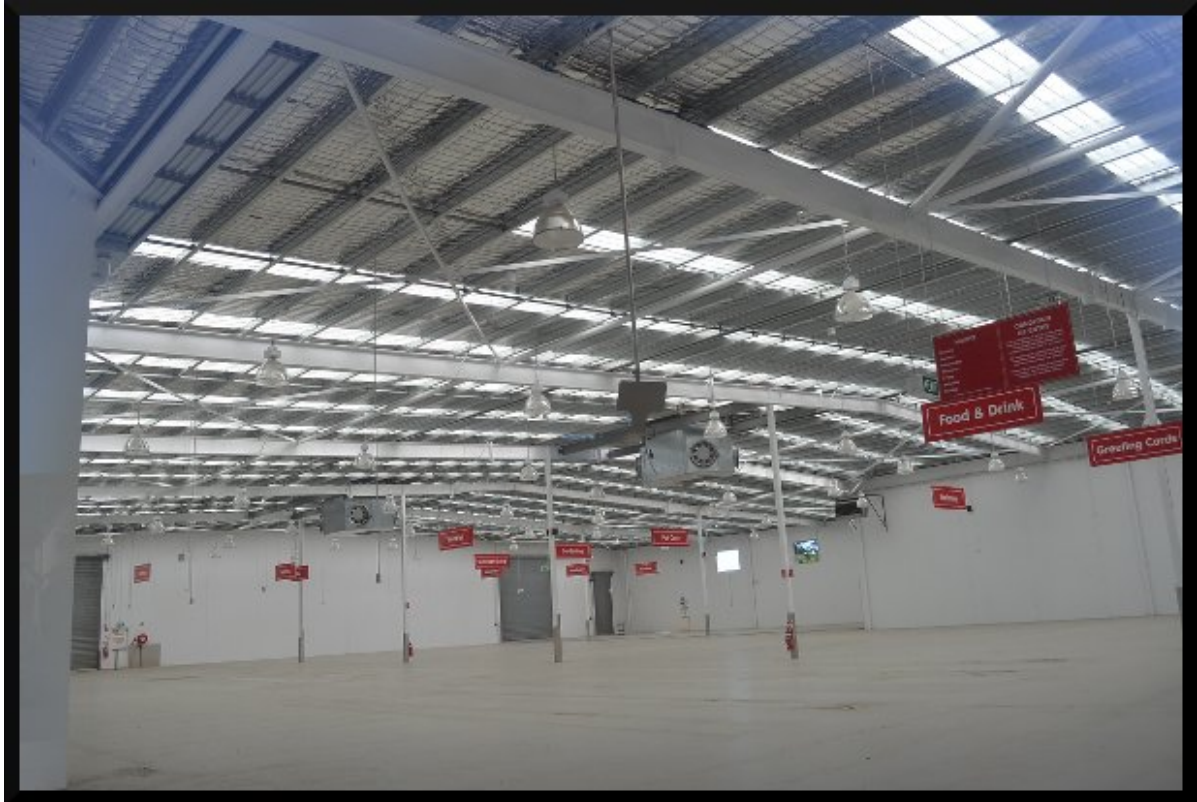


Behind the spin, W'bool business is losing heart



The former Sam's Warehouse store at Bayside Plaza is one of many shops lying empty in Warrnambool's CBD and beyond, reflecting the steady decline in business confidence.

OPINION

[dropcap style="font-size: 60px; color:#A02F2F;"] Q
[/dropcap]uite a bit has been written about the latest **Warrnambool Business Confidence Survey** that tests the pulse of local businesses, but nobody has been prepared to say that it reflects a city in deepening trouble.

The spin put on the 2014 results by the Warrnambool City Council is that business confidence has "stabilised", in that the steady decline since 2011 has levelled out and while things are not good, at least they are no worse than last

year.

And while nobody wants to be the bearer of bad news, this is a bit like saying that the *Titanic* is still sinking, but it's going down more slowly.

Statistics are hard to make sexy, but the number crunchers at Deakin University who analysed the results of the 344 respondents don't mince words.

They found what they call "*a highly statistically significant difference*" between how Warrnambool businesses feel about the future compared to those in other Victorian regional cities like Ballarat, Bendigo and Geelong.

The difference was this: in 2011, **63%** of local businesses felt they were either faring 'good' or 'excellent' compared to other cities, but in 2014 only **49%** felt this way, which was a further slide from **55%** in 2013 and **58%** in 2012.

The researchers consider this "*a continual and significant decline*" but us lesser mortals might just call it terrible.



The latest business survey reflects a lack of confidence in Warrnambool's outlook compared to other regional cities.

[dropcap style="font-size: 60px; color: #A02F2F;"] A [/dropcap]t the same time, in 2011 only **11%** of businesses described their future as looking fair or poor. This year, that figure has almost doubled to **21%**.

Again, this is not good news.

The survey also revealed "*a significantly worsening trend*" when it came to business owners looking at opportunities for further investment in their business in the next 12 months. More than half (51%) said that their prospects were low to very low.

Then there was the sobering response to this very simple question:

"What is your confidence in Warrnambool's business environment over the next twelve months?"

In 2011, **43%** of people said high to very high. This year, that number had almost halved to only **24%** and another **26%** said "low to very low", with the rest feeling pretty average.

Is this what we aspire to for our beautiful city? To have business confidence levels that are low to very low, or average?



Sails flapping in the wind: the struggling Bayview Plaza reflects a much larger problem facing the city.

[dropcap style="font-size: 60px; color: #A02F2F;"] T
he sense of melancholy is not just confined to retailers – the business professional and commercial services industry is as equally distressed.

In 2011, a cheerful **77%** of people working in this field felt either “good” or “excellent” compared to their regional counterparts, but this has since tumbled to just below **50%**.

But even they look upbeat compared to the service, electricity, gas, construction and wholesale sector. Again, in 2011, a healthy **71%** of respondents said they felt “good” or “excellent” – today that has plummeted to only **30%**.

All of these figures might be interpreted by spin doctors as signs of “stability”, but they can be more truthfully described as pretty shocking.

And this is where we get to the troublesome part, because when the council refuses to name up the reality of the sentiment

out there in the wider businesses community – as revealed by their own surveys – then nothing is done to confront it and change it.

Instead, the issue is reduced to fact sheets and media releases that tell us things are “stable” and we all breathe a sigh of relief and move on, because to point out the problems leaves you exposed to claims of being negative, or “only making it worse”.

Yet none of us can avoid the obvious signs of decline: like the ‘for lease’ signs all over town, the loss of locally owned businesses that have been around for decades, the vacuous arcades that cannot be filled, the depressing state of Bayside Plaza with its vandalised toilets, and its torn shade sails flapping in the wind over Merri St.



[dropcap style="font-size: 60px; color: #A02F2F;"] W
[/dropcap]hat is needed is not a head in the sand approach, hoping things might just right themselves, but a wide-ranging, open, community discussion on what is not working, why and how we can all work to improve it.

It is not as simple, unfortunately, as whacking traders with a new promotional levy or sprucing up two blocks of Liebig St.

While the Liebig St upgrade is a welcome rejuvenation of at least one part of the main street, it is a little like reupholstering the lounge chairs on the *Titanic*.

The harder questions to ask and to answer are those like these:

- * what sort of retail mix do we want in the CBD and how can we encourage this mix?
- * are commercial rents too high compared to other regions?
- * what can be done to assist more small business start-ups?
- * would more people shop in the CBD if there was free, timed parking?
- * do the almost-empty arcades need to be remodelled or removed?
- * how can local businesses be assisted to sell online? (Only 46% do and this has not changed in four years.)

I would like to see the council host a Warrnambool 2020 forum where we map out, as a community, a vision for our CBD by 2020 and how we can all work together (business operators, landlords, the council, thinkers, artists) to start turning the boat around before even more passengers jump ship.

[box]You can download the full [Warrnambool Business Confidence Survey here](#) (2mb) and the council's [media release here](#).[/box]

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Exclusive: The last illuminated cross on top of the Fletcher Jones silver ball in Warrnambool will light up again from next

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Young creatives: Teenager Alex Jones, from Bushfield, is a young artist to watch out for, with his exploration of mythology already turning heads and winning prizes...

Fun4Kids: the missing bits



OPINION

When the Warrnambool City Council gathers tonight (3/11) for

its monthly public meeting, there will be one item missing from the agenda: the full picture of the parlous state of the Fun4Kids festival, as outlined to councillors a fortnight ago.

For some strange reason, this report – unlike others – did not make the cut and will not be released to the public until at least December, despite the future of the festival being the topic of the moment.

But the full report provides some fascinating details, such as the fact that there is, as yet, nobody to run the 2015 festival.

[As you now know, the eight-day festival](#) – whether you love it, don't like it, or are not-fussed either way – posted a record loss in 2014 which requires \$593,000 of council funds to cover, or around \$150,000 more than anticipated.

It also posted a record low attendance of just 19,758. By way of contrast, in 2005, the event attracted 32,112 people.



Mayor Michael Neoh remains

confident that the fading
Fun4Kids festival can be
turned around in six
months. Image: ABC

Fun4Kids is dying, and has been for some years, but several councillors and **Mayor Michael Neoh** remain confident that they can turn things around in just six months and will spend at least another \$450,000 to do so.

This means that the total ratepayer subsidy since the festival began is closing in on \$7 million.

Let me say that again: **\$7 million.**

It has already been pointed out by **Cr Peter Hulin** that if Fun4Kids was producing such a stimulus to the local economy, why are there so many empty shops in the heart of Warrnambool?

And isn't it just a little strange to spend \$450,000 on Fun4Kids to stimulate the local economy while also asking traders to pay a compulsory levy to raise \$300,000 to stimulate the local economy? (In a neat piece of synchronicity, [objections to this levy close today](#)).

And why can't the council afford to offer 8 weeks of free summer car parking in the CBD to try and make visitors linger longer – at a cost of \$100,000 – yet it can fund 8 days of Fun4Kids for \$593,000?



None of it makes sense, and it makes less sense when you see the full details of the Fun4Kids briefing provided to councillors on October 20.

While we wait for the official release, here is a summary in dot points:

- * As it stands, there is nobody to run the Fun4Kids festival. Both the Service Manager (Events and Promotion) and the Marketing Manager have resigned from their roles. Both positions have been advertised, but not filled. Another part-time staff member will be taking maternity leave in December.

- * There has been “an erosion” in sponsorship and in-kind support for the festival, but the 2014 event still secured \$646,250 of in-kind support. (Imagine the cost to ratepayers without it!)

- * Ticket sale revenue has dropped 30% from 2012 to 2014 (\$505,381 to \$372,479).

- * Locals are abandoning the festival. Of the 19,758 people who came to the 2014 festival, 9100 were from Warrnambool, compared to 13,812 in 2013. This is despite heavily discounted ticket prices for locals in the final days of the event.

* Less people are coming from Melbourne: 3965 in 2014 compared to 5590 in 2013.

* Council staff met with a lot of groups after the 2014 Fun4Kids festival to discuss the disappointing results: these groups included Sovereign Hill, Great Ocean Road Tourism, Federation Square and Melbourne Major Events. These groups highlighted a lack of local support and the increased competition in children's entertainment as significant issues.



Given all of the above, it is not surprising that council staff recommended Fun4Kids not continue in 2015.

This is the nub of what they said to councillors on October 20:

“Despite the positive feedback and suggested recommendations, Council officers are not confident, given the above findings, the financial results of the festival, the loss of events and promotions capability within the organisation, and the overall increases in the costs of running the festival, that it would be possible to attract back the levels of audience participation that the festival needs to meet its financial targets.”

They then went on to recommend that community groups, traders and tourism bodies be told as soon as possible that the event was ending, and that council develop an “events strategy” to build on the city's strengths and attract tourists all-year round.

But we know what happened: the advice was dismissed and the council now has six months to pull off a miracle turn-around.

While nobody wants to be the person who closes down Peppa Pig, it takes true grit and leadership to admit that the event has had its day and another \$450,000 could be better used on developing a fresh attraction.