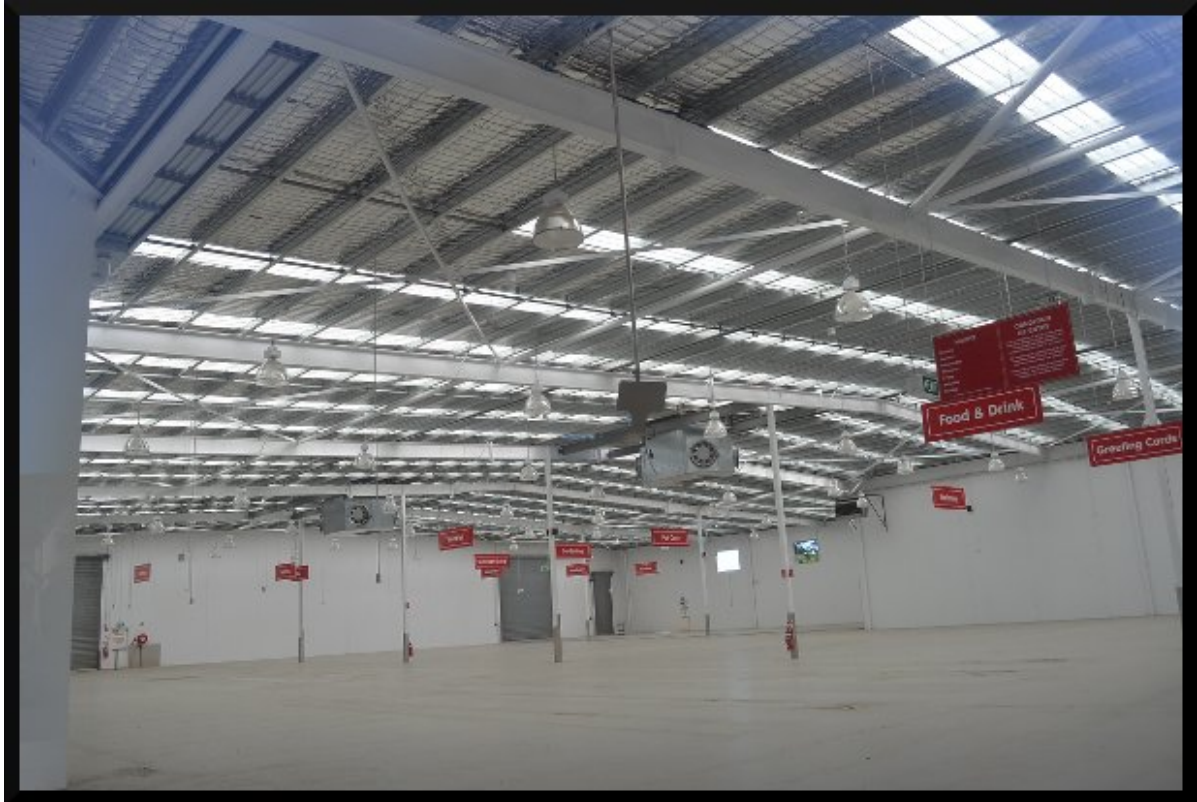


Behind the spin, W'bool business is losing heart



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
[/dropcap]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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