Scrap trader levy and start over

An attempt to unite Warrnambool traders through a new marketing levy has run off the rails: perhaps it is time to start fresh?

OPINION:

[dropcap style="color: #a02f2f;"] A [/dropcap] ballot will soon be held on whether Warrnambool traders should pay a special levy to fund a $600,000 marketing plan by Commerce Warrnambool, but the main game – to unite the traders as one – has already been lost.

Traders for and against the annual levy are deep in their trenches and, no matter how the ballot falls, there will be bitterness on at least one side.

Even the ballot process itself is fundamentally negative: rather than relying on enough traders to vote *for* the levy, it will go ahead unless enough traders vote *against* it. Hence

there is now a very active and growing grassroots campaign by the Warrnambool Traders Action Group asking traders to be sure they object.

Given this no-win situation, I would suggest it is time to scrap the levy idea and start over.

It is three weeks since *Bluestone Magazine* exposed the full extent of the plan by Commerce Warrnambool (a chamber of commerce) to ask the Warrnambool City Council to attach a levy to 1346 commercial and industrial properties based on their capital improved value.

The levy, which would rise by 5 per cent each year for the next five years, would fund Commerce Warrnambool to operate as a major promotional and marketing body for the city.

Of the $600,000 to be raised, around $200,000 will be used for administrative and professional development costs, $100,000 will go toward an annual infrastructure project, and the remainder will be used for a range of promotional and marketing activities.

Regardless of its intent, however, the roll-out of the levy plan has so far been a dismal failure.

The slogan produced by the Warrnambool Traders Action

Group.

[dropcap style="color: #a02f2f;"] D [/dropcap]espite Commerce Warrnambool saying it had contacted hundreds of people about the idea, a large number of traders, including several high-profile businesses, said they knew nothing about it until they read it in *Bluestone,* on Facebook, or after it was tabled as a fait accompli at the May 19 council meeting.

These traders fall into two broad camps:

i) those who object to paying any more than what they already do in council rates and various tourism levies;

ii) those who might support the concept, but fear Commerce Warrnambool will only duplicate what is already being done by Warrnambool City Council, the Great South Coast Group and the Great Ocean Road Regional Tourism Board.

Last week, the city of Geelong was held up as an example of how a trader levy for marketing and promotion can work very well, but the Geelong model is run completely differently to that being proposed for Warrnambool.

The City of Geelong has operated a trader levy since 2001, but it is a very different model to that proposed for Warrnambool. Image: www.g21.com.au

[dropcap style="color: #a02f2f;"] I [/dropcap]n taking a closer look at Geelong, there is a template for how things could work here.

First, the Geelong Chamber of Commerce has nothing to do with the special levy: it does not collect it, spend it, administer it or receive a cent from it.

Instead, the Geelong Chamber of Commerce – which has been running for about 160 years – is an independent body funded through memberships, corporate partners and fundraising events and does all of the things that a business group aims to do, such as networking and lobbying.

Second, the Central Geelong marketing levy, as it is called, is collected by the City of Geelong Council and is administered by a special committee set up *within* the council.

The Central Geelong Marketing Committee is made up of 12 volunteer representatives from local businesses and sectors, plus one councillor, and supported by a four-person executive team that is employed by the council, including CEO Jodie Reyntjes. (You can read more here).

The committee manages a levy that in 2012-13 raised $671,000 and the process appears entirely transparent and fully accountable: they hold monthly public meetings, upload their monthly minutes and produce an annual report.

Indeed, in 2009, Ms Reyntjes wrote an interesting presentation that underscored the importance of being able to measure the success of the levy in real and meaningful ways: right down to counting the number of pedestrians in the city on a given day.

Such an approach avoids unnecessary duplication of staff and projects, and sits the levy within an established civic framework rather than trying to replicate this framework outside the council and from the ground up.

The Central Geelong levy has been running since 2001 – although not without its detractors – but its ongoing survival and successes indicates that it is doing something right.

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