

Warrnambool trader levy poised for defeat

The votes are in on the controversial Warrnambool traders levy ...

Historic trader levy vote: it's not easy to say no



Warrnambool traders will have their say from next week on the controversial Commerce Warrnambool levy that will be partly used to fund promotions such as these.

OPINION

[dropcap style="font-size: 60px; color: #DC943C;"] A [dropcap]fter months of often acrimonious debate, Warrnambool traders will have an historic vote from next week on whether they want to pay a special levy for a chamber of commerce – and those against the move will have to work a lot harder than those in favour.

It is the first time the **Warrnambool City Council** has used its power to introduce special rates and levies on [behalf of a specific group – Commerce Warrnambool](#) – and at this scale; 1337 traders will be affected.

The proposed levy will [cost each trader up to \\$300 a year for the next five years](#) and give Commerce Warrnambool an annual budget of at least \$300,000 to spend on marketing the city, advocating for business and setting up networking opportunities and professional workshops.

Under the strange rules of the Victorian Local Government Act, those traders who don't want to pay the levy will have to jump through hoops to make sure their vote is counted, whereas those who support the levy won't have to do anything.

Here are the steps:

First, traders who object have to make sure they receive the notice that is coming in the mail from the council.

Second, they have to tick the "no" box.

Third, they have to attach evidence that they are responsible for paying the rates on their business premises, either by attaching a copy of their lease, a letter from the property owner, or a stat dec.

Fourth, they have to mail the letter back (postage paid).

And they have to do it all by November 3.



Warrnambool's CBD, like those in other regional cities, is in a state of transition as old businesses close and new ones open. But is a new levy the answer to helping businesses thrive?

[dropcap style="font-size: 60px; color: #DC943C;"] I
[/dropcap]t's a time consuming list of things to do while also running a business, a family and a life, but this is what dissenting traders will have to do if they wish to be heard.

Not only that, but almost 670 traders will have to make the effort if the "no" vote is to succeed, whereas the remaining 670 voters who might support the levy can sit tight.

It is a cockeyed system and reflects the history of this part of the Local Government Act, which was introduced in 1989 so that local councils could raise "special rates and charges" for all manner of things from footpaths and drainage works, to shopping centre promotions.

It seems when there is more ratepayer money to be made, the

harder it is to object, the better!

Not surprisingly, given how the voting system works, the “no” campaign – aka [The Warrnambool Traders Action Group](#) – has been hitting both the pavement and social media for months to argue why the levy should not go ahead and how to vote against it. “No” posters have appeared in shopfronts across town, and its Facebook page has accumulated 477 followers.

By contrast, the “yes” campaign – aka Commerce Warrnambool – has been almost eerily quiet up until the last week, when it began to place ads in the local paper advocating for the levy.

There has been no doorknocking or poster pasting, but [its Facebook page](#) did reveal earlier this week that it intended to do an information mailout via the council, until the council said it could not be involved (for obvious reasons). The mailout will now come via Australia Post.



BIBA Hairdressing, in Timor St, is one of the success stories happening in the CBD. Image courtesy [Sinead Murphy](#).

[dropcap style="font-size: 60px; color: #DC943C;"] T
[/dropcap]he difficulty for Commerce Warrnambool in trying to pitch the levy is twofold: first, it is trying to boost its membership by force.

In 2011, a year after Commerce Warrnambool began, it had only 80 members and an annual budget of \$24,000. The levy is partly a backdoor way of making traders support an old-fashioned, traditionally male-dominated concept that perhaps has had its day.

Surely if so many traders were keen to support a chamber of commerce, they would just sign up? Meanwhile, new business networks are gathering strength, like the [Young Professionals Warrnambool](#) and [Business and Professional Women South-West](#).

Second, despite the best of intentions, the ideas put forward by Commerce Warrnambool have failed to inspire those struggling under the weight of high rents, online shopping and a tired-looking CBD.

Christmas promotions, car raffles and shop-local campaigns are not new. Indeed a council-backed [Christmas promotion, complete with Santa arriving by helicopter](#), ran in 2011 and yet shops are still closing down in the CBD.

Car raffles and the like are short-term, sugar-fixes when what is really needed is an acceptance that the Internet is the industrial revolution of our time and not all businesses will survive. Some will adapt, others will die and new businesses will emerge.

In my view, a new levy won't make an inch of difference compared to the revitalisation of Liebig St that is underway at last, and a lowering of CBD rents to realistic, regional-based levels (this is in the hands of property owners) to inspire new businesses and support those in transition.

How many traders share this view remains to be seen when the

votes finally come in – or not.

[box]Note: If less than 50 per cent of businesses object to the new levy, the council will make the final decision on whether it goes ahead at its December 1 meeting. Anyone can make a submission for or against the levy and can do so in writing by Nov 3 to the CEO, Warrnambool City Council, 25 Liebig St, Warrnambool, 3280. All submissions are public documents.[/box]

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Trader levy halved – a victory for voices



Commerce Warrnambool has heavily revised its plans for a compulsory levy to try and lure shoppers back to the CBD, but will its ideas win over traders? Image: Soul Shopping.

OPINION

[dropcap style="color: #a02f2f;"] I [/dropcap]t has been a long and often heated battle, but the proposed compulsory traders levy to raise funds for **Commerce Warrnambool** is now fully transparent and more realistic in its aims – purely through the power of grassroots action.

In a revised motion to go to the Warrnambool City Council on Monday (Sept 1), the annual levy – which will operate for five years – has been halved from \$600,000 to \$300,000 and no trader, be they commercial or industrial, will be asked to pay more than \$300 per year, compared to up to \$6000 in the initial plan.

[Commerce Warrnambool](#) President Tony Herbert had hoped the council might kick in the remaining \$300,000 from general revenue, but this has not happened. Instead, Commerce Warrnambool has gone through its budget and emerged with a

more modest plan to promote and market Warrnambool.

For starters, the budget for a full-time executive officer, support staff and other management and communication costs has been cut from an initial \$200,000 to \$95,000, with a suggestion that the executive officer could be either full or part time.

This does away with concerns that the levy would do little more than pay for the salary of someone sitting behind a desk, enjoying a very nice job for the next five years.

Advertising has been cut from \$120,000 a year to \$75,000 and plans to take on the [Warrnambool Business Awards](#) and attend the [Regional Living Expo](#) – both of which are currently handled by the council – have been scrapped.



The promotions may not be simple as this one, but Commerce Warrnambool has outlined its plan in more

detail. Image: Unknown/Facebook

[dropcap style="color: #a02f2f;"] I
[dropcap]mportantly, Commerce Warrnambool has also set down –
for the first time – very clear projects that will be funded
by the levy.

They include three promotional activities in the first year
for a total cost of \$80,000: a shop local car giveaway; a
spring produce promotion and a Christmas promotion.

It also includes projects for business support, education and
networking: four professional development workshops (total
cost \$20,000) and four networking activities (again \$20,000).

The strange idea of raising \$100,000 each year toward “an
infrastructure project” has also vanished, thank goodness,
because this was fraught with difficulties around who would
decide what project was worthy and how it would be chosen.

**Will those traders who were heavily opposed to the levy warm
to the revised plan?**

Perhaps not – remember they never asked for a levy in the
first place – but at least now there is air and light around
what Commerce Warrnambool will do with the funds. This is far
better than its “trust us” approach that came with its first
plan that asked for \$3 million over five years, despite having
no runs on the board in terms of delivery.



The revised levy proposal sets out a more modest budget and details how the money will be spent to promote the city of Warrnambool and support businesses.

[dropcap style="color: #a02f2f;"] T [/dropcap>here is also, in the paperwork before council, a very clear process outlined for the first time as to how traders can object to the levy.

Traders no longer have to worry that they won't be notified (they will, as will landlords) or that they will miss out on lodging an objection.

The documents tell us that, once the notification is given, they have until November 3 to make an objection or written submission (or both) and, if so inclined, can have a say at the council meeting on November 17.

See all of this information above? This is how transparency works; this is proper process, and if all of this detail had been laid out clearly from the very beginning, then perhaps the levy idea would not have fallen into a ditch.

For this we can thank the tenacious grassroots lobbyists within the [Warrnambool Traders Action Group](#) for doing their

bit to ensure democracy is alive and well in Warrnambool: that when it comes to public funds and accountability, everyone has a right to ask questions, no matter how prickly or how “annoying”.

This is not an easy thing to do in a regional city, where networks are tight and long in the making.

It takes great courage to risk falling out with friends, or customers, or business colleagues because you dare to challenge an idea that you are being told is “good for the city”.

For what its worth, we have had a small taste of the consequences of running against the grain here at *Bluestone*.



The packed book launch for ‘Warrnambool; This is Home’ at The Last Coach: an event that never happened, according to the local newspaper.

[dropcap style="color: #a02f2f;"] R [/dropcap]eaders will know that, last week, I launched my small book “[Warrnambool: This is home](#)” and that this book, written before *Bluestone* began,

features 30 iconic Warrnambool places and faces, including Kermonds, Mack's Snacks, the Matera Bros, Ryans Removals etc.

More than 80 people crammed into the launch at the Last Coach, including members of these wonderful Warrnambool families, but was there a word about it in the local newspaper? No, despite, ironically, two of the paper's longest-serving reporters being featured in the book.

Why was this so? Because I am part of *Bluestone Magazine*? Or because we occasionally question the newspaper? (Just as the newspaper's reporters occasionally challenge us: we consider it healthy debate). I don't know, but we find it deeply troubling that the only newspaper in a major regional city appears to have a blacklist.

This is why what the traders action group has achieved over the past six months is so important – and its impact goes well beyond what you might think of the levy.

By using grassroots activism – social media, shoe leather, door knocking, posters on windows and whatever else it takes – it has refused to be silenced and has, under considerable stress and strain, won the battle for transparency, accountability and due process.

It has shown that you can speak out, and up, and while it can be exhausting and wearing, you can be heard.

This is what makes it an important victory for us all.

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Trader levy deal...and the Jennifer Lowe factor



The controversial Warrnambool traders levy is set to be revised and relaunched in late September as a compromise.

OPINION

[dropcap style="color: #a5cecd;"] A [/dropcap]s the proposed Warrnambool traders levy rolls into another month without a

resolution between the two sides, there is a burning question that remains unanswered: why is the council persisting with it?

Bluestone has been looking for clues.

As we know, [more than 100 angry traders](#) crammed into the **Warrnambool City Council** chambers for its last meeting and demanded that it quash moves to raise \$3 million over five years for **Commerce Warrnambool** via a compulsory levy on businesses.

Despite this show of dissatisfaction, Mayor Michael Neoh used his casting vote to give Commerce Warrnambool more time – until the end of September – to try and negotiate a deal with traders.

What this means is that, behind the scenes, the push is on to split the levy between traders and the council and call it a “compromise”.

[As we wrote last month](#), instead of traders paying the full \$600,000 a year, they will be asked to pay less – say, \$450,000 – and the council will chip in the remaining \$150,000 because it has decided it really wants to help Commerce Warrnambool along.

The council’s enthusiasm is where we have our first clue about what we believe is really going on.

It is a rare day that the council finds a group that is willing to tax its own members to pay for things that the council should be doing, ie. supporting businesses and promoting the city.

If this \$3 million fund goes ahead, the council can justifiably shift the bulk of the cost (and responsibility) of marketing, promotions and supporting businesses on to Commerce Warrnambool and have the traders fund it.

Initially, the council thought it would not have to pay a cent (more about that in a moment), but even if it contributes \$150,000, all it needs to do is cut a couple of people from its marketing department and “voila!” it has broken even.



It's a rare day when a lobby group agrees to tax its own members to raise funds for work previously done by the council.

[dropcap style="color: #a5cecd;"] F [/dropcap]or the council's beancounters, this is a sweet deal in the making, even if not quite as sweet as the traders being hit with the full \$600,000 a year, it is an excellent start.

Angry traders, of course, will be told that they can still vote “no” to stop the levy, but if the pressure on opposing traders is considerable now, I can only imagine what it will be like when they are seen to be objecting to a “compromise”.

Given the levy idea has created such a toxic split in the business community, why didn't Commerce Warrnambool just ask

the council for \$150,000 in the first place and start small? Well, it did.

Bluestone has learned that since Commerce Warrnambool began in 2010, it has approached the council many times to see if it would provide seed funding (something like \$80,000-\$100,000 a year for three years) until it found its feet and became financially independent.

At that time, Commerce Warrnambool was primarily a business advocacy, network and support group, which is what chambers of commerce are all about, rather than focussing on the much larger role of promoting and marketing the whole city.

It was knocked back each time.

So what has changed?

We believe the clues lie in a series of events late last year.



Former outspoken
Warrnambool City Councillor

Jennifer Lowe, who was a key player in Commerce Warrnambool.

[dropcap style="color: #a5cecd;"] B [/dropcap] that time, Commerce Warrnambool had in its hands a proposal prepared by consultants **Peter McNabb and Associates** which, in the face of the council's persistent knock backs, detailed how a business levy could not only fund its activities, but widen them substantially.

The business levy would not be a seed fund for Commerce Warrnambool until it attracted memberships and corporate sponsorships, but virtually its *entire* fund. Its budget would no longer be around \$300,000 over three years, but \$3 million over five years.

Some (but not all) members of Commerce Warrnambool got very excited and *now* the council was also listening – for the cost-saving reasons mentioned earlier. But there was still a sticking point.

Commerce Warrnambool, at that time, was still operating under its original board of management including secretary **Jennifer Lowe**.

It's no secret to those who have watched the council for a long time that Ms Lowe, who is a former city councillor, was not universally embraced by fellow councillors and council staff during her term (that ended in 2012) because of her outspoken stand on many issues.

Imagine if Commerce Warrnambool learned that the council liked its big, bold levy idea to raise \$3 million from traders, but it didn't like Ms Lowe holding a key role in an organisation that was set to become much more influential. The money, or the secretary?

Whatever the scenario, Ms Lowe [suddenly stepped down](#) in late November, together with two other founding board members in **Darren Harris** and **Peter Watson**.

From there, the levy proposal was rolled out in something of a rush.

Within a few months, a new Commerce Warrnambool board of management was elected – with **Tony Herbert** replacing **Richard Montgomery** as president – a business plan went to council, the levy was ticked off at its May meeting, the public notices were being prepared...and then an increasing number of traders realised that they would have to pay for it and the wheels began to fall off.

As it stands, the traders are [holding off on their threatened legal action](#) pending more discussions which may or may not see Ms Lowe back at the negotiating table.

It is understood that, privately, she has made her feelings about the levy debacle well known to her Commerce Warrnambool colleagues, but is also among those keen to see the impasse resolved.

Whether somebody left outside the tent can now clean up the mess within it, remains to be seen.

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Council's racing hospitality bill hard to swallow



Revelations that the Warrnambool City Council spent

\$17,000 on a corporate hospitality tent at the May Races are hard to digest. Image source: Source: Vince Caligiuri/Getty Images AsiaPac

OPINION

As Warrnambool ratepayers prepare to swallow a 5.5 per cent rate rise this year, revelations that the Warrnambool City Council spent \$17,000 on a hospitality tent at the May Races will be hard to digest.

A request by **Cr Peter Hulin** for more information about the council's marquee at the 2014 May Races has revealed that \$17,036 was spent on wining, dining and entertaining 90 guests.

The breakdown includes \$3762 for food, \$1489 for drinks, \$4950 for members reserve tickets and wristbands, \$6610 for the marquee (including staff, decorations, chairs etc) and \$225 for racebooks.

And the potential cost could have been as much as \$25,000, as 168 invitations were issued but only 90 accepted.

The WCC's policy on the event, which has been included in this week's meeting agenda, says the hospitality is intended to show the council's support for the May Racing Carnival, while also promoting the 142-year-old event to politicians, key bureaucrats and regional leaders.

It is also, apparently, a great place to do business: to discuss "strategic projects" (presumably in-between races), and to develop "organisation to organisation" relationships, whatever that might mean.



Just weeks before the WCC passed a budget that included a 5.5% rate rise, the wine was flowing in its corporate hospitality tent at the May Racing Carnival.

I don't know if you received an invitation to the marquee , but those who did included:

- **24** members of council and their partners (including each councillor, the CEO, Mayor and directors);
- **12** state and federal MPs,
- **9** senior government bureaucrats,
- **65** regional leaders (including South Coast Board members, Wannon Water executives, senior police, senior health executives, the Deakin University Vice-Chancellor and South-West TAFE CEO);
- and two of **Cr Brian Kelson's** business associates.

Another **56** people described as "groups and individuals working closely with council" were also extended the opportunity to enjoy a day by the track.

This group included representatives of [Maddocks Lawyers](#), a Melbourne-based legal firm that describes itself as one of the top 20 law firms in Australia and who, presumably, represents the council. I am not sure why top-of-the-town lawyers need to be wined and dined as part of developing "organisation to

organisation” relationships.

This final group also included the President of [Commerce Warrnambool](#), a position currently held by **Tony Herbert**.

I find this intriguing for two reasons: first, that Commerce Warrnambool – at the time of the May Race Carnival – was deep in discussions with the council about its proposal to hit traders with [a new compulsory levy to raise \\$3 million over five years](#) to fund its activities. Indeed, the motion to set the levy in train was passed by the council just a fortnight later.

Being invited into the WCC hospitality marquee in the lead-up to that decision is the sort of access that traders fighting against the levy can only dream about.

Second, Commerce Warrnambool has argued that it needs funds from the levy to, among other things, act as a lobby group to council, but it appears that it is already well and truly “inside the tent”.



We don't know, as yet, who actually made up the 90 people who

attended the marquee and if they included Mr Herbert, who yesterday declined to say whether he accepted the invitation or not, or Cr Kelson's two unnamed business associates.

But what we do know is that such corporate largesse is difficult to justify when so many people in the south-west are struggling to make ends meet.

And it is even harder to justify when rates are rising at almost double the rate of inflation and double the interest rate on most savings accounts.

Wining and dining has long been a part of how business operates, but we are not talking here about a commercial company like Coles, or Telstra or McDonalds: we are talking about a local council that has *you* as its shareholders (ratepayers) and which should be leading by example.

I find this sort of corporate partying (aka "networking") particularly galling when, at the same time as the council's guests are sipping champagne and nibbling on canapes, there are literacy programs, arts projects, history projects, health projects, environmental projects and many other small, but important community projects all struggling to secure funding from an ever-shrinking pool.

While it must be easy to lose perspective when you are dealing with tens of millions of dollars, as the council does, to each and every one of these community projects, \$17,000 is still a lot of money.

No doubt those people who attended the race day had a marvellous time and perhaps even came away feeling a little more connected, inspired and ready to do business with the council, if they weren't already.

But to me, the corporate marquee revelations are cause for a very bad case of indigestion.

