

Trader levy shaping up for legal showdown



The proposed Warrnambool traders levy is heading for legal action unless it is withdrawn by the council at its meeting next Monday.

OPINION

[dropcap style="color: #a02f2f;"]P[/dropcap]lans to hit traders with a compulsory levy to raise \$3 million over five years for [Commerce Warrnambool](#) are headed for court unless the Warrnambool City Council puts a stop to the levy immediately.

Commerce Warrnambool and the [Warrnambool Traders Action Group](#) agreed to not talk publicly about the levy while negotiations were underway between the two, but don't think for a moment they have struck a deal.

In fact, it is the opposite.

In a hard-hitting letter sent to all councillors and council Chief Executive Officer Bruce Anson last week, the traders are asking the council to withdraw the levy proposal at its meeting next Monday (21/7), or it will take legal action against Commerce Warrnambool to prevent it from acting outside its legal powers.

The first step in that process is an injunction issued by the Magistrates' Court.

Before delivering this ultimatum out of sheer exasperation, the W'bool Traders Action Group spent a lot of time identifying where it believes Commerce Warrnambool has breached its legal requirements as an incorporated body and hoped that something would be done to address these concerns.

It also, despite weeks of discussion between the two groups, is still waiting for answers to its questions about how the levy has been justified.

It appears the traders have finally run out patience.



The Warrnambool Traders Action Group has questioned

how many “head offices” of major businesses have verbally supported the levy idea.

[dropcap style="color: #a02f2f;"]W[/dropcap]ith their gloves firmly off, the traders have, in their letter, accused Commerce Warrnambool of making “false and misleading” claims about the level of support for the levy, which would raise \$600,000 in its first year and rise by 5 per cent each year.

In arguing why the levy should go ahead, Commerce Warrnambool said its consultant, Peter McNabb, had visited more than 900 businesses to explain how the levy would work and that this resulted in signed support from more than 150 traders.

The W’bool Traders Action Group says it has since spoken to more than 300 businesses and found less than 20 who were formally consulted: most found out about the levy through the media.

(As an aside, *Bluestone* asked the council if it had seen the 150 signed forms of support and was told that they had been “viewed by council staff”, but presumably not the elected councillors.)

Similarly, Commerce Warrnambool said its consultant received verbal support (ie. via telephone) from 150 corporate businesses who have their head offices outside of Warrnambool – a claim the traders describe as “fanciful” because finding the right person to speak to in corporations is difficult, let alone gaining their “verbal support” for anything.

And it doesn’t stop there.



[dropcap style="color: #a02f2f;"]T[/dropcap]he Traders Action Group goes on to reveal in its letter that the “purpose” of the Commerce Warrnambool Strategic Business Plan – as stated in the business plan – is actually the “purpose” of the Swan Hill Incorporated plan (which Peter McNabb and Associates also developed) and has nothing to do with the objectives of Commerce Warrnambool.

There are also allegations of threatening, potentially libelous emails being sent from a member of Commerce Warrnambool to two members of the Traders Action Group.

Put simply, the levy proposal is a mess and, as a result, Commerce Warrnambool is in a mess.

This is a shame, because the city *needs* a robust Chamber of Commerce – something the W’bool Traders Action Group also agrees on – but how that body is funded, and what it does, needs more investigation and discussion.

I have [written previously](#) about how chambers of commerce in other regional cities use memberships and corporate sponsorships to survive and how they are primarily focussed on lobbying, networking and professional development: not things like Christmas decorations, ‘buy local’ campaigns and promoting the local football finals.



*To stop the proposed
Commerce Warrnambool
levy*

*You must **OBJECT***

[dropcap style="color: #a02f2f;"]I[/dropcap]n addition, we still don't know – if the levy was to go through – what Commerce Warrnambool will deliver in its first year, beyond some very broad-brush goals that require a huge leap of faith that the \$600,000 will be well spent.

Our elected officials have an opportunity, next Monday, to put the brakes on the whole levy proposal and Commerce Warrnambool has an opportunity to start over, with a view to building a robust plan for its future that has solid – rather than fractured – support.

The most likely result, however, is that the council will vote to defer the levy process until later in the year, which really helps neither side and only extends the war.

The council might prefer to stay in limbo, but the traders have made it clear that they will not.

This time, time has run out.

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Traders levy takes a new twist



The traders levy for Warrnambool has taken a twist, with a proposal that half of the cost be shifted to general council funds.

OPINION – CAROL ALTMANN

[dropcap style="color: #a02f2f;"] P [/dropcap]lans to [introduce a new trader levy](#) to raise \$3 million over five years for Commerce Warrnambool have taken a dramatic twist.

A Facebook post by Commerce Warrnambool (CW) president Tony Herbert has revealed that CW is no longer seeking \$600,000 a year from the trader levy, but \$300,000 – with the remaining \$300,000 to come straight from the Warrnambool City Council coffers.

This new idea is central to the negotiations between CW and the Warrnambool Traders Action Group – with Mayor Michael Neoh sitting in the middle – to try and reach a compromise, after the initial levy proposal sparked an angry and rolling protest.

It might look like an attempt at a compromise, but to me it sounds like policy on the run and former Labor leader Kevin Rudd is living proof of where that can lead: disaster.

Commerce Warrnambool no doubt has noble intentions in trying to raise funds to spend on promoting Warrnambool, but its proposals continue to raise more questions than they answer.

Shifting half of the cost burden from traders to general ratepayers does not change the need for a full and robust discussion on *how* the funds will be spent.

It also raises the question of whether this is the best use of \$1.5 million of public funds. (Especially when the council is already spending close to \$1 million a year on propping up Fun4Kids and Flagstaff Hill).

Indeed this new idea, if it is accepted, only widens the discussion – from traders to the general community – and we should now *all* be invited to have a say.

Bluestone Magazine is not alone in its concerns.



Mayor Michael Neoh is in the middle of the negotiations between angry traders and Commerce Warrnambool.

[dropcap style="color: #a02f2f;"] A [dropcap] it so happens, not only did we stumble across Mr Herbert's Facebook post today, but the council sent us a wad of documents in response to a Freedom of Information request we lodged in late May regarding the levy.

We are still working our way through these documents and will reveal more over time, but email correspondence between the

council's Director of City Growth, Bill Millard, and Commerce Warrnambool as recently as April this year indicates that both councillors and Council Chief Executive Officer Bruce Anson wanted to see much more detail on how the first \$600,000 would be spent.

"I think one of the things you guys do need to work on is answering the question that Bruce asked Richard (Montgomery, from CW) ie. what is the \$600k going to be spent on in year one, remembering that council needs to sign on to the quantum and the KPIs," Mr Millard wrote on March 6.

"Personally, I think you need to be definitive here. It will hurt your overall push if the councillors don't know what the money will be spent on."

You were not wrong there, Bill!

Mr Millard wrote another email dated April 1 – just weeks before the levy process was approved by the council – indicating councillors were still seeking critical details.

The email is too long to reproduce in full here, but it summarises the questions from councillors, including, again, the need for some firm details on how the money will be spent in the first year, how Commerce Warrnambool decided on the figure of \$600,000 as an annual total, and what was the level of support for the levy among traders.

I would strongly argue that these questions still stand.



[dropcap style="color: #a02f2f;"] I [/dropcap] spoke to Mr Herbert today and he said he was hopeful of reaching some middle ground, although he did not wish to go into any further detail because the negotiations were at a critical stage.

"Members of Commerce Warrnambool and Warrnambool Traders Action Group are working together with the council to try and get an outcome that is hopefully more suitable," he said.

The trader action group has put forward a compromise of their own which, I understand, has already been knocked on the head by Commerce Warrnambool.

Their suggestion was to withdraw the levy proposal, have key members of the action group join the Commerce Warrnambool board and start from scratch as a united group.

This united group would review the business plan, look at how other towns run their Chambers of Commerce and come up with a fresh approach to council by November.

Perhaps that would provide the breathing space that this whole messy proposal so desperately needs.

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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.



*To stop the proposed
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levy
You must **OBJECT***

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] 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.

Could we learn something from our coastal cousins?



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New business levy to raise \$600k for what?



A proposed new levy will raise \$600k to promote Warrnambool, but would it not be better spent on actual projects, like funky public art such as this in London?

OPINION

[dropcap style="color: #abccab;"] I [/dropcap]t's a rare day when businesses ask other businesses to pay **more** – not less – council rates, but that is exactly what is happening in Warrnambool.

A group called **Commerce Warrnambool** has asked the Warrnambool City Council to introduce a special levy that would see 1300 commercial and industrial businesses each pay between \$100 and up to \$6000 a year for the next five years, with the first year expected to raise \$600,000.

The levy, based on capital improved property value*, would rise by 5 per cent each year for the next 5 years.

And what would all this money be used for?

Well, according to the Commerce Warrnambool business plan, the first \$200,000 will be used to employ a chief executive (\$90,000) and associated support staff (\$110,000), with the remaining \$400,000 being spent on what can best be described as a huge public relations exercise.

Commerce Warrnambool, which started as a voluntary organisation in 2010 and has about 100 members, effectively wants to professionalise its role in promoting Warrnambool as “a great place to live, work and invest” (the same old mantra) and be paid to do so.

There are already at least three other marketing and public relations bodies that are funded to perform this task, including within the [Warrnambool City Council](#), the [Great South Coast Group](#) and the [Great Ocean Road Regional Tourism Board](#), but Commerce Warrnambool clearly feels there is room for even more.



Instead of spending more money on trying to convince people to invest in Warrnambool, why not invest in the

things – like public art – that make a city appealing?

[dropcap style="color: #abccab;"] T [/dropcap]he group will also, among other things, lobby the council (in other words, the council will collect a levy that will be partly used to lobby itself) and help to promote events such as the May Racing Carnival, Port Fairy Folk Festival, Fun for Kids and the Allansford Speedway.

From from what I have seen, these events already have significant marketing budgets and, between them, attract tens of thousands of people.

Given the record number of empty shops in downtown Warrnambool, a proposed 5.5 per cent hike in council rates, and the economic times that trouble most traders, I thought the idea of forking out money for yet *another* public relations and marketing project would be shot down in flames.

But no.

Commerce Warrnambool says it has contacted at least 900 businesses and received between 250-300 letters of support. This means that only a third of those surveyed like the idea, but I am stunned that it is even that high.

The council, sensing an opportunity to partially outsource another of its functions, has seized on the idea and recommended that the special levy go ahead: the councillors will vote on it Monday night (May 19).

But let's think about this for a moment.

Do we really need a special levy to promote how wonderful Warrnambool is? Why not spend the money – if we are going to travel down this path – to improve what people actually see and experience when they come here?

Perhaps, for example, some of the \$600,000 could be used to help sustain **The Artery**, which has given a heartbeat back to the lower end of Timor St, but is largely funded by volunteers and artists paying what little they make to hire an exhibition or studio space.

Or maybe it could be used as a building restoration fund, where property owners are given an incentive to freshen up the many tired, peeling and grubby shop facades around the city.



Telling people to work, live and invest in Warrnambool is one thing, but ensuring the city looks fresh and inviting is quite another.

[dropcap style="color: #abccab;"] One of the Commerce Warrnambool arguments is that other regional cities have set up a business fund, so why don't we? It lists Ballarat, Shepparton, Swan Hill and Mildura among its examples of similar schemes, yet if we pick just one of these – Mildura – there is a cautionary tale to be heard.

The Mildura Rural City Council collects a special levy on behalf of the Mildura Development Corporation and Mildura Tourism – both of which are subsidiaries of the council – to be used for the very sort of activities outlined by Commerce Warrnambool.

Last year, however, [the council swiped \\$100,000 from the special levy](#) fund to use for other purposes so that it could keep its overall rates down. Ouch.

Imagine, for a moment, if instead of Commerce Warrnambool fronting up with this levy idea, it was **The F Project** – the local artists' collective that started in 2008 and has around 150 members.

I am trying to picture the F Project president, instead of Commerce Warrnambool president **Tony Herbert**, asking the council to tax every business owner for a special public art fund that would raise \$600,000 a year.

This fund, instead of being used for promotion and lobbying, would be used to commission artists from around South-West Victoria to create new works of public art (including murals, street furniture, sculptures etc) that would be installed around the the city each year.

Such a fund would buy a lot of public art and produce tangible, highly-visual results, yet there is little doubt The F Project would be laughed out of the council offices for suggesting such an “indulgence”.

Yet it is the *tangible* things – not just more words – that will ultimately make a difference to people wanting to visit, or move, to Warrnambool. There is no small irony in the council [spruiking its Liebig St renewal plans from an empty shop](#) in Liebig St, which is next to another empty shop, which is a few doors from another empty shop...

Money needs to be injected urgently into physical projects

that will bring the city back to life – and we don't need to pay \$600,000 a year for somebody to tell us that.

[*The original version of this piece said the levy was based on 3 per cent of property value, which is incorrect. The levy will be calculated as a rate in the dollar based on CIV.]

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