

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 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]s 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 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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