



Traders are right to be asking questions

Description

[The promotional video above was made by the Warrnambool City Council in 2011. It reflects the type of work that Commerce Warrnambool now wants to be paid to do.]

OPINION

[dropcap style="color:#A02F2F;"] S [/dropcap]hortly after we started *Bluestone Magazine* last year, I wrote [a piece](#) about the importance of transparency, accountability and a preparedness to ask the hard questions of those tasked with running our city.

At that time, I lamented the fact that people who were prepared to put their head above the sand dunes and ask the prickly questions were often howled down as being trouble makers, out-of-touch, or holding the city back.

Judging by the response to the Warrnambool traders who have stood up and challenged a proposal to hit them with a new levy, little has changed.

The men in suits have again rallied to remind the rest of us of who they think should run this city and that we best shut up and let them get on with it.

That has certainly been the tenor of the argument as to why **Commerce Warrnambool**, a volunteer body of around only 100 members, should be allowed, via the **Warrnambool City Council**, to whack every trader with a special fee to raise \$600,000 for promotions and marketing.

The proposed fee, which is based on property values, would run for five years and increase by 5 per cent each year.

Traders have every right to ask questions – and lots of them – especially when the finer details about this levy have been so vague.



Most traders are more concerned about the high overheads of doing business, not adding to those expenses.

[dropcap style="color:#A02F2F;"] A [/dropcap]s was revealed when we first [wrote about this issue last week](#), numerous traders, including several high-profile business operators, said they knew nothing about the levy until it was presented to council as a virtual fait accompli.

Instead of questions being asked of Commerce Warrnambool as to why its communications strategy had obviously fallen short, the guns were turned on the traders.

In its editorial on Friday, the local newspaper spoke of the perils of conservatism, of traders 'tying themselves in knots' and failing to embrace change, and that, as a city, Warrnambool really needed to grow up. (As an aside, the paper has failed, thus far, to mention that its General Manager, Tim Lewis, is a general board member of Commerce Warrnambool. Update: a new board has since been elected and no longer includes Mr Lewis. He does, however, [remain a member](#) of the organisation.)

These traders are the same people who have busted their guts renovating the often rundown CBD properties that they are forced to rent at prices which can be on par with those charged in suburban Melbourne. (Indeed I know of one hairdressing salon that floods each time it rains, but the property owner refuses to upgrade the plumbing.)

These traders have stripped back floors, painted walls, installed tearooms, hired staff, filled out myriad paperwork for everything from an A-frame to window signage and now, for their sins, they work long and exhausting hours in the belief that they have something to offer Warrnambool: and they do.

But apparently they could do being doing even better, if only they each paid another tax.



The Wonderful Warrnambool campaign is among those already funded by the WCC. Image: Warrnambool City Council.

[dropcap style="color: #A02F2F;"] S [/dropcap]o let's look at how this \$600,000 would be used and how many innovative ideas it might fund.

According to Commerce Warrnambool documents, it is broken down into something like this:

- \$150,000 for an executive officer and associated costs
- \$110,000 for “branding” of Commerce Warrnambool and a website
- \$70,000 for professional development

- \$10,000 to attend the Regional Living Expo ([currently attended by WCC](#))
- \$25-30,000 for the annual business awards ([currently run by WCC and sponsored by Powercorp](#))
- \$130,000 for local promotional events – from speedway, to whales, to Christmas decorations
- \$100,000 for an annual infrastructure project of some description.
- (plus, although it is not specifically mentioned, an extra \$15,000 for WCC to handle the levy)

Using these figures, just over a third of the levy – \$230,000 – will be spent each year on local promotions and physical works. So far, I can see little difference from what is already being done via the WCC, the [Great South Coast Group](#) and the [Great Ocean Road Regional Tourism Board](#).

No wonder traders want to ask a lot more questions and three that come to the top of my mind immediately, are:

- i. who will decide how the money is spent?
- ii. what are their qualifications or experience to do so?
- iii. how will the success of the projects be measured and by whom?

Commerce Warrnambool (and some councillors) have pointed to Swan Hill as a shining example of how the levy can work, so let's have a closer look at that.



The city of Swan Hill is being used as an example of how the levy can work, but it has not been all smooth sailing.

[dropcap style="color: #A02F2F;"] P [/dropcap]eter McNabb and Associates, who were paid a large chunk of the \$35,000 in public funds that Commerce Warrnambool [received last year](#), developed the Swan Hill levy model, so it mirrors what is planned for Warrnambool.

The levy has been in place in Swan Hill since 2002 to support a group called Swan Hill Inc, but that doesn't mean it is popular.

In fact it was [described by the Swan Hill local paper just two months ago as "controversial"](#), with the Swan Hill Rural City Council holding a Special Meeting on April 1 to discuss if the levy should continue for another five years.

The council received more than 380 written submissions, including 318 from people directly affected by the impost. Of the 318, 177 people (24%) supported it, and 141 (19%) didn't – hardly an overwhelming endorsement.

The council went ahead with the levy, but not without its internal critics, such as Cr Gary Norton who was quoted [by the local paper](#) as saying:

"Swan Hill Inc has been operating for 10 or 12 years and what have they achieved? Lots of shops and businesses? Lots of empty shops?"

Cr Norton said Swan Hill Inc had not been effective enough in what he believed was a difficult financial climate for local business in Swan Hill.

“If we’re going to attract new businesses we need to reduce our overheads,” he said.

“High rates are killing the region. I urge council to squash this.”

You could swap the words Swan Hill for Warrnambool and the sentiment, for some, would be the same as Cr Norton’s.

So here’s an idea: why not tax the property **owners**, rather than traders who are being charged a levy based on a property value for a building that – in most cases – they don’t even own?

Then we might get a sense of how popular this idea really is among those with power.

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