

# 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 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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# Transparency lacking over trader levy



## OPINION

[dropcap style="color: #a02f2f;"] I [/dropcap]t is interesting to see **Mainstreet Australia** adding its voice to those urging Warrnambool traders to pay a special levy to fund a \$3 million marketing and promotion campaign by **Commerce Warrnambool** over the next five years.

Mainstreet Australia president **Steve Bentley** was recently the [focus of a local news article](#) in which he praised the trader levy, saying it was one way to counteract the impact of online shopping and that it had worked very successfully for Geelong, where he works as part of the City of Geelong Council.

As infamous model Mandy Rice-Davies once said, “he would say that, wouldn’t he” because what Mr Bentley failed to mention – or what the news article failed to report – is that the person who was paid by Commerce Warrnambool to develop the trader levy, **Peter McNabb** from Peter McNabb and Associates, is a key figure in Mainstreet Australia.

Indeed Mr McNabb's [own website](#) explains that he “played a leading role in the establishment of the Victorian version of Mainstreet in 1996, and was its inaugural President from 1996 to 2001”.

The Mainstreet Australia [website states](#) that Mr McNabb is a current committee member and a life member of the association.

As part of his duties with Mainstreet Australia, Mr McNabb was a judge for the annual Mainstreet Australia Awards in 2008, 2010 and 2012. The awards [include](#) a category for groups that have a “special rate and charge budget” of under \$100,000 (in 2014) and a category for those who have a special rate and charge budget over \$100,000 (in 2014).

In other words, Mainstreet Australia rewards those associations that oversee the sort of special rates and charges that Mr McNabb specialises in setting up.



Peter McNabb from Peter McNabb and Associates. Image: [Peter McNabb and Associates.](#)

[dropcap style="color: #a02f2f;"] S[/dropcap]pecial rates and charges are part of what Mainstreet Australia is all about and it is not ashamed to say so. In fact it held a conference in 2009 in which [the use of special levies](#) – right down to [how to avoid and handle appeals](#) to the Victorian Civil and Administrative Tribunal – was a particular focus.

**There is nothing wrong with any of this activity, after all, Mainstreet Australia is a business lobby group and Mr McNabb is paid to help business groups, but what *is* wrong is that none of this has been disclosed.**

This means that you, me, and all the traders who are grappling with whether the controversial levy is a good idea or not, think that Mainstreet Australia is offering an independent assessment.

It is not.

I believe it is part of a strategy designed to make those traders who are uneasy about the levy feel as if there is something wrong with *them*, because they can't see its "obvious" benefits and may wish to vote "no" to its introduction.

We saw another example of this when those local traders who clearly object to the levy – which would add an impost to their overheads until 2019-20 – were [asked to come up with a better idea](#), as if this was somehow their responsibility. Why should they have to find a solution to a problem that they did not create?

It is muddle-headed thinking and, to my mind, a dangerous precedent for how objectors are treated.

Even [the intervention](#) of **Mayor Neoh** later this week to try and find a middle ground between Commerce Warrnambool and dissenting traders speaks volumes as to how the process has been rushed through.



High rents in Warrnambool's main street of Liebig St remain a burden to many traders...and will continue to do so.

[dropcap style="color: #a02f2f;"] A[/dropcap]nd while all of this pushing and pulling and lack of transparency is going on, another Warrnambool CBD trader [has announced](#) that they will close. Not simply because of online shopping. Not because of a lack of any "buy local" campaign, but largely because of high rents in the main street of Liebig St.

This, plus the lack of any free, timed parking in the CBD during the week, remains the single biggest issue facing many traders who can't afford to pay the rent and make a decent living.

A special levy is not a magic wand and will not resolve these fundamental problems, which is why a levy has attracted so much dissent in places such as [Croydon](#), [Bendigo](#) and [Adelaide](#).

And for every success story about the levy in other towns,

there is equally a story about those Warrnambool traders who feel the extra cost would provide little benefit above the promotional schemes that are already in place via [Warrnambool City Council](#), the [Great South Coast Group](#) and the [Great Ocean Road Regional Tourism Board](#).

There are also those traders, like the one who called us this week, who run the sort of businesses that don't usually feature in marketing campaigns – think laundrettes, funeral parlours, architects and the like – but who will still pay the fee.

Given the scale and scope of this levy, it needs careful thought and absolute transparency as traders decide whether to support the idea or whether, as is their democratic right, they simply say no.

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