

The people say “no” to plan for \$600 market trader levy

A W’bool City Council plan to introduce a \$600 market trader fee has hit a wall of protest.

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The proposed Warrnambool traders levy is heading for legal action unless it is withdrawn by the council at its meeting next Monday.

[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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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;"] Special 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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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.



The slogan
produced by the
Warrnambool
Traders Action
Group.

Despite 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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