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\$500000 trader levy proposed for East End

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Liam Mannix

THE East End Association plans to start charging traders a levy from July 1 next year, aiming to raise \$500,000 a year for the collective management and marketing of the precinct.

Details of the levy, to be imposed for five years until 2018, are contained in a draft proposal prepared by the East End Coordination executive committee for Adelaide City Council.

The proposal is not publically available, and *Indaily* understands many traders in the city's East End are unaware of its existence.

Indaily has sighted a copy of the proposal, which argues that the levy will bring extra business to the East End, and is necessary to compete with other shopping centres and retail precincts.

The levy will be linked to "annual asset value", a calculation made by the City Council of how much rent a particular business would pay on the open market.

According to the proposal, a business with an annual rent of \$300,000 will pay a levy of \$7539, or 2.5 per cent.

From the \$500,000 raised:

- \$150,000 will employ a full-time precinct business manager and a part-time administration officer;
- \$35,000 is for a part-time marketing coordinator;
- \$165,000 will be spent on advertising, and
- \$75,000 is earmarked for events and promotions.

The fund would be managed by a new group, Business East End, comprising nine representatives of property owners, retailers, independent consultants and the council.

"Working collectively businesses can achieve things that individually they could never do," the proposal states.

“Events and advertising campaigns to support key shopping and leisure periods, including Christmas, weekends and evenings can be delivered.

“The promotions and events will encourage members of the local community to also participate in the East End entertainment.”

East End property owner and developer Steve Maras says a special levy on local businesses is necessary to ensure the precinct remains competitive.

Maras, the managing director at the Maras Group and an East End Coordination Group committee member, told *Indaily* it was just not another tax hit on traders.

“Things aren’t for free, nothing’s for free,” he said.

“Maras Group and others see a very real need for this to happen. We want the best for the East End.

“Other precincts are adopting or looking at measures like what we’re proposing to remain competitive. We’re a little bit behind.

“It’s important that everyone does their own marketing. But in order to collectively bring people to a precinct everyone needs to contribute for the good of making a precinct remain competitive.”

The proposal says East End business owners have been contacted about the levy although none is listed by name.

The proposal notes that most retailers in shopping centres pay a 5 per cent levy to centre management for collective marketing of the centre.

“Centres like Marion, Tea Tree Plaza and Burnside have all increased their customer traffic numbers and sales significant to the detriment of the city.

“From a competitive retail and small business point of view the expansion of major shopping centres and the internet has dramatically changed the landscape.”

Activities and promotions suggested include Christmas lighting, street entertainment, “summer Fridays”, fashion events, networking events and social media campaigns. Events starting at 5pm are suggested to keep workers in the city.

Maras said the proposal had been seen by “a broad spectrum” of property owners and traders.

“There is no cohesive way to go out to everybody. There are a number of traders in the East End who, for whatever reason, choose not to be involved in the East End Coordination Group.

“If you are not a trader that is part of the East End coordination Group ... the chances are you would not have seen the proposal because it can’t just in some magical way fall into the hands of everybody.”