

## Frequently Asked Questions - Councils

### Table of Contents

Why has the NSW Government released draft legislation for Community Improvement Districts?..... 2

How and when can council have a say on the draft legislation? ..... 2

What happens after the feedback period on the draft Bill? ..... 2

What is the difference between a Business Improvement District and a Community Improvement District?..... 2

What role are councils proposed to play in the establishment of a Community Improvement District in their local area?..... 3

What role are councils proposed to play once a Community Improvement District is operating in their local area? ..... 3

What is the relationship between councils and the Regulatory Authority expected to look like?3

What happens when there is council-owned land within a proposed Community Improvement District boundary?..... 4

What types of services, activities or projects can a Community Improvement District provide? .. 4

What happens when a Community Improvement District entity proposes activities that are already provided by council? ..... 4

How will ongoing maintenance of infrastructure be managed, when a Community Improvement District entity has provided physical infrastructure as part of their approved activities? ..... 5

The draft Bill proposes that a Community Improvement District proposal approval would expire after five years – what happens afterwards?..... 5

## Community Improvement Districts

### **Why has the NSW Government released draft legislation for Community Improvement Districts?**

Community Improvement Districts are a way to help businesses and communities create successful local places to enhance vibrancy and stimulate local economies. They are a mechanism to bring businesses, property landowners and local governments together and enable collective action to deliver positive place outcomes for streets, centres, and districts.

Establishing an improvement district in NSW is currently possible, but the process is complex, difficult to navigate and requires multiple approvals under the *Local Government Act 1993*. While common globally, there are only a limited number of Community Improvement District-like entities operating in NSW (for example, the Newcastle Business Improvement Associations and the Penrith CBD Corporation). These are generally funded through a special rate levy on commercial properties under section 495 of the *Local Government Act 1993*—a process which is neither quick nor easy to establish.

Through the White Paper and Policy Paper published by Transport for NSW in September 2022 and February 2023 respectively, Transport for NSW identified a community and industry desire to streamline the process for establishing, regulating, and operating Community Improvement Districts in NSW.

The NSW Government has now developed draft legislation to establish CIDs in NSW. This responds to early policy analysis, as well as the NSW Government's vibrancy reforms announced in late 2023 to encourage a vibrant and safe 24-hour economy in NSW.

### **How and when can council have a say on the draft legislation?**

The draft legislation is open for feedback until Friday 10 May 2024 through Have Your Say. The Community Improvement Districts home page (see link below) includes a link to the Have Your Say page, the draft Bill and a Guide to the draft Bill. It also includes details to contact us.

Website link: [Community Improvement Districts in New South Wales | Transport for NSW](#)

### **What happens after the feedback period on the draft Bill?**

The NSW Government has released the draft Bill for public comment to help inform future policy for Community Improvement Districts in NSW. Following feedback on the draft Bill, the NSW Government will consider how to progress options, including legislative and regulatory options and the standing up of a Regulatory Authority. Transport for NSW will continue to engage with stakeholders including groups who have made a submission.

### **What is the difference between a Business Improvement District and a Community Improvement District?**

Internationally, the term 'Business Improvement District' is often used to describe a place-based partnership between local government and the community, led by local business, to support and grow local economies, town centres and main streets. This term was also used in the White Paper and the Policy Paper published by Transport for NSW in September 2022 and February 2023 respectively. The term Community Improvement District has now been adopted

## Community Improvement Districts

in NSW to recognise what is being built — a community — through the policy. Community Improvement Districts are about businesses succeeding in a local place to deliver benefits for the community too.

Community Improvement Districts are not a form of tax collected by any level of government, but revenue collected from and used exclusively by the stakeholders (mostly businesses) within the CID boundary.

### **What role are councils proposed to play in the *establishment* of a Community Improvement District in their local area?**

The draft Bill currently requires the Community Improvement District entity to consult with the relevant local council(s) in the Community Improvement District before submitting the proposal. Local councils should be engaged early and ongoing as the proposal develops. An example of a benefit of early and ongoing engagement with local council is to understand council's upcoming and future strategic plans for the area and ensure that improvements proposed by the Community Improvement District are supplementary to these works.

Transport for NSW would like to hear about councils' expectations for early consultation and participation and how these should be reflected in the regulatory framework.

The draft Bill also currently includes a provision that local council must support, by resolution, the proposal. If local council do not support the CID proposal, the Regulatory Authority must not approve a CID proposal. This process is termed a 'council veto'. The draft Bill currently proposes that the council veto may be exercised at the time the CID proposal is determined by the Regulatory Authority i.e. after the ballot takes place.

### **What role are councils proposed to play once a Community Improvement District is *operating* in their local area?**

Councils are expected to work closely with Community Improvement District entities once the Community Improvement District is established and operating in a local area. This may include entering into a written agreement or contract with the entity. In other jurisdictions, these types of agreements have included an understanding around how the improvement district will avoid duplicating existing council services, areas of potential collaboration, the opportunity for projects to be conducted on council land, and how disagreements between parties (if any) will be resolved.

### **What is the relationship between councils and the Regulatory Authority expected to look like?**

The proposed Regulatory Authority would have an important role to regulate and oversee the operation of Community Improvement Districts across NSW. Another key role of the Regulatory Authority would be to provide relevant support and education to councils and build capacity to empower councils to play an active role in the success of Community Improvement Districts in local areas. It is expected that the Regulatory Authority would play a concierge-like service to interested stakeholders, would provide advice and resources (e.g. templates), and could help escalate appropriate issues.

## Community Improvement Districts

### **What happens when there is council-owned land within a proposed Community Improvement District boundary?**

The draft Bill currently proposes that government, including local, state and federal government, can participate voluntarily in a Community Improvement District if they see value in a Community Improvement District being established for a local area.

### **What types of services, activities or projects can a Community Improvement District provide?**

A Community Improvement District proposal may propose non-physical and/or physical services, activities or projects. Some examples of non-physical interventions may include:

- marketing and promotions
- data analysis and market research
- business planning and communications strategy
- data and smart technology
- activation frameworks
- partnerships and collaboration
- district branding strategies
- development of a place vision

Some examples of physical projects may include:

- temporary events and programming to activate and revitalise place
- safety and security services (e.g. lighting)
- cleaning services and environmental and amenity improvements
- mobility coordination
- art curation (e.g. street art)
- outdoor furniture
- wayfinding and signage

### **What happens when a Community Improvement District entity proposes activities that are already provided by council?**

The draft Bill currently proposes a requirement for the Community Improvement District entity to consult with the relevant local council(s) before a proposal is submitted to the Regulatory Authority for consideration. Councils may also exercise their proposed veto right under the current drafting of the Bill, which means that the Regulatory Authority cannot approve the proposal without council support. However, best practice Community Improvement Districts will engage *early* with councils to discuss ideas for place improvement activities to ensure council supports the initiatives of the Community Improvement District.

Transport welcomes feedback from councils on ways to ensure baseline services provided by council are not duplicated by Community Improvement Districts.

## Community Improvement Districts

### **How will ongoing maintenance of infrastructure be managed, when a Community Improvement District entity has provided physical infrastructure as part of their approved activities?**

Councils may enter into a written agreement or contract with the Community Improvement District entity. This written agreement or contract may include the opportunity for projects to be conducted on council land and may outline plans for ongoing maintenance of any infrastructure provided by the Community Improvement District.

### **The draft Bill proposes that a Community Improvement District proposal approval would expire after five years – what happens afterwards?**

Five years after a proposal is approved by the Regulatory Authority, the Community Improvement District entity would need to resubmit a proposal to the Regulatory Authority to be voted on by the constituents of the Community Improvement District. Should the proposal be renewed, the Community Improvement District will continue to operate for another five years.

This model is based on the approach in the United Kingdom to determine whether there is business support to continue for another five years. In many instances, renewal ballots have been successful over multiple five-year periods allowing the continued long-term operation of the improvement district with the support of the community.