

Frequently Asked Questions

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Community Improvement Districts

Background

The questions received during [Community Improvement Districts webinar](#) held on 29 February 2024 are added to the FAQs.

General

Why is Transport for NSW developing Community Improvement Districts policy?

Transport for NSW is committed to making NSW a better place to live, work and visit. Transport for NSW work collaboratively across different government agencies to deliver great places, services and infrastructure for our people and communities. Transport for NSW are leading the development of Community Improvement District policy to help better connect people through improved local place outcomes.

What organisations or individuals can be included in a CID?

A CID is specific to a defined local area. Once established, government and the community, led by business, work collaboratively to determine what the CID will set out to deliver, and how it will do so.

Will participation be compulsory for businesses where CIDs are implemented?

We are currently exploring the best policy options for NSW to ensure that CIDs only occur where they are supported by the businesses and property owners. The draft legislation sets out a proposed ballot approach to ensure strong local support for the proposal. We welcome feedback on the proposed approach.

Why do you have a ballot system in the Community Improvement District model?

International experience is that for an Improvement District to be successful it needs to have strong local support from the businesses and landowners who may be required to pay for it. Most jurisdictions demonstrate this support by requiring a ballot of affected parties before an Improvement District can be formally established.

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 CIDs 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 CID Regulatory Authority.

Is there NSW Government funding available to establish and run Community Improvement Districts?

The NSW Government will be trialling Community Improvement Districts in NSW from 2024. It will support eligible entities to deliver trials that test the viability of diverse governance models that strengthen local place economy, informing a consistent state-wide approach to Community Improvement District policy. Applications for round 1 of the Community Improvement District Pilot Program are now closed. Successful applicants are expected to be announced in April 2024. More information on the Pilot Program, including Frequently Asked Questions, can be found [here](#).

Under the draft policy for Community Improvement Districts, the Regulatory Authority would have a responsibility to regulate Community Improvement Districts but also would have a role in supporting the establishment of best practice Community Improvement Districts. Some

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funding has been provided by government in other jurisdictions e.g. to conduct ballots. Transport is interested in stakeholder views on how government can support the establishment and operation of Community Improvement Districts.

How does the feedback period for the draft Bill relate to the CID Pilot Program that is already underway?

The CID Pilot Program is a \$2.75 million grant program led by the NSW Government to deliver trial CIDs across NSW that test the viability of diverse governance models and strengthen the local place economy. In addition to public feedback on the draft Bill, initial learnings from the CID Pilot Program may also help shape the final CID legislation. Successful applicants for the CID Pilot Program are due to be announced in 2024. The NSW Government intends to have CID legislation in place before the CID Pilot Program concludes to enable successful applicants to use the legislation to establish a CID.

Alignment to other government programs, strategies or services

How is the Uptown program different to Community Improvement Districts?

Uptown is a two-stage program (Uptown Accelerator and Uptown Grant) designed to fast-track the formation of local business communities and facilitate the growth of their districts into vibrant going-out hubs in line with the NSW Government's 24-Hour Economy Strategy for Greater Sydney.

Uptown aims to develop going-out districts by:

- encouraging businesses within a district to collaborate as a District Team,
- building the capabilities of District Teams to develop and promote their local area as a collective,
- connecting District Teams to relevant partners, sponsors and collaborators to build their networks, and
- providing District Teams with seed funding to coordinate and manage their District activities.

The program is delivered through the Office of the 24-Hour Economy Commissioner and focuses on developing vibrant going out destinations.

It is anticipated that, in future, some participants in the Uptown program may consider becoming Community Improvement Districts.

How can we ensure activities proposed by a Community Improvement District and those by council are not duplicated?

Best practice Community Improvement Districts will engage early with councils and relevant landowners 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

Engagement and participation

Will guidance be available for how businesses and property owners can establish a Community Improvement District?

It is anticipated that the Regulatory Authority, once established, will provide guidance material relating to how to set up best practice Community Improvement Districts.

What consultation would be undertaken with a business when proposal is being developed?

Best practice Community Improvement Districts will engage early with businesses, local councils and the community to discuss ideas for place improvement activities. Transport for NSW would like to hear about expectations for early consultation and participation and how these should be reflected in the regulatory framework.

What would happen if a business located in a Community Improvement District doesn't want to be involved or pay the levy?

The draft Bill proposes that once a proposal is approved by the Regulatory Authority, all constituents would be liable to pay a levy, regardless of whether they voted in favour of or against the proposal (Section 13(1)). However, the success of the Community Improvement District relies on landowners, local councils and businesses working together early to agree on the structure of the Community Improvement District and how it will operate. It is at this early stage that Community Improvement Districts need to ensure the support of its constituents for it to succeed beyond the ballot stage, to work together to deliver place improvements and agreed outcomes.

Is it possible for council and local business to partner now, to deliver similar outcomes to a Community Improvement District?

The current process for establishing a Community Improvement District in NSW with a compulsory levy 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](#), Transport for NSW identified a community and industry desire to streamline the process for establishing, regulating, and operating Community Improvement Districts in NSW.

There are some Community Improvement District-like entities in NSW already that operate under the *Local Government Act 1993*. How will they be affected by the draft Bill?

Schedule 1 of the draft Bill proposes that the regulations may deal with arrangements to enable Community Improvement District-like entities currently operating in NSW under the *Local Government Act 1993* to operate under the new legislation (currently draft). Transport for NSW are interested to hear from existing Community Improvement District-like entities in NSW what their perspectives are on their aspirations, and how they consider the NSW Government should approach this issue.

Community Improvement Districts

What happens when a Community Improvement District includes government land, such as a state road, a hospital or a local library?

The draft Bill 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.

Community Improvement District entity

What would a Community Improvement District entity look like in NSW?

The draft legislation proposes that the regulations would specify the classes of persons (including corporations) who may be recognised as a Community Improvement District entity. This may include an incorporated associated within NSW with core functions in place management, economic development or town improvement e.g. a chamber of commerce or business association, or, a company limited by guarantee with similar functions e.g. a high/main street association or a centre management company.

How would council and the Community Improvement District entity work together e.g. would there be an agreement or contract between both parties?

Community Improvement District entities are expected to work closely with their local councils under the Community Improvement District model. This may include entering into a written agreement or contract with the local councils. 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.

Community Improvement District levy

Who is proposed to collect and manage the levy?

The constituents of a Community Improvement District would be required to pay a levy if a proposal is approved. Under the draft Bill, the levy is proposed to be received by the Regulatory Authority. The Regulatory Authority would then distribute the funds back to the entity in accordance with the contract between both parties.

How would the levy be calculated?

Section 13 of the draft Bill proposes that the regulations would specify the determination and calculation of levy amounts. It is anticipated that the levy will ordinarily be calculated using the unimproved value of land holdings owned by the constituent in the Community Improvement District area, however this will ultimately be a decision for the Regulatory Authority in accordance with the regulations and any guidelines issued by the Minister. It is also proposed, under section 13, that the Minister would determine a maximum levy that cannot be exceeded.