

# Frequently Asked Questions

## Table of Contents

<b>General.....</b>	<b>3</b>
Why is Transport for NSW developing Community Improvement Districts policy? .....	3
What is the difference between a ‘Business Improvement District’ and a ‘Community Improvement District’? .....	3
What organisations or individuals can be included in a Community Improvement District? .....	3
What types of services, activities or projects can a Community Improvement District provide? .....	4
Why is there a ballot system in the Community Improvement District model?.....	4
Is NSW Government funding available to establish and run Community Improvement Districts? .....	4
The Bill proposes that an approved Community Improvement District proposal would expire after five years – what happens afterwards? .....	4
<b>Councils and Community Improvement Districts .....</b>	<b>5</b>
What role are councils proposed to play in the establishment of a Community Improvement District in their local area? .....	5
What role are councils proposed to play once a Community Improvement District is operating in their local area? .....	5
What happens when there is government-owned land within a proposed Community Improvement District boundary? .....	5
What happens when a Community Improvement District entity proposes activities that are already provided by council?.....	5
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
<b>Alignment to other government programs, strategies or services.....</b>	<b>6</b>
How does the Uptown program relate to Community Improvement District policy? .....	6
How can we ensure activities proposed by a Community Improvement District and those by council are not duplicated? .....	6
<b>Engagement and participation.....</b>	<b>6</b>
Will guidance be available for how businesses and property owners can establish a Community Improvement District? .....	6
What consultation would be undertaken with a business when proposal is being developed? .....	6
What would happen if a business located in a Community Improvement District doesn't want to be involved or pay the levy? .....	6
Is it possible for council and local business to partner now, to deliver similar outcomes to a Community Improvement District? .....	7

# Community Improvement Districts

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? ..... 7

What kind of businesses would be able to participate in a Community Improvement District? 7

**Community Improvement District entity ..... 7**

What would a Community Improvement District entity look like in NSW? ..... 7

How would council and the Community Improvement District entity work together e.g. would there be an agreement or contract between both parties? ..... 7

**Community Improvement District levy ..... 8**

Who is proposed to collect and manage the levy? ..... 8

How would the levy be calculated? ..... 8

## General

### **Why is Transport for NSW developing Community Improvement Districts policy?**

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

The NSW Government has developed the draft *Community Improvement Districts Bill 2023* (the draft Bill) 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. In early 2024 the NSW Government released the draft Bill for public comment to help inform future policy for CIDs in NSW. Public consultation commenced in December 2023 and concluded in May 2024.

The responses outlined in this FAQ are based on the *Community Improvement Districts Bill 2025* introduced to NSW Parliament in March 2025.

### **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 in September 2022 and February 2023 respectively.

The term 'Community Improvement District' has now been adopted in NSW to recognise what is being built — a community — through the policy. CIDs are about businesses succeeding in a local place to deliver benefits for the community too. CID levies are revenue collected from and used by the stakeholders (mostly businesses) within the CID boundary.

### **What organisations or individuals can be included in a Community Improvement District?**

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.

## Community Improvement Districts

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

A CID 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

### **Why is there a ballot system in the Community Improvement District model?**

International experience shows 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.

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

The NSW Government is currently trialling CIDs in NSW. The CID Pilot Program is a \$5.25 million, multi-round grant program led by the NSW Government to deliver trial CIDs across NSW to test the viability of diverse governance models and strengthen the local place economy.

Government is supporting ten pilot projects under Round 1 of the Community Improvement Districts Pilot Program, to deliver trials that test the viability of diverse governance models that strengthen local place economy, informing a consistent state-wide approach to CID policy. More information on the Pilot Program, including information on the pilot projects and Frequently Asked Questions, can be found [here](#).

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

Five years after a proposal is approved, the CID entity would need to resubmit a proposal to be voted on by the constituents of the CID. Should the proposal be renewed, the CID 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

## Community Improvement Districts

been successful over multiple five-year periods allowing the continued long-term operation of the improvement district with the support of the community.

### Councils and Community Improvement Districts

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

CID entities should consult with the relevant local council(s) before submitting a 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 CID will supplement council's plans.

It is important that councils are consulted because they have links to local communities and understand the needs and context of their local areas. Consultation also provides an opportunity for councils to be involved in developing a CID proposal. Councils need to be involved from the start, particularly if a CID entity is proposing to do works on public land.

CID entities would be required to obtain relevant council approvals (including planning approval, if required) for activities they are planning to undertake.

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

Councils will also work closely with CID entities once a CID 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 happens when there is government-owned land within a proposed Community Improvement District boundary?**

Government (including local, state and federal government) can opt-in for land they own to be included in a CID.

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

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

#### **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 CID entity, such as a service level agreement. 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 CID.

### Alignment to other government programs, strategies or services

#### **How does the Uptown program relate to Community Improvement District policy?**

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.

Round 3 of the Uptown Accelerator and Uptown Grant Program was expanded to include the Central Coast, Lower Hunter and Greater Newcastle, and Illawarra-Shoalhaven, in addition to Greater Sydney.

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 CIDs.

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

CIDs will need to engage early with councils and relevant landowners to discuss ideas for place improvement activities to ensure council supports the initiatives of the CID. The Bill includes a number of protections to ensure baseline services provided by council are not duplicated by CIDs.

### Engagement and participation

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

It is anticipated that guidance material will be available on how to set up best practice CIDs.

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

CIDs will have to engage early with businesses, local councils and the community to discuss ideas for place improvement activities. The Bill includes requirements to ensure early and ongoing consultation with businesses and the wider community.

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

## Community Improvement Districts

The Bill proposes that once a proposal is approved, all constituents would be liable to pay a levy, regardless of whether they voted in favour of or against the proposal. However, the success of the CID relies on landowners, local councils and businesses working together early to agree on the structure of the CID and how it will operate. It is at this early stage that CIDs 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 CID in NSW with a compulsory levy under the *Local Government Act 1993* is complex and difficult to navigate. While common globally, there are only a limited number of CID-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*. Through the [White Paper](#) and [Policy Paper](#), Transport identified a community and industry desire to streamline the process for establishing, regulating, and operating CIDs 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?**

The Bill outlines that the regulations may deal with arrangements for CID-like entities currently operating in NSW.

### **What kind of businesses would be able to participate in a Community Improvement District?**

Transport recognises that local areas have their own unique mix of business types and land uses, including mixed-use buildings where there may be retail on the ground floor with commercial and/or residential above. Internationally improvement districts operate in a range of locations – examples can be found in a range of commercial typologies including business parks, industrial estates, CBDs, suburban hubs, regional centres, and tourist destinations. To be successful the CID will need to respond to the needs of the types of business in a particular location.

Different types of businesses may benefit from a CID in different ways. For example, a café on street level may have different interests to that of an accountant's office on the first floor of a commercial building. However, both may benefit from safe, clean streets with more foot traffic for their businesses.

While they may have different customer bases, both businesses should be able to contribute ideas to the development of a CID proposal and agree on mutually beneficial activities or services to provide via the CID model.

## Community Improvement District entity

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

Under the Bill a CID entity will need to be an Incorporated Association under the *Associations Incorporation Act 2009*.

### **How would council and the Community Improvement District entity work together**



## Community Improvement Districts

### **e.g. would there be an agreement or contract between both parties?**

CID entities are expected to work closely with their local councils under the CID 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 Bill proposes that business landowners of a CID would pay a levy for an approved proposal. Under the Bill, the levy is proposed to be collected by Transport for NSW as the CIDs Authority. The Authority would then distribute the funds back to the entity in connection with an approved proposal.

### **How would the levy be calculated?**

Schedule 3 of the Bill states there are two methods available to calculate CID levies:

- 1) a proportional value method — where the levy is calculated as a proportion of parcel of land's gross land value,
- 2) a tiered method — where all parcels of land in a CID are sorted into two or more tiers, specified by the CID proposal, according to the parcel's gross land value and the same levy is imposed on every parcel within the tier.

CID entities are required to choose a method and provide details within their CID proposal.