

Transport
for NSW

A Guide to the Draft Community Improvement Districts Bill

December 2023



Morpeth. Morph It, Streets as Shared Spaces
Program. Credit Maitland City Council.



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Acknowledgement of Country

Transport for NSW acknowledges the traditional custodians of the land on which we work and live.

We pay our respects to Elders past and present and celebrate the diversity of Aboriginal people and their ongoing cultures and connections to the lands and waters of NSW.

Many of the transport routes we use today – from rail lines, to roads, to water crossings – follow the traditional Songlines, trade routes and ceremonial paths in Country that our nation's First Peoples followed for tens of thousands of years.

Transport for NSW is committed to honouring Aboriginal peoples' cultural and spiritual connections to the land, waters and seas and their rich contribution to society.

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Executive Summary

Context and background

A community improvement district (CID) is a place-based partnership between local government and community, led by local business, to support and grow local economies, town centres and main streets. CIDs deliver services to local businesses that supplement those provided by councils or government agencies.

In September 2022, Transport for NSW released a White Paper on CIDs (formerly named Business Improvement Districts) to outline the potential of improvement district policy in NSW and reforms required to streamline their establishment. It argued the case for change, started the process of engagement with the community and stakeholders, and sought public feedback around how improvement districts could be established.

In February 2023, Transport for NSW released a Policy Paper on 'Next Steps for Business Improvement Districts'. The Policy Paper addressed community and stakeholder feedback on improvement districts prompted by the White Paper, identified a key set of principles, or policy objectives, for future improvement district policy and introduced the CID Pilot Program.

The CID Pilot Program is now underway, with stage 2 of the application process recently closing. This will build an evidence base, through insights, evaluation and testing of a range of models, to inform the development of CID policy.

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

Rationale for community improvement district policy in NSW

CIDs are a way to give businesses and communities the autonomy and liberty to create successful local places for communities, 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.

Internationally, the term 'Business Improvement District' is also often used to describe a CID (this term was also used in the earlier White Paper and the Policy Paper). The term CID has now been adopted in NSW to recognise what is being built – a community – through the policy. CIDs are about businesses in a local place self-organising to improve their community.

Investment in centres and high streets generates direct economic value through better visitation, people spending more time and contributing to the economic success of businesses. The investment in streets and centres programs across NSW shows how great streets can improve mental and physical wellbeing; improve a place's vibrancy; foster public life and equity; support local jobs; showcase local content, small business, and local supply chains; and allow people to connect with others and the environment.

Establishing an improvement district in NSW is currently complex, difficult to navigate and requires multiple approvals under the *Local Government Act 1993*. 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* – 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 CIDs in NSW.

Purpose of this guide

The purpose of this guide is to:

- outline the proposed policy set out in the draft Community Improvement Districts Bill 2023 (the draft Bill, or, the proposed Act), and
- seek public feedback on key elements of the legislation to help the NSW Government progress CID legislation (and regulations) following the exposure period.

Section 1 (this section) of this guide has identified the context and work to date on CID policy and why the NSW Government supports streamlined CID policy in NSW. Section 2 of this guide details the provisions contained in the proposed draft Bill. It defines key terms used in the draft Bill, outlines the process to establish a CID, and outlines and explains the proposed functions of:

- the CID Regulatory Authority to oversee CID regulation,
- the CID entity,
- the CID proposal and ballot; and
- the CID levy.

Each topic includes key questions that the NSW Government is specifically interested in your feedback on.



The proposed draft Bill

Purpose and structure of the draft Bill

The draft Bill sets out the proposed legislation to establish CIDs in NSW. It will be supported by regulations and related guidance. Transport for NSW is releasing the draft Bill for public comment to allow the NSW community and stakeholders to help shape CID legislation before it is introduced into Parliament.

The draft Bill has three objectives:

- to provide for the establishment and operation of CIDs for the benefit of businesses and local communities,
- to provide for the delivery of services, projects, and activities by CID entities in CIDs funded by CID levies, and
- to regulate CID entities, CID proposals, CID proposal ballots and the delivery of services, projects and activities funded by CID levies.

The draft Bill has four Parts and four Schedules:

- Part 1 Preliminary** identifies the name of the proposed new Act, the objectives, definitions of terms and how the draft Bill relates to the *Local Government Act 1993*.
 - Part 2 Establishment and operation of CIDs** introduces the CID Regulatory Authority, how CIDs may be declared, the functions of CID entities, and provisions to support CID proposals and CID proposal ballots.
 - Part 3 Finance** introduces the CID levy framework, including who may impose a CID levy and how, provisions to recover unpaid levies and charges, and establishment of a Regulatory Authority Fund out of which payments are made to and received from CID entities.
 - Part 4 Miscellaneous** sets out the application of the proposed Act to government land; the meaning of government land; delegation powers for the Minister and the CID Regulatory Authority; powers for the Regulatory Authority to obtain information from a local council or government agency and how these documents must be provided; the conditions under which decisions made under the proposed Act can be reviewed by the Civil and Administrative Tribunal; provisions dealing with the disclosure of information; statutory review requirements; and the making of regulations.
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- Schedule 1 Savings, transitional and other provisions** sets out that the regulations may contain savings and transitional provisions, including dealing with existing CIDs (or equivalent).
 - Schedule 2 Amendment of State Debt Recovery Act 2018** identifies a consequential amendment to the *State Debt Recovery Act 2018* to identify that levies and charges under the proposed Act may be recovered by the Chief Commissioner of State Revenue.
 - Schedule 3 Interpretive provisions relating to land** sets out the meaning of 'land' in relation to lots and strata schemes; how an interest in a property relates to land ownership and exclusive land use entitlement; the meaning of an 'owner of land'; and how the draft Bill applies to mixed-use land.
 - Schedule 4 Dictionary** defines key terms used in the draft Bill.

Key terms

The Dictionary in Schedule 4 defines terms used in the draft Bill related to CIDs. This includes a number of novel terms that are used uniquely in this proposed legislation. Simple descriptions of some of these key terms are:

Community Improvement District (CID)



A CID is a defined geographical area within which a levy is imposed on constituents to fund services, activities or projects that will benefit the community and businesses in the local area. A CID may be located in one or more local government areas.

Constituent



A constituent is an owner of non-residential land within a CID. The constituent is eligible to vote in a CID proposal ballot and is liable to pay the CID levy for an approved CID proposal (see also the 'What is a constituent?' section below).

CID Regulatory Authority



The CID Regulatory Authority is proposed to be established within the NSW Government to manage the regulation of CIDs.

CID declaration



The CID Regulatory Authority may declare a CID. The declaration needs to specify the boundaries of the CID, who the constituents are, and the CID entity.

CID entity



A CID entity is a person who provides or undertakes services, activities, or projects in a CID in accordance with an approved CID proposal. The regulations will specify the classes of persons (including corporations) who may be recognised as a CID entity. The CID Pilot Program will help inform this.

CID proposal



A CID entity may prepare and submit a CID proposal to the CID Regulatory Authority to provide or undertake services, activities, or projects in the CID. The relevant local council(s) must be consulted in preparing the CID proposal.

CID proposal ballot



A CID proposal ballot is a vote by the constituents of a CID on whether the CID proposal is supported. The draft Bill provides that one person per parcel of land within the boundaries of the CID may vote on a CID proposal.

Approved CID proposal



The draft Bill proposes that the CID Regulatory Authority needs to be satisfied that several requirements have been met before considering approving a CID proposal, such as the outcome of the vote, council support for the CID proposal and the outcomes of consultation.

CID levy



Following a successful CID proposal ballot, a CID levy is a fee that would be imposed by the CID Regulatory Authority on an owner of non-residential land in a CID, to help fund the services, activities or projects set out in the approved CID proposal.

Establishing a CID in NSW

Figure 1 outlines the proposed process of establishment and operation of a CID in NSW, from the CID Regulatory Authority declaring a CID, to approving a CID proposal, to renewing the CID proposal after its proposed five-year term. The process is an example of when a CID proposal is approved. The draft Bill also proposes that the CID proposal may be approved in a modified form or rejected by the CID Regulatory Authority.

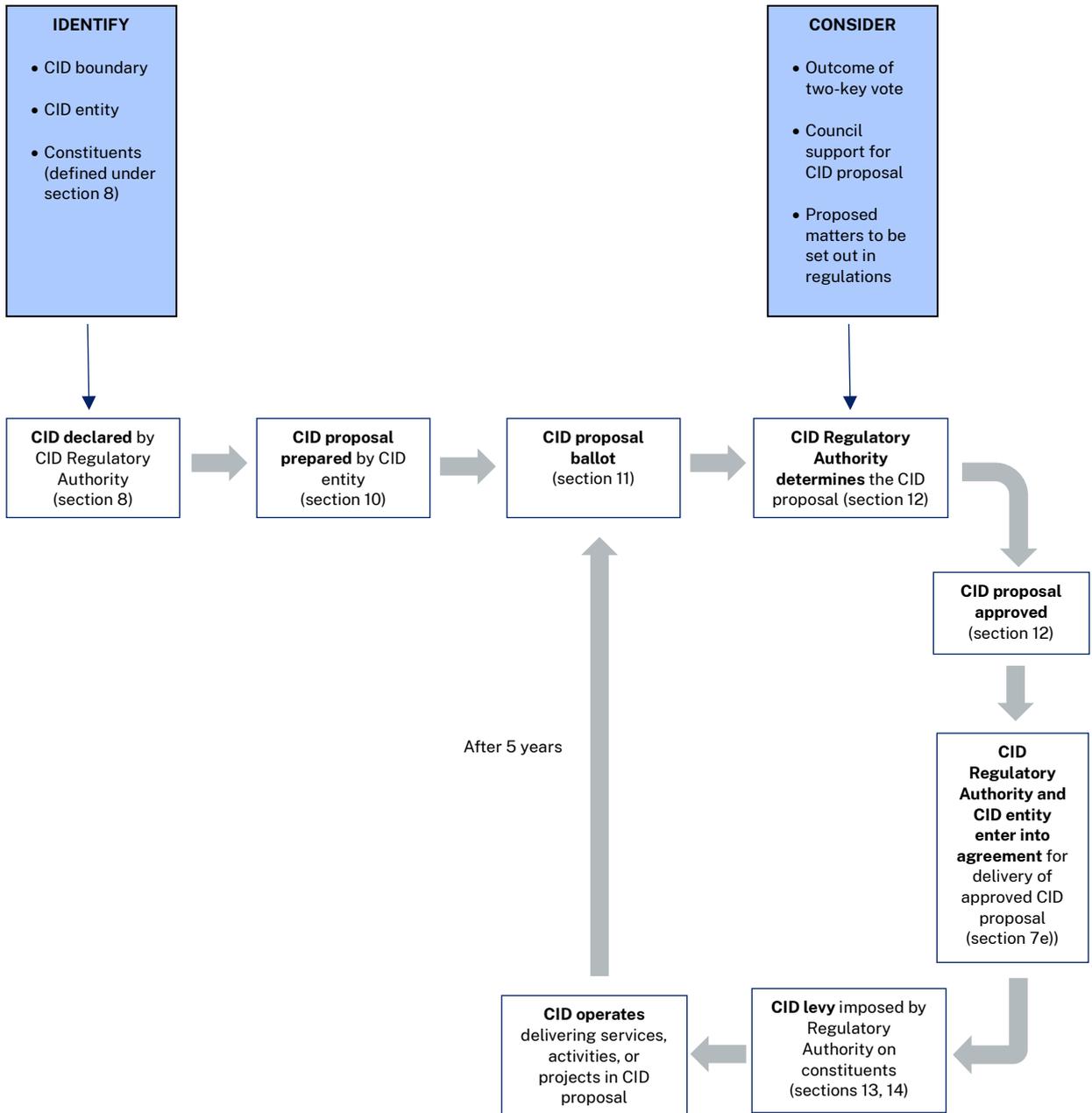


Figure 1: Process of establishment and operation of a CID in NSW, under a scenario where a CID proposal is approved.

What is a 'constituent'?

The draft Bill (section 8) proposes that a 'constituent' is an owner of non-residential¹ land within the CID. A constituent would be eligible to vote in a CID ballot (subject to certain limitations) and would be liable to pay the CID levy for an approved CID proposal.

The White Paper explored the option of levying landowners (as opposed to tenants) and the subsequent Policy Paper noted a range of views were raised on this matter. As landowners are registered for rates purposes, and there is no formal government record of all tenants or businesses in an area, the draft Bill proposes to directly levy the landowner where there is an approved CID proposal.

Clauses 1 and 3 in Schedule 3 to the draft Bill define 'land' and 'owner of land' respectively, including in relation to lots and strata schemes.

CID Regulatory Authority

What role and functions would the CID Regulatory Authority have?

A new CID Regulatory Authority is proposed to be established within the NSW Government (section 6 of the draft Bill) to manage the regulation of CIDs across NSW. In addition to regulating and overseeing the operation of CID entities, the functions of the CID Regulatory Authority in the draft Bill include:

- to declare CIDs (section 7(a)), including identifying the spatial boundaries of the CID (which may cross more than one local government area), the CID entity for the CID, and the constituents of the CID. The CID declaration would be made once these matters are determined and once any matters prescribed by the regulations have been considered by the CID Regulatory Authority.
- to determine if a CID proposal has met certain requirements before a CID proposal ballot takes place (these requirements would be detailed in the regulations) (section 7(b));
- to conduct CID proposal ballots (or to delegate the conduct of the ballot to another party, e.g., the relevant local council/s) (section 7(d));
- to determine whether to approve, modify or reject CID proposals following a CID proposal ballot (section 7(c));
- to impose and collect CID levies from the owners of non-residential land in a CID for which a CID proposal has been approved (section 7(f)), noting that the CID Regulatory Authority may only approve a CID proposal that has achieved the required support of its constituents in a CID proposal ballot;
- to enter into contracts or other formal arrangements with CID entities to deliver the services, activities or projects specified in an approved CID proposal (section 7(g)) to ensure CID entities are accountable to the Authority to deliver on the actions set out in approved CID proposals. It is intended that the CID Regulatory Authority will enter into an agreement with each CID entity that makes an approved CID proposal. This agreement will set out the basis on which the Regulatory Authority will disperse to the CID entity levies collected from constituents in the CID. The agreement will also provide a contractual basis for the

¹ The draft Bill (section 8) refers to 'non-residential' land as any land that is not categorised as residential by a local council for ratings purposes under the *Local Government Act 1993* or would be categorised as residential if it were rateable land under that Act.

Regulatory Authority to potentially withhold funds or take other actions against the CID entity where necessary.

- to terminate CID levies or stop services, projects, and activities under an approved CID proposal in accordance with the regulations (section 7(h)). This is intended to provide a further enforcement power for the CID Regulatory Authority against the CID entity where necessary; and
- to report to the relevant Minister on matters relating to CIDs (section 7(i)) to ensure decision making is transparent and accountable.

Some of these functions are described further in this paper under the headings of 'CID entity', 'CID proposal and ballot' and 'CID levy'.

What do you think?

We are keen to hear your views on the role and functions of the CID Regulatory Authority and the process to declare a CID. Please consider the questions below in your feedback.

- Do you think there should be a minimum and/or maximum number of businesses or business owners to allow the CID Regulatory Authority to declare a CID?
- Do you support the proposed measures for ensuring the Regulatory Authority can oversight the operations of CID entities?

CID entity

What is a CID entity and what are its proposed functions?

A CID entity is a person who provides or undertakes services, activities or projects in a CID in accordance with an approved CID proposal. Section 9(a) of the draft Bill provides for the regulations to specify the classes of persons who may be recognised as CID entities. This may include:

- an incorporated association within NSW with core functions in place management, economic development, town improvement, tourism or similar (e.g., chamber of commerce or business association).
- a company limited by guarantee within NSW with core functions in place management, economic development, town improvement, tourism or similar (e.g., high street/main street association or centre management company).

The following functions are proposed for CID entities in the draft Bill:

- to prepare CID proposals to submit to the CID Regulatory Authority (section 10);
- to receive funds from the CID Regulatory Authority Fund² to deliver the services, projects or activities the subject of an approved CID proposal (section 21); and
- to enter into contracts or other formal arrangements with the CID Regulatory Authority to deliver approved CID proposals (to ensure the CID entity is accountable to the Authority to deliver on the actions set out in the proposal) (section 7(g)).

The draft Bill provides that regulations may also be made dealing with the following matters relating to CID entities (section 9(b)–(f)):

² The CID Regulatory Authority Fund is proposed to be managed by the CID Regulatory Authority. All levies, fees, charges, and other money received by the CID Regulatory Authority would be payable into the CID Regulatory Authority Fund.

- governance, operational and reporting requirements for CID entities to comply with;
- any consultation that CID entities must undertake in relation to CID proposals and/or when delivering on services, activities or projects outlined in the CID proposal;
- requirements for CID entities to provide ways to gain constituent and community feedback;
- what happens when a CID entity becomes insolvent, goes into liquidation or dissolves; and
- what happens if a CID entity fails to deliver an approved CID proposal.

What do you think?

We are keen to hear your views on the proposed functions of the CID entity. Please consider the question below in your feedback.

- Most matters relating to CID entities are proposed to be dealt with in the regulations. This will allow flexibility in the future governance of the CID model (including by the CID Regulatory Authority). Do you support this approach?

CID proposal and ballot

What is the process to prepare and submit a CID proposal, and then proceed to a ballot?

Figure 2 sets out the CID proposal and CID proposal ballot process as provided for in sections 10, 11 and 12 of the draft Bill.

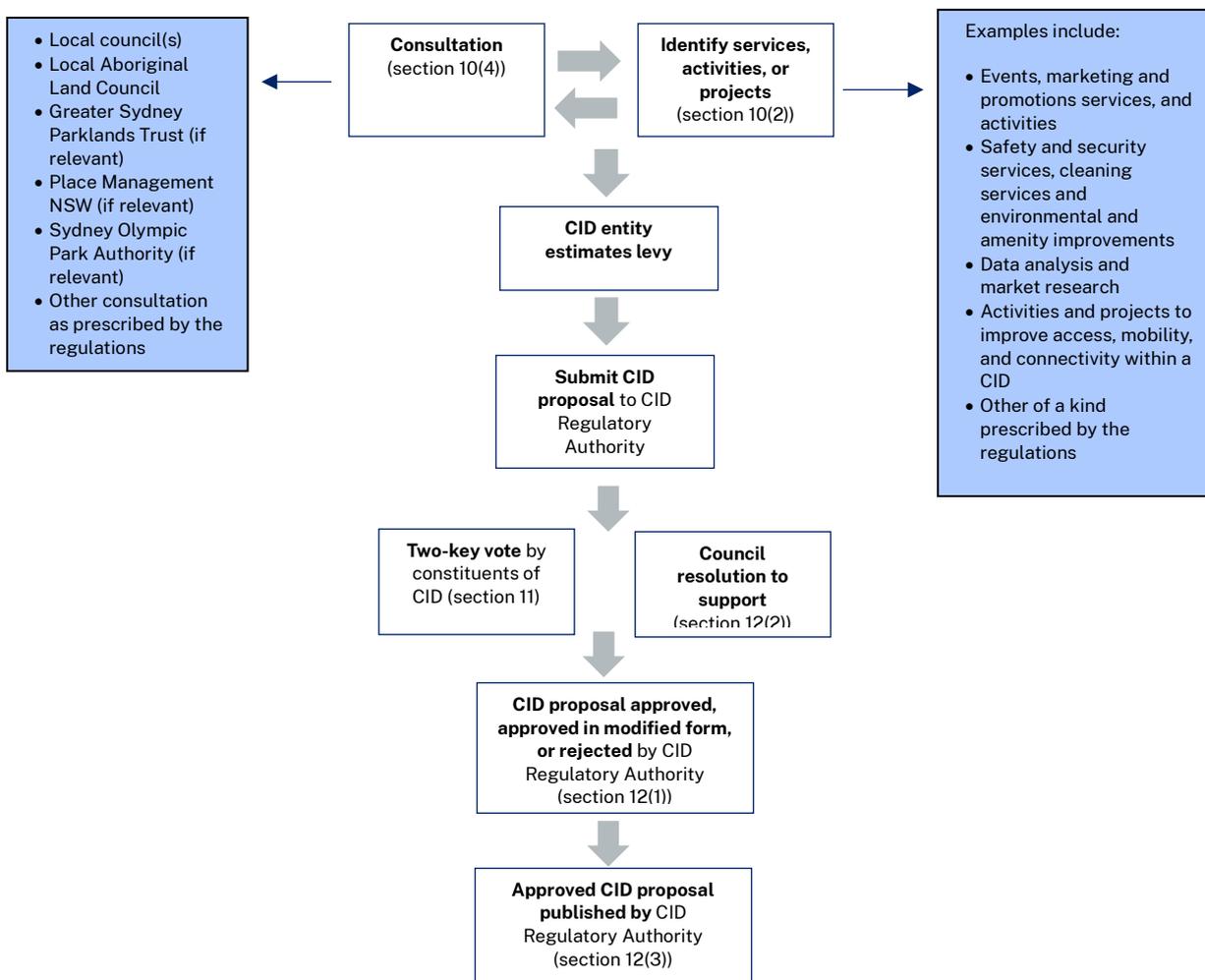


Figure 2: Proposed CID proposal and ballot process.



Darby Street, Newcastle Streets as Shared Spaces Program Credit NSW Government

What types of services, activities or projects could be proposed in a CID proposal?

Section 10(2) of the draft Bill lists some of the types of services, activities or projects that may be the subject of a CID proposal. The following case studies provide specific examples of the types of services, activities or projects contemplated by the draft Bill.

Events, marketing, and promotions to activate and revitalise place

Case study example:

New West End Company Business Improvement District³, London, United Kingdom

The New West End Business Improvement District delivers a suite of place activations and campaigns across the year that are designed to ‘attract customers, drive spend, increase dwell time, and offer an unrivalled customer experience’. Examples include:

- PROUD West End – an audio-visual exhibition of living portraits celebrating people from the local LGBTQIA+ community
- Get Your Royal On – a coronation celebration
- Art in Mayfair – an annual six-week celebration of art, fashion and culture
- Christmas in the West End – street illuminations, special events and festive experiences.

Safety and security services, cleaning services and environmental and amenity improvements

Case study example:

Brilliant Brighton Business Improvement District⁴, Brighton, United Kingdom.

The approved business plan for Brilliant Brighton 2021-2026 includes a project related to safety and security services and a project related to cleaning services.

The safety and security services project deploys ambassadors to patrol the streets during the day and night to provide support responding to anti-social behaviour. It also offers levy payers

³ New West End Company, 2023, ‘Marketing and Activations’, <https://www.newwestend.com/what-we-deliver/marketing-and-activations>

⁴ Business Plan for Brilliant Brighton 2021-2026, Brighton BID Ltd, <https://www.brilliantbrighton.com>

free membership of the Business Crime Reduction Partnership that provides access to services that help combat retail crime e.g., incident reports and police photos of offenders.

The cleaning services project delivers additional cleansing services to the Business Improvement District Area, such as graffiti removal and regular pressure washing of public areas.

Data analysis and market research

Case study example:

Downtown DC Business Improvement District⁵, Washington D.C., United States

The Downtown DC Business Improvement District focuses on economic development to grow and diversify the downtown economy. The Economic Development Department offers research about the downtown economy, fosters public-private partnerships, and assists investors, developers and policy-makers in their decision-making. The research is compiled and distributed in different report types, such as a State of Downtown Report and a Retail and Restaurant Newsletter.

Activities and projects to improve access, mobility, and connectivity in a CID

Case study example:

Camden Town Unlimited⁶, London, United Kingdom

One of the projects by Camden Town Unlimited is to deliver streetscape improvements, including those focusing on decluttering the roadway and supporting pedestrian-centric redesigns of junctions. A notable project is advocating for the Camden Highline, a proposal to transform a disused local railway viaduct into an elevated park and walking route.

The regulations may also prescribe other types of services, activities or projects that may be the subject of a CID proposal (section 10(2)(e)).

Who must the CID entity consult with when preparing a CID proposal?

Section 10(4) of the draft Bill requires a CID entity to consult with relevant local councils, relevant Local Aboriginal Land Councils, and specified NSW Government land management agencies (as applicable) before submitting a CID proposal. The regulations may prescribe additional persons or bodies that must be consulted.

Local councils

The draft Bill requires the CID entity to consult with the relevant local council(s) in the CID before submitting the CID proposal (section 10(4)(a)). Local council(s) should be engaged early and ongoing as the CID 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 are supplementary to these works.

Local Aboriginal Land Councils

The draft Bill requires the CID entity to consult with the relevant Local Aboriginal Land Council (LALC), to connect with the local Aboriginal community before submitting the CID proposal (section

⁵ DowntownDC, 2023, 'Economic Development', <https://www.downtowndc.org/program/economicdevelopment>

⁶ Camden Town Unlimited, 2023, <https://www.camdentownunlimited.com/our-projects>

10(4)(b)). Through the LALC, the local Aboriginal community can inform the CID proposal by proposing services, activities or projects that respect, engage, and improve social, economic, and environmental outcomes for the local Aboriginal community.

NSW Government land management authorities

The draft Bill requires the CID entity to consult with the Greater Sydney Parklands Trust, Place Management NSW, or the Sydney Olympic Park Authority before submitting a CID proposal, if the CID includes land that is managed by one of these bodies. This consultation requirement allows these government bodies, who have a core placemaking function, to consider the proposal, its impacts, and decide whether or not to participate in and contribute to the CID.

How is the draft Bill proposed to apply to government land?

Section 23 of the draft Bill proposes that the proposed Act would not apply to government land or the owners of government land. While local councils and State government are expected to play important roles in managing and overseeing the establishment and operation of CIDs, it is not proposed that government are constituents unless they decide to voluntarily participate in a CID. For example, partnership between CIDs and government may help to expedite or enhance a local public space improvement. The Bill provides that government landowners may voluntarily make financial contributions to the Regulatory Authority Fund for the purposes of an approved CID proposal.

What should be included in a CID proposal?

The regulations are proposed to set out matters that must be, and must not be, included in a CID proposal (section 10). For example, a CID proposal may be required by the regulations to include a detailed project/business plan to show the CID Regulatory Authority and the CID levy payers how the levies will be allocated to projects over time. Services, activities, or projects that a CID entity proposes to provide, undertake, or arrange should be in addition to those offered by councils. Another possible requirement is for the CID proposal to summarise the outcomes of consultation with local council(s), Local Aboriginal Land Councils and NSW Government land management authorities.

The regulations may also require a CID proposal to include the CID entity's estimate of the levy that constituents will need to pay for the service, activities, or projects to be delivered. This levy amount will also need to include the amount that the CID Regulatory Authority will receive to oversee and administer the CID. Constituents will, understandably, expect information on what their liability will be under the CID when deciding whether to support a CID proposal. If the CID proposal is supported through the CID proposal ballot (section 11) and then approved by the CID Regulatory Authority (section 12), then the CID Regulatory Authority will determine the actual levy to be paid by each constituent in a CID. It is anticipated that the levy will ordinarily be calculated as a percentage of the unimproved value of land holdings owned by the constituent in the CID, however this will ultimately be a decision for the Regulatory Authority in accordance with the regulations and any guidelines issued by the Minister.

Who conducts a CID proposal ballot?

Once a CID proposal has been prepared by the CID entity, in line with legislative and regulatory requirements, the draft Bill provides that the CID Regulatory Authority is to conduct the CID proposal ballot (section 11). Section 11 anticipates that the CID Regulatory Authority may also delegate this function to another person (for example, a local council).

Who can vote in the CID proposal ballot?

The draft Bill, under section 8, identifies a 'constituent' of a CID as a person who is eligible to vote in a CID proposal ballot and may be liable to pay a CID levy to finance an approved CID proposal. The draft Bill proposes, under section 11(4), that in effect one vote lies for each parcel of non-residential land in the CID. For example, where three parcels of land are owned by the same person, that person may vote three times. Conversely, if more than one person owns a single parcel of land, only one of those persons may vote.

The draft Bill does not propose any requirements for a minimum turn out of CID constituents to enable the CID proposal ballot to proceed. The regulations may require the CID Regulatory Authority to consider whether there was a sufficient turn-out before approving the CID proposal (see further below).

What conditions need to be met in order for a CID proposal to be considered for approval by the CID Regulatory Authority?

The draft Bill proposes, under section 11, that if the CID Regulatory Authority is satisfied that the CID proposal meets the requirements to be submitted, then the CID proposal may proceed to a CID proposal ballot, or otherwise termed, a vote of its constituents. The CID proposal ballot would need to be conducted in line with the regulations.

For a CID proposal to be considered to be 'supported' by its constituents, the draft Bill proposes that two conditions need to be met i.e., a 'two-key voting model':

1. that most votes i.e., more than 50 per cent of votes are cast in favour of the CID proposal (simple majority).
2. that the sum of the rateable land value of those who vote in favour of the CID proposal is greater than the sum of the rateable land value of those who vote against.

This 'two-key voting model', modelled on the approach taken in the United Kingdom, is intended to take into account landowners who own more than one parcel of land in a CID, testing support from both small and large landowners for the CID. It is understood to help to provide fairness in the voting process and outcome.

In order to facilitate the two-key voting model, the CID Regulatory Authority would require knowledge of landowners' rateable land value. This means the process would need to be an 'open' CID proposal ballot (where the identity of constituents voting is visible to the authority undertaking the ballot) as opposed to a 'closed' (secret) ballot.

The draft Bill provides that regulations may deal with matters that the Regulatory Authority must consider before making a decision on the CID proposal, including the outcome of consultations that the CID entity is required to undertake, or any public submissions made to the CID Regulatory Authority about a CID proposal (section 12(5)).

Note that the CID Regulatory Authority may approve the CID proposal in a modified form (section 12).

The draft Bill proposes that the CID Regulatory Authority will publish a copy of each approved CID proposal on the CID Regulatory Authority's website (section 12).

Under what types of circumstances would a CID proposal not be approved?

A CID proposal needs to have the required support of its constituents at the CID proposal ballot to be considered for approval, as proposed under section 11. If these conditions are not met, the Regulatory Authority may reject the CID proposal (section 12). This would be termed a 'Regulatory Authority veto'.

The CID Regulatory Authority also needs to be satisfied that each relevant local council has, by resolution, supported the CID proposal. If this requirement is not met, the CID Regulatory Authority must not approve a CID proposal. Under section 12(2) of the draft Bill, this process is termed a 'council veto'. Note that under section 12(5), the regulations may confer on CID entities a right to request a review by the Minister of any veto by local council or the Regulatory Authority.

How long does an approved CID proposal operate for?

The draft Bill proposes, under section 12, that an approved CID proposal would expire after five years. At this point, the CID entity would need to resubmit a CID proposal to the CID Regulatory Authority to be voted on by the constituents of the CID.

What do you think?

We are keen to hear your views on CID proposals and ballots. Please consider the questions below in your feedback.

- What types of services, activities or projects should be included or excluded from proposals?
- Should the CID entity be required to consult with anyone else when preparing a CID proposal?
- Are the consultation requirements contained within the draft Bill workable for CID entities?
- How do we ensure that CID proposals align with government strategic plans, at a local government and state government scale?
- Are the controls in the draft Bill sufficient to ensure that activities in the CID proposal are additional to existing services and activities delivered by local councils and the NSW government?
- What are your views on the proposed voting powers, proposing that one person may vote per parcel of land? How would this impact the vote, or the ability to set up a CID, in your local area?
- Do you think the proposed 'two key' voting model is appropriate to show fair support for the CID proposal?
- The draft Bill proposes that a CID proposal approval would expire after five years, at which point the CID entity would need to make a new CID proposal to be voted on or look to renew the existing CID proposal for another five years. Do you agree?

CID levy

When can a CID levy be charged?

The draft Bill proposes that a CID levy would be charged when a CID proposal is approved by the CID Regulatory Authority after a CID proposal ballot (section 13). Section 14 proposes that the Regulatory Authority would notify landowners of the date(s) or the end of the period(s) of which the levy is due to be paid.

Who is proposed to pay the CID levy once a CID proposal is approved?

The constituents of the CID, as defined under section 8, are proposed to pay the CID levy once a CID proposal ballot has been conducted and the CID proposal is approved by the CID Regulatory Authority.

If a constituent voted against the CID proposal, but the CID proposal was approved, do they still need to pay the CID levy?

The draft Bill proposes that once a CID proposal is approved by the CID Regulatory Authority, all constituents can be liable to pay the CID levy - regardless of whether they voted in favour of or against the CID proposal (Section 13(1)). 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 can ensure the support of its constituents for it to succeed beyond the ballot stage, to work together to drive economic growth and deliver civic improvements.

How would a CID levy be determined?

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 CID 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.

What does the CID levy pay for or contribute to?

Most of the CID levy would be used to pay for the services, activities or projects detailed in the approved CID proposal. A portion of the CID levy would contribute to administrative costs of the CID Regulatory Authority, including the costs of assessing CID proposals, conducting CID proposal ballots, and collecting CID levies (section 21).

Who becomes liable for the CID levy when land is sold?

The draft Bill proposes, under section 15, that the CID levy would be a charge on the land, as opposed to the person or owner of land. This means that the CID levy, as a charge on the land, would be passed on to the new purchaser for payment when the ownership of land is transferred, or sold.

What do you think?

We are keen to hear your views on who you think should pay the CID levy, once a CID proposal has been approved. Please consider the question below in your feedback.

- Should the owner of non-residential land pay the CID levy? Are there other ways the legislation could also help ensure maximum stakeholder engagement in the establishment and ongoing operations of each CID?

Other key elements of the draft Bill

This is a new proposed Act. Would it undergo a statutory review if it is made?

Section 31 of the draft Bill proposes that a statutory review of the proposed Act be undertaken after the first five years from the date of commencement. The purpose of this review is to determine whether the proposed Act's policy objectives remain valid, and that the provisions of the proposed Act are appropriate for achieving those objectives.

**The draft Bill proposes that certain matters will be prescribed under the regulations.
What does this mean?**

Following public consultation of the draft Bill, the NSW government will consider public feedback to inform next steps in government policy. This includes the preparation of any regulations required under potential future legislation. Certain matters are proposed to be prescribed under regulations to allow flexibility in the future governance of the CID model.

Can existing improvement districts transition to be identified and regulated under the proposed Act?

Schedule 1 of the draft Bill would enable the regulations to declare an existing improvement district (or equivalent) as a community improvement district subject to the proposed Act. It is intended that the CID Regulatory Authority will assist existing improvement districts transition to the new governance framework where appropriate.

Next steps for 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.

Relationship to CID Pilot Program

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 local place economy. The CID Pilot Program will develop an evidence base that will help inform a consistent state-wide approach to CID policy in NSW. In addition to public feedback on the draft Bill, initial learnings from the CID Pilot Program may 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.

Have Your Say

The NSW Government encourages feedback on the draft Bill from all stakeholders with an interest in CIDs or how CIDs may interact with your community.

Please visit the Community Improvement Districts webpage www.transport.nsw.gov.au/communityimprovementdistricts for more information on how you can have your say.



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