



COMMUNITY IMPROVEMENT DISTRICTS BILL 2025

STATEMENT OF PUBLIC INTEREST

Need: Why is the policy needed based on factual evidence and stakeholder input?

The Community Improvement Districts Bill 2025 will make it easier for Community Improvement Districts (CIDs) to be set up in NSW.

NSW currently does not have a dedicated policy framework to guide the establishment, operation and governance of improvement districts. Instead, businesses and councils have been left to navigate a patchwork of regulations and bureaucratic hurdles to establish and fund structured improvement districts.

Typically, CID-like entities in NSW have been funded by imposing levies through special rates struck under the *Local Government Act 1993*, or through NSW Government or local council grants, or voluntary business membership fees.

Stakeholders have asked the NSW Government to deliver policy reform to make it easier to establish CIDs in NSW, arguing that the current set up is complex and inefficient.

Objectives: What is the policy's objective couched in terms of the public interest?

The objective of the Community Improvement Districts Bill 2025 is to:

- Provide for the establishment and operation of CIDs;
- Stimulate economic growth and community development;
- Facilitate and assist in the delivery of services, projects and activities funded by CID levies;
- Support the placemaking and economic development policies of the NSW Government and local government, including the NSW Vibrancy Reforms; and
- Guide CID entities, CID proponents, CID proposals and CID proposal ballots.

Options: What alternative policies and mechanisms were considered in advance of the bill?

The following two options were considered in the development of CID policy:

1. **Do nothing.** Choosing to do nothing means stakeholders interested in developing a CID will be left to set up an improvement district through provisions in the *Local Government Act 1993*, using NSW Government or local council grants, or by voluntary business membership fees.
2. **Implement CID policy.** Introducing new legislation would enable the establishment of CIDs in NSW in a consistent way. This approach directly responds to the feedback from businesses and councils about the need for a streamlined approach.

Analysis: What were the pros/cons and benefits/costs of each option considered?

The table, below, summarises the potential benefits of the CID policy. Note, the benefits in the table are framed generally. In practice, benefits of a CID may vary depending on its objectives, location and trading environment.

Business	Community	Government
Potential benefits compared to the existing policy environment		
<ul style="list-style-type: none"> • Greater ability to create vibrant, desirable main streets and centres, which will attract more visitors and increase customers and sales for local businesses • Increased employee satisfaction and reduced turnover at local businesses, resulting from a stronger trading environment, business training and development opportunities and 	<ul style="list-style-type: none"> • Enjoyment of improved places and new amenities (e.g., street art, public seating, lighting, signage) that encourage activation, vibrancy and place management • Increased social cohesion, connections, support for local businesses and community pride • Improved local identity and the creation of a unique local retail area 	<ul style="list-style-type: none"> • Reduced business development costs, as CIDs also provide business development services • Improved ability to connect and coordinate with businesses • Potential for increased payroll tax revenue, driven by improved business returns and new local jobs

<p>improved business practices</p> <ul style="list-style-type: none"> • Greater ability to collaborate and network with other local businesses • Greater ability to represent business interests to government and the community • Greater funding certainty to support longer-term activities and place-based improvements • Access to a new model for businesses to come together, pool funds and coordinate activities to help grow the local economy 	<ul style="list-style-type: none"> • Increased feeling of personal safety while visiting local businesses and public spaces • Learning and engagement with First Nations culture, arts and heritage; support for Aboriginal-owned businesses • Improved health from more frequent walking and cycling visits to local businesses • Healthier local environment with improved air quality, reduced carbon emissions and lower temperatures, resulting from CID urban greening activities (e.g., tree planting) • Cleaner streets due to increased recycling of commercial waste by local businesses 	
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CIDs will require minimal administrative costs, such as those for the ballot process and compliance with regulations. CID entities are expected to deliver projects that provide benefits exceeding their costs, with most projects having low costs and high returns on investment according to Transport for NSW. The CID model is an efficient and structured way to coordinate local funds for local improvements.

Pathway: What are the timetable and steps for the policy's rollout and who will administer it?

Following commencement, the CIDs legislation will initially be available to those local government areas that currently host a project in CID Pilot Program (Round 1).

The CIDs legislation will not apply to land within a local government area until the Minister, by order published in the Gazette, declares the area to be an area subject

to the CID Act. Initially the CIDs legislation will only be made available to those LGAs that currently host a project in CID Pilot Program (Round 1). These LGAs are Clarence Valley Council, City of Sydney Council, Inner West Council, Tweed Shire Council, Muswellbrook Shire Council, Penrith City Council and Randwick City Council.

Consultation: Were the views of affected stakeholders sought and considered in making the policy?

The NSW Government has been consulting on improvement district policy since mid-2022.

The Exposure Draft CID Bill was released for public consultation from 13 December 2023 to 10 May 2024. Feedback on the Exposure Draft was accepted via a survey on the Have Your Say webpage, through a written submission or via email to Transport for NSW's CID mailbox. The public consultation process was promoted through a range of channels, including a ministerial media release, direct emails to key stakeholders and government newsletters.