

Response to the *Community Improvement Districts Amendment Regulation 2025*

Purpose: To provide feedback on the draft Regulation, with a focus on ensuring the framework supports the growth of the NSW visitor economy in line with the *Visitor Economy Strategy 2035 (VES2035)*. See <https://www.nsw.gov.au/departments-and-agencies/dciths/departmental-media-releases/nsw-visitor-economy-strategy-2035>

1. Does the Amendment Regulation address key matters related to the establishment and operation of a CID?

Yes. The Amendment Regulation establishes a clear and robust framework for the creation and operation of Community Improvement Districts (CIDs), including:

- Transparent steps for proposal development, community consultation, balloting, and council endorsement.
- Strong governance requirements for CID entities.
- Mechanisms to ensure accountability, financial planning, and stakeholder engagement.

These provisions provide the necessary structure for CIDs to function as place-based, business-led partnerships. Importantly, they ensure levies are used transparently to deliver projects that improve local economies and precinct vibrancy.

2. What further amendments should be considered?

To maximise the contribution of CIDs to the *Visitor Economy Strategy 2035* goal of achieving \$91 billion in visitor expenditure by 2035, we recommend the following amendments:

a. Recognise Visitor Economy Objectives

- Explicitly acknowledge **tourism and visitor economy growth** as eligible and encouraged purposes of CID proposals.
- Clarify that levy funds may support **destination marketing, precinct activation, events, signage, wayfinding, and cultural storytelling**.

b. Define “Visitor Economy” and “Visitors”

- Add definitions consistent with the *VES2035*, ensuring visitors (domestic, international, day-trippers, overnight) are recognised as key stakeholders in precinct outcomes.

c. Encourage Alignment with State and Regional Strategies

- Require CID proposals to demonstrate alignment with:
 - *Visitor Economy Strategy 2035*.
 - Relevant **Destination Management Plans**.
 - Local or regional tourism and economic development strategies.

d. Strengthen Reporting on Tourism Outcomes

- Permit CID entities to measure and report against **visitor-related indicators** such as foot traffic, visitor spend, event attendance, and precinct activation impacts.
- Allow levy funds to be applied to **data collection and evaluation**, supporting the VES2035's focus on insights and performance metrics.

e. Clarify the Role of Destination Organisations

- Provide for Destination Networks and regional tourism organisations to act as **CID proponents, partners, or delivery agents**, particularly for projects with strong visitor economy benefits. See <https://www.destinationnsw.com.au/about-us/destination-networks>

3. Final Comments

CIDs represent a complex but promising mechanism for **long-term, precinct-based funding**. With the above amendments, the framework would explicitly empower CIDs to deliver **tourism-focused projects that enhance place identity, attract visitors, and grow local economies**.

It should be noted that supporting the visitor economy has strong economic and social impact benefits for communities. Tourism is a powerful regional export income, generating a strong economic multiplier effect, estimated by Tourism Research Australia at \$2.10 for every tourism dollar spent. See <https://dsnsnsw.com.au/resource/the-value-of-tourism/> for more on the value of tourism.

For Destination Southern NSW, CIDs could become a **strategic tool for targeted precincts**—especially those with high visitor flows and strong local business engagement. While the process is resource-intensive, the potential for a **sustainable, locally directed funding stream** makes CIDs a worthwhile vehicle for supporting the objectives of the *Visitor Economy Strategy 2035*.

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3 September 2025

