

## Introduction to Town Centre Management for Traditional Centres



This project is a joint initiative of the Victorian Government StreetLife program, City of Darebin and Surf Coast Shire.



June 2006

### WHAT IS TOWN CENTRE MANAGEMENT?

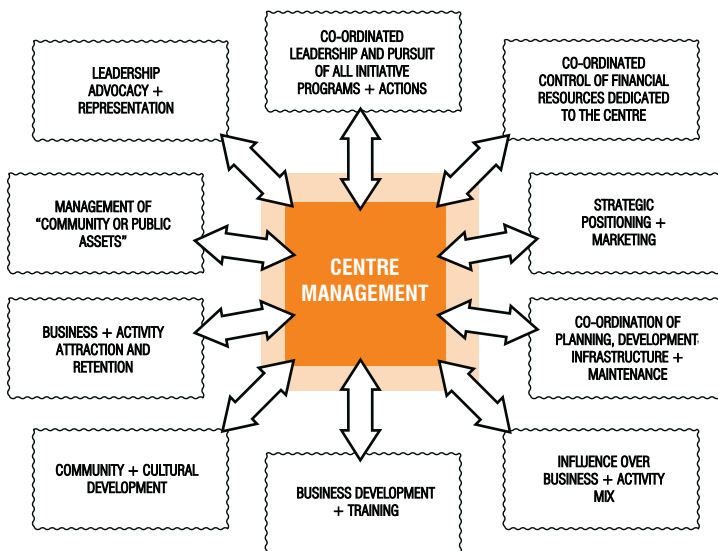
Town Centre Management is an integrated approach to the management, marketing, development and operation of any Town Centre, High Street, Shopping Strip, Activity Centre or Business Centre. In this paper, all of these are referred to simply as “centres”.

Town Centre Management is practiced throughout the world and is also known as:

“Main Street Programs”  
“Down Town Programs”

“Business Improvement Districts”  
“Activity Centre Management”

“Centre Marketing”



Management programs can cover a multitude of activities, however each program needs to be designed to suit the resources available and particular issues and scale of the centre.

Typical management program elements are:

- Centre marketing, promotion and branding.
- Business development, training and networking.
- Lobbying and advocacy to local council and state government agencies.
- Input into planning and development proposals.
- Input into urban design and strategic planning initiatives.
- Business attraction and retention.
- Marketing events and promotions.

## WHY IS MANAGEMENT IMPORTANT TO THE SUCCESS OF A CENTRE?

Traditional town centres are the most complex elements of urban society; where a broad variety of social, economic, community and cultural elements intersect, and have the potential to collide if not managed appropriately.

Town Centre Management has the capacity to resolve problems by enabling them to be dealt with in a logical and effective manner.



The success of a centre does not depend solely on its physical appearance, business mix, traffic layout, accessibility, marketing program or the support of its local residential community.

Rather, the success of a centre depends on all of these aspects being pursued in a logical and integrated fashion. This can only occur if a coordinated management process and structure is in place.

Town Centre Management has the potential to achieve:

- An integrated approach to the marketing of the centre.
- Collective buying and bargaining opportunities for businesses.
- An effective mechanism to enable “traditional” centres to compete with privately owned and professionally managed centres.
- An integrated approach to the many and varied components of any revitalisation program.
- Effective networking, professional development and training.
- Effective lobbying and advocacy on behalf of the centre as a whole.
- An integrated approach to the future design and development of the centre.
- An effective voice and representative leadership for the centre.
- Business involvement in the operation of the centre as a whole.
- Effective partnerships between businesses, property owners, local council and local communities.

## WHO DOES TOWN CENTRE MANAGEMENT?

Town Centre Management requires the support of local businesses, local council and the involvement professional Centre Managers or Coordinators.

Business support is required to form a representative business association to lead and administer the program. Local government support is required to liaise and facilitate many of the initiatives. This includes the coordination and management of marketing activities with other aspects of the centre’s operation, design and development.

It is common for local governments to facilitate the establishment and ongoing operation of Town Centre Management programs.

Example:

**The Central Geelong City Management Program is funded by a special rate levied on the approximately 1200 business premises within the centre. This levy currently raises \$490,000 per annum (2006).**

Centre Expenditures are based on:

- Marketing and promotions (32%)
- Business Development (17.5%)
- Professional staff and administration (36%)
- Physical development (14.5%)

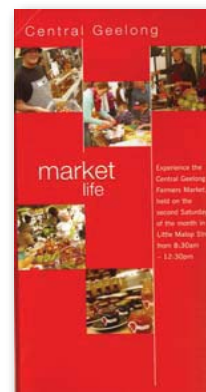


Central Geelong marketing

### Key Activities of the Centra Geelong City Management Program

- Skandia Geelong Sailing Festival
- Business networking sessions
- Safety initiatives
- "More" Magazine
- Sidewalk sales
- Parking promotion
- Quarterly newsletter to businesses
- Quarterly pedestrian counts
- Monthly Farmers Market
- Arts and Café Precinct
- School holiday program
- Buskers by the Bay
- Business Satisfaction surveys
- Business Training
- City circuit bus
- Privilege card

Geelong Farmer's Market marketing



Introduction of the Farmers Market in the middle of the city is the major achievement of the Central Geelong City Management Program and has produced an iconic activity and attracted additional customers to the Centre. The recognition of the management and marketing program over the past 4 years has improved through good communication, networking sessions and promotional events to suit a broad range of business types.

Example:



**The Jetty Road Mainstreet Board manages activities to improve the promotion and enhancement of business viability, profitability, trade, commerce and industry within the Jetty Road precinct. These activities are funded through an a special rate levied by the City of Holdfast Bay, which generates \$471,877.00 per year, as well as \$29,000 of sponsorship and coordinated advertising.**

### Key activities of the Jetty Road Glenelg (South Australia) Mainstreet Board program

#### Advertising & Promotions Committee

- Press, Radio and TV Advertising
- The Jetty Road Cookbook
- Christmas Pageant & Activities
- The Jetty Road Brochure & Newsletter
- Easter Promotion
- Jazz Festival Major Event
- The City to Bay Fun Run
- Paper Shopping Bags

#### Street Presentation Committee

- Precinct Greening
- Banners and Street Signs
- Christmas Decorations
- Public Art
- Tenancy Mix
- Underground Power Lines
- Shop Front Upgrades
- Sunset Night Markets
- Upgrade of Key Buildings
- Shop Trading Hours
- Street & Footpath Cleaning
- Local Council's Access Strategy
- Arts Precinct
- Fairy Lights
- Safety & Security
- Directory Boards
- Study Tours
- Surveys

Professional management and marketing resources are commonly used by a centre's Business Association to pursue and deliver various associated actions. These can range from minute-taking and financial management for the Business Association, to making submissions to VCAT, running promotions, attracting sponsorships, negotiating with and attracting businesses, leading delegations to government and generally inspiring all people involved with a centre to believe in, and commit to, its future success.

## WHERE HAS TOWN CENTRE MANAGEMENT BEEN SUCCESSFUL?

The concept of managing and planning the development and marketing of traditional town centres originated from Canada in the 1960's and is well accepted in many places throughout the world, including the USA, the UK, South Africa, Australia, New Zealand, Japan and Europe. Each region pursues different site appropriate approaches and has different issues to tackle.

### In the USA

The USA displays a strong commitment to the idea of Town Centre Management. Many sophisticated Business Improvement Districts have been formed to pursue Town Centre Management objectives and have achieved significant success. American examples illustrate significant leadership from the private (rather than the public) sector with many programs being initiated by private businesses that recognise the opportunities that exist when traditional town centres operate effectively.

### In the UK

In the UK, Town Centre Management is taken very seriously as a vital component of "centre success". It enjoys wide support from national government policy and it is common practice for Town Centre Management companies or partnerships to be formed with multi-million dollar budgets. These organisations assume many of the operational services and public property management duties typically associated with local governments. The UK planning system is heavily influenced by the need to protect and nurture traditional town centres. The national Association of Town Centre Management (ATCM) enjoys a strong reputation and is an effective advocate for Town Centre Management objectives. In the UK, major retail and business entities, along with a broad array of local government bodies and local shopping centre associations are committed to the cause.

Town Centre Management programs in the UK:

- Are lead by business and property owners.
- Pursue all aspects of town centre development and regeneration.
- Create true public / private partnerships.
- Are committed to long term visions and objectives.
- Are underpinned by a well rewarded and established profession.
- Are well supported by local and national government.
- Are supported by major national retail chains.

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**For further information on this project, please contact:**

Sue La Greca  
**City of Darebin**  
☎ +61 3 9230 4686  
✉ [slagreca@darebin.vic.gov.au](mailto:slagreca@darebin.vic.gov.au)

Stephen Sully  
**Planning by Design**  
☎ +61 3 5229 6451  
✉ [pbyd@pipeline.com.au](mailto:pbyd@pipeline.com.au)

Daryl Treloar  
**Surf Coast Shire**  
☎ +61 3 5261 0656  
✉ [dct@surfcoast.vic.gov.au](mailto:dct@surfcoast.vic.gov.au)

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## Town Centre Management in Australia

# Management and Marketing Programs...What's in It for Business?



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Centre Management and Marketing programs can have a significant impact on business returns, property values and the overall performance of the centre. Centre Management and Marketing programs offer centres the opportunities to:

### Enhance their marketing and management...

- Have access to a financial fund that can be spent on the issues that are important to the businesses in the centre.
- Develop a professional approach to the marketing, management and operation of the centre.
- Pursue marketing initiatives in a cost effective way.
- Attain advertising and sponsorship opportunities.

### Exercise advocacy and the ability to influence government decisions...

- Leverage additional funding from council, state government and private developers to address business issues in the centre.
- Lobby council and government with a strong and credible voice.
- Have regular dialogue with council on the issues that affect the centre.

### Create community relationships...

- Create a cleaner and safer environment (i.e. with more frequent street cleaning, graffiti removal and maintenance).
- Build stronger links with the local community (i.e. sponsoring sporting groups and schools).
- Influence the provision of community services and facilities in the centre.
- Organise special events in the centre.

### Maximise business development opportunities...

- Create a strong brand and image for the centre.
- Share information, research and business intelligence to help businesses grow.
- Participate in business networking, training and development.
- Influence the business mix in the centre.

“Management and marketing programs provide traditional strip activity centres with the opportunity to form a strong active lobby group and to assist with achieving professional marketing and management results within a tight budget.

*Management schemes raise the profile of the area and enable the centre as a whole to work with councils and government on important issues that effect the activity of the area.*

*This would not be possible for an individual business to achieve alone. It takes a committed team and its hard work, but it is very worthwhile in the long term.”*

**John Pratt**  
Dixon Kestle & Co. Pty Ltd Real Estate  
Secretary, South Melbourne Business Association

All of these opportunities and actions are designed to attract more customers and purchases to the centre and its businesses.

“Mainstreet programs are the only way a strip centre can unite and compete with the hard top centres. Every business in the strip will benefit in some way even if they don't know how themselves.”

**Peter Haley**  
Bumps Ski & Surf P/L  
Founding member of the Elsterwick Mainstreet Committee

The increased scope of funds available to a coordinated management program enables much more efficient marketing outcomes than can be achieved by any one business pursuing individual advertising such as newspaper advertisements, shopper docket, fridge magnets, letterbox drops, etc.

A contribution to a Centre Management and Marketing program should be seen as an investment in, rather than a cost to, a business.

“The Greensborough Chamber of Commerce believe that without our Special Levy we would not have been able to achieve the excellent branding of the Town Centre, which is now a better presented centre that has good management and a united voice for projects with council and state government.”

**Steven Briffa**  
Plenty Valley Printing  
President Greensborough Chamber of Commerce

“The Special Rate prompted our shopping centre, now known as 'Blackburn Village' to prepare a business plan and develop a partnership with council.

This has resulted in:

- A more co-operative relationship with council
- An ongoing program of capital improvements to the centre
- Traffic improvements (which council lobbied VicRoads for).

**Cathy Greschke**  
Bellbird Paperarts, Blackburn Village  
Member of the Blackburn Chamber of Commerce

“My business specifically may have benefited from:

- the 'umbrella' advertising of the centre as a whole (ie. Blackburn Village's improved reputation as a destination shopping centre)
- group advertising rates
- greater impact from group rather than individual advertising
- being kept up to date with trends via the Centre Manager
- free business mentoring program negotiated for and arranged by the Chamber (which I took part in and as a result have changed the business name and have set up a web site).”

**Cathy Greschke**  
Bellbird Paperarts, Blackburn Village  
Member of the Blackburn Chamber of Commerce

Effective and strategically pursued management programs offer value for money for businesses and enable the business community as a whole to pursue and achieve things that no one business could hope to achieve individually.

“There was a basic need to promote local traders, and through the establishment of a new marketing and development program for Bay Street, management has enabled the centre as a whole to pursue initiatives far beyond the capacity of any one of its businesses.

In effect, the program has enabled the centre to:

- Effectively lobby the council for support which has led to a more co-ordinated action to resolve issues and influence physical improvements in the centre;
- Attract major sponsorship from the private sector and like businesses;
- Raise the image and profile of the centre;
- Improve consultation / advocacy on behalf of the local traders.

Hence, a better co-ordinated retail program will reap benefits both in the short and long term viability of the centre.”

**George Tsingos**  
Elegant Slax  
Chairman of the Bay Street Committee of Management

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Sue La Greca  
City of Darebin  
☎ +61 3 9230 4686  
✉ slagreca@darebin.vic.gov.au

Stephen Sully  
Planning by Design  
☎ +61 3 5229 6451  
✉ pbyd@pipeline.com.au

Daryl Treloar  
Surf Coast Shire  
☎ +61 3 5261 0656  
✉ dct@surfcoast.vic.gov.au

## The Economic Importance of Centres



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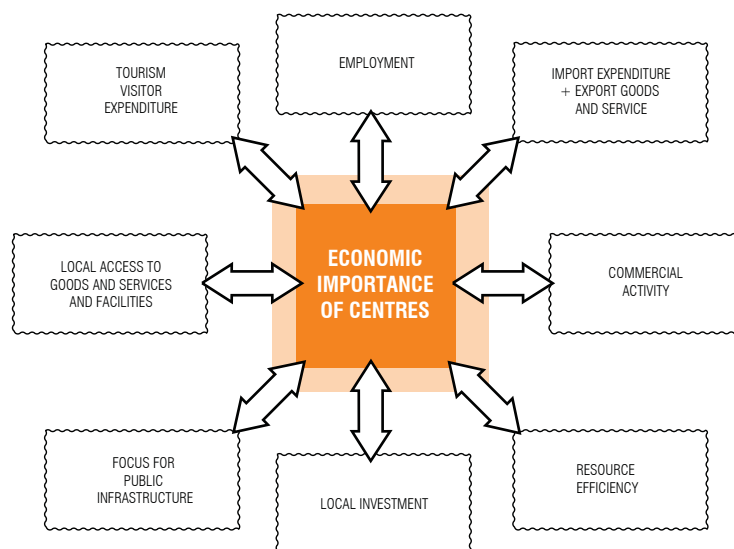


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Town Centres, Activity Centres or Shopping Centres, perform a pivotal role in the economic well being of any community. They are major focal points for employment, investment, small business and local investment.

- There are in excess of 1000 activity centres in Melbourne alone, with some 54,000 businesses and an estimated 246,000 employees.
- There are 25 regional or provincial centres that have significant town centres containing some 2,800 businesses and an estimated 13,000 employees.
- 44% of all jobs in Victoria can be expected to be found within centres.
- 47% of all household expenditures can be expected to be spent in centres.
- 33% of all employment in Warrnambool is based in the Warrnambool Town Centre.
- 15% of all employment in Ballarat is based in the Ballarat City Centre.

(Figures are conservative estimates derived from Essential Economics and Planning by Design 2005)



As part of this project, Essential Economics Pty Ltd investigated the economic relevance of Town Centres / Activity Centres. The purpose of this research was to establish the economic rationale for the commitment of public time and resources towards the support of town and activity centres. Key findings of the paper are summarised here.

A centre's economic roles are those of a:

1. Major focal point for employment; especially in retail and services
2. Investment and small businesses core
3. Economic multiplier and import and export replacement centre
4. Major contributor to GDP and employment
5. Major focus for household expenditure
6. Public infrastructure core
7. Tourist activity core

### **1. Centres as major focal points for employment; especially in retail and services**

Centres are typically the location for a significant proportion of employment, e.g. 15% of all jobs in Ballarat and 33% of all jobs in Warrnambool (research by EE).

Adopting the weighted average figure for all jobs in a town centre as \$870/week (\$45,240 pa), a town centre such as the Ballarat CBA, with a total of 5,000 jobs, would generate annual wages and salaries estimated at \$230 million. Warrnambool CBA would generate an estimated \$197 million pa in wages and salaries. Even the employment supported in a smaller town centre such as Benalla (providing 1,475 jobs), generates annual wages and salaries of \$67 million. Winchelsea, with less than 70 jobs in its town centre, generates annual wages and salaries approaching \$3 million (research by EE).

Due to their important contribution to employment in a community, the introduction of new retail or office-based businesses to a centre provides a boost to local job opportunities. This growth then contributes to further expansion as the employment multiplier takes effect. For example, 1,000 m<sup>2</sup> of ground level retail floorspace, with another 1,000 m<sup>2</sup> of office floorspace above, is estimated to directly generate 95 new jobs and would indirectly support another 85 jobs through the multiplier effect (EE and ABS Cat.No.5209.0, and with allowance for industry standards of 35m<sup>2</sup>/retail job and 15m<sup>2</sup>/office job).

### **2. Centres as investment and small business cores**

Centres provide ample opportunities for the establishment of small businesses. Most commercial office occupants are small businesses (typical examples include solicitors, accountants, insurance agents, and real estate agents); this is evident from surveys in town centres. These small offices are typically located in shopfront premises or above street level shops and therefore have similar floor spaces to retail premises. Similarly, doctors, dentists and other health professionals are mainly located in, or near, town centres and have professional suites which are similar in size to the commercial and retail activities previously noted. While town centres also usually have a number of large businesses (e.g. supermarkets), it is evident that centres are significant due to the support they provide to small businesses and their development.

### **3. Centres generate economic multiplier effects, replace imports and create exports**

The extension of a centre's economic importance well beyond its boundaries is reflected in its economic multiplier. As dollars are generated in the centre via retail & commercial transactions and wage & salary earnings, the economic multiplier ensures that the direct benefits are further circulated throughout the centre and the wider economy; including effects which are spread around the wider national economy.



The operation of the employment multiplier ensures that the number of direct jobs created in a town centre leads to the creation of further indirect, or flow-on, jobs locally and wider afield as levels of economic activity expand. Employment multipliers are based on Input-Output data from the National Accounts, as published by the ABS, Cat. No. 5209.0. In terms of retail employment; the multiplier is expressed as a factor of 1.9. Therefore, for every employment position directly created in the retail sector, another 0.9 jobs are indirectly created due to the multiplier effect. Thus, if 100 new jobs are created locally (i.e. direct jobs), this will typically support 90 new, indirect, or flow-on, jobs in the wider regional and national.

In broad terms, the employment multiplier for service sector positions is in the range of 1.5 to 2.0, office employment is approximately 1.5, and manufacturing is around 3.5 or 4.0, or higher, depending on the type of manufacturing.

Clearly, the economic importance of a centre is significant when the multiplier effect associated with its employment level is taken into account.

Likewise, investment multipliers are at work in town centres, and so a direct investment in a town centre (e.g. a new supermarket development) will generate indirect or flow-on investment effects in the wider economy.

A strong Centre is involved in both exporting and import-replacement, and contributes to the wealth of its local community by achieving sales revenues, jobs and incomes that would otherwise be lost to other, more distant locations. At the state and national levels, such concepts are very important to the economic health of regional and local economies via their Centres; this significant point is often lost on policy-makers and businesses themselves!

Retailers are, in effect, 'exporters', as they generate sales revenues from people who do not live in the area and therefore the Town Centre earns export revenues and contribute to the wealth of the local community. Moreover, Centres are engaged in 'import-replacement', where they provide a range of facilities and services to their residents who would otherwise have to visit other centres to obtain these items. The more that a Centre can provide in terms of retail, leisure, recreation and other facilities and services, the less is the need for its residents to go elsewhere for such items. The Centre is effectively 'replacing' the goods and services that the local residents would otherwise 'import' from other, more distant, places.

#### **4. Centres as major contributors to GDP and employment**

ABS Population Census data indicate that sectors which are typically located in Centres account for approximately 44% of all employment positions (research by EE). Across Victoria, these key sectors are retail (15.1% of positions), property and business services (11.7%), accommodation, cafes and restaurants (4.4%), finance and insurance (4.1%), government administration (3.0%), personal and other services (3.4%), and communication services (2.1%).

In terms of GDP, these same sectors which are typically located in and around Centres, contribute approximately \$233 billion or 31% of Australia's GDP. This contribution is significantly higher than the combined contributions of agriculture, forestry & fishing (\$21.2 billion or 3%), utilities (\$17 billion or 2%), construction (\$46 billion or 6%) and manufacturing (\$83 billion or 11%) (ABS, Cat. No. 5204.0, Table 9).

#### **5. Centres as major contributors to household expenditures**

Household expenditure patterns, as measured by the ABS, indicate that retail items alone account for an average annual spending of \$10,600 per person or 47% of all expenditures (ABS Cat. No. 5204.0, Table 53).

## 6. Centres as public infrastructure cores

Centres are often the locations for major public infrastructure ranging from civic offices, entertainment venues and leisure facilities to railway and bus services, visitor information centres, libraries, schools and health facilities. The town centre is the logical place for the location of public infrastructure as it is where people congregate. Just as centre businesses need patronage for their continuing viability, so does public infrastructure. Thus, it is important to ensure that a town centre is trading in a commercially viable manner so that people continue to be attracted to it and add their support to the public infrastructure. For example, if a centre is experiencing diminishing numbers of shoppers due to, perhaps, a declining population or competition from other towns, then it can be expected that the local library, or any other central public infrastructure service, would also experience reduced patronage.

Similarly, if certain public services are removed from a centre, such as government offices that may be regionalised into one large centre, then there is a strong likelihood that retail and other support to Centre businesses will decline as well.

Clearly, there is a strong relationship between centres and public infrastructure, and in many ways their functions are self-supporting and reinforcing. A centre's economic value is the sum of its retail activities and other commercial and civic facilities and services. In this respect, public infrastructure is important; contributing to the health of the centre and its surrounding community.

## 7. Centres as tourist activity cores

Centres provide facilities and services to tourists and other visitors of a town and region. In some instances Town Centres and their local businesses have not capitalised on this potential for increased tourism trade, while others have adopted an attitude that tourists do not spend money in the local shops. Often, the multiplier effect is not appreciated; yet, dollars spent in the motels and souvenir shops circulate within the town's economy, including purchases in shops and payments to service providers, thus contributing to local jobs, incomes and service maintenance.

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Sue La Greca  
**City of Darebin**  
☎ +61 3 9230 4686  
✉ [slagreca@darebin.vic.gov.au](mailto:slagreca@darebin.vic.gov.au)

Stephen Sully  
**Planning by Design**  
☎ +61 3 5229 6451  
✉ [pbyd@pipeline.com.au](mailto:pbyd@pipeline.com.au)

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✉ [dct@surfcoast.vic.gov.au](mailto:dct@surfcoast.vic.gov.au)

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# Initiating a Management Program from Scratch...



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The introduction of a Management Program is a long term initiative that takes commitment, effort, hard work and a great deal of talking, meeting, lobbying and networking. In reality, there are no quick fixes. The steps that follow provide ideas for how a Management Program may be established in a centre that has previously had no involvement with the concept.

### Step 1: Spread the word...

*Introduce the concept of Centre Management to other businesses in the centre.*

- Informally discuss issues and concerns with a small group of like-minded centre business owners and operators. It is important to build support for the concept slowly and to not try to win over all of those involved at the same time.

### Step 2: Visit the council...

*Establish the level of support local council is willing to provide for Centre Management*

- Contact the local council's Economic Development or Planning Department or a local Councillor.
- Search out seeding funds to assist with program establishment costs - councils often have funding programs to assist fledgling associations or groups and local councillors commonly have funds to allocate at their discretion.
- Find information on other comparable centres that have management programs.

### Step 3: See management programs in action...

*Visit other centres with existing management programs*

- Talk to business owners and operators in the other centres about their experiences with their management programs.
- Explore the other centres to see what the management program has achieved.
- Attend a Business Association meeting in a centre with a management program.

### Step 4: Involve and inform more business people in the idea...

*Arrange an information session*

- Personally invite business owners and operators to a breakfast or evening meeting.
- Invite people experienced with Centre Management to speak, such as Centre Coordinators or Managers, marketing and management consultants, presidents of other Business Associations or individuals that have experienced success with management programs in similar settings elsewhere.

### Step 5: Create a base structure...

*Form an Incorporated Association*

It is important to form Incorporated Associations in order to pursue collective objectives, create a credible entity, handle financial aspects and create a formal reporting and governance structure.

Incorporated Associations can be formed cheaply and easily using a model constitution.

- Seek to recruit businesses to the Association that can assist with the formation (e.g. accountants, solicitors, printers or property agents).

### Step 6: Have a good look around...

*Undertake a "physical audit" of the centre*

- As a group, walk around the centre and note basic problems that could be easily addressed, for example graffiti, weeds, in operable lights, redundant signs, dirty windows, rubbish collecting points, etc.
- Take the opportunity to visit additional businesses and inform them of the groups ideas and goals as you walk by.

### Step 7: Make a plan...

*Establish an action plan for the next 12 months*

- Identify small, simple, cost effective and straightforward actions for the group to pursue that cover a range of initiatives.
- Be clear about how much it will cost to achieve the objectives and work within a realistic budget.
- Establish a simple operational structure to implement the desired actions with the most effective use of time and resources.
- Example first year actions could include regular meetings with the council to discuss issues facing the centre and/or discussing opportunities to address "nagging" issues identified in the physical audit, running a simple promotional activity in the centre or strengthening links with the local community by sponsoring a sporting team or school.
- Design simple mechanisms to measure the benefits of the actions undertaken by the Association.

### Step 8: Find the money...

*Identify potential sources of funding for the Association's action plan*

- Present the Association's action plan to the council and seek out funding opportunities, such as matching grants or contributions if no full funding is available.
- Present the Association's action plan to state government departments or local parliamentarians in order to seek funding opportunities.
- Seek voluntary contributions from centre businesses to join the Association, or implement a user pays system in regards to specific initiatives.
- Seek sponsorship from specific businesses in the centre that could benefit from exposure gained from participation in the initiatives, such as a print and photocopying centre, caterer, real estate agency, food and beverage provider or florist.

### Step 9: Make it happen...

*Execute the action plan*

- In the course of the initial actions, test and demonstrate the Association's ability to create benefits to the centre.

### Step 10: Make sure it works...

*Review the program after its first year*

After its initial year, the actions of the Association need to be reviewed and assessed in order to determine the management program's success, as defined by the benefits provided to the centre and its businesses, and to decide whether to continue, expand or conclude the project.

- Survey businesses to determine their awareness of, and involvement in, the activities and initiatives of the Association.
- Survey business premises to determine the centre's vacancy rate.
- Survey customers to see if they have seen any improvement in the centre as a direct, or indirect, result of the management program.

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Stephen Sully  
**Planning by Design**  
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✉ [pbyd@pipeline.com.au](mailto:pbyd@pipeline.com.au)

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# Establishing a Special Rate or Charge Scheme



This project is a joint initiative of the Victorian Government StreetLife program, City of Darebin and Surf Coast Shire.



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The purpose of this sheet is to outline a process that should be pursued by any Business Association considering initiating a Special Rate or Charge scheme. It describes a process to assist the statutory procedures outlined in the Local Government Act and does not attempt, nor should it be relied on, to outline in detail the actual statutory process.

The introduction of a Special Rate or Charge Scheme is by no means the initial step in the development of a management program, it is however the “icing on the cake” that will enable proven and accepted operational and marketing activities to be formalised, equitably funded and professionally managed.

A decision by a Business Association to pursue a Special Rate (as provided for under the Local Government Act), involves a long and arduous process. The Special Rate process cannot effectively be imposed upon an unwilling, unsupportive or unaware business community. All parties need to enter the process fully informed and ready to commit to a long-term process. Special Rate or Charge Schemes are very unlikely to be successful if the affected business community, property owners and local councils are not actively engaged in the process. A typical process can be expected to cost at least \$8,000.00 to simply meet the advertising, legal and information distribution costs.

The key ingredients of a successful Special Rate or Charge Scheme program are:

- The involvement of professional marketing and management personnel in the process.
- The existence of a business plan for the life of the scheme at the outset.
- An annual action plan.
- Financial accountability of the Business Association.
- Effective communication with the business community and property owners.
- The on-going commitment and support of the local council.

The foundations for these features need to be set out when the scheme is being initiated.

## **Suggested Process to Establish a Special Rate or Charge Scheme**

### **Step 1: Scoping exercise**

Prior to pursuing any form of Special Rate or Charge Scheme it is essential for the Business Association to clearly determine what the purpose of the program will be, what scope it will have and what issues it will tackle. This information should be concisely documented in order to assist the Association in discussing the idea with the council, and subsequently with the broader business community. Whilst this exercise will not replace the need for a more detailed business plan at a later stage, it should identify the broad scope and directions for any future program.

### **Step 2: See the Economic Development or Strategic Planning departments of Council**

Gain an appreciation of the Special Rate programs currently in operation and what they involve from a legislative perspective. This information gathering will also enable the Business Association to identify the level of support the council will provide for the process of establishing a new Special Rate or Charge Scheme.

Council support may come in the form of:

- Assistance with the administrative development of the program.
- Funding of the establishment process.
- Funding of the development of supporting information and research.
- The provision of previously formed information, research and analyses of the centre.
- Identification of other government programs that council may be aware of that may assist the preparation process.

### **Step 3: Talk to the centre's Local Ward Councillor**

In addition to discussing the establishment of a Special Rate or Charge Scheme with the council officers, it is also important to raise the issue with the local councillor(s). This may help to determine the level of their awareness of the concept of management programs and find out on what basis the councillor would be prepared to support the Special Rate when it is eventually presented to council for adoption.

### **Step 4: Talk to businesses in the centre about the opportunities**

A Business Association funding a Special Rate or Charge Scheme will presumably already have a track record of success in the centre through examples of marketing events and initiatives, or demonstrable advocacy and leadership. The business community, who will be asked to support the Special Rate, must be aware of these success stories and the benefits that they have delivered.

Members of the Business Association must be willing to discuss the benefits of a Special Rate or Charge Scheme with all of the businesses in the centre in order to identify the issues and concerns they may have. Information on the benefits and process of introducing a Special Rate or Charge Scheme must be distributed to the business owners; preferably personally by a member or representative of the Business Association – and no, dropping a leaflet with a sales assistant or mailing a leaflet to “the business owner” doesn't count!

### **Step 5: Survey businesses to ascertain the level of interest in pursuing a program**

As a follow up to the initial provision of information, a simple survey of business operators within the centre should be undertaken. This can be used to identify the issues local businesses would like to address, and to illicit their support of a Special Rate or Charge Scheme by explaining how it can enable their issues to be addressed. An indication of the financial support the businesses are prepared to commit to the program would also be useful. The results of this survey will give the association an initial appreciation of the issues and the likely level of support for a Special Rate or Charge Scheme in the centre.

If the businesses indicate an overwhelming opposition to the concept of a Special Rate or Charge Scheme at this stage, the idea must be reconsidered and further development of the proposal should be questioned unless the concerns of the local businesses can be adequately addressed.

### **Step 6: Prepare a business plan**

A business plan must be prepared identifying:

- The preferred future vision for the centre.
- Key issues that need to be addressed to achieve the vision.
- Actions that will be pursued (including the expression of priorities and budget scopes).
- Management and administrative structures that will be established to govern the process.
- Professional support that will be required to pursue the initiatives.
- Performance measurement techniques that will be used to determine the benefits and success of the specific initiatives.
- Funding sources (e.g. Special Rate or Charge Scheme proceeds, private sector sponsorships, council funds, state government funds).

It is important that the business plan is well researched, credible and professionally prepared. It does not have to be a long detailed document; the level of detail and complexity of the plan will obviously depend on the size and complexity of the centre. The business plan should not seek to recount the entire history of the centre or all the various research and analysis processes that have been undertaken to prepare it, but should be a marketing document that concisely establishes what the centre is, where it wants to go and how it is going to get there.

### **Step 7: Distribute the business plan**

This business plan, or at least a summary of the plan, should be distributed to all businesses in the centre for their comment and review prior to its finalisation.

### **Step 8: Review the business plan and the potential for the Special Rate or Charge Scheme**

Following the completion of the business plan, the financial scope of the Special Rate or Charge Scheme can be established and potential cost distribution models can be tested. At this stage, the Business Association needs to decide whether or not to pursue the Special Rate or Charge Scheme to the next, formal stage.

## Step 9: Formal request to council to commence the statutory procedures

The Association needs to write to the council to ask that the formal statutory process commence.

Each council will have its own process to prepare a Special Rate or Charge Scheme, however it is likely to include the following elements:

1. Determine the amount to be raised.
2. Determine the geographical area the Special Rate or Charge Scheme will apply to.
3. Determine the type of rate to be introduced.
4. Discussions and input from council's legal advisors.
5. Determine the estimated annual charge to each property.
6. Prepare a report for council, which formally establishes the council's "intention to declare a Special Rate or Charge".
7. Engage in correspondence with all business and property owners to formally advise them that council intends to declare a Special Rate or Charge Scheme, in response to a request by the Business Association.

This information should include:

- An outline of the process, background information (e.g. a copy of the business plan or summary document).
  - The specific annual cost to the property.
  - The opportunity for businesses to make submissions in favour in response to the rate scheme.
  - The date when submitters will have the opportunity to present their submission to the council.
8. A notice of intention to declare a Special Rate or Charge Scheme is published in a newspaper and letters are sent to all businesses and property owners within the rateable area.
  9. Council receives submissions in favour or against the proposal.
  10. Council meets with submitters.
  11. Council considers all submissions and responses from businesses and determines whether to adopt or discontinue the Special Rate or Charge Scheme.
  12. Council advises all property owners and businesses of its decision.
  13. Opportunity for appeals to be lodged against the council's decision with VCAT.

This paper has been prepared as part of a set of "toolkit" sheets. It focuses on one specific aspect of Town centre Management and should be read in conjunction with other sheets in the series and other documentation produced through the project.



**For further information on this project, please contact:**

Sue La Greca  
**City of Darebin**  
☎ +61 3 9230 4686  
✉ [slagreca@darebin.vic.gov.au](mailto:slagreca@darebin.vic.gov.au)

Stephen Sully  
**Planning by Design**  
☎ +61 3 5229 6451  
✉ [pbyd@pipeline.com.au](mailto:pbyd@pipeline.com.au)

Daryl Treloar  
**Surf Coast Shire**  
☎ +61 3 5261 0656  
✉ [dct@surfcoast.vic.gov.au](mailto:dct@surfcoast.vic.gov.au)