

# planning for financial sustainability

self help module

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# 1



Industry &  
Investment

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## module overview

Community economic development (CED) is a process of identifying and harnessing resources and opportunities to stimulate economic and employment activity. It is about communities using their human, physical and financial resources to maintain and enhance their unique strengths and their quality of life. Individual communities implementing a CED program are usually guided by a strategic plan and local community stakeholders. The strategic plan identifies a range of community-based economic development initiatives to assist the community in working together towards agreed goals for the future.

This module has been prepared to guide you in achieving financial sustainability on an individual CED project basis and in terms of your ongoing program. In practice CED projects and strategic plans are tailored to the unique circumstances of individual communities. However, there are generic project characteristics and organisational activities that provide pathways to financial sustainability.

Case studies have been included to share ideas and techniques. Creating and nurturing long term relationships with key stakeholders and partner organisations is one organisational activity which can result in financially sustainable outcomes. This and other approaches to achieving financial sustainability are explained in this module. A number of methods for fundraising are also contained in this module.



# financial sustainability

## what does financial sustainability mean?

A financially sustainable organisation or project must continue to derive sufficient financial and other resources to maintain itself and make provision for future needs.

Your community strategic plan provides a guide to the resources that are required. The plan identifies the projects to be undertaken and timeframes. You will need to estimate the level of income needed for each project. Consideration should be given to the three types of expenses:

- Overheads – the costs of setting up and running an office such as rent, utilities and consumables
- Management and operational expenses – the ongoing activities that keep a program supported such as building/maintaining communication channels and developing/improving office systems
- Project expenses. For example: the cost of setting up and maintaining a website or marketing materials.

The level of financial resources required for sustainability will depend primarily on the nature and number of projects to be undertaken. Organisations with aspirations to implement major projects such as main street beautification or developing a flagship event may require significant financial resources.

Good projects, like good business operations, go through a series of phases of development and growth. Well planned, resourced and implemented projects are more likely to be successful and financially sustainable. Organisations running CED programs (just like businesses) need to draw up plans to cover expenses, maintain cash flow, make a profit and invest in future growth.

## how do you achieve financial sustainability?

The processes for achieving financial sustainability for any project or organisation are very similar. Whether you are developing an event, planning for a main street beautification or establishing an organisation to represent the views and needs of businesses in your town, you will need to:

- Develop a plan with an appropriate amount of community (stakeholder) input
- Develop relationships with and report to key stakeholders
- Implement the project in a structured way
- Monitor and manage the outcomes of the project as it evolves (this will involve regular reviews of project outcomes)
- Determine and source the financial and other resources required for the life of the the project.

Financially sustainable projects are well planned and have a set of key goals that all members of the organisation recognise and work towards. The project will have a start, a series of project stages and measurement of outcomes achievements along the way. Self help module 4: Project management provides a succinct guide to all aspects of project management.

As well as raising sufficient funds overall, it is important to raise enough funds for each area of expense. In practice, income may differ in the way it is permitted to be used. For example, some forms of funding such as grants and sponsorships must only be used for a specific project or element of that project. Other forms of income can be used for any of the three purposes – overheads, management and operational activities or projects. In addition, income from a highly profitable project can be used to fund another project or management and operational activities.

### tip

Consider what you can do now to ensure you have the financial and other resources in the future (eg over the next five years) to make your vision a reality.

Other important ingredients for long term sustainability include:

- Strong leaders
- A committee that works as a team
- An appropriate organisational structure
- The support of your local community including council and local businesses
- A motivated and committed coordinator (project manager).

These are covered in detail by other modules in this series such as Self help Module 6: The local committee, Self Help Module 9: Business and economic development and Self Help Module 7: Program coordination.

## case study

### **Murrurundi Rural Transaction Centre (RTC)**

During a strategic planning meeting in 1999, the community of Murrurundi decided to establish a multifunctional community centre (Murrurundi RTC). The community strongly believed there was a need for the centre to provide a number of services not available locally.

The local development association, a resident and the local council co-funded the design and business plan for the centre. The project was initially costed at \$900,000. Funding was sourced through grants and sponsorships for a project coordinator and to establish the centre. The centre includes a cafe, a Community Technology Centre, a Visitor Information Centre, an RTC, training rooms and a credit union.

A number of factors contributed to the success of this project and its long term sustainability:

- the necessary leaders
- a dedicated and skilled committee
- strong local support (community and council)
- a motivated and capable project coordinator.

The main measures of success for the project were:

- construction of the building
- ongoing provision of services not available prior to the centre being established
- ongoing financial sustainability.

# fundraising

## how can you raise funds?

Attracting financial resources can appear to be a daunting challenge. If you take a step by step approach - just as you would when planning a project - it becomes a manageable process. All of the stakeholders involved in your project and the organisations with an interest in your project's success; potentially have the capacity to make a contribution.

Start your search for funds and resources locally. Potential sponsors or funding organisations at the regional/state/national level will generally look for evidence of local support for the project. This provides an indication of the level of the community's commitment to the project and its likelihood of being an ongoing success.

To determine which local organisations or businesses may be prepared to contribute and how much, consider:

- Who will benefit from the project's success?
- How valuable the project will be to individual organisations/businesses and to the broader community?

In the early stages of project planning you will need to determine what resources are required to implement and complete your project. The next step is to assess what contributions local businesses and organisations can make toward those resource requirements (cash and in-kind).

It is essential that you promote the benefits/value of the project to both individual businesses/organisations and the broader community when seeking funding support. Not all organisations/businesses will see value in the project, especially at the beginning. Over time, and with the visible success of a growing number of projects, more and more organisations/businesses will 'come on board' with support for your CED activities.

## raising funds internally

Internal funds are those that you can raise yourself and have a greater degree of control over (ie. you have control over membership fees but you do not have control over grant funding). These funds can create a consistent and renewable income stream to assist your organisation in achieving and maintaining financial sustainability.

In addition to membership fees, there are a number of other fundraising activities: conducting events; competitions and selling merchandise which can be undertaken without placing pressure on members for contributions.

## Membership fees

Generating membership fees is one of the simplest ways of fundraising for business and community groups. You will need to sell the benefit of membership and project a clear exciting picture of what your program is about - including achievements and planned actions. Tangible changes, such as town improvements, and results demonstrated by monitoring and evaluation will make the job of selling your program easier.

A membership fee or scale of fees will need to be determined that reflects affordability and value (ie. the benefits). In the early stages of a program, be careful not to set your fees too high as potential members may have difficulty in seeing the benefits.

Target the key businesses within the area with personal visits. Use your most persuasive people to visit, outline and discuss your projects and membership benefits. Make them an offer, engage them in the values and benefits but don't do a hard sell. Leading businesses will be able to assess a good project and quickly ascertain its value to them. Once you have attracted key businesses as members, use this as a selling point in your approach to other businesses.

As part of your membership campaign, advertise the projects your committee will be implementing in the local press. Arranging to be interviewed on morning radio is another way to introduce people to the benefits of membership.

This form of fundraising can be very resource intensive; making initial contact, follow up visits, letter box drops, sending tax invoices and chasing up fees are time-consuming, and the cycle must be repeated each year.



### tip

When conducting visits or using phone contact, keep your sessions short and do not try to see/contact everyone on the same day. Sometimes the negative responses can erode your confidence. Above all, be confident and know the product thoroughly.

### Members' in-kind contributions

Some members may seek to offer services as a contribution in lieu of a cash membership fee. Don't overlook these offers. In-kind contributions can take many forms such as printing, photocopying, venue hire and transport services. These services can save your organisation money.

### Events as revenue raisers

Revenue from events can be an excellent source of funding for a CED program. From a sustainability point of view, events have several positive attributes:

- The involvement of volunteers and sponsors can greatly increase their profitability
- Profits can be used to fund other projects or management and operational activities
- They present a good opportunity for raising income through other related activities such as selling merchandise and advertising in promotional material
- They create opportunities for networking, particularly with businesses not already involved/supporting your program (eg. business excellence awards)
- They place the activities of a program before a broader audience that might not otherwise know about it. Committees and coordinators can turn this awareness into support.

Events can range from lunches, dinners or gala evenings to festivals over several days. Another module in this series, Self Help Module 14: Events management gives more detail about how to design, manage and evaluate an event. Early in financial planning for a CED program, consideration should be given to the role of events in the overall sustainability of your program. This will involve detailed consideration of event objectives, the level of profit required, expected revenue and expenses.

### Competitions and fundraising

Many organisations use fundraising appeals and games of chance to raise funds for major projects or on a regular basis by way of weekly raffles. It is important to check with the NSW Office of Liquor, Gaming and Racing as to whether any activities you intend to conduct of this nature are regarded as charitable fundraising and are subject to regulation under the Charitable Fundraising Act 1991. Games of chance and trade competitions (which include 'shop local' promotions with significant prizes such as 'house and land giveaways') are regulated under the Lotteries and Art Union Act also administered by the NSW Office of Liquor, Gaming and Racing. Charitable fundraising is regulated essentially to ensure that organisations:

- Efficiently manage and administer their funding activities
- Keep proper records and accounts
- Have their books audited and
- Do not deceive the public.

Fact sheets, application forms and guidelines (including best practice) can be accessed at [www.olgr.nsw.gov.au](http://www.olgr.nsw.gov.au). The fact sheets can be used to determine whether or not you require an 'Authority to Fundraise'. Any questions regarding your obligations should be directed to the NSW Office of Liquor, Gaming and Racing.

### Sales of donated goods

Many organisations host or organise sales of donated goods to generate income by way of garage sales and auctions. These items are generally donated by people or organisations willing to assist but unable to provide cash donations. The simplest way to ensure the legal requirements of conducting an auction are met is to secure the services of an auctioneer. This method of fundraising is generally low in cost with the only expenses being the collection of sale items, cataloguing, advertising of the sale event and the auctioneer's fee (unless this is service is donated).

### Merchandising

Merchandising involves adding value to a specific set of products, and selling them at a higher price to generate a profit. How often have you seen someone wearing a T-shirt or a baseball-style cap with advertising on it that tells you about an event or product? Not only do these products generate income, they also disseminate a message. The beauty of merchandising is that you know exactly what your costs are and you can factor in a profit margin. However, there is a risk involved - if you do not sell sufficient merchandise you may make a loss. A range of items can be used as merchandise including clothing, balloons, postcards, signed posters, pens, calendars and coffee table books.

#### case study

##### **Deniliquin Ute Muster, Brunswick Heads and Kurri Kurri's merchandising**

Deniliquin Ute Muster's festival office stocks branded merchandise which complements the festival theme such as singlets and thongs. This office is open daily in Deniliquin, which is west of Albury.

Brunswick Heads, in northern NSW, sells a range of merchandise through its visitor centre, including branded shopping trolleys. The concept for this merchandise came from Brunswick Heads Chamber of Commerce's shop local campaign: Think Global, Buy Local. The shopping trolleys were produced to reduce the use of plastic bags and encourage shoppers within in walking distance of the shops to walk rather than drive.

Visitor information centres in Kurri Kurri in the Hunter Valley sell a coffee table book – A Town of Murals Kurri Kurri NSW. This book, produced by the Towns With Heart Committee contains photos of the murals and artists as well as information on each mural. The Towns With Heart Committee initiated the murals project and has overseen the production of more than 50 murals in Kurri Kurri and the surrounding villages since 2000.

## saving money

### Working with other organisations

Working in partnership with other organisations can result in significant savings in terms of operational costs (eg. through sharing equipment) and project costs (eg. running joint promotions or joint purchasing of consumables). Organisations such as a chamber of commerce, a CED or main street committee and a local council can work together to create, develop and implement a number of projects that would not be achievable or cost effective individually.

It is worthwhile considering and regularly reviewing what other groups and organisations are doing locally to determine whether new or ongoing projects can be delivered more efficiently in partnership.

#### tip

Financial sustainability isn't always about finding and sourcing money. Sometimes it's more about using what we have more efficiently. It can be just as effective to reduce expenditure, as it is to increase income - and sometimes a lot easier.

#### case study

##### **Gunnedah District Development Board**

In Gunnedah, just west of Tamworth, there has historically been a great deal of cooperation between the Gunnedah Chamber of Commerce and the business development organisation called 'Business Gunnedah'. The two organisations merged to become the Gunnedah District Development Board because of their similar goals. The single operation has prospered and saved significant administrative costs while still delivering the services previously provided by both organisations.

### using community assets

Using community assets can generate income for your project/organisation. You may be able to use existing events such as community markets to hire a stall, conduct a raffle, circulate information about your project and raise awareness of your organisation's goals. Another option may be to place materials (eg. about upcoming events and projects) on community notice boards or display areas in shopping malls which are high pedestrian traffic areas.

Unique natural features such as lakes, rivers, national parks, mountain ranges and beaches can provide a focal point for developing specific events and for marketing purposes. Man-made features can also be used in a similar way.

#### case study

##### **Coolah Jazz in the Tops and Old Bar Beach Festival**

The Coolah District Development Group's Jazz in the Tops is conducted in Coolah Tops National Park (in central NSW) in partnership with the NSW National Parks & Wildlife Service. The Old Bar Beach Festival, as the name suggests uses the beach as a venue during the festival. One of the festival goals is to achieve the world record for the number of Kombi vans gathered in one place - a concept which complements the festival location.



# raising funds externally

## sponsorship

Many organisations are keen to be, and be seen to be, good corporate citizens. They may make donations for which no direct recognition is expected or give sponsorship contributions, which they expect will be of direct benefit to your organisation or project.

Businesses may regard sponsorship as a form of advertising or as part of a contribution to the community, or as something in between the two.

Most sponsors view their contribution as a business decision. They form a partnership with organisations because it will have commercial benefits, particularly for marketing. Sponsorships are a means of throwing the spotlight on their business in new and unusual ways.

A good sponsorship helps them stand out from the crowd of advertising in their industry. The best sponsorships provide the kind of good publicity that money can't buy.

### How do sponsors decide?

In assessing sponsorship opportunities, sponsors will be seeking answers to the following questions:

1. How will the community gain?
2. What are the real commercial benefits for our organisation from this sponsorship?
3. Will this project/event reach our organisation's desired target audiences?
4. Is the project well thought through and presented?
5. Is the requesting organisation credible and is the project genuine?
6. Does it make a clear and persuasive case?
7. Will the requesting organisation deliver what they promise?
8. What will it cost our organisation in money and resources, and are these available?
9. What will our sponsorship funding be used for?
10. Is there a down side or potential risk?

Your request for sponsorship must clearly answer these questions.

If you decide that sponsorship is important to your project or event, there are a series of well-tested stages that the process should take.

### case study

**Blackmores Health Foods** is the naming rights sponsor for the Gloucester Mountain Man Tri Challenge. This is a health food manufacturer supporting a grueling, three-faceted athletic event in a recognized, environmentally-aware community.

#### A very good event and sponsor fit

## Sponsorship step by step

### ■ 1. Doing the research

The company's website and annual report are the best places to start your research. Find out the following about potential sponsors:

If the company fits your idea of a potential valuable sponsor you need to find out:

- Who makes the decisions regarding sponsorship – identify an individual or position
- When the company considers sponsorship proposals
- What sort of projects/events they sponsor
- Whether they have sponsorship guidelines
- If you can discuss the potential proposal before you submit it.

### ■ 2. Preparing a proposal

Proposals can take many different forms, but the rule of thumb is to keep it simple. Address the issues outlined in your discussions with the relevant person, or as set out in their guidelines. Alternatively, prepare your proposal so that it addresses all of the questions listed in the previous section: 'How do sponsors decide?'.  
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## CONTENTS OF A PROPOSAL

### Introduction

- A brief description of the project – its history, the date, venue etc
- Invitation to sponsor (this may take the form of a covering letter)
- How the sponsor can be involved in general terms eg. the whole event or a specific aspect of an eg. event costs, media, publications etc
- Benefits to the sponsor and broader community
- Result in terms of image or reputation
- Numbers attending and target audiences involved
- Successful publicity to date and expected coverage.

### Detailed outline of benefits such as:

- Appearance in print media, radio or television advertising
- Naming rights
- Signage
- Appearance on letterhead, advertisements or web site
- Inclusion in media releases
- Inclusion in pamphlets, posters and other publications
- Opportunities to meet with celebrities
- Free tickets, reserve seating
- Ability to place merchandising or products
- Use of event database

### The cost of sponsorship

- Costs based on an assessed market value
- Details of requested in-kind assistance
- Summary of the event in relation to the sponsor
- Due date for response
- Indication that you will be contacting them and when.



### ■ 3. Follow up

Follow up your proposal, firstly it might be by checking to see if your sponsorship proposal was received, and if so, are there any matters you may be able to assist with concerning the proposal.

### ■ 4. Formalising the agreement

Keep a written record of any discussions. If agreement is reached or matters are raised for negotiation, respond in writing as quickly as possible. Emailing may be an acceptable option – check with the potential sponsor. Be very clear with your committee and legal representatives about what is and is not negotiable. Remember you should not plead with potential sponsors, you are offering them a business proposition.

If they say yes, turn your verbal agreement into a written agreement as soon as possible. This will vary according to the size and complexity of the sponsorship. Both parties may just exchange letters detailing their understanding of the agreement, or at the other extreme, the agreement may be a detailed legal document. Make sure your contract letter contains the benefits and obligations of both parties in plain English. Use phrases like, 'The sponsor will...' and 'The committee will...'. Have your organisation's legal representative look at any prepared contracts that a sponsor may provide. Make sure you understand the agreement before entering a formal partnership.

If they say no, be courteous and grateful for the opportunity and look to seek permission to re-discuss matters at a future time should the situation change. There are many good reasons why you may receive a negative response. You can learn from these responses and refine your approaches in the future. Burnt bridges offer no passage in the future.

### ■ 5. Communicating and fulfilling your agreement

Should you be successful with the invitation, seek to create a consistent contact point for all communications. Foster a good relationship. Consider inviting major sponsors to join your organising committee. Invite representatives to your key functions, take time to meet and greet them, assign a chaperone who will give a guided tour and also introduce them to other dignitaries.

Developing a checklist for sponsor related actions on the day of the event will be a useful tool for ensuring you meet your obligations and provide

### tip

Be positive but not pushy; extol the virtues of the proposal for potential sponsors and the benefits to them. Their benefits are the most important aspect of the sell.

added extras such as meetings with celebrities, key exposure roles within the program and photo opportunities.

Make sure you record the sponsor's dollars in action. A record of photos, press clippings, DVDs and evaluations (including the marketing results) can reassure a sponsor that their money was well spent. Consider providing certificates to acknowledge their contribution or, at minimum, forward a 'thank you for your support letter' shortly after the event.

## Small sponsors

Small sponsorships from local businesses are useful if you would otherwise have to pay for the goods and services. Be careful about how you offer the opportunity to sponsor. It is important to be fair. It can create ill will, for example, if the chance is offered only to one hardware store of the two in your shopping strip. It's also important to support your sponsors by buying locally from them.

The Sponsorship Manual is a great resource. Contact details to purchase a copy are contained at the end of this module.

Tips for seeking sponsorship:

- Start your sponsorship campaign early. Try to work at least one year (preferably more) ahead of the event. Late approaches send bad signals to businesses about your reliability and organisation skills.
- Negotiate over a series of meetings – don't bully
- Sell the benefits, not the event, and make sure expected media exposure for the sponsor is clearly spelt out
- Don't promise what you can't deliver but don't undersell what you have to offer
- Make sure the project or event target market is clearly defined
- Be positive, patient and persistent but not pestering
- Don't think sponsorship is an easy option.

## case study

### Hamilton Music Food and Wine Festival

The Hamilton Music Food and Wine Festival is an annual event that attracts around 20,000 people to this cosmopolitan suburb of Newcastle. The Hamilton Business District Committee works hard to attract sponsors to the event, they strive to develop ongoing relationships with all sponsors and understand the importance of taking advantage of sponsorship opportunities as they arise. For instance to take advantage of a sponsorship deal, the name of the event and the venue were changed. The event is now called the St Patricks Day Music Food and Wine Festival. It is held on the weekend closest to St Patricks Day.

## Government regulation of sponsorship

The NSW Office of Liquor, Gaming and Racing regards an appeal to business for sponsorship, for a purpose that is promoted as being of benefit to the community, as charitable fundraising. As such it is subject to regulation under the Charitable Fundraising Act. You may need to apply for an 'Authority to Fundraise'. Check with the Office if you have any doubts. Their contact details are at the end of this module.

## Donations

Some businesses may see merit in your project and donate items such as prizes to your project. These contributions are important.

Acknowledgement and publicising donations (unless the donor has specifically requested otherwise) costs very little and can provide the incentive for other business to engage in similar activities.

- access to meeting facilities and the councils' network of support
- perceptions of credibility through the linkage to the council.

It is important to remember that members of Section 355 committees are bound by their council's code of conduct and operating guidelines, which can be restrictive in some situations.

## Funding options from local councils

Local councils are often a key partner in community based projects. Councils can assist in a range of ways such as providing advice, project funding/management and in-kind resources.

Councils can assist community organisations through:

- Section 94 contributions
- Section 355 Committee status (a formal committee of council)
- Annual donations and assistance schemes
- Special rates
- Councillors' funds.

Contact your local council to determine the options available to assist your organisation/project and how to access this assistance.

## Councillor funds

Some councils offer small grant programs funded from councillors' donations to a trust fund. Those funds are distributed, usually on an annual basis, following a competitive application process. Funds are often only available towards a specific purpose.

## Annual donations and assistance schemes

Under the Local Government Act, local councils have the capacity to provide a small grants program to assist community organisations (Section 356 Grants). Individual councils may have different processes and objectives. You will need to contact your local council to determine whether this form of assistance is available and appropriate to your organisation/project.

## Section 94 contributions

Under Section 94 of the Environment Planning and Assessment Act 1979, if a local council is satisfied that a development for which approval is sought will require/result in an increase in demand for public amenities/services in the area, council may require a monetary contribution and/or dedication of free land. CED committees and Chambers of Commerce may be able to work with their local council to direct Section 94 contributions toward identified strategic plan priorities such as streetscape improvements.

## Section 355 committees

Local councils can establish committees under Section 355 of the Local Government Act 1993 to carry out functions on their behalf. Section 355 committees have the delegated authority to undertake the care, control and management of the council's facilities or assets.

Section 355 committees are commonly used as the management vehicle for projects and community events as this provides:

- access to administrative support processes and equipment
- coverage under the councils' insurance policies
- greater access to council officer expertise

### Special rate

Many main street and CED programs around NSW, particularly in more highly populated areas, are supported by special rate levies. One of the most significant ways a local council can assist CED based organisations to become financially sustainable is through the process of striking a special rate. The Local Government Act 1993 provides an opportunity for councils to raise revenue for particular purposes. As well as an 'ordinary rate' (ie. residential council rate), councils have the power to levy a 'special rate' under section 495 of the Act.

Special rates may be levied for works or services provided or proposed to be provided by the council (eg. town improvement works benefiting a specific locality, or a tourism promotion benefiting a particular ratepayer sector) or for other special purposes. A council can have a number of special rates at one time for different purposes and applying to different locations. The rate can be levied on a particular area and target a particular ratepayer sector such as businesses, as long as the properties levied will benefit. All ratepayers in a council area could be made subject to a special rate intended to finance a project that will benefit the whole of the council area.

A special rate can benefit a CED program by:

- providing a known level of funding
- reducing the need and time involved in sourcing alternative funding
- avoiding the resentment that can arise in voluntary schemes when contributors see non-contributors sharing the benefits.

There is a formal and defined process for the establishment and implementation of a special rate from a legislative perspective.

The NSW Department of Local Government's website [www.dlg.nsw.gov.au](http://www.dlg.nsw.gov.au) contains guidelines, manuals and circulars to assist local councils through this process. The following steps may be useful as a guide for CED organisations.

### Planning and preparation

**1.** As a committee, consider the matter of the special rate and resolve to investigate the option. It is good practice to invite supportive councillors to this meeting so they understand the concept and desires of the committee.

**2.** Develop a working party to research the special rate proposal.

**3.** Meet with the local council's rating staff to discuss the special rate, the zone or area, and the proposed actions. They will be able to provide advice and guide your investigations. At this stage, based on advice from council staff, define the area and the landowners within that area that will be impacted.

**4.** Build a case for the rate. You will need to gain the council's support and that of the businesses and landowners. This case should be based on all the benefits that can be derived from the rate and the project that will be funded.

**5.** Meet with council senior staff including the finance manager/s as they will be working with you to develop a model and later, the concept for the council's draft management plan.

**6.** Discuss the option with councillors, especially noting the benefits; again do some research, know your councillors and address the issues in ways that can have the most beneficial impact. The personal approach is a good choice.

**7.** Develop a team to do the 'selling' process to property owners and the business community.

### Build support for the rate with businesses

1. Prepare an information brochure that is concise and outlines the procedure, the proposed outcomes, a plan of the zone and a glimpse of your organisation's vision.
2. Contact all affected ratepayers within the proposed zone with a letter outlining the proposal, the perceived benefits and the details of the zone that will be affected. Include a copy of your information brochure with each letter.
3. Members of the committee should visit every affected ratepayer personally and go into as much detail as required. Reassure them about the process, the benefits and the role of the rate. Be honest and demonstrate commitment to the rate.
4. During this process gauge the businesses' responses to the plan, and record how it is going. Look to revisit those that may be uncertain about the rate.
5. When you believe you have 80% support for the rate, ask council to call a public meeting and conduct a mail poll of property owners.

### Council arranged public meeting and mail poll

The committee should be well prepared and all members should attend the meeting. Invite at least one guest who can speak positively from their own experience of a special rate. Also organise plenty of positive speakers in the audience. Make sure there are committee members present who have a clear understanding of the proposal, how the rate will work, the benefits and beneficiaries, and any research on other similar initiatives in different locations.

### After the vote

After the vote has validated the imposition of a rate, meet with the council to consider the terms of an agreement. This should specify accountabilities, the committee's role and the anticipated outcomes of the project. If a councillor and council officer are not already members of your committee, invite their participation.

#### tip

Communication is crucial. Communicate with businesses, the council and your committee members regularly through the process. Maintain a core working group and have only one or two media spokespeople so that the message is positive and consistent.



### Business improvement districts

As an alternative to a special rate, a number of models based on the Business Improvement District (BID) concept are emerging in Australia. This is a public/private partnership under which businesses in a defined geographic area agree to pay an additional tax (or levy) to fund activities which will enhance businesses such as events, marketing and improvements to public areas. The funds are managed by an organisation independent and separate from government. The first BID was set up in Toronto, Canada in the late 1960's. Since this time the model has spread to numerous countries including the USA, England and New Zealand.

#### case study

##### **Gosford Business Improvement District and Canberra CBD Limited**

A group of Gosford City Centre business operators and property owners, in collaboration with Gosford City Council, have set up a Business Improvement District. The purpose of the Gosford BID is to improve conditions for business, attract more people to the city centre, and improve the quality of life for those who work, shop and live in the city centre. This BID enables business and property owners to decide which services - over and above those already provided by the council - are needed to meet Gosford's needs and to devise ways to deliver them. It will be funded by a special improvement levy that has been in place for many years. This information has been sourced from [www.gosfordcity.com.au](http://www.gosfordcity.com.au) which provides further details on the initiative.

Canberra CBD Limited is a not-for-profit company limited by guarantee, charged with improving and marketing the city centre as the pre-eminent retail, lifestyle and commercial precinct in the ACT. The company administers the Canberra City Centre Marketing and Improvements Grant, raised through a levy on property owners in the city centre to deliver projects beyond government obligations. All owners in the levied area can become members of Canberra CBD Limited. Membership is free. The input and involvement of property owners is crucial if the company is to achieve its objectives. This information has been sourced from [www.inthecitycanberra.com.au](http://www.inthecitycanberra.com.au) which provides further details on this initiative.

## government and other funding options

Many Australian and State Government departments have programs that may be a source of funds for CED initiatives. A good starting point for researching available funding through the Australian Government is [www.gov.au](http://www.gov.au). Similarly for the NSW Government visit [www.nsw.gov.au](http://www.nsw.gov.au) or the [www.communitybuilders.nsw.gov.au](http://www.communitybuilders.nsw.gov.au) website.

Our Community Pty Ltd provides a wide variety of services and products on grants and fundraising. Their website [www.ourcommunity.com.au](http://www.ourcommunity.com.au) has a number of free resources. Easy Grants is a comprehensive monthly newsletter available on subscription from Our Community. This newsletter includes up-to-date information on funding available through the Australian and State Governments, philanthropic organisations and corporate businesses.

Finding appropriate grant schemes is time-consuming and applying successfully is something of an art.

### Tips about applying for grants

- Apply for fewer grants so you can take the time to get them right – don't cut and paste from other applications
- Speak to the contact person to find out as much information as possible about the grant
- Be aware of closing dates and allow ample lead time to research and write your application
- Apply only when you are confident that your project/organisation is eligible and easily fits the grant guidelines
- Seek help from expert grant-seekers (many local councils employ grant officers)
- Talk to successful applicants about what they did
- Answer all the relevant questions on the application form and provide anything extra that the contact person agrees would strengthen the case
- Make sure the application is only directed to the appropriate person and location
- Make sure the aims of your project are clearly expressed and are consistent with those of the funding program
- Read the selection criteria several times and brainstorm with your committee on how you meet them

- Give clear guidance to anyone giving written support to your application such as a referee or project partner. If they agree, provide a draft letter for their use. Make sure you include confirmation of any cash and in-kind project contributions in the letter. Many funding organisations require evidence of financial contributions from project partners other than the applicant organisation.
- If permissible under the application process, provide the contact person with a copy of your draft application for comment. Make sure you modify your application if requested to do so to incorporate any suggested changes.
- Check spelling, grammar, poor presentation and layout. Have someone else read and check your application. Don't assume the grant decision making committee can 'read between the lines'. Make sure all attachments are enclosed.
- Have a fall back position if the grant application is not successful.

### Industry & Investment NSW (I & I NSW) - Community Economic Development Program

This program is designed to increase business and economic activity and to foster commitment from local government to economic development. The program benefits the broader community; particularly the business community. Applications are invited from sponsoring organisations such as chambers of commerce or local councils on behalf of their regional community.

Assistance under the Community Economic Development (CED) Program is in the form of seed funding towards the cost of the community (or local government area) strategic planning process, employing a coordinator/economic development officer and implementing projects that will increase local economic activity. The type of projects eligible for funding include business/tourism development activities, town marketing activities and community events. Each year around 70 regional communities access the CED Program to increase business activity, and lift the profile and morale of their towns. The CED Program also plays an important role in community capacity building. Visit [www.regionalcommunities.nsw.gov.au](http://www.regionalcommunities.nsw.gov.au) for further information on the program and contact details.

**Kurri Kurri Towns With Heart and Brunswick Heads Chamber of Commerce - financially sustainable CED programs**

The Kurri Kurri Towns With Heart (TWH) Committee has been operating since the late 1990s. After initial funding from I & I NSW, the TWH Committee realised it would need to take action to source funds to continue and maintain the Kurri Kurri CED program. TWH successfully acquired funds/sponsorships from local businesses and a range of funding organisations.

Significant projects initiated by TWH include a mural project, and the 'Ask me I'm a Local' project – which involved training volunteers as visitor guides to provide information on more than 50 murals in the area. TWH also established a commercial call centre in Kurri Kurri High School and developed a flagship event – the Kurri Kurri Nostalgia Festival. To achieve financial sustainability, the TWH coordinator worked with long term program partners such as I & I NSW and the local council, and built lasting relationships with local businesses. Additionally, the coordinator developed an extensive knowledge of funding sources and finetuned her skills in seeking grants.

Brunswick Heads in northern NSW has around 100 businesses in town, a relatively small population base, and is in an area where the local council has minimal capacity to provide financial support. Brunswick Heads Chamber of Commerce has faced financial challenges in implementing a CED program since its commencement in the late 1990's. The Chamber has overcome these difficulties. Significant projects initiated by the Chamber include running four successful events each year, continuing to strengthen the 'Simple Pleasures' marketing campaign, and establishing and operating a visitor information centre. To achieve financial sustainability and overcome challenges, the Chamber has continually 'looked outside the square' and implemented a range of activities. Strategies to achieve financial sustainability include:

- running a work for the dole (federally funded) program
- conducting a number of annual profitable events (with very small budgets)
- selling a range of merchandise
- running joint activities with local businesses and community groups
- using community assets - including people
- developing long term partnerships with funding organisations such as I & I NSW.

**Tourism NSW  
– Regional Flagship Events Program**

Funding is available under this program for regional events which can demonstrate potential to be significant tourism events. To be eligible, the event must have been operating for a minimum of two years prior to applying for funding under the program. Assistance is toward marketing activities and raising the event's profile. A number of new events that have received initial funding under I & I NSW's CED program have successfully competed for Regional Flagship Events (RFE) funding. Examples include Kurri Kurri's Nostalgia Festival, the Tullamore Irish Festival, the Snowy River Festival and the Old Bar Beach Festival.

Expressions of interest are invited annually as the first step in the RFE funding round process. Expressions of interest are considered by a panel and the organisers of selected events are then invited to lodge a full application for funding consideration. Funding under this program is extremely competitive. For further information visit [www.tourism.nsw.gov.au](http://www.tourism.nsw.gov.au).

### Philanthropy Australia

Philanthropy Australia is the umbrella association for family, private and corporate trusts and foundations. The Australian Directory of Philanthropy is an essential resource for not-for-profit organisations, charities and community groups. It contains an alphabetical listing of over 300 grant making organisations, detailing their fields of interest, contact information, application procedures and tips. The Directory can be purchased as an online or hardcopy version at [www.philanthropy.org.au/publications/directory](http://www.philanthropy.org.au/publications/directory). Further contact details for Philanthropy Australia are included at the end of this module.

### Community Foundations

Community foundations are independent philanthropic organisations and cover specific geographic areas. They attract tax deductible donations for their public fund and build a capital base which is invested in perpetuity. This provides a permanent and growing source of funding with the income earned each year being returned to the community as annual grants to deductible gift recipients or other tax deductible entities. Community foundation grant funding is quite specific in nature. If the project does meet the eligibility requirements, the level of funding available can be significant. Further information on community foundations, including a list of existing foundations and links to their websites is accessible through Philanthropy Australia's website [www.philanthropy.org.au](http://www.philanthropy.org.au).

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##### **Hunter Community Foundation**

The Hunter Community Foundation was established in 2006 to provide a unique vehicle for residents/businesses in the Hunter region to make the most of the value and effectively target their donations to their community. Donations and bequests can take the form of cash as well as shares or property. The Foundation provides grants in areas ranging from health, education, the environment, arts and culture, and community and heritage preservation. The Foundation's website [www.huntercommunityfoundation.com.au](http://www.huntercommunityfoundation.com.au) includes sections for donors and potential donors, information for professional advisors, as well as information on grants.

## resources

case study websites or telephone numbers

COMMUNITY	WEBSITE
Brunswick Heads	<a href="http://www.brunswickheads.org.au">www.brunswickheads.org.au</a>
Canberra CBD Limited	<a href="http://www.inthecitycanberra.com.au">www.inthecitycanberra.com.au</a> 02 6162 4292
Coolah Jazz in the Tops	<a href="http://www.jazzinthetops.com.au/">www.jazzinthetops.com.au/</a> 1800 242 881 or 02 6378 5030
Deniliquin Ute Muster	<a href="http://www.deniutemuster.com.au">www.deniutemuster.com.au</a>
Gosford Business Improvement District	<a href="http://www.gosfordcity.com.au">www.gosfordcity.com.au</a> 02 4322 7726
Gunnedah District Development Board	<a href="http://www.gunnedah.org.au/">www.gunnedah.org.au/</a> 02 6742 3600
Hamilton Music Food and Wine Festival	<a href="http://www.hamiltontown.com/events">www.hamiltontown.com/events</a> 0414 496 493
Hunter Community Foundation	<a href="http://www.huntercommunityfoundation.com.au">www.huntercommunityfoundation.com.au</a> 02 4934 2284
Kurri Kurri	<a href="http://www.kurrikurri.com">www.kurrikurri.com</a>
Murrurundi Rural Transaction Centre	02 6546 6205
Old Bar Beach Festival	<a href="http://www.oldbarbeachfestival.com.au/">www.oldbarbeachfestival.com.au/</a> 02 6553 7267



## resources

### case study websites

CONTACT	RESOURCES	WEBSITE
AUSTRALIAN GOVERNMENT	A good starting point for researching funding available through the Australian Government	<a href="http://www.gov.au">www.gov.au</a>
NSW DEPARTMENT OF LOCAL GOVERNMENT	Guidelines, manuals and circulars to assist local councils through the process to establish and implement a special rate from a legislative perspective	<a href="http://www.dlg.nsw.gov.au">www.dlg.nsw.gov.au</a>
Industry & Investment NSW (I & I NSW)	Community Economic Development (CED) Program application form, self help modules, and CED success stories	<a href="http://www.regionalcommunities.nsw.gov.au">www.regionalcommunities.nsw.gov.au</a> <a href="http://www.industrty.nsw.gov.au">www.industrty.nsw.gov.au</a>
NSW GOVERNMENT	A good starting point for researching funding available through the NSW Government	<a href="http://www.nsw.gov.au">www.nsw.gov.au</a> or the <a href="http://www.communitybuilders.nsw.gov.au">www.communitybuilders.nsw.gov.au</a>
OUR COMMUNITY PTY LTD	Provides a wide variety of services and products on grants and fundraising, including some free resources. Easy Grants is a comprehensive monthly newsletter available on subscription	<a href="http://www.ourcommunity.com.au">www.ourcommunity.com.au</a>
PHILANTHROPY AUSTRALIA INC	Information on community foundations, including a list of existing foundations and links to their websites	<a href="http://www.philanthropy.org.au">www.philanthropy.org.au</a>
THE OFFICE OF LIQUOR, GAMING AND RACING	Fact sheets, application forms and guidelines (including best practice) to determine whether or not you require an 'Authority to Fundraise'	<a href="http://www.olgr.nsw.gov.au">www.olgr.nsw.gov.au</a> .
THE SPONSORSHIP UNIT	The Sponsorship Manual (2nd edition), provides a comprehensive introduction to sponsorship	<a href="http://www.sponsorshipunit.com.au">www.sponsorshipunit.com.au</a>
TOURISM NSW	Regional Flagship Events Program information and application form	<a href="http://www.tourism.nsw.gov.au">www.tourism.nsw.gov.au</a>