



Guidelines for Business Associations

September 2015

Table of Contents

1. Introduction
2. Purpose and role of Incorporated Trader/Business Associations
3. Trader/Business Associations and Council
4. Financial Assistance for Trader/Business Associations
5. Useful resources/documents

1. Introduction

Darebin City Council recognises that improving the viability and vitality of its activity centres and precincts is critical for a thriving local economy.

The vision of the *Darebin Business Development and Employment Strategy (2012 -2015)* is: “Darebin will have a positive and connected business environment with a dynamic and diverse economy that has sustainable growth and operations and generates local employment opportunities”.

One of the objectives within the strategic directions of Marketing is to “Strengthen the unique characteristics of Darebin’s Activity Centres”.

These guidelines are designed to assist in the development of Business Associations that are sustainable and highly functioning and to promote practices that enable a co-operative approach to their management, promotion and marketing. It will also encourage best practice for new and existing Business Associations in Darebin.

Explanation of key terms

The following section provides an explanation of key terms

Traders/Business Association

- A Traders/Business Association is an informal appointed group of business owners and operators who represent the broad collective interests of the business community defined within a geographical commercial area.
- An Incorporated Traders/Business (Association) is when the appointed group of business owners and operators join together legally through incorporation to manage a Levy.
- A Business Advisory Committee is where Council undertakes the direct management and administration of a Levy. The role of the committee members is to provide advice, input and feedback on the management of the Levy.

An Association provides leadership, direction and guidance for its Business District and its businesses.

Business District (District)

Business Districts are the central area or commercial centre/s of a town or city. Districts may also be described as retail centres, activity centres and main streets.

Funding Agreement

A funding agreement is an agreement made between Council and an Association. The agreement outlines the reporting requirements, Statement of Purpose and Rules of the Association. It also outlines the relationship and obligations of both Council and the Association.

Special Rate and Charge Levy (Levy)

The *Local Government Act 1989* enables Councils to levy a special rate and/or charge to help pay for a service or activity that will be of special benefit to a particular group of property owners and business operators.

A special rate or charge is an annual fee paid by business properties that is pooled into a central fund and is spent on encouraging commerce and retail activity in that area.

Special Charge is a flat fee levy usually calculated by dividing the number of properties within the defined geographic area by the total amount to be raised.

Special Rate is a levy calculated using Council's valuation of each property (Capital Improved Value) to determine the amount of money that each property will contribute to achieve the total value.

In the past 20 years, an increasing number of Victorian shopping strips have relied on a levy to fund co-ordinated management and marketing programs. There are about 70-80 of these programs currently operating in Victoria, implementing initiatives such as seasonal promotions, branding, competitions, loyalty programs, newsletters, advertising, marketing campaigns, community events, directories, business events and networking, improving amenity, and increasing awareness and customer numbers to the precinct. About \$7-8 million is generated annually by these programs.

2. Purpose and role of Traders/Business Associations

The purpose and role of an Association and its committee are as follows:

- represent the views of its business community
- facilitate a shared vision for the precinct
- provide a central point of contact for Council, businesses and others
- advocate to Council and other key stakeholders
- oversee key marketing, promotion and communication activities and ensure that these are integrated
- collaborate with key stakeholders to realise its vision and
- build relationships among its business community and with Council and other government and community groups

The purpose and role of an Incorporated Association and its committee and Business Advisory Committee (Levy) are as follows:

- represent the views of its business community
- facilitate a shared vision for the precinct
- provide a central point of contact for Council, businesses and others
- advocate to Council and other key stakeholders
- provide the structure to deliver and facilitate activities to improve and activate its precinct
- oversee key marketing, promotion and communication activities and ensure that these are integrated
- collaborate with key stakeholders to realise its Statement of Purpose

Darebin City Council Guidelines for Business Associations

- build relationships among its business community and with Council and other government and community groups
- required to comply with the requirements in accordance with the *Local Government Act 1989* and *Associations Incorporation Reform Act 2012*

Objectives of Traders/Business Association

An Incorporated Association (Association) is independent from Council and receives the special charge or rate that is paid by those businesses and allocates the pool of money to the following:

- Marketing events
- Promotional materials
- Engaging a centre manager
- Improve centre décor and displays
- Enhance the appearance of the centre to attract more customers

Refer to **Appendix A** for details on the process of an introduction or renewal of a Special Charge or Rate Levy.

The elected Executive Management Committee is responsible for the following:

- legal and corporate governance requirements
- management of any funds collected or distributed by the Association and
- marketing and promotion strategies

The following provides some of the likely roles and/or duties that committee members will be required to undertake.

Specific Executive or Office Bearer Roles

President or Chairperson

The President or Chairperson provides leadership to other members of the committee and motivates and encourages them to accept shared responsibility for the overall functioning of the Association. Their specific role is to:

- manage and chair committee meetings
- represent the Association at Council/community events and be a spokesperson for the Association when required
- give direction to the committee and assist with the allocation of priorities, roles and responsibilities
- facilitate decision making of the committee and ensure that issues are addressed and resolved
- ensure that the activities planned for the Association are in accordance with the wishes of the members and
- be accountable to the members for the functioning of the committee.
- ensure the required documentation and reports are provided to Council
prepare and present a Presidents report at the Annual General Meeting (AGM)

Vice President or Assistant Chairperson

The Vice President is the President's 'right-hand person' and assists the President in fulfilling their role. They also fill in for the President when they are absent.

Treasurer

The Treasurer manages any money that the Association holds or is responsible for. This could be membership fees, sponsorship, grants or special rate and charge scheme funds.

Their specific role is to:

- keep accurate accounts and records for all financial transactions
- prepare any budgets and reports as required
- act as a signatory to the Association's bank accounts with at least one other committee member and
- prepare the annual financial report and present a Treasurer's/financial report at the AGM

Committee Secretary

The Committee Secretary assists with the smooth running of the Association by handling all the records of meetings, correspondence and other communications.

Their specific role is to:

- receive and respond to mail
- prepare and circulate agenda for meetings
- take minutes of meetings to ensure a correct record of the meeting and distributing these to the committee
- maintain a register of members and
- know the legal and constitutional requirements of the Association.

Act Secretary (formally known as the Public Officer and usually a combined role with the Committee Secretary)

According to the *Associations Incorporation Reform Act 2012* the Committee must appoint an Act Secretary, who is the main point of contact between the Association and the Consumer Affairs Victoria (CAV). This person must be at least 18 years of age and reside in Victoria. The Act Secretary can also be the Committee Secretary.

The Act Secretary has the following responsibilities to undertake on behalf of the Association:

- lodging an annual statement with the Registrar (the Director of CAV) within a month after the AGM.
- notifying the Registrar of:
 - a change to the incorporated Association's registered address within 14 days
 - their appointment as a public officer or any changes to their details
 - a special resolution to wind up the Association or distribute its assets
 - applying to the Registrar to:
 - alter the association's statement of purposes or rules
 - change the Association's name
- notifying Council of changes as per funding agreement.

Some individual duties associated with the above positions may be undertaken by a contracted Centre Manager if that committee determines that this is required. However, Centre Managers cannot hold Office bearer positions and executive members are legally responsible for their position under the Associations Incorporation Act.

Centre Manager

A Centre Manager is usually engaged by Associations as per their funding agreements with Council. They are an important resource and assist the Association to achieve their goals for the centre.

The Centre Manager works for the Association and is employed or contracted by the Association directly to:

- assist in the management and implementation of promotional and marketing activities
- represent the broader interests of the Association and agreed vision and directions
- provide administration and organisation support to the Association

Information to include in Centre Manager Position Description:

- Information about the centre
- Position purpose
- Key responsibilities and duties
- Reporting relationships
- Outputs and Measuring of Performance

General committee member

Committee members should ideally come from a variety of business types and geographical locations within the area to ensure a good cross section of interests. They should have a genuine interest in making the precinct a more active and successful place of business. Committee members are generally required to:

- attend and participate in meetings on a regular basis
- talk with other business owners/operators and get their opinions and ideas
- pursue the general objectives of the Association, be impartial and broadly represent the interest of businesses
- present the view of businesses clearly to the committee when required and
- work co-operatively with the committee and wider business community.

Governance and Association Management – Associations Incorporation Reform Act Requirements

Associations that are recipients of Special Rates or Charges funds must be incorporated and comply with the statutory requirements of the *Associations Incorporation Reform Act 2012*. For further information of incorporation responsibilities and processes visit www.consumer.vic.gov.au. Business Advisory Committees are exempt.

Documentation requirements for Incorporated Associations (including Business Advisory Committees)

Upon the introduction and renewal of a Levy, the following documentation is required from the Association in accordance with the *Local Government Act 1989*:

- Business Plan (for the duration of the Levy)
- Funding Agreement: which also include a Statement of Purpose and Rules of Association
- Copy of Public Liability Insurance
- Terms of Reference (only applicable to Business Advisory Committees)

In addition, all committee members (with the exception of Business Advisory Committees) will be required to complete governance training prior to the beginning of each financial year.

For more information regarding the Business Plan refer to **Appendix B** – Template for a Business Plan.

Darebin City Council Guidelines for Business Associations

Business Plan: should identify the key strategies that will be undertaken for the duration of the special rate and charge.

Funding Agreement: As part of governing Special Rate and Charge Levies as set out in the *Local Government Act 1989*, Associations and Council enter into a funding agreement by which administrative arrangements in relation to the levy are confirmed. The agreement is a precondition to the payment of any funds obtained from the levy that an Association receives from Council and sets out the responsibilities of the Association and Council including:

- dispute resolution mechanisms
- arrangement for quarterly or half yearly payments
- reporting
- Annual General Meeting requirements
- agreed performance indicators

Statement of Purpose: Included in the funding agreement and incorporated into the Rules of Association and describes in numbered paragraphs what the Association hopes to achieve.

Rules of Association: Every Incorporated Association must have its own rules. The Association's rules help the members of the Association to know how the organisation needs to be run and managed, and how decisions will be made.

Procurement

Associations are advised to apply some principles and processes around fair, equitable and value for money procurement of goods and services.

Below is a guide to ensure accountability and transparency:

- **Items with a value \$3,000-\$10,000 – Request for quotation**

A minimum of two telephone or written quotations must be obtained and details recorded and documented

- **Items with a value \$10,000 and above – Request for quotation**

A minimum of three written quotations must be obtained and details recorded and documented

Quotations need to be included as agenda item and recorded in the minutes during committee meetings.

Key legal annual requirements include:

- Conduct an Annual General Meeting (AGM)

This is required each calendar year within five months of the Association's financial year. The first AGM can be held at any time in the 18 months following incorporation. The Association is recommended to give at least 21 days' notice to the businesses within the area to attend the AGM.

An invite must be formally sent to all businesses that are paying the Special Rate or Charge. Refer to **Appendix C** for a sample notice of holding an AGM. This template can also be used as a guide for preparing minutes of the meeting. The invite to the AGM should also include a nomination form and proxy form. The forms need to be filled in and returned to returning officer within 14 days receipt of the form. The proxy form then needs to be completed by the secretary and sent to CAV.

Darebin City Council Guidelines for Business Associations

At the AGM, concise minutes need to be formally taken by either the secretary or the Centre Manager and then recorded.

- Annual Statement

This needs to be submitted to the CAV with financial documentation within one month of the AGM.

General Meetings

Regular Committee Meetings

An Association should meet regularly to ensure it works towards delivering on its identified purpose and priorities.

Points to remember when conducting regular committee meetings are:

- start the meeting on time
- there must be a quorum (4 eligible members) present before the meeting can be formally declared open. *Note:* If the numbers at the meeting fall below the quorum at any stage during proceedings of the meeting, no further decisions should be made
- the Chairperson's role is to control the meetings, accept motions and amendments, rule on points of order and see that the actions from the meetings are carried out correctly and expediently
- meetings do not have to run formally all the time and it is up to the Chairperson to decide the formality of meetings and
- it is important as chairperson to ensure:
 - that everyone has a chance to contribute
 - decisions are made and recorded

Refer to **Appendix D** for a sample agenda to conduct regular committee meetings. This template can also be used as a guide for preparing minutes of the meeting.

3. Trader/Business Associations and Council

Association support required from Council

Trade/Business Associations generally need the following support from Council:

- continuous communication with Council
- training, professional development and networking opportunities for committee members and potential committee members so that they can fulfill the duties that are required of them.
- provide training for office bearers of the Association to encourage best practice

Council can provide Incorporated Associations with the following support:

- funding agreement outlining reporting requirements
- pay the Association any of the funds obtained from the Levy on a half yearly basis subject to the satisfactory completion of reporting requirements outlined in the Funding Agreement.
- meet as required with Association representatives and centre managers to discuss progress and provide advice, information and guidance on the opportunities that may exist in the future

Darebin City Council Guidelines for Business Associations

- assist with issues which affect the streetscape of the precinct
- facilitate and co-ordinate Council responses and action on specific activity centre projects or issues
- assist Association to implement a graffiti management plan

Council may also provide (in partnership with Associations):

- **Business planning** - workshop ideas and assist the Association to develop, document and present a plan to businesses and Council.
- **Connection to specific marketing promotions** that aim to increase customers and awareness of the Business precinct.
- **Customer, business and market research** that will provide valuable insights, opinions and ideas to assist in developing and informing the best approaches and responses for the precinct.
- **Investigation and development of preferred models for a levy**
 - investigate the feasibility and response from business and property owners to renew a levy
 - educate business and property owners on the benefits of a levy and respond to any enquiries.

Payments and Reporting

The following documentation is required by Council before payments can be processed. Associations are encouraged to submit documentation within the timelines below to ensure a balanced account and smooth consistent transactions.

Requirements before first half of payment (July to December)

| Documentation required | Due date |
|--|--------------------|
| <input type="checkbox"/> 12 month end of year actuals - which also includes a marketing report on success and failures for the previous year | July 31 |
| <input type="checkbox"/> 6 months of bank statements (December to May) | June 30 |
| <input type="checkbox"/> 12 month marketing plan – proposed activities for the year and annual budget | July 31 |
| <input type="checkbox"/> Invitation to the Association's AGM | 21 days before AGM |

Requirements before second half of payment (January to June)

| Documentation required | Due date |
|---|--------------------|
| <input type="checkbox"/> 6 months of bank statements (June to November) | Dec 31 |
| <input type="checkbox"/> 6 months financial report – which includes actual versus budgeted during July to December | January 31 |
| <input type="checkbox"/> AGM held and proof that invitation to the AGM has been circulated to all businesses paying the Levy | end of July |
| <input type="checkbox"/> Audited accounts for the previous financial year and proof that it has been circulated to all businesses paying the levy and not only attendees of the AGM | before AGM is held |

Refer to **Appendix E** - Template for financials. Council has a cheque run every second Thursday so Associations should allow 10 days for payments to be processed to guarantee payment is made through the cheque run.

4. Financial assistance for Trader/Business Associations

Sponsorship

Associations can consider sponsorship (cash and/or in-kind) as another means to fund or promote initiatives. Interested sponsors usually want to connect more strongly to their customers and will be looking for events or activities that have broad appeal and repeated exposure.

Access to a main street 'community' through a sponsorship partnership can be a very attractive and beneficial proposition for many organisations. Apart from direct commercial benefit to a product or corporate brand, there are also "above the line" benefits, where sponsorship is awarded in the interest of general "corporate social responsibility".

Ourcommunity.com.au has a great range of resources and help sheets with regard to sponsorship and fundraising.

5. Useful resources/documents

Key resources

The following is a list of key resources that can assist Associations.

Consumer Affairs Victoria www.consumeraffairs.vic.gov.au

The information under Incorporated Association is user-friendly and useful; however, it is not specific to Business Associations and mainly focuses on the incorporation, process, responsibilities and accountability. It has quite a list of templates, information, frequently asked questions and links to other sources that are available.

Our Community www.ourcommunity.com.au

Our Community is a world-leading social enterprise that provides advice, tools and training for Australia's 600,000 community groups and schools, and practical links between the community sector and the general public, business and government. Templates, case studies links, and documents are provided in a range of areas including: committees, boards, marketing, managing money, leadership, technology, and advocacy. There is also a guide for community treasurers that can be downloaded from this site.

Mainstreet Australia www.mainstreetaustralia.org.au

Mainstreet Australia is a not for profit, member based organisation committed to supporting the traditional village shopping strips and town centres of Australia. Mainstreet Australia provides knowledge, information and support to people working in, and with, these traditional community shopping and business centres.

It is focused on developing the capacity and potential of main streets collectively by providing practical online resources, and conducting information seminars, workshops, networking events and its annual conference.

Business Development Council's Business Development Unit is responsible for working collaboratively with Darebin's emerging and existing Business Associations. For more information contact the Retail Development & Marketing representative on 8470 8613.

Appendix A - Special Rates and Charge Levy Process: investigation, statutory implementation and monitoring

The statutory process which is required to introduce, renew and manage a Special Rate Levy is as follows.

| Step | Task | Statutory | Best Practice |
|------|--|-----------|---------------|
| 1. | Association consults with business and property owners and builds support for a levy of between 70% and 85% from those (property or business owners) liable to pay the Levy. | | • |
| 2. | Association writes to business and property owners informing of their intention to formally request Council to commence the statutory process. Council can assist with preparation and administration of this communication. | | • |
| 3. | Council receives letter from Association requesting that Council formally commence statutory procedures for the introduction of a Levy. This should include the proposed total amount of which the Association would like to receive. The following documents should be enclosed with the letter: <ul style="list-style-type: none"> • Business Plan • Evidence of consultation with the business and property owners of the Association's intention to request a Levy • Evidence of in principle support for the Levy and initial business consultation/communications in terms of developing the proposal | | • |
| 4. | A walk through of the proposed Special Rate/Charge Levy area is conducted to ensure all businesses within the SRL/SCL are included in the new proposal. | | • |
| 5. | Survey is conducted of all businesses owners of whether they would be interested in a renewal of the Special Rate/Charge Levy. This should also be the time where the Association markets what the SRL/SCL has achieved in the previous 5 years. | | • |
| 6. | Council Officers review the submitted request, develop timeline and schedule two Council Meeting dates - one for Notice of Intention and one for Notice of Declaration. A separate meeting for hearing of submissions may also be required. | • | |
| 7. | An amount is calculated including all proposed properties. | • | |
| 8. | Council Officers prepare report – 'Notice of Intention to Declare a Special Rate/Charge Levy' for consideration by Council. The report includes: <ul style="list-style-type: none"> • the proposed declaration which outlines the area; | • | |

Darebin City Council Guidelines for Business Associations

| Step | Task | Statutory | Best Practice |
|------|--|-----------|---------------|
| | <ul style="list-style-type: none"> property numbers in scheme and the amounts payable <p>By this stage the Report will recommend to resolve to commence statutory process.</p> | | |
| 9. | The report – ‘Notice of Intention to Declare a Special Levy’ for consideration by Council includes a recommendation that if the scheme be declared, that the Association enters into a formal funding agreement including submitting of quarterly or half yearly financial reports. | | • |
| 10. | If Council resolves to commence the statutory process of its intention to declare a Levy a public notice will appear in 2 local papers stating the Proposed declaration. | • | |
| 11. | Within three working days of notice appearing in papers Council sends letters to all affected business owners and property owners informing them of its intention to declare a special levy. A copy of the advertisement that appears in newspaper is inserted with this letter. | • | |
| 12. | A fact sheet is enclosed with the letter responding to frequently asked questions about the proposal in non-technical terms and how to submit a submission and /or objection to the proposed Levy. | | • |
| 13. | Business and Property owners have 28 days to make a submission and or objection. The consultation period commences from the date the advertisement appears in the paper. | • | |
| 14. | Council acknowledges, considers and reviews objections and submissions after the consultation period. | • | |
| 15. | A Special Committee of Council (section 223 committee) determines whether there is enough support, taking into account submissions and objections and hearing from those wishing to speak to their submission. The Act specifies that if Council receives objections in respect of a majority (at least 51%) of the rateable properties in the area of the Scheme it is prohibited from making the declaration of the Levy. | • | |
| 16. | Council Officers prepare report – Notice of Declaration. Submissions and objections must be summarised in report and an officer comment is included as to the validity/relevance of submission. | • | |
| 17. | Present ‘Notice to Declare a Special Rate/Charge Levy’ report to Council seeking resolution to declare, amend or abandon a Levy. | • | |
| 18. | If Council resolves to declare a Levy a public notice will appear in 2 local papers stating the declaration. | • | |
| 19. | Council sends letters to all property and business owners advising of its decision. If resolved to introduce Levy, a copy of the advertisement that appears in the newspaper is inserted with this letter as well as the new individual rate or charge for that year. All submitters that have provided support/objection will be | • | |

Darebin City Council Guidelines for Business Associations

| Step | Task | Statutory | Best Practice |
|------|--|-----------|---------------|
| | <p>formally responded to. If resolved to introduce Levy those liable to pay Levy have 30 days to lodge an appeal with VCAT from receipt of Levy notice.</p> | | |
| 20. | <p>If no appeals – Council will initiate Levy by preparing a formal funding agreement (signed by Council and Association). Should an appeal be submitted to VCAT, timeline could be extended by approximately three months and may also change outcome.</p> | • | |

Appendix B- Template for a Business Plan

The Business Plan should include the following information:

CONTENTS

- 1. Introduction**
- 2. Profile of the Centre**
- 3. Business Mix**
- 4. Community Profile**
 - Customer Survey
 - Business Survey
- 5. Committee of Management/Special Rate**
- 6. SWOT Analysis**
 - Strengths
 - Weaknesses
 - Opportunities
 - Threats
- 7. The Future**
 - **Vision**
 - **Centre Goals**
 - **Strategies and Actions**
- 8. Financial Strategy**
- 9. Monitoring and Evaluation**
- 10. Appendix**
 - Results of Customer Survey
 - Darebin City Council Strategies and Policies

Appendix C - Template for invitation to AGM

You are invited to attend the Annual General Meeting of the... (name of Association, date, time and venue and address of meeting)

The agenda for this meeting is as follows –

1. Opening
2. Meeting opens and welcome by the President
3. Apologies
4. Minutes of the previous Annual General Meeting
5. President's report
6. Financial report (completed by Treasurer)
7. Committee elections – at this point all positions must be declared vacant
8. Election takes place
9. General Business
10. Meeting closes

Appendix D - Template for agenda of general committee meeting

Name of Association

Committee Meeting Agenda

Date and time:

Venue:

Meeting Chair:

Meeting Attendees:

The agenda for this meeting is as follows -

| | | |
|---|----------------------------------|------------------------------|
| 1 | Meeting opens and welcome | President |
| 2 | Attendance and apologies | |
| 3 | Minutes of the previous meeting | |
| 4 | Matters arising from the minutes | |
| 5 | Correspondence | Secretary |
| 6 | Reports | Treasurer and Sub-committees |
| 7 | Other matters | |
| 8 | Next meeting / Meeting closes | President |

Appendix E – Template for Financials

Annual budget, 6 months financial report and 12 month end of year actuals

| | | | |
|-----------------------------------|--------------------------------|---------------------------------------|---|
| Special Rate/Charge Income | XXXXXXXX | | |
| Carry Over - Estimated | XXXXXXXX | | |
| TOTAL | XXXXXXXX | | |
| Budget Items | Budget for 2013 to 2014 | July 2013 to June 2014 actuals | July 2013 to December 2013 actuals |
| Marketing consultant | XXXX | | |
| Centre Manager fees | | XXXX | XXXX |
| Total | | XXXX | XXXX |
| Administration | | | |
| Postage | XXXXX | XXX | XXX |
| Stationery/Printing/Letterhead | XXXXX | XXX | XXX |
| Petty Cash | XXXXX | XXX | XXX |
| Total | XXXXX | XXXX | XXXX |
| Newsletters | | | |
| Printing | XXXXX | XXX | XXX |
| Distribution | XXXXX | XXX | XXX |
| Total | XXXXX | XXXX | XXXX |
| Education/Business Program | | | |
| Trader Education | XXXXX | XXX | XXX |
| Total | XXXXX | XXX | XXX |
| Marketing Campaigns | | | |
| Easter | XXXXX | XXX | XXX |
| Mother's Day | XXXXX | XXX | XXX |
| Christmas | XXXXX | XXX | XXX |
| Total | XXXXX | XXXX | XXXX |
| Other Events | | | |
| XXXXXXXX | XXXXX | XXX | XXX |
| XXXXXXXX | XXXXX | XXX | XXX |
| Total | XXXXX | XXXX | XXXXX |
| GRAND TOTAL | XXXXXXXX | XXXX | XXXXXX |

XXX

SURPLUS