



1. Response to the PSL consultation

1.1. INTRODUCTION

This letter represents the formal response of The Carsharing Association (CSA) to the TfNSW discussion paper of October 2016 'Review of the Parking Space Levy Act 2009 / Review of the Parking Space Levy Regulation 2009'.

The CSA represents Australia's professional car sharing services, whose members operate in Sydney, Melbourne, Brisbane, Canberra and Adelaide. Over the Sydney metropolitan area, CSA members have a fleet of approximately 1554 cars available.

The CSA has a strong interest in reform of the Parking Space Levy (PSL) given that, under the terms of the current Act and Regulation, car share services are not exempt from paying the PSL.

This response is structured into four distinct responses to each of the four questions outlined in the consultation document.

1.2. RESPONSE TO QUESTION 1

Question 1. The Government's preliminary view is that the objectives of the Act remain valid, and that the terms of the Act remain appropriate for securing those objectives. Do you agree? Why or why not?

The objectives of the PSL are to reduce congestion (by discouraging car use in leviabile districts), and to attract customers to public transport by hypothecation of funds directly to improvements to essential infrastructure each year. The CSA wholeheartedly support these objectives, which are essential to maintaining the economic productivity of inner Sydney. The objectives are also completely aligned with our member's business ethos and corporate plans. As such, **we agree that the objectives of the act remain valid.**

However, **we disagree that the terms of the Act remain appropriate for securing those objectives.** Specifically, the failure within the Regulation to offer an exemption for car share operators means that the way that the Act is applied runs counter to the specific objectives of the Act.

1.2.1. How do CSA members support the objectives of the Act?

It is worth summarising the basic operating principles of carsharing, and how these translate into improved transport outcomes which are fully aligned with, and support, the Act.

INTENDED PSL OUTCOME	HOW CARSHARE SERVICES SUPPORT THIS OUTCOME
Reduced congestion and demand for parking	Car share services have removed 10,000 cars from Sydney roads and parking spaces. One car is shared between approximately 40 members. Fewer cars means less parking hassles for everyone.
Reduced environmental impact	Users of car share services typically reduce their vehicle kilometres by 20-50% when they switch to carshare. In addition, carshare vehicles are mandated to be highest performers in their class in terms of GHG emissions and thus have much lower levels of pollution than the average car. Fewer cars means fewer accidents, and reduced levels of noise.

CSA member activities support a reduction in private car usage, reduce demand for car parking spaces, and help our members customers make informed choices about what transport mode is



best suited to each journey they need to make. Car sharing is a mode that complements public transport and active transport. Car share membership competes most directly with car ownership (not public transport) as all members must rely on alternative travel modes for most of their travel. Car share members change their behaviour when they join, given that they pay for every trip that they make (effectively a form of road user charging). As such, car share members do not commute in a vehicle, and become more aware of their mobility.

Car share services are critical to growing the public transport market, as they illustrate 'through a user's own experience' that they do not need to own a car if they can switch some of their journeys to be public transport trips.

As such, car share services support the objectives of the Act.

The current description of a 'Public Transport Fund' within the Act should be more explicit in stating that measures that reduce reliance on cars (**such as 'carshare' schemes**) are also eligible to have funds spent on supporting infrastructure.

1.2.2. Why are car shares charged the PSL?

Given the benefits of car sharing, it is unreasonable that off-street parking spaces used for car share vehicles are subject to the PSL. The failure to exempt car share spaces is:

- ***A limit on the growth of car sharing.*** The total cost of the PSL to CSA members is over \$300,000 per annum. These costs are either borne by the service provider and passed on to a broader customer base (this acts as a barrier to further investment by our members) or the costs are so large (in the case of Category 1 fees) that a proportion must be passed on to the end customer
- ***Counterproductive to the aims of the Act.*** Given that car share services actively support the aims of the Act, it appears clearly counterproductive to then make parking spaces used exclusively for car share vehicles subject to the PSL. This will suppress the take-up of car sharing and reduce the benefits of the Act with respect to congestion, parking, environmental and social benefits that are being sought
- ***Inconsistency with other aspects of the Act.*** The failure to exempt parking for car share vehicles from the PSL leads to several inconsistencies with the way that the Act operates, when considering how our members customers use the services:
 - **Resident** parking is exempt from the PSL. Yet residential car share members living in Category 1 districts who use our members services effectively pay the levy (despite not even owning a car). This leads to an inequality where residents that own and park their own cars are exempt from the PSL, yet neighbours who have surrendered their own car to use a car share vehicle will feel the impact of the PSL on the fees that they pay. Worse still, in the Sydney CBD there are no on-street car spaces for car share vehicles. The combined effect of State and local policies is to (subtly) encourage resident car ownership because car share services are more expensive than they otherwise would be
 - **Delivery and loading zones** are exempt from the PSL. A substantial number of our members customers are local businesses who have recognised the benefits of car sharing (including small vans) and have chosen to reduce their business overheads (and in turn demand for car parking spaces) by using car share services as opposed to their own vehicles. Such businesses in Category 1 end up contributing to the PSL through the costs which must be passed on to them,



whereas a competing business who maintains their own dedicated fleet has no such burden

- **The current arrangement is Anticompetitive:** The current regulatory regime impacts negatively on competition in two ways. Firstly, there are car share service providers that utilise a private member's car to generate a commercial return. These 'peer-to-peer' services are treated like residential vehicles for the PSL (not subject to the levy) yet are operated commercially to generate a return to the owner and car share service provider. This competitive benefit is generated purely by the impact of the PSL. It encourages car ownership in the very areas that the PSL seeks to reduce car use.

Secondly, taxis (including Uber) are exempt from the PSL. Car share services are often used by our members as an equivalent or replacement service to taxi / Uber, yet off-street parking for car share is subject to the PSL

1.2.3. What would happen if CSA members were exempt from the PSL?

Removal of a tax burden on those who seek to support the objectives of the Act: a reduction in the level of fees passed on to customers would help encourage further take-up of car share services, with associated increases in the benefits articulated in section 1.2.1.

Additional investment: The levies currently imposed on CSA members (over \$300,000 per annum) equate to over 20 new shared cars every year (which could service roughly 800 local residents and business members). If free from the PSL burden, our members would be able to make further investments in the service that we offer to Sydney residents – again, leading to achievement of the objectives of the Act

1.3. RESPONSE TO QUESTION 2

Question 2. Do you support simplifying calculations of PSL liabilities?

The CSA agrees that the current calculations relating to PSL liabilities are overly onerous. As a point of principle, we support making the application of the PSL as simple as possible.

1.4. RESPONSE TO QUESTION 3

Question 3. Do you support simplifying reporting requirements for property owners? What changes would property owners most value?

As stated in response to Question 2, we support simplification as an overarching principle relating to the application of the PSL. As such, the CSA supports the type of options that the discussion document outlines (namely, allowing the OSR to make a preliminary assessment of PSL liability, excluding residential properties, and a simplified registration process).

Regarding the exclusion of residential properties, it is worth reiterating the comments made in response to Question 1 – that is, at present owners of residential properties who are users of car share services (making behavioural decisions that the PSL seeks to support) are effectively penalised compared to those who own their own car.



1.5. RESPONSE TO QUESTION 4

Question 4. How should transparency in PSL expenditure be improved?

We wish to see monies spent on those projects which are most effective in delivering the objectives of the Act. As such, given the discussion paper states that all projects have a business case, we would prefer that the business case ratio (BCR) is used to prioritise projects, and that this prioritisation is published on a regular basis. Some international jurisdictions have been most effective by mandating that no road project can be approved without a BCR that is above a specific threshold (such as larger than 1.5:1).

We would wish to see project information published each year showing the main benefits expected from the prioritised projects, as well as the BCR of all projects chosen to be delivered. In addition, it would be highly beneficial to see reports on how the benefits are being monitored on an ongoing basis, and post-completion reports on whether the anticipated benefits had actually been realised.

We believe that there is also merit in a greater focus of PSL funds on projects that directly replace car trips. Car share service providers typically provide a high BCR to the community. In the case of the City of Sydney, car share generates \$6.16 in community benefit for every \$1 spent (International Car Sharing Association, 2016). We would anticipate that a project to subsidise off-street spaces (in those car parks willing to have more car share spaces) would be well worthy of consideration for allocating PSL expenditure.



2. Conclusion

The CSA would like to thank the NSW Government for the opportunity to provide comment on the PSL review. We believe policies such as the PSL are important tools for government to help our cities combat congestion and support the NSW Government's endeavours to do so.

As outlined above we urge the NSW Government to institute an exemption for carshare vehicles within the Parking Space Levy as a direct tool to further achieve the goals set out in the PSL Act.

Should you wish to discuss this submission further or have any questions relating to the content above please do not hesitate to contact us at your earliest convenience.

Regards,

A handwritten signature in black ink, appearing to read 'Emily Fleck', with a stylized flourish at the end.

Emily Fleck

Executive Director