

2 December 2016

Mr Richard Parkhouse
c/-Parking Space Levy Review
Transport for NSW
18 Lee Street
CHIPPENDALE NSW 2008

And by email: parkingspacelevyreview@transport.nsw.gov.au

Dear Mr Parkhouse

Parking Space Levy Review

Thank you for the opportunity to contribute to the *Parking Space Levy Review*, which has a focus on whether the policy objectives of the Act remain valid, and whether the terms of the Act remain appropriate for securing those objectives.

The review also incorporates the *Parking Space Regulation 2009*, which is due to statutory repeal.

We note that the Government intends to make its final decision by the end of 2016, with any changes given effect by 1 July 2017.

We have reviewed the *Discussion Paper (the Paper)*.

We have also consulted with our members, which are currently captured by the scheme.

Our members own and operate all of the *shopping centres* identified in Schedule 2 of the Regulation (exempt for Category 2 areas).

Our broad concern is that this review may seek to, or result in (e.g. via pressure from external stakeholders) an extension of the current application of the scheme into new 'leviable areas'. We note that the Greater Sydney Commission's recently released draft District Plans do not give rise to the levy being extended.

Any proposed extension should be subject to consultation with industry, including how it could affect shopping centre owners, their retailers, and customers.

We have structured our feedback based on the four specific questions in the *the Paper*.

Q1. The Government's preliminary view is that the objectives of the Act remain valid, and that the terms remain appropriate.

- Broadly, we believe the objectives of the Act remain valid.
- However, we believe that the effectiveness of the Act in reducing congestion by discouraging car use through the imposition of a levy should be properly tested, including in relation to emerging mobility trends.
- As an example, the *Draft Central District Plan* identifies the relative high level of accessibility to this sub-region by public transport, which has a high concentration of labour agglomeration.
- Further, the increased use of emerging car services such as ride-sharing (e.g. Uber – which was legalised in NSW in 2015) gives rise to potential increase in vehicular productivity. The issue of more productive car-use should be monitored by the NSW Government.

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- The NSW Government should also give proper consideration to other, more efficient and effective ways to impose and raise the levy (e.g. via vehicle users – such as is the case of the \$1 levy imposed on Uber users). This may have the benefit of sending a direct price-signal to motorists and could be a more effective and efficient way to achieve the Act's objective.
- This could see a change in the nature of the levy and also leviable districts – and also remove the need to levy parking spaces.
- We believe there are strong grounds for the Category 2 exemption (clause 7) to continue for shopping centres.
- We do, however, believe that there are grounds for extending the Category 2 exemption for customers of a retail shop (clause 7 (5(a))) and employees to Category 1 areas also.
- We are also concerned by what appears to be an accumulation of the proceeds of the Levy. For example, in the 2014/15 year, whilst \$102 million was raised only \$54 million was spent. Whilst the Government must make prudent infrastructure investments, it's also important the investments are made on a timely basis in order to fully deliver on the objectives of the Act.

Q2. Do you support simplifying calculation of the PSL liabilities?

- We have no major concern with the current calculation.

Q3. Do you support simplifying reporting requirements for property owners? What changes would property owners most value?

- We support simplifying the reporting requirements.
- We believe that an approach whereby property owners would only be required to notify the Office of State Revenue (OSR) if there was a pertinent change in how a parking space was used would be an efficient and effective model, as long as property owners have the ability to recover any overpayments inadvertently made prior to notification.
- We note that we would not support the exclusion of some classes of property from the definition of leviable premises, insofar that this benefited one sector (e.g. residential property) over another (e.g. shopping centres). Exempting one property class at the expense of another would narrow the levy base and could place unreasonable pressure on other asset classes.

Q4. How should transparency in PSL expenditure be improved?

- We support transparency on PSL expenditure being improved.
- As a special-purpose levy, it is critical that there is a direct and transparent link between the levy raised and its allocation.
- We also believe, however, that there should be increased transparency on how the public transport investment benefits a leviable district.
- We would support an annual report on the revenue raised and allocated on projects in, or that directly benefit, each leviable district. We also believe such a report should include transparency on the accumulation of unspent funds and future allocation.

We would welcome an opportunity to discuss this submission with you. I can be contacted on 0408 079 184.

Yours sincerely

 2.12.16

Angus Nardi
Executive Director