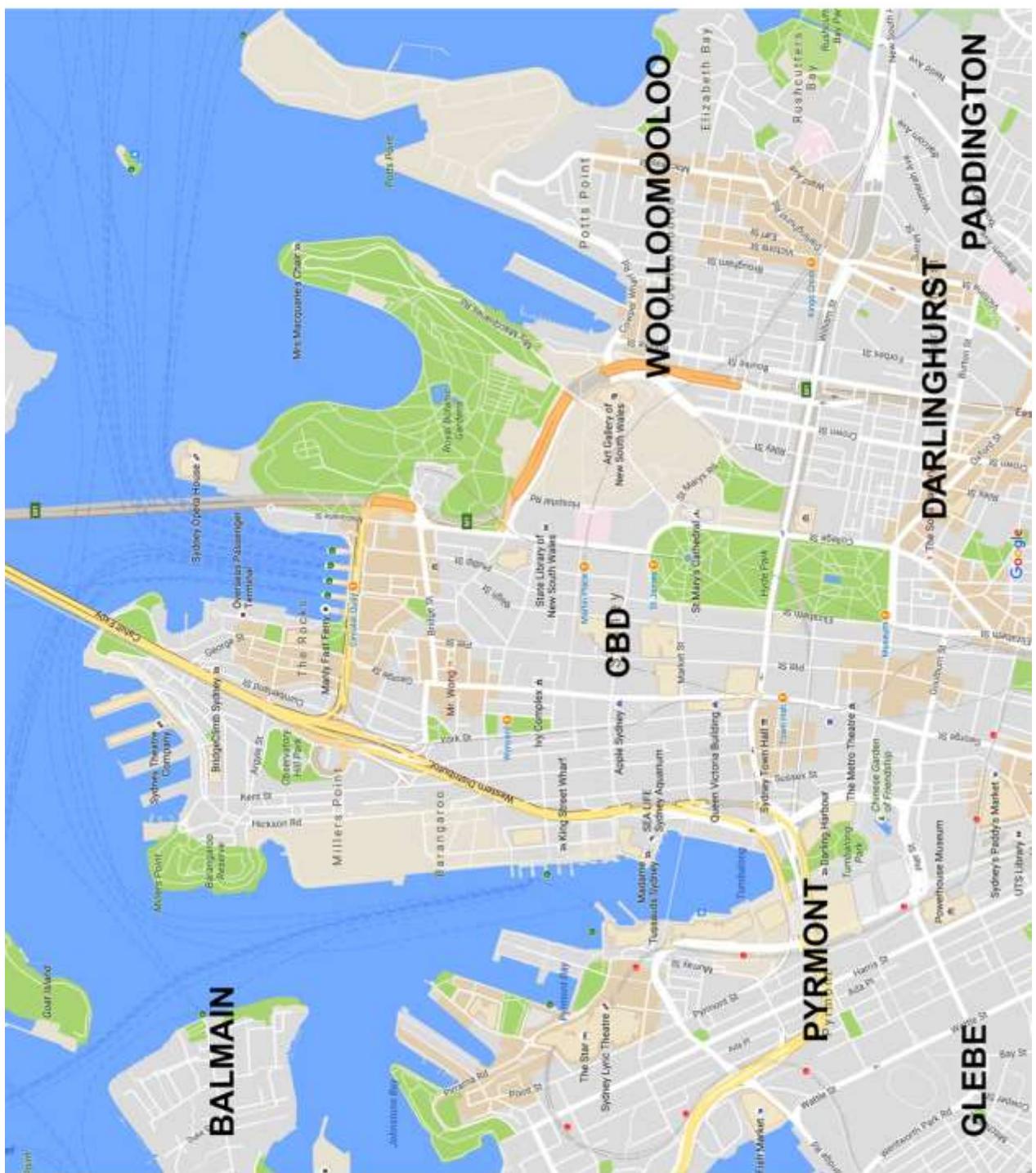


Parking Space Levy Act 2009 (NSW) Review

Submission from

Small business owners of
The Cooperage and Tablet House
Jacksons Landing Precinct
Pyrmont





THE
COOPERAGE

The Cooperage & Tablet House
56 Bowman Street, Pyrmont (outside CBD scope of Map - UBD)

Executive Summary

The Cooperage & Tablet House are unique, heritage buildings, located within the Harbour foreshore urban renewal project at Pyrmont Point – Jacksons Landing. The signatories to this submission are all small business owners within these buildings many of whom own a single car space – an allocation required as part of their premises.

The changes to the NSW Parking Space Levy Act in 2009 have had a detrimental effect on us as small business owners. The NSW Government's decision to change the classification of the Sydney Business District to incorporate the whole harbour foreshore area up to and including Surry Hills & Chippendale precincts, unfairly resulted in our small businesses being subject to the Parking Space Levy (PSL). Together with the decision to dramatically increase the levy from \$950 to \$2,000, an increase of 110%, we have been hit with yet another tax impost. In 2016, the annual levy is \$2,350. Not only this, the lack of communication between different levels of government meant that we were not informed that this legislation now applied to those of us who owned parking spaces. As a result, in 2014 a number of owners received five years of back dated levies, along with penalties from the Office of State Revenue.

We are strongly opposed to many aspects of the current legislation. It fails at many levels to consider the unique needs and poses an unfair impost on the back bone of the economy - small business.

We also want to highlight the current lack of effective communication of legislative changes when there is a need to work between different levels of government i.e. local and state as well as between departments.

We submit the following recommendations:

1. That revised legislation provides a scale of levies – so that small businesses are not taxed at the same level as large businesses, shop front commercial enterprises & institutions that have the ability to charge for off-site parking.
2. That there be provision for exemption for small businesses who only hold one car space.
3. That there be a fairer and better zoning of the Sydney CBD – within its true character of zoning.
4. That the levy be capped while infrastructure in the Sydney CBD is being completed as there has been inadequate provision of public transport options to deflect the disruption.
5. That there needs to be a proper, effective communication processes when changes in legislation impact individuals. New liabilities that arise under a specific legislation that require information to be obtained from another level of government (e.g. local council) and communicated to other State government departments such as Office of State Revenue and individuals, needs to be established.

Transforming Pyrmont

Until the 1990's Pyrmont was noisily industrial & heavily polluted. As industries moved out the NSW State Government resolved to redevelop the suburb as high-rise residential. The whole 11 hectare CSR site was bought by Lend Lease, who named it Jacksons Landing & planned a high-rise, residential complex. Within a Master Plan of landscaped parks & gardens, the government stipulated that architects to be engaged to renovate certain heritage buildings and for dilapidated buildings be replaced with contemporary designed residential apartments.

This former industrial site is now a vibrant, urban, harbourside village. The redevelopment has created a point of difference in its community-based focus, which includes childcare, a medical centre, library and schools all within easy reach. There is a "sprinkling" of commercial service.
"Ultimo+Pyrmont – Decade of Renewal", a Publication of the Harbour Foreshore Authority, 2004

In the forward to this document Craig Knowles, the Minister for Infrastructure Planning & Minister for Natural Resources stated:

Ultimo + Pyrmont are landmark examples of how precincts can be transformed from what were, in many cases, post-industrial wastelands into strong communities with the right balance of residential, commercial and public space...

The origins of the Jackson's Landing precinct & the transformation of heritage buildings such as the Cooperage & Tablet house to accommodate the provision for small business clearly show the aim of the precinct was urban renewal & invigoration with a strong focus on building a community with a village atmosphere.

How does this equate with the concept of a CBD?

The very small number of commercial premises in this small precinct do not contribute to the level of congestion of the CBD for which the Parking Levy is supposed to discourage.

For these reasons, we feel the Jackson's Landing Precinct should not be included in the Sydney Central Business District Category 1 classification in the PSL Act.

Jacksons Landing - a poorly serviced precinct by CBD standards

The Jacksons Landing area is generally poorly served by public transport. CBD type areas such as the inner city, Chatswood & North Sydney are serviced far better by heavy transport infrastructure with proper rail, regular bus services and roaming taxis.

Proximity to transport to Jackson's Landing is not at the same level & in its present capacity is extremely detrimental to businesses. There is no door to door public transport option available at all in Jackson's Landing.

The aim of the Parking Space Levy was to reduce congestion and encourage public transport use, particularly public transport to and from and within those districts.¹ Funds raised from the PSL were to be used in improving transport infrastructure² Further, according to Transport for NSW,

¹ Parking Space Levy Act, 2009 (NSW)

² Public Transport Fund – Sec 11, Parking Space Levy Act 2009 (NSW)

projects financed by the PSL have improved Sydney's air quality, reduced traffic congestion and facilitated access to public transport.³

None of this has been evident in Pyrmont. The bus timetable has been downgraded over the past 5 years with the removal of buses such as the Circular Quay/Wynard/QVB/Pyrmont 443 service. Peak hour buses to Harris Street require a change in service at the QVB and take more than 1 hour from Circular Quay. The light rail is not an improvement in infrastructure for public transport to Pyrmont. It's a boutique service for a very small corridor and of minimal use for workers commuting to Pyrmont for work from the greater area.

Parking Space Levy - Completed Project Contributions (30/06/15) shows that there has been absolutely no expenditure on new initiatives in the Pyrmont Ultimo region.

It is unfair to impose a levy on people who are being inadequately serviced by our own public transport system. Congestion is a planning issue, not one to be settled by taxation.

A fairer definition of the CBD

We believe that the parking levies applied to owners of commercial premises in Pyrmont are inconsistent with the intended planning regulations. We are a group of small business owners located on the outer fringes and not in the CBD and do not have the amenities nor public transport accessibility of the CBD. Pyrmont is predominantly a residential area with a high urban density that does not compare to the CBD as a major employment/commercial area, nor are we major corporations with the cash flows comparable to the ones established in the CBD.

We depend upon private vehicles to undertake our business and strongly feel undermined by the existing parking levies in our area. Pyrmont is not the CBD and it seems unreasonable to apply the same parking levies, particularly considering that our businesses settled in this area because of it, limiting rent or property purchase costs. As such, we would think that a balanced, more filigree planning approach should be applied on parking levies in our area to more accurately reflect the livelihood of small businesses, considering that this area is predominantly zoned as residential.

State Government inconsistency - small business bears the brunt at Jacksons Landing

In its initial design, it was recognised that there would be minimal ability to provide large areas of commercial parking – as the precinct was predominantly residential. The number of commercial businesses in the Jacksons landing precinct is so minimal that the number of people working in this unique precinct could be considered as finite or static. The nature of the precinct precludes the expansion of further commercial premises.

The NSW State Government's relevant Planning Authority stipulated that refurbishment of The Cooperage and Tablet House into small, boutique commercial premises to accommodate small businesses was conditional upon the provision of a certain number of on-site, underground parking spaces – to minimise congestion from on-street parking.

These car spaces, allocated as part of their business premises are not commercial car spaces such as in a commercially operated car park. We do not have the ability to recoup the cost of the PSL –

³ Transport for NSW 2014, Sydney, NSW, <www.transport.nsw.gov.au/content/parking-space-levy>

unlike The Fish Markets, Star City, shopping centres such as Broadway etc. who can charge visitors for parking. We are small, boutique business owners.

We have been unfairly penalised for a state government directive in relation to minimising congestion. We paid stamp duty on these car spaces. We pay land tax on them – even though they are sub-terranean. Now, because of the change to the definition of the Sydney CBD, we pay a Parking Space Levy.

This is a major impost to small business and the Act needs to be reviewed and consider different provisions for small business.

Parking Space Levy yet another impost on small business

The impact of the PSL is significant on small business. Most of the occupants in these buildings are in fact “service and creative” microbusinesses with a turnover of between \$100,000 and \$500,000. The majority are less than \$2million in turnover. The PSL is a levy on top of other government charges such as the initial stamp duty of 5%, land tax of 1.6%, local council rates, GST and employer fringe benefits tax of 49%.

Small businesses do not have the ability to offset these fees and taxes.

Discrimination of a Minority

The PSL is poorly targeted and a discriminatory method of mitigating the costs associated with traffic congestion in the Sydney CBD. In Sydney, only 7.7% of vehicles travelling through the City of Sydney each day use off street parking⁴.

The PSL also discriminates against people who absolutely require parking for work purposes. Many of us, as small businesses owners need to visit clients. This cannot be done efficiently by public transport. We do not always have a choice as to whether we commute via public or private transport.

Small business owners such as ours carry a heavy tax burden. Land used as a car space has over 6 different government taxes levied on it. The building premises that sit on top of the car space only has 3 taxes – yet they all use the same land and footprint.

The poorly thought out nature of this legislation has a very real impost on our small businesses. The doubling of levy back in 2009 was excessive. We go further and state that the revised legislation should contain exemptions or a substantially reduced levy for small business owners such as ours who have one car space and no ability to charge for the use of the space to offset this cost.

⁴ Melbourne Parking Levy Review (prepared by Murray F Young & Associates)

Fairer delineation of boundaries

The current PSL Act shows no proper assessment in determining the actual street boundaries of the CBD. As identified by Stephen Ison et al, *the PSL does not allow differentiation between areas within the spatially differentiated centres.*⁵

When compared to North Sydney, St Leonards & Chatswood, a proper assessment of the nature of CBD in those areas has been done. This has been done in regard to the business mix and appropriateness of certain streets or sections of streets being included in the Category 1 zone. This proper assessment is sorely lacking in the defined area for the Sydney CBD under the current legislation.

Bowman St Pyrmont is in no way equivalent to George St Sydney and does not deserve a Category 1 rating. There needs to be consideration of non-CBD areas being rated as a Category 2.

A proper assessment of the CBD boundary needs to be done as part of the review of the PSL Act.

Communication

We suggest there is a need to review how changes in legislation that result in a new liability on an individual or business are communicated. The experience of some of us involved with this submission demonstrated a lack of communication. Several of us received 4 years' worth of levies at once, along with penalties.

Individuals should not have been liable for penalties when the OSR took four years to issue the Assessment notices. We suggest an explanatory letter would have been a better initial approach to ascertain whether the carpark holders were aware of their liability under the Act. The actions of the OSR, in imposing penalties at the same time as issuing four years of notices suggests it assumed all owners were deliberately avoiding payment. There should have been some consideration that there might have been a fundamental communication issue that caused the non-payment.

It needs to be stated that the small business owners were dismayed at the lack of assistance or willingness to discuss these matters that was shown by various local members of parliament and representatives within Transport NSW. Our local member, Alex Greenwich lobbied hard for us and we thank him for his support and push in getting this review underway, which is now almost two years overdue.

⁵ Parking: Issues and Policies Transport & Sustainability, Volume 5, 317-333, 2014, Emerald Publishing Ltd

Overdue review of the Parking Space Levy Act a financial burden

The PSL Act 2009 clearly states that there is to be a proper review and assessment of the Act. The Minister was to review the Act as soon as possible after the period of 5 years from the date of assent to the Act. A report of this outcome was to be tabled in each House of Parliament within 12 months after the end period of 5 years.⁶

The PSL Act was assented to on 30 March 2009. **The Review should have been underway after 30 March 2014.**

It is now November 2016, close approaching 2017. **This review is now almost 3 years overdue.**

The failure of the government to meet its obligations in a timely manner has resulted in small businesses such as ours, who have been already substantially affected by the 110% increase in levies, still being required to pay levies. In 2009, our levies jumped from \$900 to \$2,000pa. By March 2014, they were \$2,210pa. In 2016 they are \$2,350pa. Even though no review has occurred as required, we have still had to pay ever increasing levies with no ability to challenge this failure of accountability.

Normal commercial practice would be for a moratorium on all levies until the required review was conducted.

⁶ Parking Space Levy Act 2009, NSW (Part 3, Clause 18).