

02 December 2016

Parking Space Levy Review
Transport for NSW
18 Lee Street
Chippendale NSW 2008

Dear Sir / Madam

**Re: Review of the Parking Space Levy Act 2009
Review of the Parking Space Levy Regulation 2009**

Wilson Parking is the largest commercial parking operator in NSW operating over 120 car parks. Wilson Parking is a Lessee, Owner and Manager of a large number of parking assets that sit within both the Category one and Category two PSL areas.

Depending on the commercial terms of our agreements, Wilson is either directly responsible for the payment of the PSL liability or is responsible for the collection, retention and management of the data required for the calculation of the annual return and therefore the PSL liability of our landlords. Through this submission we have explicitly addressed each of the questions outlined in the Discussion Paper and additionally some other points/suggestions that we believe must be addressed as part of any review of the Act and/or Regulation.

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 aim of the PSL is to reduce congestion however there is little evidence to demonstrate its effectiveness and therefore we view it as nothing more than a revenue raising property tax. If the aim of the PSL is to reduce congestion, we believe that the PSL liability contribution should be redistributed to better drive behavior that may reduce congestion.



Reducing the PSL liability for off-street car parks and introducing a levy for on-street parking and other road users/services that cause congestion would make up the balance. This is more equitable and better targets user groups and activities that actually contribute to congestion. On-street parking often results in more congestion than off-street parking with drivers “cruising” in search of on-street parking, as well as the reality that on-street parking reduces the available lanes for traffic and therefore increases congestion on the streets. Due to the PSL, Sydney already has some of the highest parking rates in the world. An employer that subsidises parking for their employees are currently required to pay the base parking rate, the PSL, plus GST, and then on top of this FBT. For many employees public transport is not an option and these taxes (on taxes) are making the CBD’s and other PSL areas unattractive for business owners as a location.

4.1 Problems of existing arrangements.

We note that the Discussion Paper suggests that the current methodology for establishing the PSL liability creates significant red tape for businesses and also administrative costs for the OSR. As the likely largest collator and manager of the information required for PSL calculation and annual return lodgment, we strongly disagree with the assertion. The current process is neither onerous nor difficult for Landlords and/or Operators to complete.

Since the introduction of the current methodology for calculation of the PSL, as a business (this is the case for all of the major car park operators) Wilson Parking have set up the systems, processes and procedures to accurately and efficiently collect, collate and report the information that is required for the annual returns (i.e. the total number of leviable parking spaces, the number of spaces set aside for casual parking, and the number of casual parking spaces that were unused).

This exercise is undertaken by Wilson Parking (as an operator) on behalf of Owners whether or not we are directly responsible for the payment of the levy, and as a result there is no “red tape” for either us or the Owners. The collection of data relating to daily unused casual spaces (a current requirement for PSL calculation) is a key macro performance indicator of a parking asset’s performance and will continue to be recorded regardless of whether or not it would be required for the annual return or PSL calculation.

In order to provide further assurance around the accuracy of all reported data associated with the annual returns and to potentially reduce administration costs for the OSR, Wilson Parking proposes that the collection and auditing of data relating to unused spaces could also be collected, maintained and audited independently by a body such as Parking Australia (PA) if required.

PA is the national body representing the parking industry in Australia. Their purpose is to provide leadership, education, technical and other information to all parties who may be associated with the industry.

Since 1986, PA has represented a broad cross-section of local government and statutory authorities, car park management companies, equipment suppliers, consultants, property developers and property owners.

Following its establishment, the association has represented a broad cross section of local government and statutory authorities, parking operators, service providers and suppliers to the parking industry.

PA has recent experience at being an independent driver and regulator of compliance with the industry, and most recently was instrumental in the development and implementation of The Accredited Operator Scheme (AOS). The AOS is designed specifically for those that are involved in parking enforcement services on private land. To qualify for Accredited Operator status an operator must undergo a rigorous examination of all forms of documentation, processes and signage. The compliance monitoring program within the AOS offers practical advice and guidance to members, whilst delivering regular site assessments and operational audits and addressing compliance issues that have arisen from complaints made by members of the public.

We suggest that additional assessment and auditing of data relating to the PSL returns could be undertaken by PA in a similar manner to the compliance monitoring that sits within the AOS framework.

We would be pleased to provide all relevant information (i.e. daily counts of unused spaces, exempt spaces etc.) to Parking Australia to provide the OSR and authorities an additional independent source of information regarding PSL annual returns.

4.2 - Are there better alternatives?

4.2.1 – Using assumed casual vacancy rates to discount PSL Liability.

We strongly assert that the use of the 1pm vacancy count and the associated exemption for an unused space is still the most equitable way in which to distinguish how individual car parks should contribute to the overall PSL pool and achieve the objectives of the Act.

Applying a blanket rate per space without any exemption linked to occupancy during peak period (i.e. 1pm) is inequitable as it makes no consideration for sites that do not contribute to peak demand and therefore congestion.

It must also be recognized that Owners and Lessee's of properties along with office and retail tenants have made significant investment decisions (i.e. acquisitions or commercial leases) on the basis of the current PSL rates and associated exemptions being applicable into the future.

If the rates are increased over and above the current annual increases, or if there is any shift in the calculation of the exemptions, then there will be a significant pressure on a large number of property Owners across the leviable districts. This is likely lead to a downturn in investment and/or possibly the closure of properties.

If an assumed casual vacancy rate to discount the PSL liability is to be considered, we strongly recommend that the assumed vacancy rate is to be based on the historic average vacancy rate on a site per site basis and subject to review and refinement after a fixed period of time. A set review will ensure an equitable contribution as each car parks demand and usage patterns evolve as the market changes.

Question 2

Do you support simplifying calculations for PSL Liabilities?

We would support simplifying the calculations for PSL Liability on the basis that the calculation and exemptions are calculated utilizing the same measures as current, i.e. current, historical and future exemptions based on peak period (1pm) vacancy data.

4.2.2 - Alternatives to annual returns.

“Allowing the OSR to make a preliminary assessment of PSL Liability, with property owners only providing information if they disagreed with this assessment”

We would support a preliminary assessment on the basis that again, the calculation of the exemptions and current rates remain as per the current Act.

“Excluding some classes of property from the definition of “leviable premises” (such as residential properties)

We would support the exclusion of residential spaces on the basis that if they are leased out to non-resident or commercial users that they would immediately attract a PSL liability.

“Introducing a simplified ‘one off’ registration process for parking spaces, where parking space owners would only be required to contact OSR if there was a pertinent change in how the parking space was used.

We would support this approach in order to reduce administration for Owners and the OSR.

Question 3

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

As outlined above, we don't believe that the current reporting or annual return process is cumbersome for either Owners or Operators. A preliminary assessment and a one off registration process may simplify the process for the OSR and we would support these measures on the basis of the calculation of the PSL rate and exemptions remaining unchanged.

4.3 – Issues when ownership of a leviable premises changes hands.

We agree with the proposed option outlined in 4.3 of the Discussion Paper.

Question 4

How should transparency in PSL expenditure be improved?

We agree with the option outlined within point 5.4 of the Discussion Paper that Transport for NSW should publish online annually the level of revenue raised and specifically what current and future projects it will fund.

We strongly encourage that Transport for NSW engage further with the key stakeholders of the Property and Parking industry before any amendments are considered to either the Act or Regulation so that the potential impacts of any amendments are fully understood.

I would welcome the opportunity to meet at a time that is convenient.

Yours sincerely,

WILSON PARKING AUSTRALIA 1992 PTY LTD



Steve Evans

CHIEF EXECUTIVE OFFICER