

# Parking Space Levy Regulation review

## **Feedback from initial public consultation (23 October - 17 November 2023)**

Transport published a discussion paper on the Parking Space Levy scheme and invited public feedback to inform the remake of the Parking Space Levy Regulation.

<https://www.transport.nsw.gov.au/system/files/media/documents/2023/parking-space-levy-regulation-review-discussion-paper-2023.pdf>

Over 70 submissions were received from a range of stakeholders including individuals, local governments and industry participants. There was a diverse range of views representing the various interest of the different stakeholders.

Instead of publishing individual submissions, Transport has summarised the key points put forward by stakeholders in this report.

**Overall Parking Space Levy (PSL) objectives:**

Some stakeholders support PSL as an important tool to discourage car use and to prioritise active and public transport usage. Others do not agree with the imposition of PSL and saw it as another tax that impacts on their financial returns and economic activities in PSL areas.

Suggestions relating to PSL objectives include:

- Setting PSL rate at a level to further discourage car usage
- Government to review whether PSL has been successful in meeting its objectives

Some stakeholders made other suggestions on traffic management objectives:

- To discourage car usage, it should be the end user (car drivers) who pay the levy.
- The levy should be part of a broader and integrated demand management strategy for Greater Sydney

**PSL area**

Stakeholder feedback supports an evidence-based framework for determining where PSL applies. This framework would help to address questions raised by stakeholders from various PSL areas why their area is included in the leviable area or why it is classed as Category 1 or 2.

It was suggested that consultation and lead time is required for any changes to an area.

Suggestions on factors that should be considered in a PSL criteria framework include:

- Greater Sydney Commission's planning documents
- Travel and congestion data
- Public transport frequency
- Public transport infrastructure and future upgrade plans
- Current and planned economic activities
- Different categories within centres

Stakeholders also support more equity in how PSL is applied across Greater Sydney, in particular, new city centres should be assessed to make them comparable to existing PSL areas and to 'share the load'.

**PSL exemptions**

Some stakeholders support simplifying and streamlining exemptions to make PSL's application more equitable, and increase the available funds for transport infrastructure. There was a view put forward by some stakeholders that a more broad-based tax on all parking spaces would be more effective and only disabled parking should be exempted.

Other stakeholders suggested new classes of exemptions or provided support for existing exemptions, including:

- Spaces used to park car share vehicles
- Car hire spaces in Category 1 areas
- Hotels/tourist accommodation parking Category 1 areas
- Environmental outcomes such as electric vehicle spaces and sustainable buildings
- Small businesses
- Local councils
- Spaces made available at a discount to groups that are normally exempted (eg. emergency vehicles)
- Seniors discount
- Expansion of the residential exemption for people living in the PSL area and for visitor car parks in residential buildings

Those who proposed new exemptions or provided support for existing exemptions tend to be those who would benefit from the exemptions.

There was feedback both for and against exemptions for retail, on street parking, religious and public charity organisations from various stakeholders with different perspectives.

There was also a range of feedback for the unused casual parking space exemption, including:

- Private car parks cannot access this exemption, even if the spaces are not always occupied

- The vacancy rate used to calculate the exemption should be measured during peak traffic times, instead of 1pm
- New technologies in public car park will enable detailed vacancy reports to assist audits
- Indication that some car park owners are misusing the exemption to reduce their PSL liability

#### **PSL rate and calculation of liability**

Some supported increasing the rate to further discourage car use, but most supported a reduction or a capping of PSL rate to maintain revenue at the current level.

There were also some who suggested that the PSL liability should be linked to the financial returns on the car park, for example, some views include:

- Exemption for car spaces where the parking fees that the parking operator can charge is less than the levy
- Incorporate both the annual vacancy rate and annual revenue when calculating the PSL payable
- The annual indexation of the levy should be linked to increases and decreases in rental fees for car spaces rather than the consumer price index

There was a view that PSL relief should be provided in car parks that were built a long time ago, when planning laws/considerations were different.

#### **PSL spend**

Most councils and the parking industry support a consultative framework for deciding on PSL spend, and for more linkage between the PSL spend to the areas where it is collected.

Stakeholders generally agreed that PSL funds should be prioritised for local projects that encourage active transport, first/last mile solutions and sustainable public transport projects. Stakeholders support more transparency around how funds are spent and an annual report of PSL spending.

There was also a suggestion for a percentage of the PSL funds to be spent on future parking initiatives.

#### **PSL administration**

Stakeholders provided a number of suggestions and feedback on the administration processes, including:

- Annual notice of levy assessment to be sent automatically to remove the need for lodgement of returns
- Revenue NSW should allow both postal and online lodgement
- The online portal can be improved to allow more functionality and ability for account owners to update details
- Primary point of contact to be allocated to car park owners so that owners do not have to repeat information when contacting Revenue NSW
- PSL should be combined with other taxes collected by the Government
- Complaints and queries to Revenue NSW should be answered in a timely manner
- There should be an outside body to mediate or arbitrate disputes between car park owners and Revenue NSW
- There should be an agreed maximum administration and compliance cost target that is reported on
- More advanced notice of annual rate increases
- There should be an option to pay in advance at discounted fee
- Individual car park owners in a larger car park may not have control over the parking fees being charged if they lease out their car space to a paid parking operator. They submit that the operator should be responsible for paying the levy instead of the individual car park owners.