



Parliamentary Budget Office - Election Policy Costing

NSW Parliament • Parliament House, Macquarie Street Sydney NSW 2000

Referred By: Australian Labor Party
Date Referred: 7/01/2019

Proposal No: A214
Date Published: 18/03/2019

Proposal Title: Parking space levy - reclassification

Cluster: Treasury

General Government Sector Impacts

	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000	4 year Total \$'000
Expenses (ex. depreciation)	-	-	-	-	-
Depreciation	-	-	-	-	-
Less: Offsets	-	-	-	-	-
Revenue	-	21,999	22,423	22,969	67,390
Net Operating Balance:	-	21,999	22,423	22,969	67,390

Capital Expenditure	-	-	-	-	-
Capital Offsets	-	-	-	-	-
Net Capital Expenditure:	-	-	-	-	-

Net Lending/(Borrowing):	-	21,999	22,423	22,969	67,390
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Total State Sector Impacts

Net Lending/(Borrowing):	-	21,999	22,423	22,969	67,390
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Notes and costing assumptions

The policy proposes to change the parking space levy classification for the districts of Chatswood, Chatswood West, St Leonards, Greenwich and Crows Nest from Category 2 to Category 1. The policy is to be implemented from 1 July 2019. The policy collects an extra \$67.4 million of revenue over the forward estimates.

The key input assumptions used for the costing are shown in table 1 below and the additional revenue calculation is shown in table 2.

Table 1: Key input assumptions

COSTING INFORMATION	2018-19	2019-20	2020-21	2021-22
Liabe Category 2 Parking Spaces in Districts	9,526	9,526	9,526	9,526
Sec. 7 (5) Exempt Parking Spaces (which become liabe at Category 1)	2,763	2,763	2,763	2,763
PSL Indexation Rate	2.10%	1.80%	1.90%	2.30%
Category 1 Rate	\$2,440	\$2,480	\$2,530	\$2,590
Category 2 Rate	\$870	\$890	\$910	\$930
Marginal Rate Increase	\$1,570	\$1,590	\$1,620	\$1,660

Notes and costing assumptions continued:

Table 2: Extra revenue from changing the classification to Category 1

COSTING	2018-19 \$'000	2019-20 \$'000	2020-21 \$'000	2021-22 \$'000
Revenue impact from previously liable spaces at the higher Category 1 rate	0	15,146	15,432	15,813
Revenue impact from previously exempt spaces, which become liable at the Category 1 rate	0	6,852	6,990	7,156
Additional Parking Space Levy Revenue	0	21,999	22,423	22,969

The number of leviable parking spaces in Chatswood, Chatswood West, St Leonards, Greenwich and Crows Nest was provided by Revenue NSW after subtracting those parking spaces that qualify for exemptions.

The 9,526 parking spaces that are currently liable under Category 2 generate additional revenue at the difference between the Category 1 and Category 2 rates.

Parking spaces that are exempt under Section 7 (5) of the *Parking Space Levy Regulation 2009* are only exempt in a Category 2 area. The costing assumes that once these spaces are changed to Category 1, they are no longer exempt under Section 7 (5).

The costing assumes these previously exempt parking spaces do not qualify for any other exemptions under Section 7. There are 2,763 parking spaces of this nature, the majority (2,285 spaces) receive the Category 2 exemption under Section 7 (5)(a), the parking of motor vehicles by customers of a retail shop. They generate additional revenue at the full Category 1 rate under the policy.

The costing assumes no change in the number of leviable parking spaces over time or in response to the proposed recategorisation.

The Parking space levy rates for both Category 1 and Category 2 are escalated by the Consumer Price Index (CPI) in accordance with the Regulation and are rounded to the nearest \$10.

The indexation rate (effective 1 July each year) is the year-on-year Sydney CPI % increase for the year ending 31 March in the year prior to the financial year for which the new rate is being calculated.

The CPI indexation rates are based on the 2018-19 Pre-Election Budget Update.

The costing assumes no additional recurrent expenses to the agency or capital expenditure from changing the categorisation or collecting the extra revenue.