

PERTH PARKING MANAGEMENT BILL 2023

Committee

The Deputy Chair of Committees (Hon Sandra Carr) in the chair; Hon Stephen Dawson (Minister for Emergency Services) in charge of the bill.

Clause 1: Short title —

Hon NEIL THOMSON: Hopefully, we can find some common ground in the committee process. It is always good to be back, is it not, on the first day of Parliament? It is 2024, and here we are.

I referred to the Auditor General's report, in which there was criticism of some of the reporting et cetera. The overview of the bill refers to expanding the existing purposes for which revenue and licence fees can be used. Given that we are going to widen the purposes of the fund, and that the Auditor General's report was critical of the management of the fund with its narrative purposes, is the minister able to provide an assurance to the community about how that will be evaluated and whether that evaluation will provide a level of transparency and comfort that projects will be properly assessed within the context of that outcome for business, because it is business that ultimately pays it? How will that occur?

Hon STEPHEN DAWSON: There is certainly a requirement for the government to consult with both the City of Vincent and the City of Perth about projects that may impact them, noting, of course, that it might not impact both at the same time. It might, but it might not. The bill before us talks about fundable projects. I draw members' attention to page 103 of the Perth Parking Management Bill 2023, which states —

fundable project, in relation to the PM area or an ancillary area —

(a) means any of the following —

- (i) transport or accessibility infrastructure, projects or services in the PM area to promote a sustainable balance between different modes of transport;
- (ii) infrastructure, projects or services (not related to transport or accessibility) in the PM area to improve economic activity or urban amenity;
- (iii) infrastructure, projects or services of a type referred to in subparagraph (i) or (ii) in an ancillary area to the PM area;
- (iv) traffic management in the PM area;

but

(b) does not include an event of a sporting, cultural or other nature (other than traffic management for the event).

Hon NEIL THOMSON: I thank the minister. I think it is a very important section. Although we could probably deal with it in clause 1, clause 123(a)(ii) states —

... improve economic activity or urban amenity ...

That is a very broad scope that would include a whole range of things, like swimming pools, for example. Has the government undertaken any kind of analysis on the amount of consolidated fund expenditure that it has historically placed onto the city and might otherwise have met those criteria?

Hon STEPHEN DAWSON: No, we have not done any analysis or any of the work that the member alluded to. As I mentioned in my second reading reply, a number of projects could have been historically funded from the Perth parking levy, such as the Perth train station forecourt upgrades, the new ferry MV *Tricia*, named after Tricia the elephant from Perth Zoo in 2019, or indeed the Matagarup Bridge. That was an \$80 million project that could have arguably been funded out of the levy, but it was not.

Hon NEIL THOMSON: I think it is an important and reasonable point. Why was the new MV *Tricia* ferry service not funded out of the levy? I would have thought it would fit nicely into the existing legislation and would have easily met the criteria. Were there any impediments in relation to that and the Matagarup Bridge? Were there any impediments at all in the existing legislation?

Hon STEPHEN DAWSON: I should have said that the MV *Tricia* was not able to be funded under the act as it stands, but it would have been able to be funded out of the changed legislation that is before us today.

Hon NEIL THOMSON: I think the opposition would have supported the government if there were a minor amendment, for example, to expand the capacity of existing legislation to fund a ferry service to the Perth CBD. I think that would have fit well within the purpose and intent, even though it did not fit within the strict definition

of the current policy and its arrangements. Using that as an example, what stopped the MV *Tricia* from being funded? Was the issue that it was going to South Perth?

Hon STEPHEN DAWSON: The honourable member has given me the opportunity to clarify my comments. It could have been done under the existing act, except the map at the time of the act was made under the regulations. Had the map been changed in the regulations, the MV *Tricia* could have been funded under the existing act, not the one before us now.

Hon NEIL THOMSON: That is a very important point. For the record, before we get to the argy-bargy of debate, we clearly do not support this bill as I think it goes too far, is too broad and has effectively become a tax. There is another amendment to effectively define it as a tax. We could have made changes to regulations to deal with river ferries, for example. How many other things in the transport sector could have been dealt with to improve transport access within our city? That is probably a rhetorical question, but a whole range of other things might have been involved. The minister mentioned the Matagarup Bridge; I assume he was talking about the footbridge.

Hon Stephen Dawson: By way of interjection, the bridge to the stadium.

Hon NEIL THOMSON: Correct—the footbridge. That was not funded from the Perth parking levy, but I think it could easily have met the broader intent of the provision, though maybe not a strict interpretation. Why was that bridge not funded from the Perth parking levy?

Hon STEPHEN DAWSON: It was because of the boundaries that existed at the time. The bill before us will allow us to not need to change the boundary for future projects. To fund the Matagarup Bridge, the regulations at that time would have needed to be changed to increase the boundaries to allow us to spend money on that infrastructure. That did not happen. This bill before us now contains a change by which we will not need to change regulations in future should a project like that fall outside the existing boundaries.

Hon NEIL THOMSON: We might be able to get through this tonight—if the minister does not mind—if we go this way. So that I am clear, let us tackle the boundary issue. Will this bill allow us to fund projects outside the existing area? From my understanding, that was not the intent. What will be the funding procedure? If we had an example of something on the boundary, what would the process be?

Hon STEPHEN DAWSON: A project would need to commence or finish in the boundaries area. It would need to primarily benefit the neighbouring local government area and it would need to be a contiguous ancillary area as declared by the Minister for Transport. We could not fund something in Joondalup; we could fund something from Perth to Mt Lawley. I am using Mt Lawley because it is in a different local government area. There needs to be a contiguous line from where it starts to where it finishes to access or use the levy.

Hon NEIL THOMSON: That is very interesting. For example, it theoretically could be used to develop a light rail or a trackless tram service to connect into the city's boundary or potentially even a CAT bus extension to go outside the boundary. We could see CAT bus extensions after this bill is finalised to service beyond the boundary into the adjoining suburbs or local government areas. What are the limitations?

Hon STEPHEN DAWSON: I will give the example of the purple CAT bus that currently exists. It is well utilised. It goes from the city and ends up at Queen Elizabeth II Medical Centre—it goes through the centre and I think it goes through a little bit of Nedlands too. That is funded from the levy. The boundary was changed under the existing legislation, but moving forward, we would not need to change the boundary to fund such a service if it was going to go somewhere else. There is already a CAT bus that goes to Leederville, but if it made sense to run a CAT bus that went to Mt Lawley from the city, arguably, the levy could be used.

Hon NEIL THOMSON: I firstly caveat my comments by mentioning the risk side. While we are on this, in having the ability to extend more readily there is a risk that these benefits will not properly come back to the CBD where the levy is collected. That is the principle. That was our objection about this bill; that is, there is a risk that we will lose the connection between the impost, as I said in my second reading contribution, which the minister disagreed with. I believe it is important that the people who are paying for this, being the business community and the people who are visiting the city, should have a direct benefit. There is always a risk as that starts to be diluted geographically that the benefit will not flow into the city. But I guess it could be argued that CAT services to Queen Elizabeth II Medical Centre, for example, help the CBD because it means people can come to the CBD from QEII for free to do their shopping and so forth, so that provides benefit. This comes back to the basis of some of the arguments that there has not been enough evaluation done to make that assessment. That was the first thing.

The point I would like to make is: Why did the government not just introduce these measures to improve the ability to commence projects in the city and move outside the boundary? Why did the government not just deal with that aspect instead of including this other very broad aspect, which is the most problematic, being the ability to effectively fund infrastructure and services not related to transport accessibility in the parking management area in order to improve economic activity and amenity? That is a real risk. Why did the government not just take a step to improve

the geographical capacity of the services and focus on transport, given this is very much a transport levy? Did the government ever contemplate that issue and say it could have taken a more measured approach here?

Hon STEPHEN DAWSON: I cannot comment on whether that was considered, but I am aware that in the lower house the minister gave the example of the Perth Concert Hall, where over the years a levy has been paid. As we know, the car park at that venue is in serious need of repair, so the minister indicated that the levy could potentially be used to replace the floors at that facility—that is a possibility. I do not propose to prolong this part of the debate, but the primary benefit would still be to the parking management area, and the funding cannot be used for new services and facilities that primarily benefit a neighbouring local government area.

Hon NEIL THOMSON: The risk with this broad point, under clause 124(2) on page 103, as we discussed earlier, is that we could end up with a whole bunch of projects like the parking upgrade for the Perth Concert Hall, which it could be argued should just be a business case presented in relation to the revenue that that parking facility provides. There may be some support for the arts, potentially, who knows, because of the direct link to culture and the arts. I would have thought that if a parking facility did not stack up in the long term, there might have been some scope for the government to provide support because it is the Perth Concert Hall. There is a risk that we will end up with a whole bunch of projects that crowd out the transport projects. That is a major concern of the opposition. We are seeing that the amount being spent has been variable in given years and clearly there is a massive gap between the revenue collected and the amount spent. If we wanted to make the CBD world class in its transport facilities and accessibility provisions, I do not think we would be doing this. How can we be sure we are not going to end up spending all the money on the projects that fit under clause 123(a)(ii) and not under clause 123(a)(i)?

Hon STEPHEN DAWSON: I alluded to this in my second reading reply, but I will say it again. There was a little over \$200 million in the account. The annual revenue is about \$60 million. The 2023–24 budget approval for expenditure from the fund is \$92 million. That includes the current funding of transport services such as the CAT bus and free transit zones, active traffic management and the tunnel monitoring system. The remaining \$63.7 million of approved expenditure items in this financial year is for things like electric buses and charging stations—\$22 million—and the previously mentioned inner-city projects like the bus stop accessibility upgrades, the Aberdeen Street bike lanes, the Riverside Drive shared path and CBD travel demand initiatives. Of course, there is also the causeway and the pedestrian bridge.

There is not a lot of money in that account to throw around or spend frivolously. I think governments of both persuasions have continued to have a healthy fund balance. They have used the fund only for significant purchases or spends when they needed to. There is no departure from that policy by this government. I believe that is something that has happened since the fund started. There is money in there. We spend on great things like the CAT and free transit zones, but there is already approved expenditure for projects like electric buses and the charging infrastructure, which I think anybody would argue will lead to us being a more world-class city. We have an exceptional train service and exceptional CAT bus service. The honourable Minister for Agriculture and Food had the evokeAG conference here just last week. There were 2 000 people from around Australia and the world. It was mentioned to me numerous times by visitors how high quality our public transport system is in the city centre. Bear in mind that people probably only went from the Perth Convention and Exhibition Centre up to Kings Park or down the Terrace to their hotel, but everybody mentioned it. It is world class and the intention is to continue to use the levy to have world-class services. That aligns with the original intent of the bill from 1999.

Hon NEIL THOMSON: I hope so. I think the original intent was probably as far as it should have gone. We have put on the record a concern that suddenly projects that do not improve congestion or accessibility become the majority. I will not labour that point, but it is a risk because there does not seem to be any sort of requirement to provide a certain percentage to accessibility projects. The other aspect of this is, obviously we saw the impact of the COVID pandemic on businesses in the CBD. It was a really tough time for businesses in the CBD. When I am in Parliament, I stay in a little place in the CBD. We are fortunate that my wife owns a little apartment there, within walking distance to Parliament. It gives us an opportunity to see what goes on, and we saw the challenges unfold over the COVID period and now of course the city is coming back. It is good to see more people on the street. I think there are probably some more challenges around antisocial behaviour now than there were, but it is good to see activation. We all agree that having a thriving city is a really good thing—I think we all agree with that. A thriving city street life is important. Has the Department of Transport done any modelling on the relationship between the parking levy and visitation to the city?

Hon STEPHEN DAWSON: A piece of work was done in 2014 that found at the time that the levy was not a barrier to economic activity in the city, so it did not stop people from coming into the city. I want to make the point, because the member touched on it then moved on, that during COVID—it was a long time ago now, but it also is not—the minister was looking to see whether we could make people exempt from the levy. In that time of uncertainty, we were told by treasuries around the world that things were going to get very bad and we were looking to provide relief to people. We could not at that time with the existing bill provide an exemption, essentially, from licence fees.

In the bill before us now, clause 71 will allow for an exemption from licence fees in exceptional circumstances that justify the exemption. An example for this clause could be a public health emergency, flood, bushfire or other emergency. Therefore, the bill before us now takes on board the things we could not do during that COVID time and hopefully futureproofs us so that should we experience one of these things again—I hope we do not—the power will exist to exempt people. Existing bays that are currently exempt from the levy, such as ACROD parking bays and loading bays, will still remain exempt under the new act.

Hon NEIL THOMSON: Thank you for elaborating on that, minister. As I mentioned in my speech in the second reading debate, the advocacy of the Lord Mayor at the time, back in 2022, was calling on Mark McGowan for a parking levy release. I think there must have been some pressure from some of the business owners who were coming out of the back end of COVID at that stage, which was a really tough time. Is the minister saying that there was no capacity at the time to reduce the levy for 12 months and that the government could not do that at all? Is that what the minister is saying and, to do that, there would have had to have been a bill go through this place?

Hon STEPHEN DAWSON: Yes. The current act does not provide for this, so we would have needed a new piece of legislation. It will be prescribed in the regulations, but there will be a period by which an exemption could be allowed under the new act for such an event as a cyclone, fire or pandemic.

Hon NEIL THOMSON: I hope we do not have a fire.

Hon Stephen Dawson: Me, too—as the Minister for Emergency Services.

Hon NEIL THOMSON: I am sure that the Department of Fire and Emergency Services would be into the CBD in a heartbeat. On a more serious note, we know that Kings Park is prone to go up from time to time.

Hon Stephen Dawson: It does, but mostly when people flick matches away.

Hon NEIL THOMSON: I understand, and I am sure it keeps the minister up at night. I know he takes his job very seriously in relation to that matter.

I will try to avoid discussing anything we cover now during debate on the individual clauses, which we can probably do pretty quickly. I assume that an application process will go to the minister. First, is the process for the exemption by means of an application? Second, will it be a city-wide or parking management area-wide exemption and/or an individual enterprise exemption? I assume it could be both.

Hon STEPHEN DAWSON: It is fair to say that we have not quite worked out how it will work in practice. The intention is to have further consultation on those provisions, and they will be in the regulations, so there will be an opportunity for Parliament to disallow those at a future stage. Certainly, the intention is to do the further policy and consultation work and look at how it has worked elsewhere. That will be done as part of the regulations.

Hon NEIL THOMSON: Does this type of levy operate anywhere else? Has the department examined best practice arrangements across Australia in relation to this? Has any assessment of broadening the tax been done? Are we going to be unique?

Hon STEPHEN DAWSON: I am told that there are levies in Melbourne and Sydney, but I think the ones in Sydney might be in the Sydney city, North Sydney and Milsons Point zones. I am told that Western Australia had the original levy, but it is the only state that hypothecates the money for public transport. Others collect the levy, but the money can be spent on whatever. That is my understanding. That is certainly the information we have before us. I would arguably say that we were the first and we are the best. Certainly, the projects that have been delivered over the years and continue to be delivered, such as the CAT service and the free transit zone, are exceptional and they stand out.

Hon NEIL THOMSON: Thank you for that. They are hypothecated funds in the sense that they have a restricted capacity. I know that there are those in Treasury who do not like those either, but they provide a certain level of control.

Progress reported and leave granted to sit again, pursuant to standing orders.