

26.7 REVIEW OF THE LOCAL GOVERNMENT (GENERAL) REGULATIONS 2021 - MUNICIPAL PARKING RATE

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Attachments: Nil

RECOMMENDATIONS

1. THAT the report entitled Review of the Local Government (General) Regulations 2021 – Municipal Parking Rate be received and noted.
2. THAT Council note, that a review of the parking levy has been completed and no landowner in the Darwin CBD reached parity on 31 May 2021.
3. THAT Council note, that no landowner will reach parity until post 2023 and for others this may be even post 2035.
4. THAT Council, as a result of the review and assessment of equity and parity, ceases to suspend the collection of the car parking levy in 2021/22 and furthermore, that Council officers engage directly with the 83 property owners contributing to the levy discussing options to reach parity and settle their requirements to the city centre parking contribution scheme.
5. THAT Council note, that the outcome of the review will be reflected in Council's Movement Strategy, which has recently been consulted with the community.
6. THAT this report be deemed a confidential document and be treated as such in accordance with Section 75 and 76 of the *Local Government Act 2008* and that the document remains confidential unless Council decides otherwise by resolution.
7. THAT this decision be moved into Open following the conclusion of this ordinary meeting.

PURPOSE

The purpose of this report is to recommend that Council rescind RESOLUTION ORD219/21, resolved at the 1st Ordinary Council Meeting on 11 May 2021, regarding the review of the Local Government (Darwin Parking Local Rates) Regulation and shortfall parking levy.

KEY ISSUES

- There are currently two methods of paying for car parking shortfalls:
 1. Landowners can be charged an annual levy through the Local Government (Darwin Parking Local Rates) Regulation, which as of 1 July 2021 has now transitioned to the Local Government (General) Regulations 2021.
 2. Developers can be charged a one-off parking contribution under the *Northern Territory Planning Act*.
- The Local Government (Darwin Parking Local Rates) Regulation shortfall parking levy, commenced in 1983 at \$117 per parking bay, per year, for landowners in the Darwin CBD.
- There are currently 335 levies being applied in the Darwin CBD area.
- In 2013, a Darwin CBD Parking Strategy was endorsed by Council and included Policy Statement 1.3 noting that 30 May 2021 is the point at which the local rate levy achieves parity with the equivalent one-off parking contribution and the local rate levy system is ended.
- Landowners in the Darwin CBD who commenced paying a parking levy in 1983, have now paid \$6,837.40 in total, per parking bay across the 38 years.

- An immediate review of the City of Darwin parking levy records indicate that no landowners in the Darwin CBD have reached parity.
- Parity is considered to be \$7,500 which was the lowest one-off contribution rate paid by developers in 1990.
- It is estimated that parity will be reached for the landowners who commenced paying the levy in 1983 in 2023.
- There is evidence that the last landowner that commenced paying levies was in 2009 and it is predicted that they will reach parity in 2035.
- It is recommended that the previous decision to suspend the Local Government Parking Levy for 12 months, be rescinded in order to enable equity between one off contributions and levies.
- A thorough review of individual landowner and developer contributions will be completed over the next 12 months.

DISCUSSION

City of Darwin manages the provision of public car parking as a service to the community and businesses. City of Darwin funds upgrades and new public parking through revenue from existing parking fees, shortfall contributions, general rates revenue, or external funding sources. The less collected through one method, means that more needs to be collected through other means.

The budget for the 2021/22 financial year has already been endorsed by Council and includes the \$1,028,375 revenue from the annual parking levy.

There are two separate mechanisms for charging car parking shortfall contributions:

- under Clause 240(1) of the *Local Government Act 2019*, a municipality may impose a parking rate, in accordance with the rates outlined in Schedule 3 to the Local Government (General) Regulations. (Annual levy);
- under clause 70 of the Planning Act 1999, the Consent Authority may impose a contribution, as established by and payable to the relevant Local Government. The Planning Scheme lists the required number of car parking bays for each use. (once-off payment).

The Local Government (General) Regulations 2021 (previously the Local Government (Darwin Parking Local Rates) Regulations 1982), details how City of Darwin are to collect an annual parking shortfall levy from landowners, applied through the rates system. Proceeds from the levy are to be used for provision, operation and maintenance of land, facilities, services and improvements for and in connection with the parking of vehicles in the central business district.

City of Darwin developed the current Central Business District Parking Strategy and Contribution Plan Policy, adopted on the 23 February 2010; this sets out the calculations for the once-off parking shortfall contribution and annual indexing. The current one-off contribution is set at a rate of \$20,637 per parking bay.

The first Contribution Plan was created by City of Darwin, as part of the Darwin Town Plan 1990, and the one-off contribution was charged at the set rate of \$7,500 per parking bay, per annum.

In 2007, Council resolved that landowners currently paying the annual levy be given the option of terminating their requirement by paying a one-off charge of \$3,750 (50% of \$7,500) per shortfall bay and that this option be continued until 30 June 2009. On reviewing the City of Darwin parking levy records it appears that no landowners in the Darwin CBD accepted that offer.

The Darwin CBD Parking Strategy finalised in June 2013, included policy statements to strategically guide parking in the Darwin City Centre. Policy Statement 1.3 stated that: 30 May 2021 is the point at which the local rate levy achieves parity with the equivalent one-off contribution and the local rate system is ended.

Landowners in the Darwin CBD who commenced paying a parking levy in 1983, have now paid \$6,837.40 in total, per parking bay across the 38 years.

The lowest one-off contribution in endorsed Contribution Plans over the last 38 years is \$7,500. No landowners have reached parity of \$7,500 and therefore there is inequity between levies and one-off contributions. Policy Statement 3.1 in the Parking Strategy relates to the pricing of parking, recommending that the pricing structure for on and off-street parking is equitable, financially viable and fosters economic development in the best interest of the city.

The current annual parking levy is \$246.82 per parking bay. Through reviewing historic values and forecasting based on the percentage increases, it is predicted that the annual levy will be \$317.52 in 2035. If this is the case, and we use this value as the annual value over the next 15 years, then businesses who commenced paying levies in 1983 will reach parity in 2023 and businesses who commenced paying levies in 2009 will reach parity in 2035.

A Movement Strategy is currently being prepared to replace the existing Darwin CBD Parking Strategy. During the next 12 months, Council will review parking shortfall mechanisms to determine the best overall way to fund public car parking.

To ensure equity amongst those who have provided bays onsite, those who are paying the annual levy and those who have paid the once-off contribution, an exit payment for the levy is a consideration if Council chooses to cease charging the annual levy.

PREVIOUS COUNCIL RESOLUTION

It was resolved at the ordinary Council meeting held on 11 May 2021:

1. THAT the report entitled Local Government (Darwin Parking Local Rates) Regulation – Parking Levy be received and noted.
2. THAT Council suspend collecting the levy for 12 months to allow a review of parking contributions in accordance with the Local Government (Darwin Parking Local Rates) Regulations 1982, so to consider equality across parking contributions.
3. THAT this report be deemed a confidential document and be treated as such in accordance with Section 75 and 76 of the Local Government Act 2008 and that the document remains confidential unless Council decides otherwise by resolution.
4. THAT decision be moved into open on the conclusion of the meeting.

STRATEGIC PLAN ALIGNMENT	1 A capital city with best practice and sustainable infrastructure 1.1 By 2030, a number of strategic infrastructure projects will be developed and delivered
CRITICAL DATES	30 May 2021 – implied date for the Parking levy to end.
BUDGET / FINANCIAL	Budget/Funding: \$1,028,375 was collected from the Parking Levy in 2020/2021. Is Funding identified: No budget is identified for review of the levy.
RISK ASSESSMENT	Assets & Infrastructure <input checked="" type="checkbox"/> Environment & Waste <input type="checkbox"/> Financial <input checked="" type="checkbox"/> Info Comms & Tech <input type="checkbox"/>

	<p>Legal & Compliance <input checked="" type="checkbox"/> Ops & Service Delivery <input type="checkbox"/></p> <p>Reputation & Brand <input checked="" type="checkbox"/> Work Health & Safety <input type="checkbox"/></p> <p>In accordance with City of Darwin Risk Management Framework, the post treatment, mitigation risk is: High</p> <p>Risks identified, in relation to this report, will be managed through proactive communications to the Property Council and all levy payers.</p>
LEGISLATION / POLICY CONTROLS OR IMPACTS	<p>Legislation:</p> <p>Local Government (Darwin Parking Local Rates) Regulations 1982</p> <p>Local Government (General) Regulations 2021</p> <p>NT Planning Act 2020</p> <p>Policy:</p> <p>Darwin CBD Parking Strategy</p> <p>Central Business District Parking Strategy and Contribution Plan</p>
RESOURCE IMPLICATIONS	<p>Existing Position No: Nil</p> <p>Contractor: Nil</p>
CONSULTATION & ENGAGEMENT	<p>Engagement Level: Inform</p> <p>Tactics: Property Council</p>
COMMUNICATION PLAN FOR THIS INITIATIVE	Nil
PLACE SCORE STATEMENT	Maintenance of public spaces, sense of safety, and vegetation and natural elements, are all top ten priorities to the community.
DECLARATION OF INTEREST	<p>The report author does not have a conflict of interest in relation to this matter.</p> <p>The report authoriser does not have a conflict of interest in relation to this matter.</p> <p>If a conflict of interest exists, staff will not act in the matter, except as authorised by the CEO or Council (as the case requires).</p>