



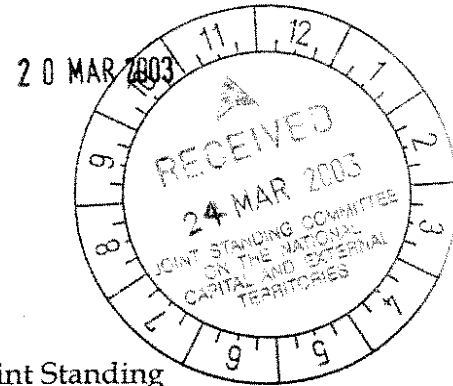
SUBMISSION .....36.....

PARLIAMENT OF AUSTRALIA

*Speaker of the House of Representatives*

*President of the Senate*

Senator Ross Lightfoot  
Chairman  
Joint Standing Committee on the National Capital  
and External Territories  
Parliament House  
CANBERRA ACT 2600



Dear Senator Lightfoot

We are writing to you relation to the current inquiry by the Joint Standing Committee on the National Capital and External Territories into pay parking in the Parliamentary Zone.

In 1994 the Committee undertook a similar inquiry and our predecessors wrote outlining their concerns with the proposal. We reiterate the concerns then expressed, attach a copy of that earlier submission.

A summary of our concerns regarding the current proposal is as follows:

- The impact on staff of the Parliamentary departments who work in West Block, who work the same long hours as their colleagues located in Parliament House but who, under the National Capital Authority (NCA) proposal, will have to pay for parking;
- The impact of the proposal on visitors to Parliament House and the other national institutions in the Parliamentary Zone. It is our view that visitors to the Parliament should have access to free parking for what is often an extended stay.
- The possible liability for Fringe Benefits Tax on the Parliamentary departments and the Parliament if a change to the current parking provision for occupants of Parliament House is made. Note that this additional cost was assessed as at least \$600,000 in 1994 dollars in the earlier submission.

We request that your Committee encourage the National Capital Authority to look at these matters and provide advice to the Committee on the implications to the Parliament on the introduction of pay parking into the Parliamentary Zone.

Yours sincerely

NEIL ANDREW

PAUL CALVERT



PARLIAMENT OF AUSTRALIA

*Speaker of the House of Representatives*

*President of the Senate*

19-3-94

Submission No. 12

Mr R L Chynoweth MP  
Chairman  
Joint Standing Committee on the National Capital  
and External Territories  
Parliament House  
CANBERRA ACT 2600

Dear Mr Chynoweth

Proposal to Introduce Pay Parking in the Parliamentary Zone

We refer to your letters of 2 February 1994 seeking our comments on a proposal for certain works in the Parliamentary Zone.

We note that in his letter to you of 21 December 1993, the Minister for Housing, Local Government and Community Services (Hon B L Howe MP), sought approval for the installation of parking signs and voucher machines. We suggest that in its deliberations it is appropriate that the Joint Standing Committee on the National Capital and External Territories consider the wider issue of the introduction of pay parking in the Parliamentary Zone.

The important national institutions and public buildings in the zone - Parliament House, High Court, National Library, old Parliament House, National Science and Technology Centre and National Gallery - are among the principal tourist attractions in Canberra. We note that in correspondence with the National Capital Planning Authority (NCPA), both the National Gallery and the National Science and Technology Centre have expressed concern about the adverse impact of pay parking on visitor numbers. All Australians should be encouraged to visit these largely taxpayer-funded institutions. To introduce charges for parking as a revenue-raising measure is effectively to impose a tax on visits to the Parliamentary Zone.

We suggest that the Committee should encourage the NCPA in its planning to ensure that sufficient short-term free parking is conveniently available for visitors to the institutions.

### Impact on Parliament House

Neither the technical study nor the user survey prepared for the NCPA on the introduction of pay parking in the Parliamentary Zone assessed the effects of the proposal on Parliament House. While the NCPA has no direct role in relation to Parliament House, the studies should have taken account of the likely impact on the building, and others in the vicinity of the Parliamentary Zone. This is a significant omission given the scale of Parliament House operations and the likely impact of the proposal.

The study area includes more than 4 000 off-street car parking spaces and 4 300 employees. By comparison, Parliament House has almost 2 000 car parking spaces and a peak population, excluding visitors, in excess of 3 000.

The impact of the proposal on Parliament House, should it proceed, would be considerable. If pay car parks in the Parliamentary Zone are to be regarded as commercial parking stations for the purposes of the provisions inserted in the *Fringe Benefits Tax Assessment Act 1986* by the *Taxation Laws Amendment (Car Parking) Act 1992*, a fringe benefits tax (FBT) liability will be incurred by the parliamentary departments whose staff park their vehicles in the Senate or House of Representatives underground car parks. These car parks are within one kilometre of the East or West Block car parks. While this may be an unintended consequence of the introduction of pay parking in the Zone, it would almost certainly mean that the parliamentary departments would be required to introduce pay parking for employees at Parliament House. This measure would be required because of the need to avoid the significant liability for payment of the FBT. The car parks surrounding Parliament House do not currently require significant maintenance, the rationale for the NCPA proposal.

If applicable, the FBT liability for the parliamentary departments, and for other employers at Parliament House, would be significant. Assuming that the value of the parking is \$2 per day and 200 staff of each parliamentary department park their cars at Parliament House for 228 working days a year, the annual liability for each department from 1 April 1994 would exceed \$80 000. The FBT liability for all employers at Parliament House may exceed \$600 000.

FBT payments by the parliamentary departments and other Commonwealth agencies are not subject to supplementation by the Department of Finance. Supplementation is available only on FBT payments for the parking of official vehicles, that is, for vehicles owned or leased by departments.

The introduction of pay parking for employees at Parliament House would require an initial investment in parking voucher machines and recurrent expenditure on parking inspection, consumables and maintenance of equipment. The parking fee would need to generate sufficient revenue to cover the initial and recurrent costs, and FBT payments.

Pay parking would have an adverse financial impact on people parking at Parliament House, with potential industrial implications. Some staff may choose to take buses or other forms of transport to work, however, many need to work outside normal business hours when public transport is not available or convenient. The NCPA consultancy study found that almost half those surveyed considered that they needed to drive to and from work for a variety of reasons and would not change to other forms of transport, irrespective of parking charges. Staff of the parliamentary departments whose overtime duty extends to a time when public transport to their homes is not reasonably available are entitled to take taxis home at departmental expense. Departmental expenditure on taxi fares would inevitably rise. The local bus schedules would need to be reviewed. Bus services to Parliament House have apparently been reduced by one third in the past year.

At this stage we would not propose introducing pay parking for the public at Parliament House. The Parliament should be freely accessible to the public. As a result, there would be administrative costs in more closely supervising the public car parks. Because of the adverse public relations effects, it would be important to avoid fining visitors to Parliament House who overstayed in the public car park. It would be difficult, if not impossible, to discriminate between visitor and non-visitor vehicles.

#### Conclusions

We are most concerned at the proposal by the National Capital Planning Authority to introduce pay parking in the Parliamentary Zone. We join with others who are worried that the proposal will discourage visits to the important national institutions situated in the Zone. We suggest that the Committee encourages the provision of sufficient short-term free parking for visitors in the vicinity of those important tourist attractions.

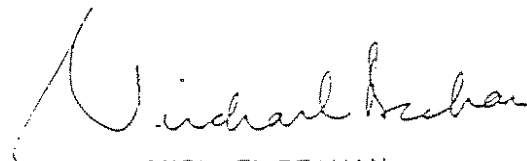
Pay parking in the Parliamentary Zone will have a significant effect on Parliament House. Potential liability for fringe benefits tax payable by employers of staff in the building may exceed \$600 000, annually unless pay parking were extended to the car parks which surround the building. The introduction of fees for parking at Parliament House would inevitably have industrial relations consequences for all employees in the building who currently enjoy free parking.

We trust that these comments will assist your Committee's deliberations.

Yours sincerely



STEPHEN MARTIN



MICHAEL BEAHAN