

The Parliament of the Commonwealth of Australia

The Proposal for Pay Parking in the Parliamentary Zone

**Report of the Joint Standing Committee on the
National Capital and External Territories**

June 1994

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ISBN 0644 33442 8

Published for the House of Representatives Joint Standing
Committee on National Capital and External Territories
by the Australian Government Publishing Service

Produced by the Australian Government Publishing Service

MEMBERSHIP OF THE JOINT STANDING COMMITTEE ON THE NATIONAL CAPITAL AND EXTERNAL TERRITORIES

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PREFACE

This is the first public inquiry that the Committee has undertaken in relation to the Parliamentary Zone. Regrettably, the works proposal we were asked to examine was not one for the improvement and enhancement of the Zone, nor one which would make the Zone more interesting for the many tourists who visit it each day. The Committee's inquiry concerned the proposal for voucher parking adjacent to some of Australia's most significant public buildings.



The Committee received over 30 submissions to this inquiry which have now been published. I am impressed that so many people took the trouble to examine the complicated documentation outlining the proposal for pay parking, and to provide comments to the Committee. It is an important part of the role of Parliamentary Committees that they provide an opportunity for members of the public to have an input into the process of policy making, and I would like to thank all those who contributed their considered views to the inquiry.

Finally, I would like to thank all the members of the Joint Standing Committee on the National Capital and External Territories who gave a significant amount of time and a great deal of thought to this inquiry.

R L CHYNOWETH MP
Chairman

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CHAPTER 1

INTRODUCTION

Role of the Committee

1.1 Under paragraph 1(a) of its Resolution of Appointment, the Joint Standing Committee on the National Capital and External Territories is authorised to consider and report on matters coming within the terms of Section 5 of the *Parliament Act 1974*. References to the Committee may be made by either House of Parliament, by the Minister responsible for administering the *Parliament Act 1974*, or by the President of the Senate and the Speaker of the House of Representatives.

1.2 Section 5 of the *Parliament Act 1974* (as amended by the *Parliamentary Precincts Act 1988*) gives Parliament control over the erection of buildings or other work within the Parliamentary Zone which is defined in the Act. Subsection 5(1) of the Act provides as follows:

No building or other work is to be erected on land within the Parliamentary zone unless:

(a) if the land is within the precincts as defined by subsection 3(1) of the *Parliamentary Precincts Act 1988* - the President of the Senate and the Speaker of the House of Representatives jointly have; or

(b) in any other case - the Minister has:

caused a proposal for the erection of the building or work to be laid before each House of the Parliament and the proposal has been approved by resolution of each House.

Conduct of the Inquiry

1.3 The Minister for Housing, Local Government and Community Services, the Hon Brian Howe, MP, wrote to the Committee on 21 December 1993 referring to it a proposal by the National Capital Planning Authority (NCPA) to install new parking signs and voucher machines within the Parliamentary Zone. The work was required for the implementation of pay parking within the Zone. A copy of the referral is at Appendix A.

1.4 The Committee accepted the reference and wrote to all major departments and institutions located in and around the Zone requesting comment on the proposal. In addition, advertisements were placed in the Canberra and surrounding area press calling for submissions. A total of 35 written submissions were received.

1.5 A public hearing was held on 7 April 1994 to take evidence from the NCPA prior to the Committee preparing its report.

1.6 The Committee appreciates the contribution made by those who made submissions to the inquiry.

CHAPTER 2

THE WORKS PROPOSAL

The Parliamentary Zone

2.1 The Parliamentary Zone, as defined by legislation¹, is the area of land bordered on the east by Kings Avenue, on the west by Commonwealth Avenue, on the south by the inner border of State Circle as it travels around Parliament House, and by the shore of Lake Burley Griffin on the north.² A map showing the area is at Appendix B.

2.2 The special nature of the Parliamentary Zone is noted in the National Capital Plan:

The Parliamentary Zone and its setting remain the heart of the National Capital. In this area, priority will be given to the development of buildings and associated structures which have activities and functions that symbolise the Capital and through it the nation. Other developments in the area should be sited and designed to support the prominence of these national functions and reinforce the character of the area...The preferred uses in the Parliamentary Zone are those that arise from its role as the physical manifestation of Australian democratic government and as the home of the nation's most important cultural and judicial institutions and symbols. The highest standards of architecture will be sought for buildings located in the Parliamentary Zone.³

2.3 The Government has placed great emphasis on the Parliamentary Zone as the focus of national activities within Canberra, and hence the emphasis on only major institutions of national significance being located within its boundaries. With the reopening of Old Parliament House, and the continuing popularity of such attractions as the National Science and Technology Centre, the National Gallery of Australia, and of course Parliament House itself, the Zone is a major focus for tourists to the National Capital. Visitors come to see "their" Parliament House, and those other institutions and monuments that have been largely established and supported from government revenue.

¹ Section 3, *Parliament Act 1974*, as amended by *Parliamentary Precincts Act 1988*.

² Although included in the Parliamentary Zone under the legislation, control of the precincts of Parliament House rests with the Presiding Officers of the two Houses of Parliament, under separate legislation. Therefore, for the purposes of the introduction of pay parking, Parliament House and its precincts were not included.

³ *National Capital Plan*, p. 19

2.4 To ensure the maintenance and character of the area, a *Parliamentary Zone Development Plan* was developed by the NCPA and endorsed by government. The responsibility for implementation of this Plan rests with the Commonwealth Government:

The Commonwealth has also accepted responsibility for certain capital works undertaken in the interests of maintaining and enhancing the character of the National Capital...The initial focus of this programme will be the completion of the works involved in the *Parliamentary Zone Development Plan*...⁴

2.5 In 1991 the NCPA arranged for a consultancy to examine the landscape development of the Zone, to assess its condition, quality and value, define the management and physical maintenance problems, recommend a management structure and identify specific, remedial landscape works. The resulting document⁵ identified significant deterioration in the quality of the landscape and the need for action to be taken to overcome maintenance problems.

2.6 In July 1992 the NCPA assumed responsibility for the management of National Land which had been retained by the Commonwealth for the special purposes of the National Capital. A working group and steering committee (comprising representatives of the NCPA, the Department of the Arts, Sport, the Environment, and Territories, and the Department of Finance) were established in September 1992 to review the capital works and land management functions of the NCPA. The review found that "the condition of the Commonwealth's National Capital assets was in decline."⁶ The working group and steering committee considered a maintenance, restoration and/or replacement program for existing assets, and also assessed the opportunities for revenue generation in relation to NCPA capital assets.

The Works Proposal

2.7 The 1993-94 Federal Budget provided \$19.3 million over a four year period to 1996-97 for a Restoration and Replacement Program for Commonwealth Assets in the National Capital, to be administered by the National Capital Planning Authority. Of this, \$4.3 million was to be offset by the generation of revenue, "primarily through the implementation of pay parking on National Land."⁷ The costs associated with pay parking (capital cost of equipment, and ongoing maintenance of machines etc) was also to be met from the revenue derived from car parking in the Zone.

4 *National Capital Plan*, p.107

5 *Parliamentary Zone Landscape Management and Maintenance Study*, SF Landscape Consultants Pty Ltd, for the NCPA, April 1992.

6 *Annual Report 1992-93*, National Capital Planning Authority, p. 39.

7 Letter from Hon. B Howe, MP, Minister for Housing, Local Government and Community Services, dated 21 December 1993.

2.8 To implement pay parking, voucher machines, parking signs and some minor associated works need to be undertaken in the Zone. The works require approval under Section 5 of the *Parliament Act 1974*, and the then Minister for Housing, Local Government and Community Services elected to refer it to this Committee for consideration prior to seeking the approval of both Houses of Parliament. The main details of the Works Proposal⁸ prepared by the NCPA are as follows:

- . introduction of a single, multiple entry daily ticket for the existing off-street car parks in the Zone, to be issued by voucher machines (monthly tickets would also be made available);
- . an increase in the number of free, time-limited (2 hour) on-street parking spaces;
- . no charge for weekend parking;
- . underground parking at various institutions in the Zone to remain under the control of each institution, providing scope for free parking for visitors.⁹

2.9 The Committee agrees with the need for a co-ordinated maintenance program to be implemented to ensure that the Parliamentary Zone, and indeed other areas of national significance, are preserved and improved. The issues that arose during this inquiry, however, have included consideration of the method by which such work should be funded, and whether the introduction of pay parking is an appropriate mechanism for such revenue raising.

2.10 In responding to submissions made to the inquiry, the NCPA has been somewhat critical, stating that they appeared not to realise:

that the NCPA proposed a solution different from those as originally set out by the consultants, and have based their comments on proposals put forward by the consultants. This applies especially to charges, the nature of the parking regime (such as limited stay), lack of knowledge about the extent of free parking, and the provision of spaces for special needs (disabled, service, loading, drop off points).¹⁰

⁸ *Proposal for Works Within the Parliamentary Zone Associated with the Introduction of Pay Parking*, NCPA, 1993 (includes 3 attachments).

⁹ NCPA *Works Proposal*, p. 4.

¹⁰ Evidence, 7 April 1994, p. 9.

2.11 While acknowledging that some confusion was evident, the Committee felt that it arose largely because of the lack of detail in the actual Works Proposal. The aforementioned consultant's Parking Study¹¹ and associated documentation, which was provided as Attachment 2 to the Works Proposal, was the only source of detailed information available to assist people in evaluating the impact of the proposals. Indeed, until additional evidence was tendered by the NCPA at the hearing on 7 April, the Committee itself relied heavily on the Parking Study for such basic information as the number of parking spaces that were to be converted to voucher parking and additional details on costings of the various options considered.

2.12 The Committee believes it is not sufficient for the NCPA to say that it did not set out details of cash flow projections or charging policies because its Works Proposal was focused on simply giving the information for "the necessary considerations associated with works approval".¹² In looking at a proposal, the prime purpose of which is revenue generation, this is exactly the sort of information that should be included, and the Committee feels it would be appropriate in future works proposals that clear financial details be given.

Scope of the Reference

2.13 A member of the Committee expressed the view that the Committee was limited to considering simply the installation of the voucher machines and signs which were necessary for the implementation of pay parking in the Parliamentary Zone. In the later stages of report consideration, the member requested the Chairman to write to the Minister seeking clarification of the terms of reference so that he could establish if there was a valid basis for a minority report limited in scope to the consideration of equipment and signs associated with pay parking. The Chairman acceded to this request, and the Minister replied that it had been his intention that the reference

"related to the installation of new parking signs and voucher machines within the Parliamentary Zone, that is to the actual mechanics for pay parking, not to the wider issue of the introduction of paid parking, which has been dealt with through the Budget process."¹³

¹¹ *National Area Parking Management Study*, prepared by CMPS & F on behalf of the NCPA. Included as Attachment 2 to the NCPA's Works Proposal.

¹² Evidence, 7 April 1994, p. 9.

¹³ The correspondence from the member, the Chairman and the Minister appears at Appendix F of the Report.

2.14 However, the majority of the Committee had construed the reference more broadly. The original reference (at Appendix A) had asked the Committee to examine the **proposal** by the National Capital Planning Authority to install new parking signs and voucher machines. The NCPA Works Proposal - which included but was by no means limited to the installation of voucher machines and signs - was attached to the reference. Indeed, it was stated that the Works Proposal **as a whole** would require Parliamentary approval.

2.15 To those parties expressing interest in the Committee's inquiry were sent copies of the reference and the Works Proposal. Without exception, all persons and organisations making submissions to the inquiry addressed the broader range of issues raised in the NCPA's proposal, rather than focussing on the installation of equipment and signs.

2.16 The NCPA itself, in its initial presentation of the proposal to the Committee and in evidence at the public hearing, directed the Committee's attention to a broader range of issues than simply the installation of machines - although this latter issue was certainly covered. The NCPA sought to respond to the various issues raised about the proposal and certainly made no suggestion to the Committee that it was inappropriate for those issues to be considered.

2.17 Accordingly, the majority of the Committee was not prepared at a late stage to dismiss the larger part of the evidence that had been presented to the inquiry. The majority took the view that the report should examine the Works Proposal in its entirety since it was the **proposal** as a whole and not simply that part of it relating to machines and signs, which had been referred to the Committee. In any case, if there had been any doubt that the Committee was to examine the whole proposal, either House could have referred the matter to the Committee and it is likely the Senate would have done so.

2.18 While the inquiry process was still in train, the Ordinances which would underpin the pay parking regime in the Parliamentary Zone were gazetted and tabled in both Houses of the Parliament. The Committee became aware of this quite late and by making its own inquiries. The Committee is concerned that it was not informed by the NCPA of these important developments which were absolutely relevant to the reference under examination. Moreover, the Committee questions the propriety of the legislative mechanics for the implementation of pay parking in the Parliamentary Zone having proceeded while the matter was the subject of public inquiry by a Parliamentary Committee.

CHAPTER 3

ISSUES

3.1 In examining the Works Proposal and the submissions made to the Committee, a number of issues arose. While the Committee does not propose to canvass all of the issues raised, this chapter does cover the major areas of concern raised in relation to the introduction of pay parking.

Voucher Machines and Signs

3.2 Under the NCPA Works Proposal, it is planned that some 31 voucher parking machines and associated signs would be erected in the voucher parking areas. In free, time-limited parking areas, signs would be erected to indicate any restrictions on the parking spaces.

3.3 The machines would be obtained through a tendering process, but would most likely be purchased from an overseas supplier. If pay parking were to be introduced, the Committee would wish to see an investigation made into obtaining these machines from an Australian manufacturer, as well as the possibility of acquiring machines that rely on alternative power sources. The availability of such machines was confirmed by the Department of the Environment, Sport and Territories which proposed:

...powering the machines using stand-alone solar photovoltaic power as an alternative to mains supplied power. This has been successfully adopted in other municipalities such as the City of St Kilda, Victoria. Such an arrangement avoids the cost and disruption of digging up car parks etc. to lay cables and has environmental benefits particularly in reducing gas emissions by replacing coal-based electricity with renewable electricity.¹⁴

3.4 While voucher machines appear to be the most cost-efficient solution to the implementation of pay parking, the Committee finds it somewhat incongruous that these machines and accompanying signs would appear in a landscape that is so carefully controlled in terms of aesthetic appeal and architectural excellence. The Committee shares the concerns of several submissions that felt that the erection of the machines and accompanying signs may be "detrimental to both the appearance and the nature of the Parliamentary Zone."¹⁵

3.5 As noted earlier, the Parliamentary Zone is an area where "the highest standards of architecture will be sought for buildings..."¹⁶. The installation of numerous additional signs and 31 voucher machines cannot enhance the overall appearance of the area and the Committee believes they will detract significantly from the Zone. While the NCPA

¹⁴ Submissions, p. 75.

¹⁵ Submissions, p. 58.

¹⁶ See para 2.2.

has stated part of the work of the Restoration and Replacement Program is aimed at improving the landscape quality in the Zone, the Committee has significant concerns about the introduction of such discordant structures into this area.

The 'prime' method of revenue raising?

3.6 In his letter to the Committee, the Minister for Housing, Local Government and Community Services advised that the "\$4.3 million is to be offset by the generation of revenue, **primarily** through the implementation of pay parking on National Land"¹⁷ (emphasis added). The NCPA Works Proposal contains the phrase "prime revenue raising measure"¹⁸ in referring to pay parking. In both documents the impression is given that there will be other methods by which revenue is generated from National Capital assets for the Restoration and Replacement Program, although pay parking would raise the greater amount of the funds required.

3.7 The Committee notes that "pay parking" could include a variety of arrangements for collecting revenue from charges on parking in the Zone - including levies on employers commensurate with their notional Fringe Benefits Tax liability under a pay parking regime. The Committee is not recommending this as a solution. However, the Committee is concerned that the NCPA appears to have given little, if any, thought to pay parking options other than those involving the installation of voucher machines. Given the special nature of the Parliamentary Zone and, in particular, the high standards of landscaping and architecture in the Zone, the Committee considers that the examination of non-voucher pay parking deserved particular attention.

3.8 The Committee sought to obtain information on other revenue-generating measures investigated by the NCPA as part of the overall decision to introduce pay parking. The NCPA advised that pay parking "has been the only obvious potential measure that was considered at the time", but went on to say:

We considered savings from program costs of various sorts, but they were not going to be possible. We also considered possible other strategies, such as retaining revenue from diplomatic leases, but they were not considered to be budget neutral, because it would have been passing money to us to the detriment of the consolidated revenue fund. The only submission that got the approval of the Department of Finance was for revenue raising through pay parking.¹⁹

3.9 The Committee believes that the NCPA should investigate other possible sources of income that could be derived from National Capital assets, rather than to simply accept what appears to be, at least superficially, the easiest and most lucrative means by which revenue can be raised. Areas for possible consideration could include charging rental for the land in the Parliamentary Zone (Australian Estate Management charges

¹⁷ Letter from Hon B Howe, MP, to the Committee, dated 21 December 1993.

¹⁸ NCPA Works Proposal, p.1.

¹⁹ Evidence, 7 April 1994, p. 19.

rent for the properties, but does not in turn pay land rent to the NCPA²⁰); instituting charges for the commercial use of land and facilities in the Central National Area (which the NCPA is unable to do at the moment because of legislative restrictions); photographic and film rights; and possible joint ventures and other commercial development opportunities including recreational facilities.²¹ These options would result in a spread of the obligation of "user-pays", beyond just simply employees in the Zone.

Who Should Pay?

3.10 Various submissions made to the Committee raised the question of whether it was appropriate that a substantial proportion of the maintenance of a national asset, the construction of which had been paid for by the taxpayers, should fall on a small group of people, namely those who work in the Zone. The Department of Foreign Affairs and Trade argued that it was strongly of the view "that the cost of maintaining the National Area is a national responsibility and not one that should fall on those who are obliged to work there."²² Another submission argued that "the proposal will do no more than shift rightful financial responsibility for the upkeep of a national asset from the Commonwealth Government to the unfortunate people who must use the car park daily..."²³

3.11 A counter argument was put by the NCPA, which argued that the workers in the Zone should contribute to the restoration and upkeep of the Zone's extensive car parking facilities.²⁴ In addition, they argued that workers in other parts of Canberra paid for parking, and that there was no reason why those who worked in the Zone should be exempt. The NCPA argued that:

The car parks and their ancillary facilities such as lighting, pathways and landscape in the Parliamentary Zone require maintenance, and a proportion of the car parks are there exclusively for the benefit of workers. The maintenance of the car parks currently costs the NCPA approximately \$200,000 per year. It should be noted that the full cost of restoration is not being met from parking charges.²⁵

²⁰ Evidence, 7 April 1994, p. 29.

²¹ These and other options were suggested as possible revenue sources in *Review of Capital Works and Land Management Functions of the NCPA*, Summary Report, April 1993, reproduced in Submissions, p. 104.

²² Submissions, p. 11.

²³ B & L Hall, Submissions, p. 65.

²⁴ NCPA Works Proposal, Background, p.1.

²⁵ Evidence, 7 April 1994, p. 9.

3.12 In its submission, the Public Service Union submitted:

...that its members, as PAYE tax payers, already provide the Government with large amounts of tax revenue. Unlike other sectors, salaried workers cannot avoid tax, and are already paying their fair share towards providing essential government infrastructure. The proposal...is a direct tax levied on the workers in the Parliamentary Zone. These are national assets, and should be funded from national revenue, not by imposing additional taxes on the workers who just happen to work in the area.²⁶

3.13 The Committee is aware that pay parking does not apply in all areas of Canberra, and indeed appears to have been introduced elsewhere more to regulate scarce parking resources where a shortage of parking has occurred as a result of both major retail outlets and offices being co-located (for example, Civic and Woden). In areas where there is less pressure on parking resources (for example, Belconnen and Tuggeranong), parking remains free. Although some car parks in the Zone are heavily utilised, the NCPA-commissioned Parking Study acknowledged that "sufficient capacity exists for a limited extra demand".²⁷

3.14 The NCPA has acknowledged that there is no shortage of parking spaces in the Zone as it proposes to close two small car parks at East and West Blocks "and make them useable landscaped parklands...The parking spaces can be accommodated by the use of currently under-utilised spaces within existing car parks at the rear of the buildings."²⁸ In addition, a shortage of car parking spaces is not anticipated to be a problem in the immediate future due to the planned refurbishment of the Administrative Building in the period 1996-98, and a resultant decline in the number of those working in the Zone.

3.15 The Committee sought details of the Restoration and Replacement Program from the NCPA, and was advised that while much of the work would be undertaken in the Zone, **some of the work is outside the Zone proper**, but still within what is known as the Central National Area. It includes work on:

...the Captain Cook Fountain, which has to be rebuilt in terms of the pipes to it. It does include the Commonwealth Avenue Bridge and Kings Avenue Bridge restoration work and safety improvement work. It includes the work that is currently going on in Anzac Parade and some additional work that will be occurring in the future in Anzac Parade. It includes lighting generally within the central national area. There is work involved in Scrivener Dam in terms of both pedestrian safety and other matters. Commonwealth Park and Kings Park, all of those...²⁹

²⁶ ACT Branch of the Public Sector Union, Submissions p. 40.

²⁷ *National Area Parking Management Study*, Attachment B to the Works Proposal, p. 21.

²⁸ Evidence, 7 April 1994, p.7.

²⁹ Evidence, 7 April 1994, p. 27.

3.16 The Committee notes that such an extensive repair program is now needed because ongoing maintenance has not been funded by the Commonwealth to the extent required in the past. The NCPA acknowledged that "poor maintenance practices" had contributed to significant levels of disrepair³⁰, but that:

Prior to establishing the Restoration Maintenance Program, repeated Budget bids to restore assets on a one off basis were generally unsuccessful. This effectively resulted in asset stripping by deferring required maintenance to contain costs, with the consequent shifting of the maintenance cost burden to future years at escalated rates.³¹

3.17 In terms of landscape, "development of the Zone has been spasmodic and piecemeal...associated with individual buildings rather than as part of an overall plan. This has resulted in a landscape which is erratic in age, quality and character, and disjointed in overall appearance".³² The NCPA went on to add that "should pay parking revenue not meet its target, then substantial work will not be done and maintenance costs will continue to escalate."

3.18 When asked whether all areas covered by the Restoration and Replacement Program, including those outside the actual Parliamentary Zone, were also to be targeted for revenue raising, the NCPA advised that, with the exception of Regatta Point which already has pay parking:

...all of the other areas involved we would regard as major tourist assets and tourist areas, and therefore we would not be looking at charging for parking, for example, or other charges that would deter their importance as a major tourism feature within the national capital...³³

3.19 Similarly, "on weekends and public holidays, when visitor demands are greatest, no charges or time limited controls will apply..." in the Zone.³⁴

3.20 If the argument for the introduction of pay parking is based on "user-pays" principles, then it could be argued that parking charges should be met by all who visit the Zone or use any of the assets of the Central National Area, including tourists. The NCPA has been quite explicit in acknowledging that it is targeting employees in the Zone³⁵. The Committee would not wish to see tourism to the area affected by the removal of all 'free' time limited parking now provided under this proposal. The Committee believes that targeting only one group of users could be seen to be unfair.

³⁰ Submissions, p. 94.

³¹ Submissions, p. 84.

³² Submissions, p. 84.

³³ Evidence, 7 April 1994, p. 27.

³⁴ Evidence, 7 April 1994, p. 6.

³⁵ Evidence, 7 April 1994, p. 43.

3.21 Several submissions noted that the introduction of pay parking was in effect to levy a tax on those who worked in or visited the area (see, for example, para 3.12) The argument was put that:

...it is a tax that treats all people the same regardless of income i.e. it is regressive. Of course the Senior Executive Service and the Senior Officers (in the APS) will either have work supplied cars or reserved car parking or can use their work related expense allowance to pay for parking.³⁶

3.22 This concern was also echoed by the Public Sector Union which noted that such a charge would "represent a substantial pay cut for workers...(and is a)...very large amount to take out of after-tax disposable income".³⁷ The NCPA has rejected this, noting that "no other parking charges policy considers income levels".³⁸ However, the Committee acknowledges that such an impact on take-home pay levels is likely to be reflected in wage claims and in enterprise bargaining negotiations.³⁹ The ultimate bearer of such costs may, in the final outcome, be the federal government itself.

3.23 The Committee agrees with the view put by a number of submissions that the Parliamentary Zone is a unique area and, as an area of national significance, the cost of the maintenance of the area should continue to be funded from within general revenue. The Committee also considers that the need for such an extensive repair and maintenance program now is the direct result of government under funding of necessary work in the Zone in the past. Financial responsibility for rectifying the situation should, therefore, rest with the federal government, rather than the workers in the Zone.

3.24 The Presiding Officers of the Australian Parliament, in their submission, noted:

...important national institutions and public buildings in the zone...are among the principal tourist attractions in Canberra...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.⁴⁰

Revenue Estimates

3.25 The capital and operating costs of pay parking in the Parliamentary Zone are to be met out of revenue raised from pay parking - that is, it is expected that the scheme will raise \$4.3 million plus the one-off capital costs and annual running costs as follows:

³⁶ G McVeigh, Submissions p. 25.

³⁷ ACT Branch of the Public Sector Union, Submissions, p. 40.

³⁸ Evidence, 7 April 1994, p. 16.

³⁹ Submissions, p. 44.

⁴⁰ Submissions, p. 21.

Initial capital cost: \$234,600⁴¹
 Operating costs: \$2.677m⁴², comprising:

- . \$1.156m operating costs
- . \$0.435m management costs
- . \$0.390m bus subsidy
- . \$0.696m risk estimate.

3.26 The NCPA advised that at the earliest, the scheme would commence in November 1994, allowing some 2½ years for the contribution towards the Restoration and Replacement Program to be raised.⁴³ Total cost of the scheme (assuming no increase in operating costs) is therefore approximately \$2.91 million (\$2.677 million in risk, operating, management and bus subsidy costs, plus the initial capital cost of \$234,600). Revenue from the scheme would need to be in the order of \$7.21 million over the period to cover costs and reach the target of \$4.3 million contribution to the Restoration and Replacement Program.

3.27 The NCPA Works Proposal did not include a schedule of charges associated with the operation of this scheme. In their appearance before the Committee at a public hearing, the NCPA advised that \$3 per day was to be the initial charge, and that "that fee would be reviewed each year in the context of the budget process"⁴⁴.

3.28 The National Area Parking Management Study, which examined various options for the implementation of pay parking, assessed likely revenue and expenditure levels. To achieve the \$4.3 million target, the Study originally proposed a fee of \$3 per day for the first year, rising to \$4.50 in the second year, and peaking at \$6 per day in financial year 1996-97.⁴⁵

3.29 The Committee was concerned that given the figures contained in the Parking Study, the \$3 rate proposed by the NCPA appeared to be too low to meet revenue targets. To test this, the Committee made some basic calculations itself. The NCPA advised that of the 5193 car parks in the Zone, 3569 would be subject to voucher parking.⁴⁶ Assuming parking is payable for 261 days per year (ie not at weekends) the following table calculates revenue, using variable occupancy rates and fees.

⁴¹ NCPA, Submissions, p. 78.

⁴² Figures given are for the period 1.11.94 to 30.6.97, see Submissions, p. 79.

⁴³ Evidence, 7 April 1994, p. 7.

⁴⁴ Evidence, 7 April 1994, p. 6.

⁴⁵ Parking Study, p. 31 - 33.

⁴⁶ Figures shown on document entitled: Proposed Parking (Short-Term), tabled by the NCPA at the public hearing on 7 April 1994, and listed as Exhibit No.1 to this inquiry.

TABLE 1: ESTIMATES OF GROSS REVENUE PER YEAR

Occupancy Rate of Car Parking Spaces

Cost per day	100% (3569)	80% (2855)	50% (1785)	30% (1071)
\$2.00	\$1.86m	\$1.49m	\$0.93m	\$0.56m
\$3.00	\$2.79m	\$2.24m	\$1.40m	\$0.84m
\$4.50	\$4.19m	\$3.35m	\$2.10m	\$1.26m
\$6.00	\$5.59m	\$4.47m	\$2.80m	\$1.68m

3.30 From these figures, it would appear that to achieve the necessary revenue, either

the car parks would have to operate at 80% occupancy or better with the charge at \$3, or

significant increases in the cost of day parking will have to be introduced.

3.31 The Committee examined revenue estimates provided by the NCPA at the public hearing on 7 April 1994, and later given in greater detail following a request for additional information.⁴⁷ The figures show that under scenario 4 (\$3 per day), the scheme would raise \$4.28 million after costs had been met. There is no indication, however, that the capital costs of the proposal (approximately \$234,600) have been considered, and if included, would mean a short-fall in revenue of approximately \$254,000. It is only under scenario 5 (\$3 per day, rising to \$4 per day on 1 January 1996), that revenue, after allowing for all costs, would exceed the target.⁴⁸

3.32 There is some degree of uncertainty about the actual costs of the implementation of pay parking, particularly in the management area. The NCPA advised the Committee that "the full details of the parking management arrangements have not been agreed within the Authority at this stage" but that it was proposed "to manage parking under the same arrangements where a period contract with the eventual service provider(s) for parking operations and enforcement will be entered into."⁴⁹ Until the results of the tender process are known, the level of costs associated with managing this project can only be roughly assessed. In addition, should NCPA staff be required "to undertake a significant management role in parking operations...the transfer of an equivalent amount from parking revenue to the salaries base will be negotiated with DoF..."⁵⁰ Again, the extent of likely deductions from gross revenue is not known.

⁴⁷ Submissions, p. 79.

⁴⁸ Evidence, 7 April 1994, p. 44.

⁴⁹ Submissions, p. 86.

⁵⁰ Submissions, p. 87.

3.33 Car park usage across the Zone is currently uneven (ranging from 100% occupancy in some areas, to as low as 27% in others).⁵¹ The NCPA revenue estimates assume an occupancy rate for the car parking areas of 76% and this is borne out by examining the projected revenue estimates shown for two different fee structures.⁵² Although an allowance of 10% has been included in the costs of the program to offset any adverse reaction to the introduction of pay parking, and a decline in worker numbers with the movement of the Department of Foreign Affairs and Trade to York Park⁵³, the Committee remains concerned about the likelihood of sustaining an occupancy rate across the Zone of 70 - 80%. NCPA has acknowledged that "the issue of parking demand fall off in response to newly introduced parking charges is complex..." and affected by a variety of factors.⁵⁴

3.34 The Committee is most concerned that, if introduced, the fee for parking would be increased beyond the \$3 - \$4 per day range currently envisaged, should revenue fail to reach its target. As noted earlier (para 3.27), charges are to be reviewed in the budget context, and are not linked to any consideration of the commercial value of the parking area.

3.35 The Committee was also concerned that there has been no decision taken on use of this income at the end of the Restoration and Replacement Program. It is possible that funds would be returned to consolidated revenue, rather than continue to be spent on improving National Capital assets. No government commitment has been given as to the use to be made of funds raised after financial year 1996-97, and the NCPA has stated:

...there are a number of options. Deleting pay parking at all, I would suggest, would seem unlikely in equity terms, given the direction the rest of the area is going. The question would then really be whether that money was returned to consolidated revenue or whether it was targeted to specific tasks...I guess that will be a decision for government to make at the appropriate time in the future.⁵⁵

⁵¹ Parking Study, p. 10 - 11.

⁵² Scenario 4: Net revenue for Financial Year 1995-96 is \$1.66 million. Add to this \$0.415 million operational and \$0.160 million management costs, and this results in a gross revenue figure of \$2.215 million. Divide this figure by \$3x261days per year, and the result is 2828 spaces, which is 79% of the total parking spaces available.

Scenario 5: Net revenue for Financial Year 1996-97 (\$2.2 million) plus the same level of operational and management costs, results in a gross revenue estimate of \$2.775 million. Divided by \$4 x 261 days, this results in a figure of 2658 parking spaces ie 74.4%.

⁵³ Work force numbers are expected to drop from currently 4448 to 3342 in Financial Year 1996-97, and 2969 in Financial Year 1997-98, before increasing again.

⁵⁴ Submissions, p. 89.

⁵⁵ Evidence, 7 April 1994, p. 43.

Fringe Benefits Tax

3.36 As a result of the *Taxation Laws Amendment (Car Parking) Act 1992*, employers are generally liable to pay a Fringe Benefits Tax (FBT) on car parking provided for their employees, where a "commercial parking station" is located within a 1 km radius of the premises in which the car is parked.

3.37 The Parking Study notes that FBT liability could be incurred by 'all tenants within the National Area and may affect other offices in Barton, Parliament House, the Embassy area and the Hyatt Hotel' if free employer-provided parking is provided to employees in those areas. The Study recommends that 'the issue of fringe benefits tax should be investigated in greater depth by a taxation consultant'.⁵⁶ This additional study has not been done.

3.38 A number of institutions in the Zone and in the adjoining areas have underground car parking areas. The National Science and Technology Centre has approximately 100 spaces, which are used mainly by its volunteer staff. The National Gallery and the High Court also have underground parking facilities. Under this proposal, these car parks would remain under the control of the institution. These institutions could either allocate these spaces to the public, for time limited free parking as suggested by the NCPA, or else continue to provide parking for their staff and thus maybe incur an FBT liability. However, both uses for the car parks will result in a cost to the institution. In the first case there will be an enforcement cost, to ensure that vehicles are only parked in the area for two hours at the most; in the second, there is the FBT payment, which would most likely be passed on to staff in the form of parking charges. While there would be equity in this as all Zone staff would then be paying for parking, special attention needs to be given to the impact which this would have on those institutions relying on volunteer workers (see paras 3.56 to 3.62).

3.39 The FBT implication for institutions in the Zone, and in the surrounding area is of great significance, particularly for those institutions working on already restricted budgets. At an effective rate of 93.8 percent⁵⁷ an FBT liability would result in a significant impost on operating costs, and additional administrative costs should these institutions seek to recover the cost from their employees. In effect, the cost of FBT on car parking would almost be equal to the cost of providing employees with parking using the commercial car parking facility.

3.40 Beyond the area targeted for pay parking, Parliament House will also be significantly affected by the application of FBT. The Presiding Officers, in their

⁵⁶ Parking Study, p.35.

⁵⁷ The FBT rate as of 1 April 1994 is 48.4%. However, the FBT is applied to what is known as the "grossed-up" amount. The formula is that the amount of the benefit is "grossed-up" by multiplying it by a factor of 1.938, and it is to this sum that the FBT rate of 48.4% is applied. On an amount of \$100, the amount of FBT payable is approx. \$93.80.

submission to the Committee, noted that, assuming a parking charge of just \$2 per day, "the FBT liability for all employers at Parliament House may exceed \$600,000".⁵⁸

3.41 While the Committee acknowledges the NCPA's stance that "the administration of the FBT is outside the control of the NCPA"⁵⁹, it is concerned that the unintended consequence of the introduction of pay parking will be the imposition of an FBT liability on institutions in the Zone, and a consequential adverse impact on their operating costs, with a passing-on of these costs to the general public.

Alternative Modes of Transport

3.42 The NCPA, in both its Works Proposal and in its appearance before the Committee, stressed that one of the major side-benefits of this proposal would be to "reduce the inefficient use of private cars for peak hour and single occupant commuting for work purposes; reduce air pollution and energy consumption; ...(and) encourage the use of public transport and other minor modes, such as cycling".⁶⁰ The 1991 ABS census indicated that 7 per cent of journeys to work in the National Area were made by bus, and an additional 4 per cent by "minor modes" (e.g. bicycle, motor cycle, walking).⁶¹

3.43 A majority of submissions commented on this suggested benefit, questioning whether in fact these positive benefits would indeed occur. Several submissions noted that current ACTION bus services through the area were inadequate and were particularly lacking after 6.00pm. This was considered important because many officers in the Zone work long hours "finishing well after public transport is an option for travel."⁶² The Parking Study looked at the bus service to the Zone, and noted that the express services during peak times were already at capacity.⁶³

3.44 The response from the ACT Department of Urban Services was less than reassuring, in that it advised:

...the capacity to carry additional patrons diverting from cars will have to be investigated. In general, it **could be expected** that ACTION will be able to respond where there is a real demand, **although services would not of course be extended unless usage did in fact increase.**⁶⁴ (emphasis added)

58 Submissions, p. 22.

59 Evidence, 7 April 1994, p. 13.

60 NCPA, Works Proposal, p. 1.

61 Parking Study, p. 14 - 15.

62 The Treasury, Submissions, p. 7. See also Submissions p. 11, 23, 24, 26, 29, 36 and 70 for similar comments.

63 Parking Study, p. 14.

64 Submissions, p. 15.

3.45 For workers in the Zone this provides little guarantee of improved services, particularly in view of services to Parliament House, for example, having been reduced by one third in the past year.⁶⁵ There is also the concern that with a declining work force over the next three years, the ACT Government might look at decreasing servicing levels, rather than increasing them.⁶⁶

3.46 One of the major difficulties in using public transport to and from the Zone, is the simple fact that it is not on a major bus interchange (such as Civic, Belconnen or Woden). Therefore, using public transport "is not nearly as convenient as for the workers in these areas".⁶⁷ Recognising the need for improved transport links between the Zone and Civic, the NCPA has been investigating "the potential for the introduction of a special new bus service to the parliamentary zone to cater both for the work force and for visitors travelling to and from Civic, and to provide easy access to all parts of the parliamentary zone."⁶⁸

3.47 The NCPA has had discussions with ACTION regarding funding a subsidised service that would connect the Zone to Civic:

...ACTION ...(has) indicated that a full service would cost approximately \$170,000 per year to operate. It expected 25 per cent in cost recovery from fares...which would leave us with a net figure of approximately \$130,000 per annum to fully fund an additional bus service operating on an hourly frequency from 8 a.m. to 6 p.m. It would run between Civic, the parliamentary zone, back via the War Memorial to Civic, and it will alternate with the current service which operates as well, so effectively halving headways to half an hour between buses.⁶⁹

3.48 Passengers would still pay the usual fare, "it would not be a free service, but it would certainly improve the level of service to people within the parliamentary zone."⁷⁰ While this may assist tourists visiting the Zone, and is to be commended, the Committee is concerned that this proposal would do little for the workers in the Zone who, for example, wished to visit Civic at lunchtime to conduct private business, or indeed improve the services to and from the Zone in the peak travel periods.

3.49 The suggestion that people might use other means of transport, such as bikes, was questioned by the Public Service Union submission, which noted that bicycle paths are not lit at night, and there are problems in winter with morning fog and early sunsets, plus limited showering facilities for use by bicycle riders. Although they acknowledged that

⁶⁵ Presiding Officers, Submissions, p. 23.

⁶⁶ ACT Branch of the Public Service Union, Submissions, p. 47.

⁶⁷ ACT Branch of the Public Sector Union, Submissions, p. 38.

⁶⁸ Evidence, 7 April 1994, p. 7.

⁶⁹ Evidence, 7 April 1994, p. 36.

⁷⁰ Evidence, 7 April 1994, p. 36.

there may be some increase in bicycle use, they concluded that "it is likely that only super fit individuals....or workers who live close by will switch to this mode of transportation"⁷¹

3.50 The Works Proposal makes no mention of rewards for such action as car-pooling (the "3 for free" scheme for example) and did not contain any incentives, beyond simply avoiding the parking charge, for people to review the way in which they travelled to work.

3.51 The Committee was left in some doubt as to the seriousness of the claims by the NCPA about its interest in decreasing use of the one-person car. In fact, the Committee was conscious that **should the NCPA actually make a significant impact in this area, it decreased the likelihood of the revenue targets being met for the scheme as a whole.** This was acknowledged by the Acting Chief Executive of the NCPA who stated:

I think you are correct in that, if we were successful in achieving a major shift to public transport, it would seriously affect our revenue calculations...However...(if this happened)...it would be contrary to the history of the modal shifts to public transport anywhere else in the world.⁷²

3.52 In addition, based on experience in Civic, the NCPA advised that "there was little observable change in the travel behaviour until it got to a threshold level...with some of the peak rates being \$7 a day. At this level, you start to see some change in behaviour but with the lower charges there was not an observable one."⁷³

3.53 The most compelling piece of evidence, however, was a reference in the Parking Study which noted that of Zone users surveyed, up to half indicated that car parking charges would not change their method of transport to work - that the car was needed for other purposes.⁷⁴ The Committee believes that the proposal to introduce pay parking is disadvantaging specific groups among the workers - people with children, for whom the car is needed to take children to, and collect children from, child care; part-time workers, for whom there is no reduced rate of parking charges - they must pay for a full day, regardless of the numbers of hours over two that they stay; people studying who must leave the Zone and return again in a timely fashion, which is not possible using public transport; and shift workers. Of this last group, the Public Sector Union noted:

There are many shift workers in the Zone...These workers are not able to catch public transport even if they wished, as public transport does not provide the services to transport them.⁷⁵

⁷¹ Submissions, p. 47.

⁷² Evidence, 7 April 1994, p. 31.

⁷³ Evidence, 7 April 1994, p. 33.

⁷⁴ Parking Study, p. 20.

⁷⁵ ACT Branch of the Public Sector Union, Submissions, p. 38.

3.54 Safety is also another major factor influencing use of the public transport system. For women in particular, "catching a bus after dark in Civic, where there are plenty of people around, is a very different proposition from waiting for a bus on a cold dark winter night...on a deserted street in the Parliamentary zone..."⁷⁶

3.55 Another difficulty noted in public transport was the time it would add to the journey from home to work, especially for those who lived in the less central areas of Canberra, or in the rural commuting belt that surrounds the ACT. As one person noted:

It currently takes me 15-20 minutes driving from home to work, while using the (3) public buses required it would take approximately 1 hour, sometimes longer, depending on connections.⁷⁷

Volunteer Workers

3.56 One of the striking features of the Zone's work force is the number of institutions that use volunteer staff. The National Science and Technology Centre, the Museum of Australia (Old Parliament House) and the Australian National Gallery all rely on the services of these volunteers. As the Director of the Museum of Australia noted: "...the volunteers, as with those working at other institutions within the Parliamentary Triangle, come to the Museum on a regular basis and give generously of their time and expertise. As each guide works a three and a half hour roster, paid time-limited parking would operate as a powerful disincentive to their continuing involvement."⁷⁸ The Committee believes that this argument holds true for time-limited free parking as well as paid all-day parking.

3.57 The National Science and Technology Centre argued that the volunteers were an "extremely essential resource for the Centre"⁷⁹ and that to either meet the possible FBT liability associated with the provision of free parking for these staff, or else meet the cost of their parking in the pay parking areas, would be a significant impost on the budget of the Centre and that indeed "the Centre will have difficulty finding these additional funds given its funding base."⁸⁰

3.58 The President of the Association of Questacon Explainers, in his submission to the Committee, reinforced the point that the:

⁷⁶ ACT Branch of the Public Service Union, Submissions, p. 39.

⁷⁷ D Elmslie, Submissions, p. 68.

⁷⁸ Submissions, p. 5.

⁷⁹ Submissions p. 19.

⁸⁰ Submissions, p. 19.

...majority of our Explainers travel to the Science Centre by private car. Most are either young adults or retired senior citizens who willingly give up their own time to help the Science Centre in staffing its programs and galleries. At present Explainers are allowed to park their cars in the Centre's underground car park free of charge. The introduction of pay parking within one kilometer of the Centre would create a Fringe Benefits Tax liability for the Science Centre. Volunteers would not be excluded from the Centre's Fringe Benefits Tax assessment. If pay parking is implemented the Centre would need to re-examine the use of the underground car park by its staff and volunteers to minimise any tax liability...⁸¹

3.59 The concerns of these institutions about the effect on volunteer staff is not new. During consultations the NCPA held with institutions and departments in the Zone these concerns were raised, and they were also noted in the Parking Study commissioned by the NCPA.⁸² In a letter from the Chairman of the National Gallery of Australia to the Minister for the Arts and Administrative Services, dated 2 November 1993, the Chairman noted that: The Gallery relies heavily on volunteers to assist with guiding and the provision of other services, and to now make them pay a fee for their voluntary efforts will diminish their number and their level of assistance should this impost go ahead."⁸³

3.60 Unfortunately, the main body of the Works Proposal does not address these institutions' concerns in this area and, in the opinion of the Committee, the response by the NCPA to this issue being raised in submissions was inadequate. The NCPA advised that: "The administration of car parks at institutions is up to the institutions; the applicability of FBT is outside the control of the NCPA. A system of stickers for volunteers **could** be considered, however the justification for this need would have to be quantified by the institutions concerned."⁸⁴ (emphasis added).

3.61 The Committee questioned whether there was any basis for concern about FBT applying to free parking provided to volunteer workers. The Deputy Commissioner of Taxation for the Canberra Branch of the Australian Taxation Office⁸⁵ advised that the provision of free parking to volunteers could have FBT implications, but that this would have to be determined in various different situations and would depend on the specific terms of engagement of volunteers in each case.⁸⁶

81 Submissions, p. 55.

82 National Area Parking Management Study, Attachment 2 to the Works Proposal, p. 16, 17, 18.

83 Letter from Hon Lionel Bowen AC, Chairman, National Gallery of Australia, to Senator the Hon Bob McMullan, dated 2 November 1993. Included as part of Attachment 1 to the NCPA's Works Proposal.

84 Evidence, 7 April 1994, p. 13.

85 Submissions p. 114

86 The Commissioner of Taxation (National Office) advised in a late submission to the inquiry that no FBT will arise in respect of any benefit provided to bona fide volunteers. (Submissions p. 121)

3.62 The Committee was concerned that the NCPA had failed to reach a satisfactory resolution of this matter with the affected institutions, and has not adequately addressed the legitimate concerns of these volunteers. The Committee also considers that more work needs to be done to establish the parking requirements for volunteer workers and the extent to which employers in the Zone would be affected by FBT should they choose to provide free parking to volunteers.

Facilities within the Zone

3.63 Many of the submissions commented on the lack of facilities within the Zone, that would normally be associated with areas where pay parking occurs.⁸⁷ These facilities include banks, shopping facilities and eating places. In its submission, the Treasury observed that:

...unlike the other town centres where there is paid parking, this area is spectacularly deficient in the provision of shopping and other community services and facilities. This, of course, reflects the national characteristic of the area and the rigorous planning provisions that entails.⁸⁸

3.64 The point was made that to do personal business in the lunch hour meant either travelling to one of the smaller retail centres such as Kingston or Manuka, or travelling into Civic. In either case additional costs were incurred, either for bus fares, or for parking in those areas if car transport was used.

3.65 The Committee notes that the NCPA indicated that the lack of facilities was "...not unique to the Parliamentary Zone...(and the NCPA)... proposes to subsidise a bus which will connect the Parliamentary Zone with Civic."⁸⁹ When asked whether this would fully address the problem, the officer from the NCPA replied: "No, not fully, but in the short term it certainly is the only way that we can really address it under the system."⁹⁰ The NCPA did note that improvement of basic facilities in the Zone "is part of the longer term strategy for the development of the Central National Area."⁹¹

Effects on Tourism

3.66 All of the institutions in the Zone were concerned with the impact this proposal might have on tourist numbers. As the Director of the National Museum noted: "It is essential that visitors feel free to stay for an unlimited period to enjoy the increasing

87 See for example, Submission Nos. 4, 10, 11, 15, 18 and 22.

88 The Treasury, Submissions, p. 6 - 7.

89 Evidence, 7 April 1994, p. 11.

90 Evidence, 7 April 1994, p. 51.

91 Evidence, 7 April 1994, p. 11.

number of attractions, entertainments and facilities now available...⁹² in Old Parliament House, and indeed the same can be said for other tourist attractions in the Zone. The National Science and Technology Centre, which is "reliant on income from admission charges, shop and cafe operations to pay its way"⁹³ was particularly concerned at any possible reduction in visitor numbers that could arise from the introduction of pay parking. Although working on the premise that the parking rates would be higher than currently envisaged by the NCPA, the Centre noted that concern about overstaying the time limit could impact on visitors to the Centre:

...visitors...initially intended to visit for up to an hour but often stayed three to four hours. This happened once they were in the building because of the enjoyment they experienced from interacting with exhibits and from science shows or time out to eat at the cafe or browse through the shop. The longer the visit, the more opportunity the Centre has to raise visitor awareness and to create positive attitudes, the principal objectives of the Centre.⁹⁴

3.67 The Committee agreed with the view put by the National Science and Technology Centre that if parked in time limited areas (regardless of whether they were free or metered in some way) "...visitors will be focusing on the limited time they have therefore forcing premature departure...as well as losing interest in displays and activities because they do not want to be fined."⁹⁵

3.68 The NCPA provided figures on car park usage in the Zone that indicated that 64% of usage in the areas adjacent to the major institutions were for periods less than two hours.⁹⁶ While not disputing the data collected, it appears that all institutions are aiming to increase the length of time spent by tourists in their venues, and that for the tourist, the choice will either be a curtailed visit using the two hour time limited free parking, or else paying \$3 per day for parking. It is important to note that while 64% may stay for less than 2 hours, some 36% stayed beyond the 2 hour period, and pay parking will have an impact on these people.

3.69 The Australian Tourism Industry Association (ATIA), in its submission to the inquiry, was generally supportive of the pay parking proposal, although it did note the "opposition to this proposal by a number of tourist attractions within the Zone" and felt this Committee should "pay particular concern to these views as they represent operators directly affected by the proposal."⁹⁷ The ATIA indicated a willingness to support the proposal for pay parking, provided a number of conditions were met. Of the nine

92 Submissions, p. 4.

93 Submissions, p. 17.

94 Submissions, p. 18.

95 Submissions, p. 18.

96 Evidence, 7 April 1994, p. 46.

97 Submissions, p. 32.

conditions set⁹⁸, five do not appear to be met by the current proposal. Specifically these are:

1. *The burden of cost falls fairly on visitors and employees parking within the Zone.* The current proposal sees visitors cushioned to some extent from the charges, with the main target of the charges being employees in the Zone.

5. *There is a moratorium on increasing the charge for the four year period coinciding with the Budget allocation.* As noted in para 3.27, the NCPA has advised that charges will be reviewed annually in the budget context. In addition, the Committee has considerable doubt as to whether the projected revenue targets will be met without significant increases in the fee in the next two years.

6. *That the NCPA investigate the possibility of discounting fares or providing a free bus service for tourists as a means to encourage this alternative transport mode within the Zone and between Civic.* While the NCPA has had discussions with ACTION on subsidising a bus to link the Zone and Civic, the bus service would be at full fare rate, and certainly not free. (see para 3.47)

7. *Staff exemptions for volunteer workers in tourist attractions.* As noted earlier (para 3.60) the NCPA has stated that: "A system of stickers for volunteers could be considered, however the justification for this need would have to be quantified by the institutions concerned."⁹⁹

9. *There should be a firm commitment by the Government that following the four year term the money from the parking fee collections continues to be used for the improvement of Parliamentary Zone.* No such commitment has been given.

3.70 An additional concern raised in submissions was that any impact on tourism is likely to be felt more on week-day numbers as parking remains free at weekends. As the Public Sector Union argued:

The Union believes that these great institutions should be accessible to the whole community. Barriers should not be put in the path of their usage by the community. Week day pay parking would switch substantial demand to the use of these facilities at the weekend. This has obvious costs to these institutions in terms of increased overtime and shift allowances, and would probably require the provision of additional facilities to cope with increased visitor numbers concentrated at the weekend, rather than averaged over a 7 day week.¹⁰⁰

98 Submissions, p. 32 - 33.

99 Evidence, 7 April 1994, p. 13.

100 ACT Branch of the Public Sector Union, Submissions, p. 45.

Impact on surrounding areas

3.71 The Parking Study noted that the introduction of pay parking in the Zone would have implications for surrounding areas - Barton, Manuka, Kingston, Russell, Yarralumla and beyond. The ACT Department of Urban Services, in its submission stated:

The introduction of parking charges in Parkes and, in time, Barton has implications for the whole area from Hopetoun Circuit in Yarralumla to the shopping centres of Manuka and Kingston and beyond. Realistically, it may also be necessary to look across the Kings Avenue Bridge to Russell. Certainly, any introduction of parking charges in Parkes/Barton could be expected to lead to commuter parking throughout that larger area unless measures along the lines of those taken in Reid, Braddon, Turner, Lyons and Chifley are also applied in Yarralumla, Deakin, Forrest, Griffith, Kingston and the residential part of Barton. If charges were not applied to Russell as well, the overspill from Parkes/Barton would be into Russell. If charges *were* extended to Russell, then Campbell would be affected.

...

Most of the areas which will need additional measures to deal with overspill parking are on Territory land, and **the question of compensation to the Territory for the cost of such measures arises.**¹⁰¹ (emphasis added).

3.72 The NCPA has questioned the need for compensation, arguing "that if they (the ACT authorities) are going to have to do a lot more enforcing in those areas they are probably going to recoup the revenue from additional fines anyway, so it should be fairly cost neutral."¹⁰² This appears likely to be the subject of ongoing debate between the NCPA and ACT authorities, and has implications for the level of revenue available for the Restoration and Replacement Program.

3.73 In regard to surrounding areas the NCPA advised that it was its understanding

that Australian Estate Management are currently looking very seriously at the introduction of similar parking measures...(in Barton)...at the present time. So we would expect that almost concurrently or soon after the introduction of pay parking within the parliamentary zone that a similar level parking would extend across to those areas under the management of Australian Estate Management.¹⁰³

3.74 The effect on smaller shopping centres, currently well-patronised by workers in the Zone, was also raised with the Committee:

Local businesses in Kingston, and to a lesser extent Manuka, would suffer a major downturn in lunchtime trade. Kingston is used extensively by public servants who drive there at lunchtime, and the lunchtime trade is the peak trading time for these businesses. If public servants switch to bus transportation, they are more likely to use Civic as a shopping and banking centre, than Kingston.¹⁰⁴

¹⁰¹ Submissions, p. 14 - 15.

¹⁰² Evidence, 7 April 1994, p. 35.

¹⁰³ Evidence, 7 April 1994, p. 34-35.

¹⁰⁴ ACT Branch of the Public Sector Union, Submissions, p. 41.

CHAPTER 4

SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

4.1 The Parliamentary Zone represents the heart of the National Capital, and belongs to all Australians. As such, the national assets that exist in the Central National Area should be maintained from consolidated revenue. While it supports the concept of a Restoration and Replacement Program for National Capital Assets, the Committee has major reservations regarding the introduction of pay parking in the Parliamentary Zone to fund part of that program. The Committee believes that the NCPA should investigate other possible sources of income that could be derived from National Capital assets.

4.2 In examining the details of the Works Proposal, the Committee had concerns about the following:

- . that the revenue targets were unlikely to be met without a significant increase in the rate of charges for pay parking, which would be vastly disproportionate to the real commercial value of the parking sites;
- . that there is no guarantee that at the end of the program the funds raised from parking charges in the Zone would continue to be spent on National Capital assets;
- . that insufficient attention had been paid to allaying the concerns of the major institutions in the Zone that this proposal would affect visitor numbers, and financially disadvantage these institutions either through the operations of the FBT or the impact on volunteer staff;
- . that there is no guarantee that improved public transport links will be created to ensure an adequate service into the Zone at peak periods;
- . that insufficient attention had been paid to the nature of the Zone as an area of substantial employment but without normal commercial and community services found at other centres.

4.3 Furthermore, the Committee was concerned that the erection of the voucher machines and accompanying signage would have a detrimental effect on the appearance of the Parliamentary Zone, and would be contrary to the high design standards enforced by the NCPA for other works in the area.

4.4 Because of these concerns, and after considering the evidence before it, the Committee recommends:

RECOMMENDATION 1:

that Parliamentary approval, as required under Section 5 of the *Parliament Act 1974*, not be granted for the proposal to install voucher parking machines and associated signs in the Parliamentary Zone.

RECOMMENDATION 2:

that the National Capital Planning Authority, in consultation with other relevant departments, investigate alternative means by which additional funds could be raised to offset the cost of the Restoration and Replacement Program of National Capital Assets.

R L Chynoweth MP
Chairman

DISSENTING REPORT OF SENATOR MAL COLSTON

1. I do not agree with either of the recommendations contained in para 4.4 of this Report, because I consider that they were largely based on a particular matter which was not referred to the Committee for report.

Scope of the Terms of Reference

2. The Committee does not have the power to initiate its own inquiries, which I consider it did by going beyond its terms of reference. Under the Committee's Resolution of Appointment, the Committee is to inquire into and report on, inter alia -

(1) ...

- (a) matters coming within the terms of section 5 of the *Parliament Act 1974* as may be referred to it by:
 - (i) either House of the Parliament; or
 - (ii) the Minister responsible for administering the *Parliament Act 1974*; or
 - (iii) the President of the Senate and the Speaker of the House of Representatives.

3. The Committee's current inquiry arose when the then Minister for Housing, Local Government and Community Services referred a matter to the Committee in a letter dated 21 December 1993. That letter appears at Appendix A.

4. It had always been my interpretation of the Minister's reference that, having accepted the reference, the Committee was required to consider the NCPA's proposal to install new parking signs and voucher machines within the Parliamentary Zone, as mentioned in para 1.3 of this Report. The Minister's letter of 21 December 1993 explicitly stated that he was referring to the Committee "... a proposal by the National Capital Planning Authority to **install new parking signs and voucher machines** within the Parliamentary Zone" (emphasis added).

5. I had at no time considered that the Committee's reference required it to consider the actual decision to introduce pay parking in the Parliamentary Zone. Rather, I considered the decision to implement pay parking was a Government decision as outlined in the 1993-94 Budget. In this regard, the Minister's letter of 21 December 1993 stated:

The Federal Government's 1993-94 Budget provided for \$19.3 million over four years for a new Restoration and Replacement Program for Commonwealth Assets in the National Capital to be administered by the National Capital Planning Authority. Of this, \$4.3 million is to be offset by the generation of revenue, primarily through the implementation of pay parking on National Land.

I thus considered that the proposal to implement pay parking - as a Government Budget decision - was the background against which it was proposed to install parking signs and voucher machines. It was not the Government's decision which was under review.

6. When it became apparent to me that other members of the Committee disagreed with this interpretation, I wrote to the Chairman, asking him to seek clarification from the Minister. My letter to the Chairman and the ensuing correspondence with the Minister appear in this Report at Appendix F.

7. In part, the Minister's response of 1 June 1994 to the Chairman stated:

The reference related to the installation of new parking signs and voucher machines within the Parliamentary Zone, that is to the actual mechanics for pay parking, not to the wider issue of the introduction of paid parking, which has been dealt with through the Budget process.

That advice therefore confirmed my views, but it was not heeded by other members of the Committee. Because the Committee has gone beyond its terms of reference, its Report should be of no effect.

Consideration of the Proposal

8. Apart from the discussion about voucher machines and signs, the issues raised in Chapter 3 of the Report are consequent on an investigation into the wider matter of the introduction of pay parking and are not germane to what the Committee was asked to investigate.

9. Given that the Government had made its decision to introduce pay parking in the Parliamentary Zone, voucher machines and signage were a natural consequence of that decision. I find nothing wrong with the NCPA's proposal for the erection of such machines and signage, given that the Government had decided to introduce pay parking. The NCPA was obliged to carry out the necessary work to implement the Government's decision. I do not agree with the Committee's statement in para 4.3, that "the erection of the voucher machines and accompanying signage would have a detrimental effect on the appearance of the Parliamentary Zone, and would be contrary to the high design standards enforced by the NCPA for other works in the area". The Committee's statement begs the question of how the Government's decision could be implemented.

Recommendation

10. My recommendation would be:

that Parliamentary approval, as required under Section 5 of the *Parliament Act 1974*, be granted for the proposal to install voucher parking machines and associated signs in the Parliamentary Zone.

Senator Mal Colston

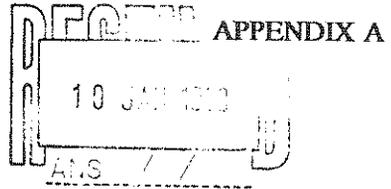
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APPENDICES



DEPUTY PRIME MINISTER AND
MINISTER FOR HOUSING, LOCAL GOVERNMENT AND COMMUNITY SERVICES



Parliament House
CANBERRA ACT 2600

Telephone: (06) 277 7680
Facsimile: (06) 273 4126

21 DEC 1993

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

Dear Mr Chynoweth

I wish to refer to the Joint Standing Committee on the National Capital and External Territories a proposal by the National Capital Planning Authority to install new parking signs and voucher machines within the Parliamentary Zone.

The Federal Government's 1993-94 Budget provided for \$19.3 million over four years for a new Restoration and Replacement Program for Commonwealth Assets in the National Capital to be administered by the National Capital Planning Authority. Of this, \$4.3 million is to be offset by the generation of revenue, primarily through the implementation of pay parking on National Land.

In developing a proposal for the implementation of pay parking, the National Capital Planning Authority has consulted with the ACT Government and organisations within the Parliamentary Zone that will be affected. A technical study and user survey have also been carried out and a number of options have been considered.

The final proposal is for a flexible system enabling the purchase of a single, multiple entry ticket or weekly pass for the existing off-street car parks. Free, time limited parking would be available on-street. Existing car parks located underground would continue to be administered by the organisations occupying the buildings, for example the High Court of Australia, National Gallery of Australia and National Library of Australia. This provides scope for free parking for visitors.

.../2

Attached is the National Capital Planning Authority's proposal containing details of the studies and consultations undertaken. As the proposal includes works within the Parliamentary Zone, it will require Parliamentary approval in accordance with sub-section 5(1) of the *Parliament Act 1974*.

Officers of the National Capital Planning Authority will provide a presentation on the proposal to the Committee if required.

Yours sincerely



BRIAN HOWE

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LIST OF SUBMISSIONS

- 1 Attorney-General's Department
- 2 Australian Estate Management ACT Regional Office
- 3 National Museum of Australia
- 4 The Treasury
- 5 National Library of Australia
- 6 Ross and Isobel Prindable
- 7 Department of Foreign Affairs and Trade
- 8 Department of Finance
- 9 ACT Department of Urban Services
- 10 The National Science and Technology Centre
- 11 Derina McLaughlin
- 12 Presiding Officers, Parliament of Australia
- 13 Colin Brown
- 14 Geoff McVeigh
- 15 Australian Electoral Commission
- 16 Interactive Multimedia Pty Ltd
- 17 Australian Tourism Industry Association
- 18 Public Sector Union - ACT Branch
- 19 H R Seccombe
- 20 The Association of Qwestacon Explainers
- 21 Helen Merritt (and 264 others)
- 22 Officers of the Department of Foreign Affairs and Trade
- 23 Kay Lindsay
- 24 Bryan and Linda Hall
- 25 Foreign Affairs and Trade Association
- 26 D Elmslie (and 3 others)
- 27 Public Service Commission
- 28 National Gallery of Australia
- 29 Department of the Environment, Sport and Territories
- 30 National Capital Planning Authority
- 31 National Capital Planning Authority
- 32 Old Parliament House Redevelopment Committee
- 33 Australian Taxation Office - Reply to request for information on the
application of Fringe Benefits Tax provisions to volunteer workers
- 34 Public Sector Union. Petitions - 63 signatures. Received 24 May 1994
- 35 Commissioner of Taxation

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APPENDIX D

EXHIBITS TO THE INQUIRY

1. Map entitled: "Proposed Parking (Short Term)"
2. Map entitled: "Improvement Program"
3. Map entitled: "Existing Parking Allocation (March 1994)"

(all documents tabled by the National Capital Planning Authority (NCPA) at the public hearing on 7 April 1994)

APPENDIX E

PUBLIC HEARING DETAILS

7 April 1994 - Canberra

Mr Lindsay Evans
Director
Capital Works & Land Management
National Capital Planning Authority
10-12 Brisbane Avenue
BARTON ACT 2600

Ms Susan Kesteven
Executive Director
Infrastructure, Property & Services
National Capital Planning Authority
10-12 Brisbane Avenue
BARTON ACT 2600

Mr Gary Prattley
Acting Chief Executive
National Capital Planning Authority
10-12 Brisbane Avenue
BARTON ACT 2600

Ms Debra Smith
Manager
Parliamentary & Media Liaison
National Capital Planning Authority
10-12 Brisbane Avenue
BARTON ACT 2600



Senator Mal Colston
SENATOR FOR QUEENSLAND

Seabank Centre
12-14 Marine Parade
(P.O. Box 2953)
SOUTHPORT 4215
Telephone (075) 710 555
Facsimile (075) 912 362

27 May 1994

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

Dear Bob

I am writing to you in relation to your committee's current reference on pay parking in the parliamentary zone.

From conversations I have had with you and other members of the committee, you would be aware that there is a difference of opinion about the intent of the committee's terms of reference. As your draft report indicates, I believe that the committee's task was to consider the process by which the pay parking decision should be implemented, that is, matters such as the voucher machines and signs. Other members consider the actual decision to implement pay parking was referred to the committee in addition to the process by which that decision could be executed.

It seems to me that before any further work is carried out on the draft report, the intention of the Minister should be ascertained. This could be done without revealing the possible conclusions of the committee. As matters stand, it would be most unfortunate for a minority report to be attached to the report if the minority report was based on a misinterpretation of the terms of reference. If the Minister confirms your interpretation, I would not have the objections I now have. On the other hand, the interpretation I have placed on the Minister's letter could be what the Minister intended.

Because members of the committee have differing opinions, I ask you to write to the Minister urgently to seek what he intended the committee should investigate, namely the whole proposal to implement pay parking or simply the way by which this proposal was to be put into effect. It is possible that, if the Minister is asked to reply urgently, his response could be available for our meeting next Wednesday.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Mal Colston'.

MAL COLSTON
Senator for Queensland



PARLIAMENT OF AUSTRALIA
HOUSE OF REPRESENTATIVES

BOB CHYNOWETH MP
Member for Dunkley

The Hon. Brian Howe MP
Deputy Prime Minister and
Minister for Housing and
Regional Development
House of Representatives
Canberra ACT 2600

27 May 1994

Dear Minister

Re: Inquiry into Pay Parking in the Parliamentary Zone

I refer to your letter of 21 December, a copy of which is attached for ease of reference.

In this letter, you requested the Joint Standing Committee on the National Capital and External Territories to examine a proposal by the National Capital Planning Authority (NCPA) to install new parking signs and voucher machines within the Parliamentary Zone.

Attached to your letter was the Works Proposal of the National Capital Planning Authority for the implementation of pay parking in the Parliamentary Zone. This Works Proposal and associated documentation addresses issues beyond the installation of voucher machines and signs.

The Committee has now received over 30 submissions to this inquiry and has taken evidence from the NCPA at a public hearing. Evidence presented to the Committee by the NCPA and others has addressed the broad range of issues covered in the NCPA Works Proposal.

I am writing to seek urgent advice on the intended scope of your reference to the Committee, as there has been some debate amongst Committee members on this matter. The Committee is in the closing stages of Report consideration.

..../2

The Hon Brian Howe MP
27 May 1994
Page 2

Specifically, was it intended that the Committee should confine its recommendations to the subject of the installation of equipment necessary for pay parking to be implemented in the Parliamentary Zone? Alternatively, was the NCPA proposal as a whole, including such works, referred to the Committee for inquiry and report?

I would be most grateful to receive a reply no later than 12 noon on Wednesday 1 June 1994.

Should your staff seek further clarification of this matter, they may contact Susan Johnston in the Secretariat on 06 277 2022.

Yours sincerely



Bob Chynoweth MP
Chairman
Joint Standing Committee on the
National Capital and External
Territories

Attach



DEPUTY PRIME MINISTER
MINISTER FOR HOUSING AND REGIONAL DEVELOPMENT

Parliament House
CANBERRA ACT 2600

Telephone: (06) 277 7680
Facsimile: (06) 273 4126

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

- 1 JUN 1994

Dear Mr Chynoweth,

I refer to your letter of 27 May, in which you seek advice on the intended scope of my reference to the Joint Standing Committee on the National Capital and External Territories.

The reference related to the installation of new parking signs and voucher machines within the Parliamentary Zone, that is to the actual mechanics for pay parking, not to the wider issue of the introduction of paid parking, which has been dealt with through the Budget process.

I trust this will assist the Committee and I look forward to learning of your findings.

Yours sincerely

A handwritten signature in cursive script, appearing to read 'Brian Howe'.

BRIAN HOWE

