17 November 2003

Mr Jon Stanhope MLA
Chief Minister
Mr Ted Quinlan MLA
Deputy Chief Minister & Treasurer

cc: ALP Assembly Members
Ms Annette Ellis MP
Senator Kate Lundy
Mr Bob McMullan MP
Mr Matt Cossey

ACT Legislative Assembly
GPO Box 1020
CANBERRA ACT 2601

Dear Chief ACT and Deputy Chief Minister,

Proposed ACT Parking Space Levy

It pains me to commence my brief stint as Executive Director of the Property Council, while Romilly is on maternity leave, with this letter; and particularly at a time when the ACT Government is taking a commendable approach to planning the optimisation of economic and social capital in the Territory.

Nonetheless, industry has a duty to bring inefficient and inequitable tax outcomes to your attention.

The 2003-04 budget foreshadowed the introduction of a levy for private car parks in Civic, Woden, Belconnen and Tuggeranong. Braddon, Turner, Phillip, Barton, Parkes, and Gunghalin are also to be taxed.

The proposed car parking tax is potentially even less equitable and more costly to administer than some of the other Territory taxes with which you are familiar.

Worse, in its proposed form this tax is poorly defined, is threatened to be benchmarked against incomparable jurisdictions and will undeniably fail to secure any environmental, public transport or public safety outcomes.

The enclosed submission demonstrates very clearly that no amount of industry consultation will make this an equitable or efficient tax.

Your Government thoughtfully overrode Treasury’s loan security duty proposals.

Industry needs your assistance again with the car parking tax.
In context, the ACT has the highest commercial stamp duty rates in the country and rising property and GST revenues.

It is your prerogative to set high taxes.

We could argue all day as to whether the current level of taxes is beneficial.

Perhaps you will agree, however, that Governments do have a duty to:

- justify additional taxation;
- minimise the number and administrative complexity of taxes;
- guard against inequitable outcomes for business and the community; and
- ensure all taxes are specifically designed to minimise additional compliance costs, increase certainty and reduce game playing.

The case for $2.5 million dollars worth of revenue has not been made.

The proposed method of tax collection is worst practice on both equity and efficiency grounds.

We commend the enclosed submission, marked to ACT Treasury, to your careful attention and advert to our desire to personally discuss this matter with you in the near future.

I will contact your office in the next few days to arrange that discussion.

Yours sincerely

Michael Zorbas
Chief Advocate (Federal) &
Acting Executive Director (ACT)

Encl: Parking Space Levy Cover Letter, Detailed Property Council Submission and copy of Shopping Centre Council of Australia Submission.