

# **Auckland Transport**

## **Price Adjustment Policy**

### **On-Street Parking**

## 1 Introduction

Auckland Transport (AT) is committed to delivering convenient affordable parking when and where it is needed. Achieving this will require changes in the way that on-street parking is managed, most notably a shift away from relatively rigid parking restrictions towards a more flexible “demand-based” approach. The new approach will manage parking demand through the use of adjustments to on-street parking prices. The purpose of this document is to describe how AT will manage these price adjustments in the Auckland Region.

## 2 Scope

The scope of this policy is all paid on-street public parking in the Auckland region. This policy does not cover how off-street parking prices will be set. Nor does it cover how prices will be set for parking permits that may be used in paid parking areas such as special event parking permits or residential parking permits.

## 3 Principles

Internationally there has been a major shift in the way that on-street parking is managed. As cities around the world become larger and more congested, the limitations of traditional on-street parking management practises are becoming more apparent. Rigid approaches to setting time-limits and hourly prices do not reflect the dynamic urban environments. Consequently current approaches do not ensure that parking is available when and where it is needed.

Instead, strict time limits and fixed hourly prices are being abandoned in favour of more flexible approaches that set prices in response to parking demand. AT proposes to adopt a similar approach for Auckland, where the prices for on-street parking would be set according to the following general principles:

- AT should set prices for on-street parking at levels that ensure people can find a car-park most of the time within a short walking distance of their destination.
- In general, if the demand for parking in an area is found to decrease, then prices should also decrease and vice versa. Parking will be regularly monitored to ensure prices are resulting in an appropriate level of occupancy.
- On-street parking in town centres will be prioritised to support customers and other short-term visitors ahead of long-stay commuters and residents. Prices are more effective than time-limits at prioritising users in this way.
- The way parking prices are set in different parts of Auckland should be transparent and based on up to date empirical evidence of parking demand patterns in that area and observed trends in these patterns over time.

## 4 Demand Responsive Pricing

Traditionally time-limits have been used in conjunction with paid parking to encourage parking space turnover. Time limits are effective for encouraging turnover in areas where there is low to medium levels of parking demand but are not effective in busy areas.

Time-limits are inflexible for users and difficult for AT to enforce. They often force people to cut short their visit, or risk receiving a parking ticket. Time limits (particularly P60 and lower) have several negative unintended impacts, namely:

- They discourage high-value customers from supporting local businesses and thereby may potentially undermine retail spending.
- They encourage people to shift their vehicles as a way of circumventing time-limits, which is inconvenient to them and creates congestion.
- When combined with prices, time-limits create a complex and confusing set of rules for people who are trying to use on-street parking.

The intention of this policy is that where on-street parking is priced it will no longer be subject to time limits. Instead, AT will rely on demand responsive pricing (supported by effective enforcement) to achieve satisfactory levels of occupancy and turnover. International and local experience suggests that prices, rather than time-limits, are more effective at managing the demand for parking. The use of prices without time limits is also simpler and more convenient for users. Because people are able to pay for the time they require there will be a reduced likelihood of infringements.

Demand responsive pricing means that the prices charged for on-street parking will be adjusted based on parking demand. Price rates will be adjusted up or down with the goal of maintaining on average 85% occupancy at peak times. An occupancy range of 70-90% is considered acceptable. The target parking occupancy rate is not set at 100% because some parking spaces should be available at all times. An occupancy rate of approximately 85% ensures that parking resources are well-used and people can find a park in reasonable proximity to their destination. Maintaining some availability reduces the need for people to drive around searching for a parking space, thereby reducing congestion.

## 5 Price Adjustment Policy

### Price Areas

The paid parking in each town centre will be divided into Price Areas. These areas will be a collection of streets with broadly similar parking demand profiles. The areas may change over time in order to better manage demand. The parking price will be uniform across each Price Area.

### Occupancy Surveys

The parking demand will be reviewed every 3, 6 or 12 months depending on how variable the demand is in each particular Price Area. For example, in areas where demand is reasonably stable,

occupancy surveys will normally be carried out every 12 months. In areas where demand varies considerably surveys may be carried out at three month intervals. Prices will only be adjusted if warranted by changes in demand and will not be adjusted more than once every three months. Surveys will measure the on-street occupancy for the times of the day that paid parking is in operation across at least three different days. AT may also elect to undertake spot surveys at other times to ensure appropriate occupancy levels are being maintained (or at the request of local stakeholders).

## Price Adjustment

Prices may be adjusted either up or down in response to the occupancy surveys undertaken. In each case the goal is to maintain an average of 85% occupancy, as much as practicable. The average occupancy of each Price Area will be determined by the average of the highest four hours each day recorded in the occupancy surveys.

Prices will then be set according to the following formula:

- When average occupancy is less than 50% the price will be lowered by up to \$1 per hour, with no minimum price. <sup>1</sup>
- When average occupancy is 50-70%, the price will be lowered by \$0.50 per hour.
- When average occupancy is 70-90%, the price will not change.
- When average occupancy is 90-100%, the price will be raised by \$0.50 per hour.

## Times of Operation

The standard hours of parking restrictions in New Zealand are 8am to 6pm. However some areas of Auckland experience high parking demand in the evenings. AT will implement additional paid parking restriction hours where necessary to manage demand.

## Peak and Off-peak

Some areas experience significantly different parking demand on different days of the week or different times of the day. Where demands differ significantly AT will use peak and off-peak prices. Peak prices will be higher and will normally coincide with typical weekday working hours. Off-peak price will be lower and will usually apply in the weekends and evenings, but may apply at other times depending on demand.

## Notification

Price increases or decreases made by applying this policy will be notified through the Parking page on the AT website. The business association in the affected town centre and Local Board will also be notified. AT will change the price no less than seven calendar days after notification. Although AT will be clear and transparent when price changes occur, there will be no public consultation each time prices are adjusted in response to changes in parking demand.

---

<sup>1</sup> In the event of a reduction to a zero tariff, AT maintains its right to implement or adjust other parking management tools if this is in the best interests of a town centre, e.g. re-imposing time limits.

## 6 Customer Benefits

The customer benefits expected from the roll-out of demand responsive pricing are:

- *Convenience* – parking on-street will become more convenient, which in turn enables more people to visit town centres to do business, shop, eat, and a range of other activities.
- *Fair* – parking prices will be set at the lowest possible rate that delivers an average 85% occupancy at peak times.
- *Less hassle* – removing time-limits will reduce the hassle often associated with using on-street parking, and reduce the numbers of parking infringements.
- *Accessibility* – because on-street parking will become more readily available, fewer people will be driving around searching for a parking space, thereby reducing congestion.

## 7 Roles and Responsibilities

This policy requires regular reviews of the on-street parking demand to ensure that customer benefits are being realised. Occupancy surveys will be carried out in each Price Area followed by calculations on whether price adjustments are required. For each on-street parking price change there will be a parking resolution document produced that will be approved by the Manager, Parking and Enforcement and signed off by the AT Traffic Control Committee.

The table below describes the roles and responsibilities for each action.

Action	Responsibility
Carry out occupancy surveys in Price Areas	Parking and Enforcement
Produce report with calculations of price adjustments	Parking and Enforcement
Approval of price adjustments	Manager, Parking and Enforcement and Traffic Control Committee
Notification	Parking and Enforcement

## 8 Related Policies and Strategies

Auckland Transport Parking Strategy

Auckland Transport Price Adjustment Policy Parking Buildings Auckland CBD