

Parking Pricing Procedure

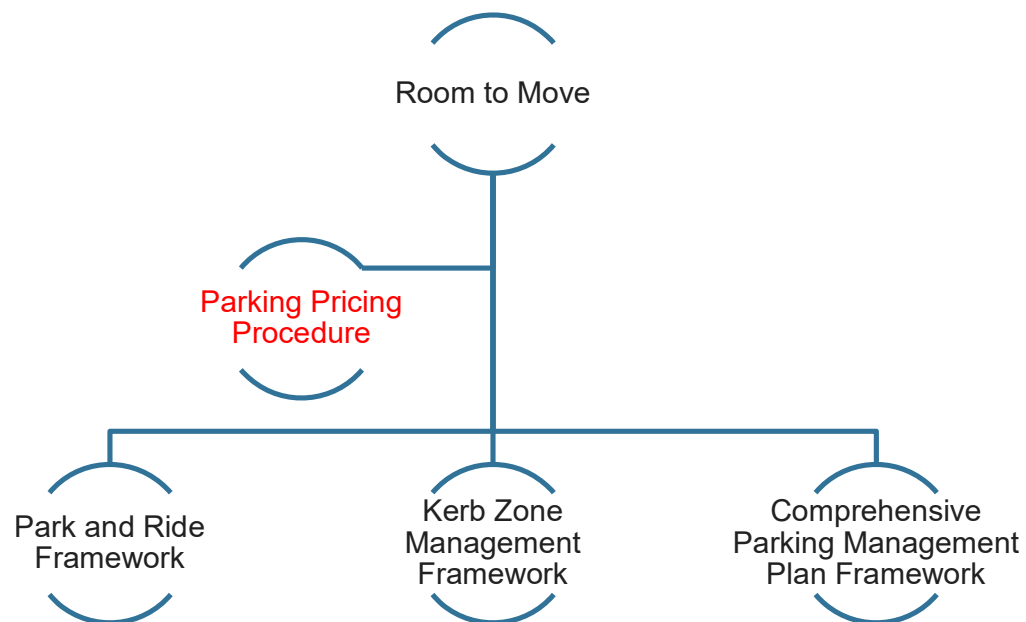


1 Introduction and purpose

Auckland Transport (AT) is responsible for the management of all on-street and some off-street public parking in the Auckland region. This Procedure sets out the process AT uses to review and revise the prices of parking assets. It ensures consistent, fair outcomes for customers and communities, and provides public transparency of the approach used to derive prices for the use of these important public assets.

2 Context

This Procedure sits under **Room to Move: Tāmaki Makaurau Auckland's Parking Strategy**, which sets out how the public parking system is managed. This includes strategic direction and policies covering all parking uses and users. This Procedure is derived from Room to Move and is consistent with its intent and approach.



3 Strategic approach

Our parking objectives

The core focus of the management of parking in Auckland is to achieve the following outcomes:

- Maximising people movement on key corridors, to connect people across the region,
- Increasing access and turnover to key destinations and centres to support business and help the community thrive,
- Getting users to contribute to the cost of the parking assets they use, to produce a fairer system.

Where paid parking is best applied

There are a range of parking management tools available. Priced parking is the most effective approach in situations where:

- there is high demand, and/or
- a mix of users needing to stay for varying times, and/or
- a higher opportunity cost for the space.

High demand indicates a valuable resource or location, and we need to ensure the greatest number of people can access that resource/location, priced parking ensures this outcome by promoting turnover, making people be considerate in their duration of stay, and allowing people who need/want to stay longer an ability to do that, while contributing for the benefit (given the foregone opportunity for another person). A mix of users needing to stay for different durations (employees, customers, residents, etc) means an area has a diverse land use offering and needs to enable these different durations of stay. A high opportunity cost indicates that the space allocated to parking could be allocated to another purpose (such as movement, or redevelopment), and users should contribute to recognise the foregone benefit to the community which is not realised.

Demand responsive pricing

For many on-street and off-street situations, demand responsive pricing is our central approach. This means that price setting (through increases or decreases) is made to achieve 85% occupancy during peak periods of demand. Decades of data and research shows that 85% constitutes 'effective fullness' of a parking location/facility, above which customers do not bother seeking to visit, and where those who persist add to traffic by searching for parking. Achieving this occupancy goal directly influences price setting. Action is warranted when demand is regularly falling outside of 70-90% occupancy.

It is important to note that for on-street parking there can be a variety of different uses and users. If occupancy is lower than 85% it does not necessarily mean that the price is too high and should be lowered, it might mean that there is simply far more supply than demand. In this instance, the focus should be on repurposing space to diversify the types of spaces. This can mean more types of parking (mobility, loading zones etc) through to other uses, like widened footpaths. Follow the Parking Diversity policy in **Room to Move**, and the overall guidance in the Kerb Zone Management Framework, and Comprehensive Parking Management Plan Framework.

Parking uses and users

Room to Move sets out a range of policies for different users and uses. Of particular relevance to this Procedure are the following policies:

- On-street parking management,
- Off-street parking management,
- Park and ride management.

The on-street parking management policy emphasises that priced parking should be a key intervention in 'tier 2 and 3' locations. These are locations with higher readiness for change in

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the region and are identified based on the presence of higher densities and mixed uses, together with higher quality public transport.

Off-street parking is generally located in town centres. Room to Move emphasises the importance of encouraging turnover and shorter stays for these facilities, to support greater access. Off-street parking should also be priced to align with market prices.

Park and rides are different products, in that they are designed for commuters and have inbuilt long durations of stay. Also, at the time of writing, pricing all users of a park and ride is not approved by Council. The two park and rides which do charge all users – Devonport and Matiatia should have prices set using the standard off-street procedure. The pricing element of park and rides is focussed on the bookable spaces. These are provided proportional to demand, but capped at 49% of total spaces, and tend to start at around 10% of available spaces.

Merging paid and time-restricted parking

This approach can be used in situations where there is high demand, and can be a mix of users, but either the demand is such that we cannot allow people to stay as long as they like due to the access impact on others, or where there is no legitimate demand to stay longer than a set time.

4 Parking pricing procedures

The following procedures are written by product/situation type, and outline the approach, steps and responsibilities for each situation.

4.1 On-street

There are two components to price setting for on-street parking, The annual base price review reviews the minimum hourly charge for each area of Auckland to determine if this should change. This is then complemented by the locational reviews undertaken in a specific area in detail and may mean a wider range of amendments. Both components are set out below.

Annual base price

Component	Details
Prerequisites	- Identify all existing parking areas, and ensure the latest information on which 'tier' they are in (based on Room to Move) is known and correct, - Collate complete information on any locational price changes throughout the last year, to have a complete record of pricing by location – including to identify any areas which will not be increased due to a recent decrease.
Methodology	- Complete the review of the three key factors: - Market – what is the private sector charging, and what is their growth rate, - Economic – how is the economy performing, what is customers' purchasing power, - Operational – to what extent have the costs to operate the parking system increased? - Complete calculation using algorithm and round results to the nearest \$0.50,

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	- Review to identify change extent/impact by location and amend any unforeseen impacts, - Prepare report and seek approval, - Implement with early communication and align to timing of public transport fare change annual announcement.
Process detail	The three key factors are assessed as follows: <u>Market factors</u> First, identify if the private market for off-street parking as 'responded' to past public parking pricing increases by increasing their parking. If they have, then average the growth of this increase and the growth of the most recent public transport fare increase (average private market increase using comparator facilities percentage and average public transport fare increase percentage). If the private market did not increase its rate in the last 12 months, then no market-based increase is used for the algorithm; use the other factors only. <u>Economic factors</u> Use the Local Board (LB) employment data, sourced from external consultancy 'Infometrics' (at time of writing). This will capture the growth (or otherwise) in the labour force. If there has been growth this tends to warrant growth in parking prices as more people have access to disposable income. <u>Operational factors</u> Identify operating costs to manage parking, and then identify their level of increase in the past 12 months. Use percentage increase as the value. <u>Weighting</u> Once the three above factors are identified, they are combined and weighted to determine the final percentage increase. The weightings are as follows: - Market factors – 10% - Economic factors – 40% - Operational factors – 50% The weightings can be changed, should the appropriate governance believe it is suitable to adjust

Locational reviews

Component	Details
Prerequisites	- Data from the parking app showing utilisation regularly 90% or greater, or lower than 70%, and/or - Feedback from customers/stakeholders about high occupancy (which needs to be validated with data)
Methodology	- Complete occupancy surveys of the subject area. - Use data to determine trending demand and identify when pricing was last amended. Pricing must not be amended within three months of another price change. - Adjust pricing (by any of the warranted means). - Model the implications of the proposal – what will this mean for occupancy, what will it mean for enforcement requirements, what will it mean for parking behaviour (e.g. spreading further out), what will it mean for revenue. - Receive approval (which may include resolutions should changes to days,

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	size/type of parking be included), communicate, and implement (including changes to software).
Process detail	<u>Surveys</u> Ideally, surveys should be repeated over several periods at 3/6/12 month intervals, to demonstrate a trend. Higher frequency should occur where demand is highest/lowest. Surveys should cover multiple days (at least three) and multiple times of day. Check with key stakeholders to see if there are particular days/times when they would also like surveys undertaken. Pay particular attention to surveys where they are in residential parking area, which will require cross checking against the permit database to differentiate resident usage and duration of stay vs visitor usage and duration of stay. Surveys are needed even where paid parking is in place, due to: • The risk that people are parking and not paying, affecting results of parking app data, and • The need to survey the surrounding area, in case demand is being spread outside the paid area and affecting availability in the surrounding streets <u>Parking pricing options</u> There are a number of different options for paid parking change, beyond just adjusting price. A number of these can be used in combination. The intervention options are: • Change the size and boundaries of a paid parking zone, • Change the number of paid parking zones through splitting or merging zones, • Adjust the number of residential parking permits approved for the zone, • Adjust the pricing for the parking, which could itself include: ○ Changing the hourly rate (see more guidance below), ○ Changing the growth rate (i.e. the recurring price per hour/half hour), ○ Changing the times paid parking is in place – while most paid parking ends at 6pm, streets and centres where demand continues beyond 6pm warrant paid parking for later in the evening. This can be put in place for specific days of demand, ○ Changing the days paid parking is in place – generally paid parking starts operating Monday to Friday, but many streets and centres now have demand on weekends, and pricing can be extended to these days. For those days, different rates/times etc are options to consider as well, ○ Setting a daily cap. This should only be used in rare situations where significant numbers of people have to use the parking for the full day. Daily caps, when not carefully developed and applied, can lead to perverse outcomes and fill the area with long-stay parking, hurting local businesses and residents. Choosing to have a cap should be a data-driven process and the cap should be set to disincentive commuters, but not punish workers in the local area (who are the core market for the cap). <u>Changing the hourly rate</u> If changing the price point itself, use 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, ○ In the event that the data would support a reduction to a zero tariff, a \$0.50 tariff should remain in place as long as any demand exists.

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	Future demand might warrant an increase and the process of removing and then reinstating paid parking is not an appropriate use of ratepayer funds. - 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.

4.2 Off-street

Component	Details
Prerequisites	- Data showing utilisation/occupancy and duration of stay, together with information on surrounding market provision, pricing, terms and conditions, and usage, - Full information on product in place at the location (any duration of stay limits, pricing approach – who does it incentivise/disincentivise).
Methodology	- Re-affirm role of facility – customer base and purpose/role in the network, - Review use against purpose and occupancy targets, - Amend pricing to better align with occupancy target (note that this must not be done more than quarterly, apart from special event discounts/promotions), - Model implications on behaviour, surrounding area and revenue, - Receive approval, communicate, and implement (including changes to software).
Process detail	<u>Yield targets</u> Each parking product (lease, casual/hourly, early bird, etc) provides a different yield (that is, the amount of revenue per space). For example: a typical early bird parker who arrives in the morning will park for around 8 hours and leave around 5pm. If the early bird price is set at \$13 the yield from that space during the weekday peak will be \$13. On the other hand a single space may be occupied by several casual parkers at different times throughout the peak period. If the casual rate is set at \$3 per hour and the space is occupied for a total of 6 hours the yield would be \$18. Therefore it is important to set yield targets – what revenue per space do we aim to see, based on the allocation of different products. This, in turn, is determined by what the role of the facility is. Is it short stay parking by customers of a town centre? Is it long term leases for all stay staying? The yield target setting is based on the following approach: - Prices for commuter parking products will be set to return a similar yield across all commuter products. However, commuters that prefer a guaranteed parking space will be required to pay a premium price, - In order to prioritise short-stay parking, aim to achieve a lower yield from short stay products than from commuter products, - Parking products that achieve specific travel demand management outcomes, such as car-pooling or off-peak travel, may be discounted in recognition of their contribution to supporting broader objectives. <u>Hourly/daily/monthly prices</u> Daily and monthly prices are set based on a formula in relation to the hourly rates. This allows daily and monthly parking prices to fluctuate based on demand

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	along hourly rates. The exact formulas will depend on the parking profile of each individual car park building but will be based on the same principles: • Hourly rates: Hourly rates will be set according to demand, • Daily prices: The maximum daily price will be set between 5 and 10 times the hourly rate, • Monthly unallocated spaces: The monthly unallocated space price will be set between 18 and 24 times the daily price. This reflects the approximate number of days in a month that a lease holder would use the car park, • Monthly reserved spaces: The monthly reserved space price will attract a 30% to 70% premium on the monthly unallocated spaces, • Travel Demand Management products: Products which support broader objectives (e.g. off-peak travel) will receive a discount of between 10% and 50%. <u>Special pricing</u> Special event pricing and specific parking management measures may be used to deal with the impacts of special events and short seasonal peaks such as school holidays. For example during capping ceremonies additional spaces may be reserved for short stay parkers and existing commuters would be warned beforehand that there would be limited availability and advised to make alternative arrangements.

4.3 Park and ride bookable spaces

Component	Details
Prerequisites	• Park and ride has at least 100 spaces, and is achieving 85% occupancy Mondays to Thursdays during school terms, • If the landowner is not Council, there are no restrictions in the lease agreement preventing bookable spaces.
Methodology	1. Identify number, and location of, spaces to be made bookable, to work with enforcement system, and with future proofing flexibility for expansion up to 49% of spaces, 2. Agree with system and app supplier and complete detailed design and software design, 3. Complete resolution process, 4. Undertake complete review of all parking on streets within walking catchment of park and ride, as often these spaces will require application of parking management to prevent perverse outcomes, 5. Apply price setting methodology: a. Distance model – the closer the facility is to the city centre, the higher the price, b. Market model – price matching the cost of nearby private parking (where in place), and c. Comparative cost model – ensuring that the cost is lower for parking and riding when compared to driving and parking in the city centre. Generate the average of the results of the above.
Process detail	The distance model is the primary reference point. The market and comparative cost should be used as a checking point, in case there is a risk of perverse outcomes (such as setting a price which is far higher than a nearby parking offering), but priority should be given to the distance model, as the market model can be amended frequently and is outside our control, and the comparative cost

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	model will undercut the costs of areas closer to the city centre given their short driving distance (affecting mileage). If in doubt, provide double the weighting of the distance model result to the results of the other two approaches when calculating the final price. <u>Distance model (primary method):</u> Travel time on public transport to the city centre in minutes <table><tr><td>0-10m</td><td>11-20m</td><td>21-30m</td><td>31-40m</td><td>41-50m</td><td>51-60m</td><td>>60m</td></tr><tr><td>\$11</td><td>\$10</td><td>\$9</td><td>\$8</td><td>\$7</td><td>\$6</td><td>\$5</td></tr></table> <u>Market model (supporting confirmation):</u> Identify any private market daily prices for off-street parking which is in the nearby vicinity of the station and average their cost by rough capacity (noting that private parking prices change far more frequently). If none exist, exclude this from the process. Example: Wilsons = Early Bird \$6 and 100 spaces, Secure = Early Bird \$8 and 200 spaces, average is $\\$7.33 = \\7 <u>Comparative cost model (supporting confirmation for further locations):</u> Determine the cost of a return trip on public transport and compare to the cost of driving (return) and parking in the city centre from the station location. The cost with the distance model price of the public transport return should aim to be no more than 50% of the cost of the driving model. Example: for Drury station the cost of a return train ticket and bookable space (using distance model as a starting point) is $\\$15.80 + \\$5 = \\$20.80$. The cost of driving (using Inland Revenue rates) from Drury to the city centre (return) is ~\$21, and parking 'early bird' averages \$22, meaning the total cost is \$43. In this example the maximum comparative cost for the bookable space would be \$6. Note that when an existing set of bookable spaces are seeing 85% or greater occupancy Mondays to Thursdays during school term, the provision should be expanded at the same price. In each instance the increase should be around 10% of the total capacity, until the 49% cap is reached. Should the 49% cap be reached and demand remains 85% full Mondays to Thursdays during school term, then the price can be increased.	0-10m	11-20m	21-30m	31-40m	41-50m	51-60m	>60m	\$11	\$10	\$9	\$8	\$7	\$6	\$5
0-10m	11-20m	21-30m	31-40m	41-50m	51-60m	>60m									
\$11	\$10	\$9	\$8	\$7	\$6	\$5									

4.4 Residential parking permits

Component	Details
Prerequisites	Confirm any changes to the methodology from new government regulation, legal opinions, etc
Methodology	- Determine any change to capped number of permits, based on changes to boundaries or removal of parking space supply through other interventions, - Identify costs through financial accounting of the following elements: - Total direct opex, and - Corporate overhead.

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Component	Details
	3. Divide the total annual costs by the number of permits issued to determine the permit price, 4. Complete approval process, via annual plan process, including consultation, 5. Update system and communicate to customers with revised approach as part of annual renewal.
Process detail	Estimating the “reasonable” cost items: • identifying cost items based on the baseline review • engaging with key SMEs (transport controls, parking design, legal, business support, etc.) to seek feedback on the identified “reasonable” cost items Estimating the “reasonable costs”: • working with the finance team to estimate the “reasonable cost” for each cost item • working to dovetail methodology for estimating “reasonable costs” for each cost item • finalising the proposed “reasonable cost” for the permit system The current inclusions in reasonable costs are outlined below: <u>Total direct opex:</u> This is calculated as the sum total (unit cost x incidents) of: • Postage, • Team salary, • Extra FTE during peak times, • E-Permit cost to external supplier, • Parking Design team, • Commission for processing entity, • Other support costs. <u>Corporate overhead:</u> This is calculated as the sum total of the staff costs able to be allocated for this purpose. Based on the expected location of staff in Auckland Council resulting from reform and mapping the 2026 corporate overhead areas which were included, this would mean attributing the costs to the following areas: • Office of the Director, Transport and Infrastructure, • Transport Performance and Optimisation (various teams), • Parking Services (various teams), • Finance (various teams), • Community Engagement (Transport and Infrastructure). Finally, combine the Direct Opex and Corporate Overhead costs to get the total costs incurred and divide by the total permits issued to generate the per-permit cost.

4.5 Other permits and coupons

Permit Category	Brief Description	Duration Options	Current Cost
Legacy Scheme Permit	Permit issued under older or existing parking permit schemes that continue to operate for eligible users or areas.	Annual / scheme-specific	\$70.00

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Critical Services Permit	Permit for approved critical service providers who require parking access to support essential operational or service delivery needs.	• 3 months • 6 months • 12 months	• \$105.00 • \$210.00 • \$420.00
Matiatia Carpark Permit	Permit providing eligible users with access to designated parking arrangements at Matiatia carpark.	Annual / scheme-specific	\$70.00
Eden Park Resident Permit	Permit for eligible residents affected by Eden Park event parking controls.	Event / scheme-specific	No charge
Mobility e-Permit	Electronic permit supporting eligible mobility parking users where digital permit arrangements apply.	Scheme-specific	No charge

Additionally:

- **Film Permits**
- **Zoo, and MOTAT Permits** – issued on behalf of Council with separate eligibility and conditions criteria.

Permit Cost Review Methodology

Made up of three components:

1. Cost recovering modelling (direct action and enforcement and system maintenance)
2. Opportunity and market value (on-street meter equivalents and surrounding off-street)
3. Strategic policy alignment (parking strategy and emissions/equity goals)

Details on each is provided below.

1. Activity-Based Cost Recovery (The Cost Floor):

Calculate the true baseline operational cost of issuing and maintaining each permit category per year, made up of:

- processing & admin: staff hours, platform fees (parking app backend), plus
- compliance & enforcement: License Plate Recognition (LPR) camera enforcement, parking officer patrols, plus
- Maintenance: signage, road marking, software maintenance for virtual permits.

2. Opportunity Cost & Market Benchmark (The Market Value):

Evaluate what the public road space is worth compared to nearby commercial alternatives:

- Meter Revenue Foregone: Compare permit fee vs. meter rates in surrounding zones (e.g., Central Auckland Green/Orange/Blue zones), and
- Off-Street Benchmarking: Compare residential permit pricing against local monthly commercial car park subscriptions, and
- Jurisdictional Benchmarking: Cross-reference pricing against comparable cities (e.g., Sydney, Melbourne, Wellington).

3. Strategic Policy Alignment (The Value Adjust):

Adjust pricing above or below cost recovery depending on regional transportation objectives:

- Congestion & Demand Management: Higher pricing in high-demand zones to encourage private vehicle reduction.
- Equity & Public Good: Subsidized or flat administration fees for essential services.

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Accountability

Responsibility for following this Procedure sits with the Parking Design team and Finance, who undertake the reviews of parking prices. Accountability sits with the Parking and Kerbside Programme Control Group, which is the overall body overseeing parking management for Auckland.

Note that under the Transport Reform process of 2026, decision making related to parking has been split between Auckland Council (Governing Body) and local boards, for both on street and off-street parking. Refer to the Auckland Roading Classification Framework to determine which jurisdiction the specific street/location/building/site you are examining is under. Note that all park and rides are under the remit of Governing Body.

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