

The Perth Parking Policy: Towards 25 Years

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1. Introduction

In the 1980s increased demand for parking in Central Perth began to undermine the urban quality of the city. The Perth Parking Policy (PPP) was introduced in 1999 to address this problem, joining a similar scheme implemented in 1992 in Sydney. The PPP implemented a package of policy measures: it created the Perth Parking Management Area (PPMA), established a levy on employee parking in commercial properties and public parking, and set up a hypothecated revenue pool that could be used to fund public transport and alternative travel modes within the PPMA. The levy currently funds the Perth Central Area Transit (CAT) bus system and Free Transit Zone (FTZ). Evaluations have indicated that levies have been effective as a travel demand management tool (Richardson 2010; Dale et al 2017). However, the levy has been the focus of consistent criticism from property interest groups who have repeatedly called for the levy to be scrapped. The recent impacts on the Perth city centre from COVID-19 have seen a reinvigorated critique of the PPP based on arguments for economic recovery and relief for inner city businesses. Despite this renewed critique, parking policy packages like the PPP have recently been introduced across a range of local governments in the UK as part of plans to decarbonize the transport sector. An understanding of the institutional factors that have defined the evolution of the PPP, may be useful in the strategic design of similar packages of parking policy applications.

This abridged paper presents a high-level overview of the PPP as the first stage of a research project that will investigate the institutional dynamics inherent in parking area levy schemes across Australia. The paper begins by sketching out the potential contributions that institutional theory has to parking policy development and reform. It then maps a historical overview of the PPP, from its development, inception and continuing use. The paper then concludes by highlighting areas for further investigation. The analysis of the PPP's evolution is informed by a document and media analysis. The PPP has been reported on in seventy-three articles in the state's major newspaper, the West Australian, from 1998 to 2022. The paper is also informed by insights from one of the authors, an architect of the PPP, captured in the narrative and through reference to archival presentations, reports and conference proceedings.

2. Institutional perspectives on parking policy

Parking levy schemes in Australia and globally

Australian cities have led the use of area-based parking levies to manage the supply of and demand for parking in central cities. Sydney's parking levy was the first of its type in Australia. It was introduced in 1992 to "discourage car use in leviable districts" and fund transport infrastructure (Ison et al 2014). Perth's Parking Licence Fee was introduced in 1999 and is discussed in detail below. In 2006, Melbourne introduced its congestion levy to manage congestion by reducing the amount of long stay car parks in the City of Melbourne. In 2014 Adelaide's proposed Transport Development Levy was voted down in Parliament after a

sustained opposition campaign (ABC 2014). All levies in Australia targeted off-street parking for commercial and office providers, but schemes differed in ways. One way the schemes varied was in the design of hypothecation schemes and the stipulated use for revenue. Whereas the Perth Levy restricts funds to being used within a defined management area in the City of Perth, the Parking Space Levy Act in Sydney established a Public Transport Fund to facilitate public transport across the region, although with a focus on servicing the central city. The Melbourne congestion levy on the other hand is not hypothecated but has been used for public transport infrastructure (Dale et al 2017).

Internationally, there are signs that parking levies are becoming more commonly used in cities to limit congestion and meet a range of other policy goals. In the United States, Parking Benefit Districts share similarities with levy schemes but instead use revenue generated through on-street parking markets to fund infrastructure and transport services with the PBD (Johansson, Henriksson and Åkerman 2017). Nottingham was one of the first workplace parking levies to be introduced outside of Australia (Dale et al 2017). Burchell et al (2019) reported that in a 2014 survey, they found that less than a fifth of local authorities were considering implementing a parking levy scheme. However, several schemes have recently emerged as part of decarbonisation plans in the U.K. local governments. Leicester has introduced a Workplace Parking Levy and Oxford is proposing one as part of a package of zero-carbon transport policies (McIntyre 2022). In 2009, legislation was passed in Scotland to enable local authorities to exercise discretionary power to introduce workplace parking levies (McIntyre 2022). Other examples globally have been proposed but not implemented (RNZ 2021).

New institutional theory: applications to parking levy schemes

New institutional theory offers a range of conceptual tools to illustrate the way that the parking levy schemes are designed, administered and act upon spatial and social worlds. Institutions are the formal and informal networks that constrain and enable social action by setting out “rules of the game”, according to North’s (1990) well-known definition. Institutions can be formal rules, such as legislation, policy and codes of conduct, or more informal, such as customary, cultural and social codes. Institutional theory offers insights into the governance, planning and management of transport policy and systems with complex governance arrangements within transport and policy relations (Canitez 2019; Curtis and Low 2012; Marsden and Groer 2016). Institutional perspectives of parking policy draw attention to relations between state, private and civic actors, in their pursuit of shared and individual goals relating to the management of rights to and use of parking spaces in central cities. Parking management and regulation schemes address multiple objectives, including congestion management, revenue generation for funding new transport infrastructure, fostering and regulating parking markets and addressing urban liveability goals (Barter 2010; Dale et al 2017; Flack et al 2021). Parking controls and restrictions act to redistribute resources such as access afforded by parking spaces and costs. Button (2006) shows how parking institutions are shaped by political and economic paradigms and have tended to be structured in ways that subsidise car use and offset parking costs to the general public.

This paper represents an initial step in a larger research project that compares the evolution of parking levies in Australia by setting out the historical development of the Perth Parking Levy. A comparison of parking levies offers insights into the formation and maintenance of institutions that support the operation of parking levies. The study aims to reveal the common and contrasting sets of institutional features across the different levy schemes. These features include the political catalysts for the introduction of parking levy schemes; design of

hypothecation schemes; market, regulatory and civic relations (Barter 2010); property rights arrangements and distribution of social benefits (Flack et al 2021); and the regimes that form in support and opposition to levy schemes (Taylor 2014). The historical perspective offers insight into the change and continuity in parking levy institutions and seeks to explain stability and change in institutions (Sorensen 2015) and inform the broader practice of policymaking and institutional design for parking management schemes. The next section sketches a preliminary history of the Perth Parking Policy as it nears 25 years since its creation and provides an initial basis for the next steps in the research.

3. Perth Parking Policy: A historical overview

Parking Management in Central Perth

In the 1950s, there was an emerging consensus by the region's political and policy decision-makers that the private car was to become the predominant means of mobility in the Perth Region and there was a critical shortage of parking supply in the central city (Brown, McKellar and Johnstone 1999). In 1956, the State Government introduced the City of Perth Parking Facilities Act (The Act). This legislation gave responsibility for the management of on and off-street parking of all types to two authorities: the State Government's Minister for Transport who had an oversight role, and the City of Perth, who was empowered to regulate and control public and private parking on and off street, and to create and operate its own public car parks. The Act required that the City's profits from parking must be invested back to creating more public parking or supporting actions such as bus links between fringe area car parks and the city centre.

The support for an unconstrained supply of parking spaces in the central city shifted in the 1980s as State and City policymakers realised that the continued growth in the parking supply was likely to create a variety of negative impacts on the central city area and its immediate surrounding area (Brown, McKellar and Johnstone 1999). Air quality issues and congestion of both the central city and the regional road network that serviced the city were emerging problems. Furthermore, the increasing demand for off-street parking was likely to lead to the destruction of the city's attractive urban form and its replacement with large surface level car parks surrounding office tower blocks.

The City of Perth consequently introduced a new advisory policy, "The Central Perth City Parking Policy" to guide decision making concerning the City's planning assessment of off-street parking facilities. This Policy had three key requirements relating to parking: firstly a street hierarchy based on pedestrian importance of streets; secondly limits to the maximum quantum of private parking that could be provided based on the street's location within the street hierarchy; and thirdly the creation of two zones regulating the location of public parking. This third requirement advised that only short stay public car parks be built in the central part of the city and long stay commuter orientated parking relocate to the City's edge. Whilst it did have an impact on the location of new public parking, as the City of Perth's "Central Perth Parking Policy" was advisory, not obligatory, it did not greatly limit the growth of commuter orientated parking located in either public facilities or office buildings (Brown, McKellar and Johnstone 1999).

A new approach to City parking

In 1990, the State Government's Department of Transport identified central city parking as a matter of interest. It was believed that the Act was not fit for purpose and did not reflect the current or future needs of the City of Perth or the State Government. A draft "Perth Parking Policy" emerged, which the Minister of Transport took to State Cabinet in early 1996. This

document took many of the provisions of the Central Perth City Parking Policy and called for new legislation that would create expanded powers to licence and tax parking. In addition, the policy required that the tax revenue generated be expended within the area from which it was raised on matters that gave effect to the new Perth Parking Policy like the CAT and FTZ. The proposed Policy was endorsed by Cabinet in 1996 and drafting of the legislation commenced. In late 1998 the proposed legislation and new Perth Parking Policy were formally tabled in State Parliament for public comment and consultation.

The reaction of the private sector to the new legislation, proposed licensing system and the proposed tax on most parking was hostile (Brown, McKellar and Johnstone 1999). There was, at a high level, a significant lobby effort against the new approach. There were claims that a parking tax no matter how small, would stop investment in the central city, cause parking prices to increase and stop people coming to the centre. However, the political leadership took this pressure on and held firm. The then Premier, Richard Court, appeared to have a view that parking expansion as it had occurred in the cities of North America and the consequent destruction of urban form and heritage was something that Perth must avoid. The Minister for Transport, Eric Charlton, was keen to tap new revenue sources to support public transport which became possible through the new legislation. Officers of the Department of Transport worked with local business interest groups to develop the parking licence system into a form that would be easy to implement for both parking providers and for the State to administer.

On 19 July 1999, the new Perth Parking Management Act came into operation, creating the basis for the Perth Parking Policy. This Act created a requirement that all parking other than private residential within a defined area called the Perth Parking Management Area (PPMA) must be licensed and, where applicable, pay a licence fee or levy. The Act required that the revenue raised must be held in a specific fund, the Perth Parking Licensing Account (PPLA), and could only be expended on matters that give effect to the Perth Parking Policy.

The Perth Parking Policy: from its introduction to now

A review of the policy in 2007 found that it had contributed positively to the economic and social functioning of the central Perth area (Richardson 2010). However, opposition to the levy from the private sector has been consistent since the implementation of the Perth Parking Management Act. In 2005, the Chamber of Commerce (CCI)'s John Langoulant wrote an opinion piece to the West Australian (5 September 2005) criticizing the levy, noting it was unfair and poorly designed as employees were not the main cause of congestion:

“...business houses, including retailers, are the lifeblood of the CBD but those with parking bays are not by any means the main contributors of traffic congestion. Nor are they the principal users of CAT, so they are not beneficiaries of the purported solution. This is not the application of the polluter pays principle or the user pays principle, it is just abuse of an easy target.”

The Minister for Planning and Infrastructure at the time, Alannah MacTiernan responded (West Australian 12 September 2005), justifying the levy as a means of addressing the declining urban quality of central Perth. The minister also drew attention to the City of Perth and the State Government as big contributors to the levy and linked the revenue to public transport services it provided.

The levy was subject to sustained calls for its scrapping or reduction. The Perth Property Council and CCI were prominent critics, using state budget reviews, tax and regulation enquiries, and reportage of property-focused research to launch attacks on the scheme.

Increases in the levy also led to coverage of opposition by these groups, with increases in 2003, 2009-11 and 2014, attracting criticism and call to scrap the levy from the CCI and Property Council. Other detractors included the RAC, community interest groups reflecting property interests, and local Councillors. Many critiques responded to what was perceived as the “excessive” amount of revenue held in the Perth Parking Management Fund. In 2012, differing points of view on what the funds could be used for were raised in the media. Until this point, it was seen that the fund would solely support public transport, but in 2012 the funds were used to support CCTV and traffic monitoring to assist Main Roads in traffic management and to support a “balanced transport system around the city” (West Australian 23 April 2012).

The levy also had its share of support in local media coverage. Researchers and city lobby groups were quoted as seeing the role of levy revenue to support new transportation infrastructure and services. There was coverage of a series of studies and reviews into potential strategies for reducing congestion and improving the quality of the environment in central Perth in 2010 and 2014, where the levy was compared more favourably against other potential mechanisms such as a congestion charge.

The parking levy attracted local media attention following the COVID-19 pandemic, as restrictions and a shift to working from home had an impact on the viability of Perth businesses. Several newspaper articles reported calls to reduce or suspend the levy in the wake of economic impacts from restrictions. On the other hand, the shift away from public transport created additional demand for parking in the city centre which challenged the regulatory rules of the PPP. One newspaper report described how a church was cautioned against contravening the PPP after it offered its parking spaces for use by a nearby police station (West Australian 1 April 2021). Economic recovery from the impacts of COVID-19 was used to justify a vocal call for deregulation of parking controls in the city. One example was the approval of Brookfield’s \$1.1 billion twin mixed-used towers at Elizabeth Quay, with an excess of 1.2 car bays per apartment above the limit permitted by the City of Perth (West Australian 19 February 2021) being justified as critical to economic recovery. Call for the PPP to be reduced or removed continued in the COVID-19 recovery, as an economic downturn due partly to higher rates of city workers working from home continued to have an effect.

4. Conclusion

The recent interest in parking levy schemes in the UK justifies a closer investigation of the role of these instruments in managing the demand for private vehicle travel to city centres. A comparison of Australian cities’ experiences with workplace levy schemes has the potential to identify central institutional factors at work in the creation, opposition to, and evolution of future schemes. Towards this comparison, this abridged paper has sketched a preliminary history of the Perth Parking Policy as it nears 25 years since its creation.

From the case study of the PPP, three areas can be identified that would benefit from a further investigation using perspectives from new institutional theory. Firstly, a study of the institutional factors that play a role in the creation of parking levy. A range of political and bureaucratic factors was evident in the creation of the Perth Parking Policy. What dynamics were evident in the creation or failure of other levy schemes? Can common elements associated with successful schemes be identified? Secondly, the design of different levy schemes reflects various institutional logics. Hypothecation schemes, setting of levy rates, defining exemptions, and setting boundaries determining levy schemes, collectively

determine the distribution of public benefits and the social and individual costs of a scheme. What can future schemes learn from the institutional contexts of different regulatory architectures? Thirdly, levy schemes require ongoing maintenance and are subject to disruptions, from external events, change agents, and challenges from alternative regimes. A comparison of Perth and other cities' experiences offers a concrete case analysis of the influence of institutional design on the ongoing administrative and political life of the levy. An institutional perspective of parking levy schemes offers a coherent basis for a comparison of the administrative, political and governance dimensions of different levy schemes in Australia, and in doing so highlights potential pathways for the adoption of levies in the future.

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