

**TITLE: *Parking lite: a metre less***

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**In the absence of adequate public transport, allowing two classes of parking spots would work to the benefit of all.**

Imagine if we could increase the number of car parking spots in the Canberra CBD by 20 per cent. Now imagine we could do so at no cost to government, business or individuals and with no disruption. Would you support it? I imagine you would. So, what's the catch?

The catch is that most street-side car parking spaces are far bigger than they need to be. A Hyundai Excel Hatch is only four metres long while a Toyota Land Cruiser is about one metre longer once the near obligatory bullbar and external spare wheel are attached. If there were dedicated car parks for small cars then we could obviously fit more parking spots into the same length of road.

But this is where it gets interesting. Orthodox economics would suggest that the solution to a shortage of parking is to charge higher prices for bigger car parks and lower prices for smaller ones.

But then again, neoclassical economics suggests that we should auction access to medical care in congested hospital emergency rooms. Orthodox economics and orthodox politics often don't have much in common.

Apart from the obvious political problems of introducing "user pays" principles for big cars parking in the CBD, there is an important economic problem with such an approach; it probably won't work.

Parking fees, like petrol prices, are the sort of things that people love to complain about but don't do much about, especially when they are in a hurry.

As anyone who has ever bought milk or bread from a petrol station knows, most people are willing to pay a high price for convenience. Sure the petrol station bread might be twice the price

of the supermarket bread, but compared to entering Woolworths in Dickson at 6pm it's a bargain.

On-street parking is all about convenience and, in turn, the kind of prices that would be required to change behaviour are unlikely to be politically acceptable, especially when the impact on low-income earners is thought through. That's why it would be more effective to rely on convenience than cash to tackle the problem.

As small cars take less room to park than large cars, it's possible to squeeze a lot more of them onto any given road, but which roads should be turned over to the small cars? Why not the most conveniently located ones?

The more that people drive small cars, the less fuel gets used, the less air pollution gets generated and the more the cars that can park along our city streets. While there are clearly benefits to some individuals associated with driving their large cars, there are clearly benefits to the community if more people choose smaller ones.

Economists call the situation where the actions of an individual impose costs on other members of the community an "external cost". It's a form of "market failure" and even the most conservative economics textbooks concede that under such circumstances there may be a role for government intervention.

Unfortunately, the mainstream political debate has made a mockery of the mainstream economic instruments for resolving such problems. While the economics textbooks suggest that regulation or a tax could help solve such problems, in Australia today regulation is often derided as "red-tape nanny stateism" and taxes as "burdensome" or "stifling the private sector".

While those interested in good policy should do more to defend the benefits of regulation (not many people oppose regulated speed limits) or taxes (not many people think there should be no excise on cigarettes), the emerging field of behavioural economics does provide new policy opportunities such as making some options less convenient rather than simply banning them or making them more expensive.

While drivers of big cars may object to missing out on the ability to park in the most conveniently located spaces, in reality they too will gain from such a system. At the moment, during congested periods they are searching for the same car parks as small car drivers, and at times when the number of searchers is greater than the number of slots, all drivers will waste time and petrol hunting around. But if there are more spaces, the chances of all drivers, including large car drivers, finding a space are increased.

In the longer term, if large car drivers resent having to park a little further from the cafes and shops than their smaller car driving friends, they may choose to switch to a smaller car. Such a switch has the advantages of reducing the average size of the car fleet.

Further, as the number of small cars on the road increases, the more small car spaces can be created, all without forcing anyone to do anything they don't want to do or taxing them for failing to change.

One likely drawback of such an approach is the creativity of large car drivers in convincing themselves that their car is small. Commodores and 4WDs can often be found in dedicated "small car spaces", presumably based on the logic that, compared with a Hummer, such cars could hardly be considered large.

An effective scheme would require some enforceable clarification about the definition of "small" that could, over time, be made systematic through car registration stickers. Such an approach is currently used to make spaces available to the disabled.

Car companies have succeeded in persuading us that cars are convenient. While cities like New York, London and Tokyo are literally built on convenient public transport systems, many people in Canberra and Sydney seem to just "know" that public transport can't work for commuters.

And if cars are convenient, big cars, so the ads tell us, are even more convenient. It's not an accident that images of families packing their surf boards and camping gear into their big cars dominate the ads rather than lone commuters stuck in traffic and hunting for a parking space.

Convenience is important to people, so much so that they are willing to pay a lot more for the car that could take them camping than the one that will take them commuting. If we want to make more room in our increasingly crowded city, we need to take a leaf from the marketers' book and sell some convenience.

And if our politicians don't want to encourage us into smaller cars, or better still, provide convenient public transport, they better explain what their plan is for the millions of extra residents that our population projections tell us to expect.

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