

Port Fairy Town Centre Car-Parking Strategy – Economic Assessment

July 2016

Prepared by Tim Nott
for Calibre Consulting and Moyne Shire Council

Report Data

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PORT FAIRY PARKING STRATEGY – ECONOMIC ASSESSMENT

Executive Summary

Moyne Shire Council is developing a car-parking strategy for the Port Fairy town centre in response to perceived development pressures and a desire to retain the liveability of the township. This work is being undertaken in conjunction with Calibre Consulting. The strategy needs to be informed by a robust assessment of the likely development pressures and the consequences for car-parking demand. This present report provides that assessment and has been prepared by economic geographer Tim Nott.

Key Findings

1. The Port Fairy town centre provides neighbourhood shopping and selected services for the surrounding communities as well as an extensive offering for visitors. The centre contains approximately 36,500 square metres of non-residential floorspace, including 15,400 square metres in retail space, 12,500 in hotels and commercial accommodation, 4,100 in offices and 3,600 in community buildings.
2. The retail sales in the centre are estimated here to be \$73 million per year. Of this, \$39 million (53%) is contributed by visitors, with the remaining sales (\$34 million) made to trade area residents.
3. The population of the trade area is approximately 4,700 in 2016. These residents have a retail spending of around \$63 million, of which 52% flows to the Port Fairy town centre. Without the spending of visitors, which supports a wide variety of additional stores and dining establishments, more resident spending would flow out of the area. The trade area population is forecast to grow by 0.9% per year over the period to 2036, to a total of 5,650 people.
4. A forecast of additional retail floorspace has been prepared for this report using a series of conservative assumptions (that is, that existing trends and conditions will remain constant). This forecast suggests that a further 5,000 square metres of retail floorspace will be required in the town centre by 2036 to service the growth in visitors and residents, and allowing for real growth in retail spending. Assuming that the proportion of retail and non-retail space remains broadly the same, there will be a total requirement for an additional 10,400 square metres of non-residential floorspace in the town centre by 2036.
5. Work undertaken by Calibre Consulting and Movendo for this project identifies 827 car-parking spaces that service the town centre, as shown in the table below. By far the majority of spaces are publically provided, most of which are on the street or on public land, although over 200 of these are informal.

Parking spaces in and around Port Fairy town centre

Parking spaces	
On street	
paved and line-marked	458
informal	207
Total	665
Off street	
public	24
private	138
Total	162
All spaces	827

Source: Calibre Consulting and Movendo, 2016

6. This supply appears more than adequate for the existing demand for parking, with surveys of on-street parking over several years having peak weekly demand at between 300 and 400 spaces, and even high peak demand at only 500 spaces.
7. Work by Calibre Consulting and Movendo suggests that a new schedule of car-parking rates should be applied to Port Fairy, taking into account that the current usage appears to be well below the level that is recommended in the planning scheme. Using these newly recommended rates, the forecast development in the town centre appears unlikely to generate a demand for car-parking that will exceed the total number of existing spaces by 2036. However, a significant portion of the on-street public parking is informal and may not cope well or efficiently with demand; there would be a need to improve the operation of these existing informal spaces through paving, line-marking and signage as well as providing other traffic management measures.
8. Three options for paying for the parking improvements have been identified:
 - **Business as usual** – Council continues to pay to develop and maintain car-parking from its general revenues
 - **Payment in lieu scheme** – newly developed land in the town centre which does not provide on-site parking will attract a charge for each space required by the planning scheme
 - **Special rate scheme** – all properties in the town centre will be levied to pay for the improvements
9. The payment in lieu scheme is recommended here for its simplicity. The cost of improving each space is estimated to be \$4,400 which is sufficient to pave and line-mark the space, with an allowance for signage.
10. The indicative funds raised by the payment in lieu scheme is shown in the table below including the cost of improving each space and total funds raised by the scheme.

Indicative funds raised by parking in lieu scheme, 2016 to 2036 (\$2016)

Currently paved and marked public spaces	482
Forecast demand for spaces in 2036	533
Spaces requiring improvement, 2016-2036	51
Cost per space (including signage and 2% administration cost)	\$4,400
Total cost	\$224,400
Indicative cost per year	\$11,220

Source: Tim Nott

Notes to the table: The cost estimates are broad and should be subject to confirmation by a quantity surveyor. The calculation assumes that all parking spaces for every new development will be provided off-site.

Conclusions

If Council is to recoup any of its costs in providing car parking for Port Fairy town centre, the simplest way will be to implement a payment in lieu policy. This will effectively draw a line under the existing parking provision and treat it as a sunk cost.

The costs identified here - \$4,400 per space not provided on site (cost to be confirmed by Council) – will pay for turning informal into formal car-parking and to provide signage and other parking management measures as appropriate. The cost can be levied on new developments in the town centre in accordance with the parking ratios identified by Movendo.

This method has the following benefits compared with a special charge:

- easy to implement
- clear nexus between the cost charged and the benefit delivered, and therefore easy to justify to developers and in planning contests
- Applies to all development regardless of whether it is commercial or “residential”

The cost of \$4,400 per space is at the lower end of the range being charged in other cash in lieu schemes around Victoria. It should not prove a substantial disincentive to investment.

Once implemented, the cash in lieu scheme must be monitored from time to time to ensure that the expected parking demand identified here is matching real experience and that the scale of the charge is appropriate. The charging regime is designed to last until 2036. However, a substantial review must be undertaken well before then in order to understand at what point, if at all, land needs to be purchased to accommodate new parking. Land in and around the town centre is relatively expensive judging by recent property sales, and would push the costs of developing new parking up to between \$23,000 and \$41,000 per space. A scheme to save for land purchase would be appropriate in this circumstance.

1 INTRODUCTION

1.1 Background

Moyne Shire Council is developing a car-parking strategy for the Port Fairy town centre in response to perceived development pressures and a desire to retain the liveability of the township. This work is being undertaken in conjunction with Calibre Consulting. The strategy needs to be informed by a robust assessment of the likely development pressures and the consequences for car-parking demand. This present report provides that assessment and has been prepared by economic geographer Tim Nott.

1.2 The issues dealt with here

This report looks at the following questions:

- What is likely to be the demand for new non-residential building floorspace in the Port Fairy town centre over the period to 2036?
- What will be the likely effect on demand for car-parking?
- What are the options for the provision of car-parking and how it could be financed?

The answers to these questions will provide an input to the overall parking strategy.

Disclaimer

The analysis in this report is intended for the specific purposes of Moyne Shire Council and no responsibility is taken for its use by other parties. The report has relied on secondary sources and the best estimates of the author. The reader should bear in mind that there is no certainty in future predictions. The evolving situation will need to be monitored in order to ensure that the predictions remain on track.

2 FORECAST DEVELOPMENT IN PORT FAIRY TOWN CENTRE

2.1 Forecast Method

Port Fairy town centre contains a mix of retail, other commercial and community activities that generate demand for building space. There are several ways in which a forecast of future demand for building space can be developed. The forecast method chosen here is to focus first on the future demand for retail floorspace using well-established relationships between population, income, local spending and retail floor area. This makes use of existing forecasts for population in the area that have been prepared by State Government. Future demand for other types of floorspace is then broadly estimated, taking into account the existing shares of retail to non-retail space. (Demand analysis for non-retail space is rather uncertain since it depends on a wide range of factors other than local population growth.)

The retail forecast steps are:

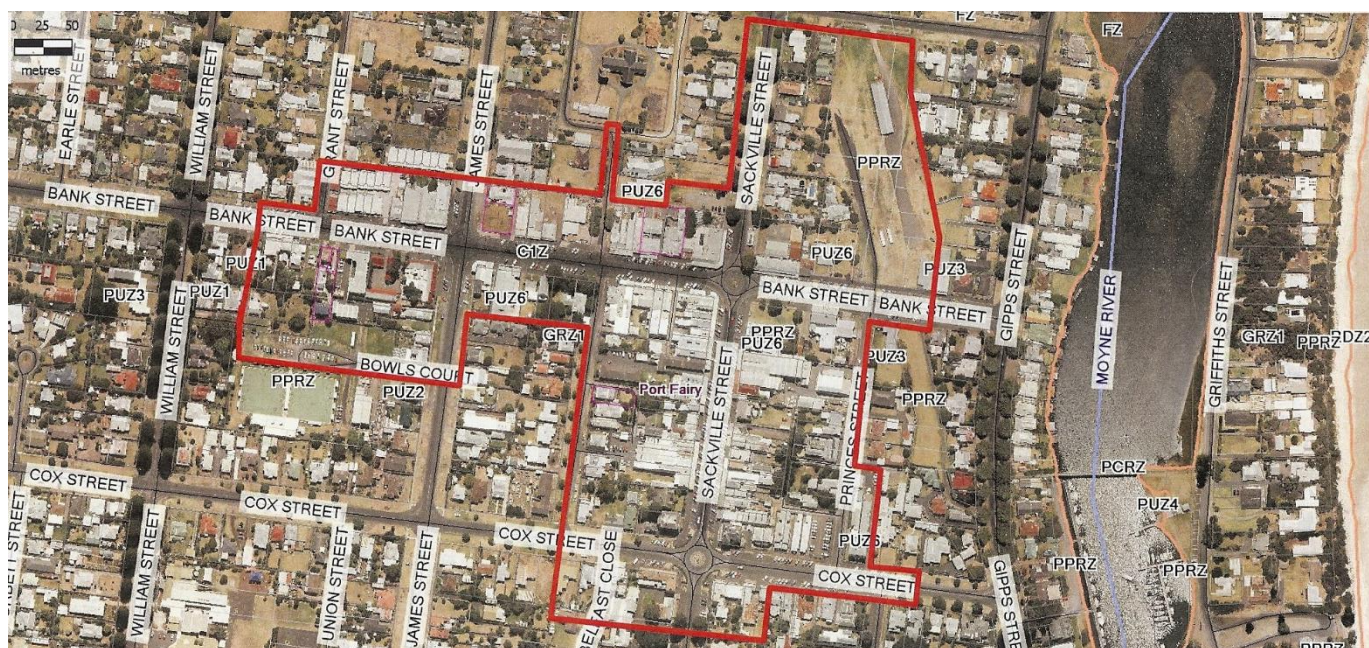
- Identify the existing commercial floorspace in the town centre
- Estimate the retail sales using industry standard sales per square metre (adjusted for local conditions)
- Identify the trade area for the centre and estimate its current and future population based on State Government population forecasts
- Estimate the average retail spending per local resident and the total spending now and in the future
- Estimate the share of resident spending that flows to the Port Fairy town centre
- Estimate the visitor spending enjoyed by the town centre
- Using conservative assumptions about how spending patterns will change in the future, project forward spending in the town centre
- Translate spending to retail floorspace

This method is commonly used in planning for activity centres throughout Victoria. A check on the order of magnitude of the results is made against a separate forecast of employment and building floorspace for the Moyne municipality that has previously been prepared by Tim Nott.

2.2 Port Fairy Town Centre

A plan of the Port Fairy Town Centre study area is shown in the following diagram. The centre is generally situated in Sackville Street and Bank Street, with activity in adjacent parts of various cross streets. Sackville Street, between Cox and Bank Streets, is the heart of the centre being the most densely developed with commercial buildings and containing key uses such as the supermarket.

Figure 1: Port Fairy Town Centre - Study Area



Source: Moyne Shire Council

The estimated building floorspace in the town centre devoted to different uses is shown in the following table.

Table 1: Floorspace in Port Fairy Town Centre, 2016

Activity	Floorspace sqm	Share %
Food, groceries and liquor	3,230	9%
Non food goods	6,850	19%
Food service	4,565	12%
Retail services	714	2%
Total Retail	15,359	42%
Hotel and accommodation	12,455	34%
Office	4,062	11%
Automotive	672	2%
Community	3,553	10%
Vacant shop space	448	1%
Total non-residential floorspace	36,549	100%

Source: Council Survey; Tim Nott

In total, the Port Fairy town centre has around 36,500 square metres of building area devoted to non-residential activities. This includes 15,400 in retail space, 12,500 in hotels and commercial

For the purposes of this report, retail activity comprises the following categories:

Food, groceries and liquor– supermarkets, general stores, liquor outlets, specialty food outlets (butchers, bakers, greengrocers etc)

Non-food goods, comprising

- **Clothing** – clothes, shoes, manchester
- **Household goods** – homeware, hardware, furniture, floor coverings, curtains and blinds, electronic goods etc
- **Recreational goods** - sporting goods, toys, bookshops, newsagents
- **Other goods** –, chemists, florists, jewellers, second hand goods etc

Food catering – cafes, restaurants and take-away food outlets

Retail services – hairdressers, beauty parlours, video rental, clothing and household goods repairs

accommodation, 4,100 square metres in offices and 3,600 square metres in community buildings.

Of note, vacant shopfront floorspace amounts to only 1% of the total. This is low for a traditional strip shopping centre, particularly considering the survey was undertaken in winter (the low season for visitors). A vacancy rate of perhaps 5% is more normal and indicative of a centre where demand and supply are in balance. The low vacancy rate suggests that demand is outstripping supply.

2.3 Retail Sales

The following table provides a calculation of retail sales in the town centre using an estimate of sales per square metre that is achieved by the stores at the centre. This estimate is based on industry standards and adjusted for local conditions and the type of stores that are present. In this case, the sales per square metre have been judged to be slightly less than industry standard given that:

- the shop area appears to be much larger than the measured gross leasable floor area in many cases (and this is typical of older premises in strip centres)
- there is usually a strong seasonal element to sales in a holiday destination such as Port Fairy
- there are few chain stores that typically drive up average sales performance

Table 2: Estimate of retail sales in Port Fairy town centre, 2016

Activity	Floorspace sqm	Share %	Sales per square metre \$/sqm	Retail sales \$m
Food, groceries and liquor	3,230	9%	\$8,000	\$25.8
Non food goods	6,850	19%	\$4,000	\$27.4
Food service	4,565	12%	\$3,800	\$17.3
Retail services	714	2%	\$3,500	\$2.5
Total Retail	15,359	42%	\$4,759	\$73.1

Source: Tim Nott

Total retail sales in the town centre are estimated at \$73.1 million in 2016.

Port Fairy town centre serves two main retail functions:

- It is a small neighbourhood centre providing food, groceries and convenience items
- It is a tourist centre catering for the many thousands of visitors who come to the town each year

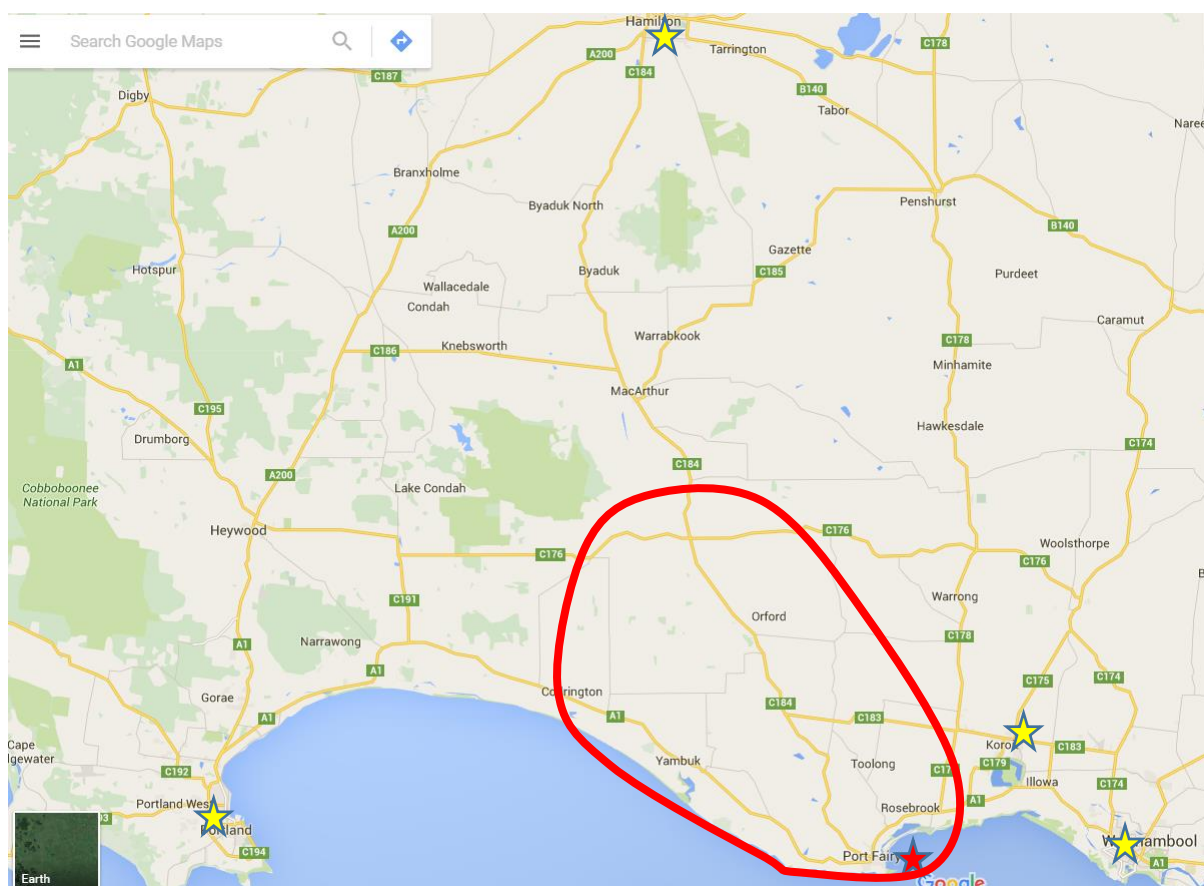
The visitors support a level of retail provision that would not otherwise be found in a town of this size. This gives local residents access to, for example, clothing stores and many dining options that they would otherwise have to travel further afield for.

2.4 Trade Area

The trade area of an activity centre is the area from which residents naturally visit the centre to obtain particular goods and services. At the boundary of the trade area, residents may choose from two or more centres that provide equivalent services. The extent of a trade area is influenced mainly by the location of competing centres and the travel patterns of residents. The precise boundaries are usually set by the analyst to coincide with convenient statistical areas.

In this case, the trade area has been set with reference to the location of surrounding centres that have supermarkets and the boundaries of relevant Statistical Area 1s. The trade area is shown in the following diagram.

Figure 2: Port Fairy retail trade area



Source: base map from Google Maps

The population of this trade area is estimated at 4,700 in 2016.

The characteristics of the trade area population at the last Census of Population and Housing are shown in the following table.

Table 3: Trade area population characteristics and comparisons, 2011

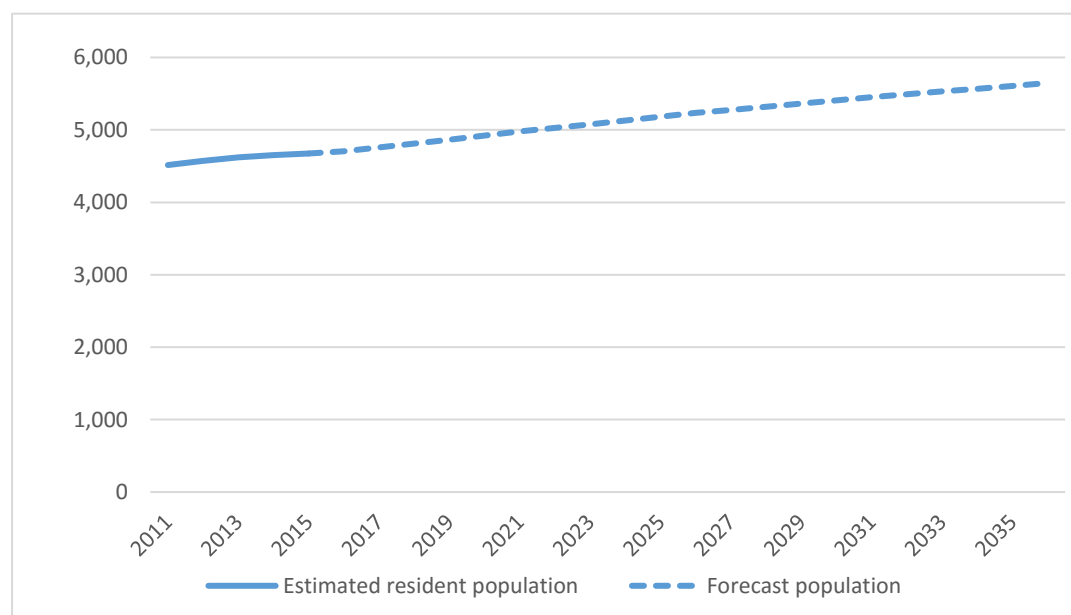
Area	Population	Median Age	Average people per household	Median weekly household income	Median weekly household income per person
Port Fairy trade area	4,448	46	2.4	\$995	\$418
Moyne Shire	15955	41	2.6	\$1,040	\$400
Country Victoria	1345715	41	2.4	\$945	\$394

Source: ABS, Census of Population and Housing, 2011

Compared with Moyne Shire or Victoria as a whole, the Port Fairy trade area is older and with slightly higher incomes per person.

2.5 Population Forecast

A population forecast for the trade area has been prepared using relevant growth rates from the State Government's *Victoria in Future 2015* series. The growth trajectory of the area is shown in the figure below.

Figure 3: Population growth forecast, Port Fairy trade area, 2011 to 2036

Source: ABS, Regional Population Growth Australia, 2016; DEWLP, Victoria in Future 2015; Tim Nott

The trade area population is forecast to grow from 4,704 in 2016 to 5,647 in 2036, a growth of 943 over the period at an average annual growth rate of 0.9%.

2.6 Retail Spending

The following table provides an estimate of the total retail spending by trade area residents. Estimates for regional Victoria have been sourced from Marketinfo (a microsimulation model that provides estimates of spending in small areas based on data from the household expenditure survey), and adjusted for Port Fairy based on the difference in household income per person.

Table 4: Estimated annual retail spending, Port Fairy trade area residents, 2016

	Regional Victoria 2016 \$	Retail spending per person in Port Fairy trade area \$	Total retail spending \$m
Food, groceries and liquor	\$5,940	\$6,059	\$28.5
Non-food	\$6,240	\$6,365	\$29.9
Food catering	\$960	\$979	\$4.6
Retail services	\$430	\$439	\$2.1
Total retail spending	\$13,570	\$13,841	\$65.1

Source: Tim Nott

Overall, trade area residents are estimated to have annual retail expenditure of \$65.1 million in 2016.

2.7 Balance of Spending in Port Fairy

Not all of retail spending by trade area residents is spent locally. Under normal circumstances, a small neighbourhood activity centre such as Port Fairy could be expected to attract perhaps 20% of spending by trade area residents. The majority of spending would be directed to larger centres that provide more comprehensive supermarket shopping and a wide variety of non-food goods. However, because Port Fairy caters extensively for visitors, residents are also able to shop locally for clothes and have a very wide range of options for dining out, for example. This enables Port Fairy town centre to capture a much higher proportion of the available spending of trade area residents – up to around 50%.

The following table provides an estimate of how much of the retail sales at Port Fairy town centre are attributable to residents and how much to visitors.

Table 5: Balance of spending at Port Fairy town centre, 2016

	Sales \$m	Sales to visitors %	Sales to visitors \$m	Sales to TA residents \$m	Total spending by residents \$m	Share of resident spending to Port Fairy %
Food, groceries and liquor	\$25.8	45%	\$11.6	\$14.2	\$28.5	50%
Non-food	\$27.4	45%	\$12.3	\$15.1	\$29.9	50%
Food catering	\$17.3	80%	\$13.9	\$3.5	\$4.6	75%
Retail services	\$2.5	45%	\$1.1	\$1.4	\$2.1	67%
Total retail	\$73.1	53%	\$39.0	\$34.1	\$65.1	52%

Source: Tim Nott

The share of sales to visitors is based on professional judgement, and considering the likely balance of spending by residents. However, to provide a check on the likely scale of visitor spending, the following table provides data from Tourism Research Australia about visitor spending in the Moyne municipality as a whole.

Table 6: Overnight visitor spending in Moyne Shire, 2014

	Visitor nights in Moyne	Total spend per night	Total spending	Retail spend per night	Total retail spending
Internationals	52	\$95	\$4.9	\$47	\$2.4m
Domestic	551	\$132	\$72.7	\$65	\$35.6m
Total	603		\$77.7		\$38.1m

Source: Tourism Research Australia, 2015; Tim Nott

In 2014, spending in Moyne Shire by overnight visitors alone amounted to \$38 million. Port Fairy is the principal tourism destination within the Shire and could be expected to take the majority of this spending in addition to spending by day-trippers from Warrnambool, Portland, Hamilton and the surrounding regions. A figure of \$39 million for annual retail spending by visitors to the Port Fairy town centre, then, appears to be of the right scale.

2.8 Forecast Demand for Retail Floorspace

Armed with the preceding analysis, and making several further assumptions, it is possible to develop a forecast of the demand for retail floorspace over the coming period. The forecast below makes a series of conservative assumptions about the future (that is, that existing trends will continue):

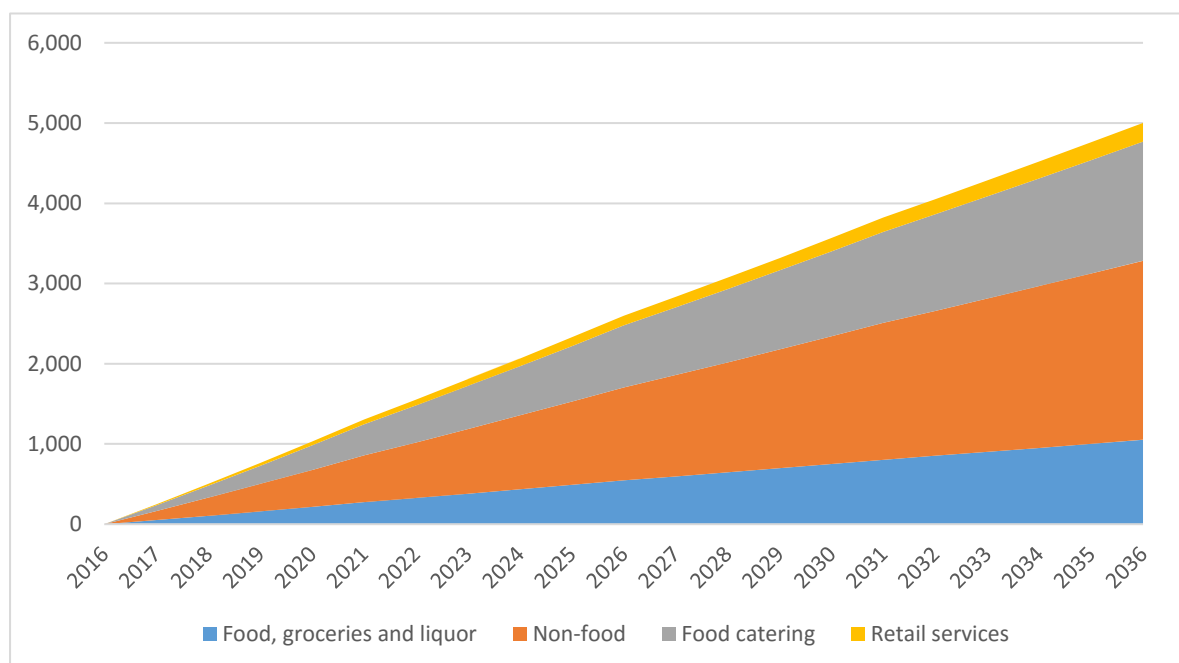
- The trade area residents will experience real growth in retail spending of 1% per year on average over the period. This has been the average growth in retail spending since the early

1980s. Combined with population growth averaging 0.9% over the period to 2036, overall spending by trade area residents is expected to grow by 1.9% per year over the period.

- The share of retail spending by trade area residents flowing to Port Fairy town centre will remain constant at 52%. This spending contributes 47% of sales at the town centre.
- The share of sales to visitors remains constant at 53% of the total. This implies that sales to visitors also grow by an average of 1.9% per year. (This appears to be well within the bounds of possibility given that Tourism Research Australia is currently forecasting that growth in domestic visitation will grow by 2.6% per year for the ten year period until 2024-25.)
- The capacity of Port Fairy town centre to accommodate the predicted growth in building area and the concomitant car-parking is more or less unfettered.

The forecast should be considered a scenario based on the assumptions outlined above. The following chart highlights the forecast growth in the floorspace of the various retail categories.

Figure 4: Forecast growth in retail floorspace, Port Fairy town centre, 2016 to 2036



Source: Tim Nott

The forecast predicts growth of 5,000 square metres of additional retail floorspace over 20 years including:

- 1,100 square metres of food, groceries and liquor
- 2,200 square metres of non-food
- 1,500 square metres of food service
- 200 square metres of retail services

Most of this space would be located in small and medium sized stores of the type which are already in the centre. However, there would be sufficient demand for a new supermarket broadly equivalent to the existing supermarket, or alternatively, for the existing supermarket to double in size. This would require a significant site or substantial redevelopment.

To put the overall growth in perspective, the retail offering of the centre is forecast to grow by one third over the next 20 years to meet demand based on existing trends continued.

2.9 Forecast Demand for All Non-Residential Space

Using conservative assumptions about the balance of retail and non-retail space (that is, that the balance will remain constant over the forecast period), the following table provides a calculation of all existing types of non-residential floorspace in the town centre.

Table 7: Forecast for all non-residential floorspace, Port Fairy town centre, 2036

	Floorspace, 2016	Share of floorspace 2016	Growth 2016- 2036	Floorspace, 2036
Retail	15,359	43%	5,001	20,360
<i>Food, groceries and liquor</i>	3,230		1,052	4,282
<i>Non-food</i>	6,850		2,231	9,081
<i>Food catering</i>	4,565		1,487	6,052
<i>Retail services</i>	714		232	946
Office	4,062	11%	1,323	5,385
Hotel and accommodation	12,455	34%	4,056	16,511
Community	3,553	10%	1,157	3,553
Automotive	672	2%	219	672
Total	36,101	100%	10,380	42,256

Source: Tim Nott; rounding errors may be apparent

With future growth of floorspace in the town centre it is likely that:

- Space for further community facilities will not get priority; the centre already has a library and a range of halls. Further community facilities may be developed outside the town centre. (The Shire office has been counted as an office for this exercise.)
- Automotive repairs is currently represented by one enterprise in the town centre. Given the premium on commercial space in the centre, it is unlikely that further industrial activities would find this an efficient location.

The potential growth in community space and automotive repairs has therefore been discounted.

The overall forecast then is for growth in commercial floorspace of 10,400 square metres over the period to 2036.

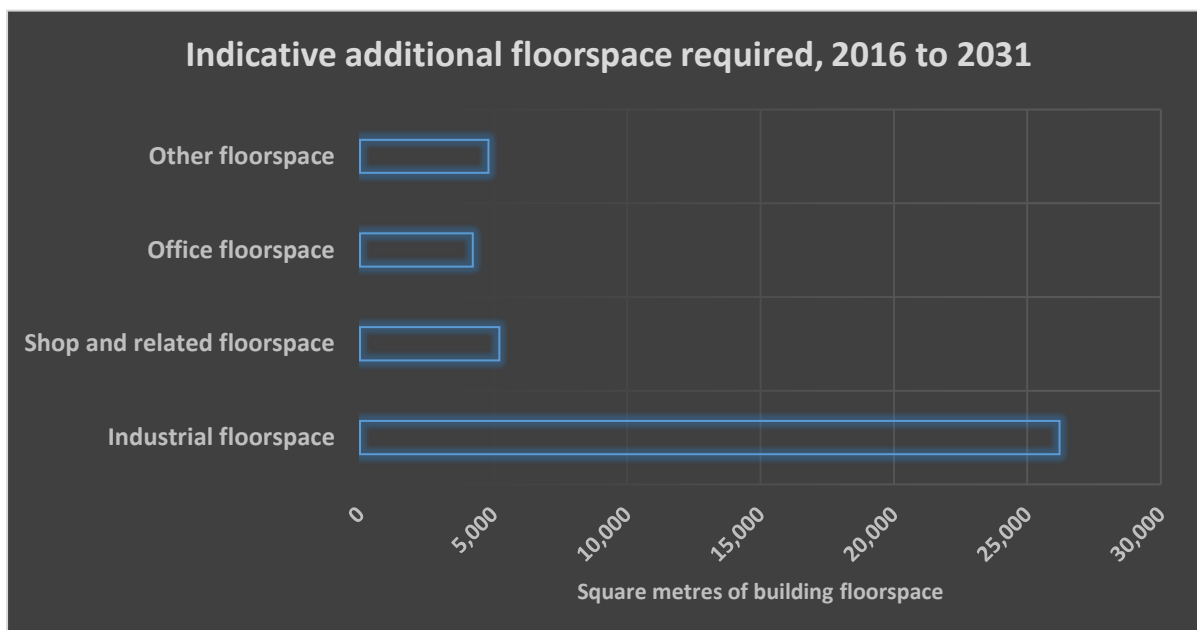
2.10 A Check

It is useful, wherever possible, to use different forecast methods to provide a check on results. In this case, there is no alternative forecast of demand growth in Port Fairy town centre. However, Tim Nott has previously prepared an employment and building floorspace forecast for every municipality in Victoria using common benchmarks and algorithms. This forecast is based on expected employment growth (a combination of population growth, regional growth and industry growth) and

then extended to a forecast of building floorspace using standard area per job ratios. The forecast is relatively conservative in that it anticipates existing trends will continue and is for the period 2016 to 2031.

The results of the forecast for Moyne Shire are shown in the chart below.

Figure 5: Forecast additional building floorspace required, Moyne Shire, 2016 to 2031



Source: Tim Nott

Note: “other floorspace” includes education, health and recreation facilities; “industrial floorspace” includes some farm buildings as well as buildings on industrial land and in ancillary commercial areas

This forecast shows that Moyne Shire is expected to have a total of 9,500 square metres of net additional office and shop and related floorspace over the period to 2031. Most, but not all this floorspace would likely be developed in Port Fairy town centre as Moyne’s main commercial centre and in the most rapidly growing part of the Shire. The town centre could also be expected to accommodate a portion of the “other” floorspace which includes health services and other public services.

This alternative forecast appears to be of the same order as that based on retail supply and demand. The figure of 10,400 square metres in additional building floorspace at Port Fairy town centre between 2016 and 2036 is therefore adopted as reasonable for the purposes of this report.

3 CAR PARKING ASSESSMENT

Car-parking analysis has been undertaken for Council in a draft report by Calibre Consulting and Movendo – Port Fairy Car Parking Strategy, 2016. A summary of the results of that analysis are provided here along with a reassessment of the consequences for car-parking demand and supply in Port Fairy.

3.1 Supply and Demand for Car Parking

The **existing supply of parking spaces** in and around Port Fairy town centre is 827, as detailed in the table below.

Table 8: Parking spaces in and around Port Fairy town centre

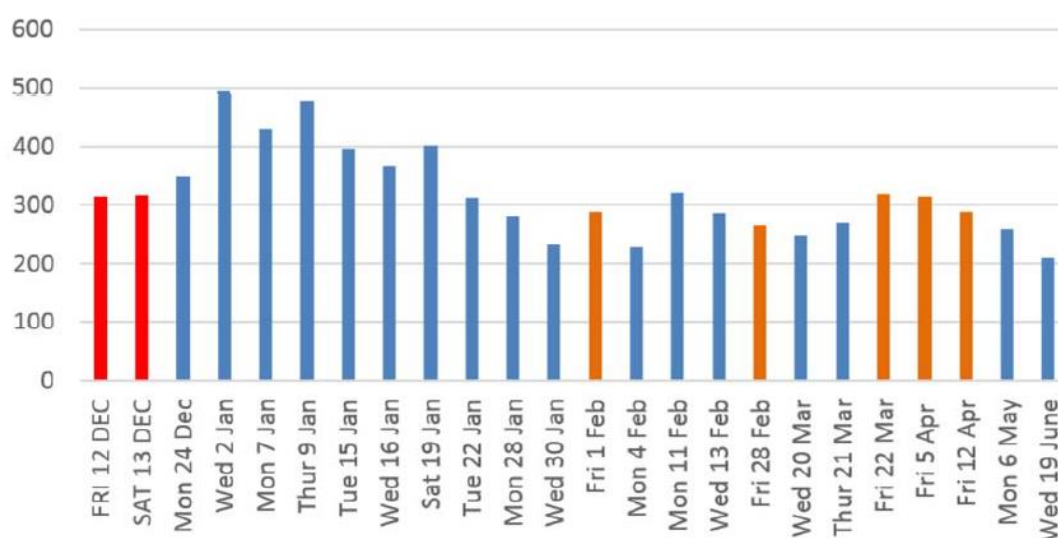
Parking spaces	
On street	
paved and line-marked	458
informal	207
Total	665
Off street	
public	24
private	138
Total	162
All spaces	827

Source: Calibre Consulting and Movendo, 2016

It should be noted that by far the majority of parking spaces are provided on the street at Council expense.

A series of surveys have been undertaken to understand the **parking demand**, as shown in the figure below.

Figure 6: Parking occupancy in Port Fairy town centre, Council Surveys of on-street spaces, 2012-2014



Source: Calibre Consulting and Movendo, 2016; Surveys conducted between 12noon and 2pm (December 2014 in red, other Fridays in orange)

From these surveys it appears that, even at peak holiday times (the first week in January), the peak parking demand – around 500 occupied spaces - does not overwhelm the existing supply of on-street spaces – 665 (689 spaces if public off-street parking is included).

It is customary for parking supply strategies to aim to cater for the 85th percentile of absolute peak demand. This supply strategy should cope with normal busy periods but not provide parking that would otherwise sit vacant for the great majority of the year with substantial opportunity costs and poor urban design outcomes. From the Calibre/Movendo report it appears that the normal weekly demand peaks at 300-400 occupied spaces or around 45%-60% of available on-street supply (or 44%-58% of supply if public off-street parking is taken into account).

This suggests that the excess public car-parking capacity is currently at least 289 spaces. This excess caters for peak holiday demand. However, 207 of these spaces are provided in informal areas including nature strips and the grassed areas of Railway Place. In the future, then, some improvement in existing spaces may be required to cater for demand. This could include formalising existing informal spaces and providing signage directing visitors to parking places.

3.2 Car Parking Rates

The Calibre Consulting/Movendo report suggests rates of car-parking provision that should be provided with new developments in the town centre. These are based on the apparent use of car-parking by people visiting existing developments in Port Fairy. The suggested rates are significantly lower than the rates currently in the planning scheme.

The following table shows the parking rates and how many spaces they would generate given current and future floorspace. Observed parking rates for Colac and Apollo Bay have also been included for comparison.

The following points can be made:

- The parking rate in the scheme appears to be well above the observed demand. Provision of spaces at this rate would require 655 additional spaces compared with the current number. However, the rate in the scheme also suggests that the existing level of development would require substantially more spaces than presently exist when the evidence demonstrates that this is not the case.
- The parking rate suggested by Movendo would generate demand for 533 spaces by 2036, 294 less than the total existing number of spaces but more than the formalised spaces presently available.
- Observed rates of parking at other seaside holiday destinations such as Apollo Bay and Torquay¹, and at other regional locations such as Colac and Traralgon² are, in general, significantly more than those that have been identified at Port Fairy.
- There is no guarantee that future development will attract car parking demand in the same way as existing development. Nevertheless, the existing number of car-parks appears capable of supporting demand that is 155% more than predicted by 2036.

This analysis shows that at existing rates of demand calculated by Movendo, there is more than sufficient parking to support the forecast development by 2036. The existing parking provision will

¹ AECOM, 2011; Surf Coast Shire, 2006

² AECOM 2011; Traffix, 2014

support normal busy period demands (although it may not support the peak of the peak demand). However, a significant portion of the on-street public parking is informal and may not cope well or efficiently with demand; there may be a need to improve the operation of these existing informal spaces through paving, line-marking and signage.

Table 9: Car parking rates for development and spaces required currently and for forecast development in 2036

	Floorspace sqm	Planning scheme	Movendo - Port Fairy 2015	AECOM - Apollo Bay 2011	AECOM - Colac 2011
		Parking spaces required per 100sqm of floorspace			
Suggested parking rates					
Supermarket		5	5	3	3.8
Food and drink premises		3.5	1.5	3.5	1.6
Other retail		3.5	1	2	1.6
Hotel		3.5	1	3.5	1.6
Office		3	1	3	1.6
Current situation	Existing floorspace	Parking spaces required for existing floorspace			
Supermarket	990	50	50	30	38
Food and drink premises	4,565	160	68	160	73
Other retail	9,804	343	98	196	157
Hotel	12,455	436	125	436	199
Office	4,062	122	41	122	65
Total	31,877	1,110	381	943	532
Situation in 2036	Floorspace in 2036	Parking spaces required for floorspace in 2036			
Supermarket	2,000	100	100	60	76
Food and drink premises	6,502	212	91	212	97
Other retail	12,309	431	123	246	197
Hotel	16,511	578	165	578	264
Office	5,385	162	54	162	86
Total	42,256	1,482	533	1,257	720
Additional spaces required by 2036 compared with existing supply		655	-294	430	-107

Source: Moyne Planning Scheme; Calibre Consulting/Movendo, 2016; AECOM, 2011; Tim Nott

Note: Floorspace has been taken from the survey results and from Table 7. Use categories have been adjusted to match those in the car-parking schedule. Supermarket space in 2036 is assumed to include existing floorspace plus all additional food, grocery and liquor floorspace. The table suggests that the development by 2036 will generate a normal peak demand for car-parking that is 294 spaces less than the existing stock. However, this stock may well be required for the high peak demand in Summer Holidays and during Festival times.

4 PAYING FOR PARKING

4.1 Context

New commercial developments in the town centre will attract a parking requirement in order to achieve planning permission. Some developments, such as commercial accommodation, will wish to have on-site parking as part of the normal operation of their business. However, most developments will likely be happy to have off-site parking given the nature of the streetscape and the size of the allotments in the Port Fairy town centre. This has been how most spaces have been provided up until now, with the Council effectively providing most parking spaces at no cost.

The parking analysis undertaken by Movendo, combined with the forecast of future development earlier in this report, suggests that the existing number of parking spaces will be adequate for forecast development up to at least 2036. However, some of the existing informal spaces will need to be formalised to be effective for users. This will require paving, line-marking and signage.

Three options for paying for parking in the future are explored briefly here:

1. Business as usual – Council to continue to develop and maintain on-street parking at its own cost
2. Payment in lieu scheme – developers to pay Council a fee for each car-parking space that the planning scheme (as adjusted by the Movendo parking analysis) indicates should be provided
3. Special charge scheme – all land-owners in the town centre to pay a levy as part of their rates to pay for the provision of parking based on the number of spaces that the adjusted planning scheme indicates should be provided

4.2 Option 1: Business as Usual

The Council could continue to maintain and improve parking to serve the town centre at its own cost. This could be seen as an economic development initiative, providing support to the Port Fairy town centre in order to boost incomes and employment. However, Council should understand the extent of this support in order to compare the cost with other potential spending measures.

The table below identifies how many spaces will need to be improved to provide efficient and effective parking over the period to 2036. It assumes that Council will provide all the additional spaces required and is therefore a ***theoretical maximum cost***. The cost of each space includes the cost of paving and marking based on each space requiring 36 square metres and a construction cost of \$120 per square metre (extrapolated from Napier & Blakeley, 2012, and including an allowance for signage).

Table 10: Indicative cost of improving parking spaces, 2016 to 2036 (\$2016)

Currently paved and marked public spaces	482
Forecast demand for spaces in 2036	533
Spaces requiring improvement, 2016-2036	51
Cost per space (including 2% administration cost)	\$4,400
Total cost	\$224,400
Indicative cost per year	\$11,220

Source: Tim Nott

Note: These figures are broad estimates only and should be subject to further analysis by a quantity surveyor

The total cost of providing the additional improved parking is estimated at \$224,000 over 20 years.

(If parking demand should substantially exceed the rate allowed for by Movendo, Council may be required to purchase new land for the construction of more car-parking spaces. This would be an expensive exercise given the cost of land in and around the town centre. Land costs of house blocks around the town centre would be between \$500 and \$1,000 per square metre judging by the properties for sale in July 2016. Each space requires 36 square metres and with construction and signage costs on top, each space would cost between \$23,000 and \$41,000 to develop. These kind of costs have not been allowed for here.)

4.3 Option 2: Payment in Lieu Scheme

Developments which choose to make use of the public parking resource can be required to make a contribution to the cost. It makes sense if this contribution is equivalent to the cost of improving the existing informal spaces already provided by Council so that they can be used more easily and effectively by visitors to the centre. Each development would therefore be charged \$4,400 (or the assessed cost) for each space it is otherwise required to provide on-site by the planning scheme.

The money thus collected would go into an account administered by Council to be used for the sole purpose of providing and improving parking and traffic management in the town centre. The actual charge would need to be adjusted on an annual basis to take account of inflation.

This option provides a justifiable means for Council to collect a contribution to the cost of providing public car-parking in the Port Fairy town centre, with a clear nexus between the payment and the use of the parking facility. The payment in lieu scheme could be seen as penalising newcomers, whilst the existing occupiers get a “free ride”. The scheme does add to development costs and may, at the margin, deter investment. However, the scale of the charge proposed here is at the lower end of the range of payments in other places. Movendo shows that payments range from \$2,000 per space in Echuca (in 2008) to \$13,000 or more in Torquay (2012) and Apollo Bay (2011). In addition, the parking rates identified by Movendo are lower than in other jurisdictions.

4.4 Option 3: Special Charge Scheme

A special charge could be levied on all property owners in the town centre to generate a contribution towards Council’s costs in providing public car-parking. This could take the form of a one-off payment or an ongoing addition to the rates charged to properties in the area. Such a charge could theoretically provide an equitable impost on all properties that derive value from the publically provided car-parking. However, in practice, the equitable implementation of such a scheme could be difficult. The following questions need to be considered:

- Should the charge cover all the costs of publically provided parking, even though some of the benefits of the parking flow to people other than the property owners and occupiers (including visitors and residents and businesses outside the centre)?
- Should property owners which provide on-site parking be charged? If not, will the on-site spaces be policed to ensure that they are available and not used for storage or other purposes?
- How should residential properties be treated given that many of them are operated as commercial holiday lets?

- If the cost of an ongoing scheme is to cover Council's parking maintenance costs, will this be scaled up as Council-provided parking expands (or at least, becomes more formalised)?

These problems of definition and nexus are not insurmountable but they do add to the complexity of administering any such scheme and leave it open to challenge on many fronts.

4.5 Conclusion on Paying for Parking

If Council is to recoup any of its costs in providing car parking for Port Fairy town centre, the simplest way will be to implement a payment in lieu policy. This will effectively draw a line under the existing parking provision and treat it as a sunk cost.

The costs identified here - \$4,400 per space not provided on site (cost to be confirmed by Council) – will pay for turning informal into formal car-parking and to provide signage and other parking management measures as appropriate. The cost can be levied on new developments in the town centre in accordance with the parking ratios identified by Movendo.

This method has the following benefits compared with a special charge:

- easy to implement
- clear nexus between the cost charged and the benefit delivered, and therefore easy to justify to developers and in planning contests
- Applies to all development regardless of whether it is commercial or “residential”

The cost of \$4,400 per space is at the lower end of the range being charged in other cash in lieu schemes around Victoria. It should not prove a substantial disincentive to investment.

Once implemented, the cash in lieu scheme must be monitored from time to time to ensure that the expected parking demand identified here is matching real experience and that the scale of the charge is appropriate. The charging regime is designed to last until 2036. However, a substantial review must be undertaken well before then in order to understand at what point, if at all, land needs to be purchased to accommodate new parking. A scheme to save for land purchase would be appropriate in this circumstance.

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