



“When we first interviewed our community about what priority issues they felt the committee should focus on, car parking kept coming up.

We asked ‘Really? We are giving you the opportunity to ask for any infrastructure or policy change that will benefit our region and you want us to investigate car parking?’

The emphatic reply was always ‘Yes! You won’t fix Frankston’s economy without fixing car parking!’”

*– Chris Richards, deputy chair,
Committee for Greater
Frankston*

Lack of car parking is an economic problem

Executive summary

There is a shortage of car parking in most outer suburban activity centres and at commuter train stations. In Frankston, provision of car parking has not kept pace with development and prevents our economy from functioning efficiently.

Parking ratios that are suitable in inner-city areas like Richmond, which are serviced by a world-class public transport system, are not appropriate in outer suburbs with their less frequent public transport services.

The state government can take action by changing clause 52.06 of the Victoria Planning Provisions to better reflect the parking needs of outer suburbs.

A change in approach to outer suburban car parking will cost the government nothing but will resonate strongly in municipalities struggling under the pressure of Melbourne’s rapid population growth. Complementing this is the principle of allowing residents to park and catch trains at a station near where they live.

So, what is going on? Why is car parking such an issue in Frankston's CBD?

The shortage of car parking is a recurring theme in all outer suburbs. Here in Frankston, the shortage has hit crisis point.

Local traders and Frankston residents are petitioning for more affordable car parking. Shoppers bypass their own city for other retail destinations with more accessible parking. As a result, businesses have moved out of the CBD and left vacancies. Employees are turning down promotions based in Frankston's CBD because the cost of parking absorbs any increase in wages. Even one of our local newspapers has left the city centre citing lack of parking.

When access to a place of business is inadequate or becomes unaffordable (as has occurred with Frankston's car parking), it puts a handbrake on growth of both regional businesses and employment.

Frankston train station's commuter car park is full by 6.30am on weekday mornings. After this time, all other unrestricted all-day car spaces, up to 500 metres in every direction from the station, start to fill rapidly. By 9am, access to parking in Frankston has become a barrier to doing business.

Shoppers unable to access free 30-minute on-street car parking pay \$1.50 for the first hour at car parks owned by Bayside Shopping Centre, which comprise 57 per cent of all public parking spaces in Frankston CBD. Parking at these locations can cost up to \$13 a day. This may not raise an inner-city eyebrow, but the cost represents almost 10% of the minimum daily wage.

Over the past three years, price inflation has been running unchecked. Regular Frankston visitors and shoppers would have experienced car parking cost rises of between 30 and 67%. Frankston workers reliant on publicly accessible all-day car parking would have seen steep price rises of between 30 and 240%. (*Source: Comparison of Bayside Shopping Centre and Frankston Council listed parking charges from July 2015 to April 2018.*)

"This parking costs \$13 a day, up from \$11 just a few weeks ago. It's quite a whack for people on a wage."
– Greg Sharman, dental clinic owner

And yet, despite decades of these 'market signals', supply is not responding

Frankston has seen continuous development, both public and private, over the past two decades – a new railway station, an expanding shopping centre, new government departments, new residential and office blocks – but the supply of publicly available car parking has not responded to the city's shortages.

Here are a few examples:

- 1 A 2015 Department of Economic Development (DEDJTR) report showed that Frankston station's 416-space commuter car park was at 103% capacity (12 cars parked illegally) but the current Frankston station redevelopment does not include any new parking.
- 2 Bayside Shopping Centre (Vicinity Centres) owns 57 per cent of publicly available car spaces in Frankston CBD, acquired by buying car parks from Frankston Council and expanding its existing car parks. Despite this, Bayside's parking ratio is 3.9 spaces per 100sqm of gross lettable area (GLA) for food and retail shops, just short of the planning scheme requirement of 4 spaces per 100sqm GLA. In Victoria, Vicinity doesn't charge for car parking at 22 of its 28 centres, including the flagship Chadstone centre. However, of the 6 Vicinity centres that do charge for car parking, Frankston has the dearest suburban car parking charges. Only DFO South Wharf at Docklands in inner city Melbourne charges more.
- 3 South East Water's head office – opened in 2015 and overlooking Frankston's waterfront – was built on a council-owned car park tendered to SEW. Only 200 car parks were included in the 8-storey building for its claimed 700 staff. The Victorian government-owned corporation now subleases (from Bayside) an entire second car park of 125 spaces for its staff that was previously available to the general public, including CBD workers parking all day for \$5.
- 4 A five-storey mixed residential and retail development is currently under construction on Clyde Street in Frankston's CBD. The statutory car parking requirements were reduced on this permit. The development provides 61 car spaces for 60 units. The ground floor will have seven retail tenancies (947 square metres of gross leasable area or GLA floor space), yet no provision has been made for any publicly available car parking.

Why aren't new car parks being built?

Car parking supply has failed to keep pace with development. We believe the reason for this is that – When making decisions about car parking – bureaucrats are guided by rules and perceptions that are relevant to the city centre and inner suburbs but are inappropriate to outer suburbs.

It is sensible to plan to reduce car parking requirements in inner-city developments that are well serviced by public transport and have easy access to shops, other businesses and services. Or, alternatively, to encourage tram and bike connections at urban train stations.

However, the same “car parking reduction logic” is being applied equally to outer suburban areas that don’t have adequate local public transport networks. And in these towns and suburbs, let’s be honest, no government is intending to upgrade the local transport infrastructure to world-class standard.

The great paradox is that the Victoria Planning Provisions apply the same car parking-to-floor space ratios in Richmond, for example – which has five train stations, seven tram routes running at 7-10 minute intervals, shared pedestrian and bike trails, and a bus route – as are applied in Frankston and neighbouring Karingal, which have limited public transport options with passengers waiting for irregular 20-45 minutes bus services.

Adding to the problem is insufficient commuter car parking at outer suburban train stations. This forces potential commuters to get in their cars and drive to and from work, adding to road congestion, instead of catching a train from a local station in or near the suburb where they live.

There is a lack of understanding by decision-makers about the cumulative economic impact of thousands of isolated car park management decisions.

Car parking crises don’t happen overnight – they are the cumulative result of thousands of decisions that might be sensible in isolation but have unintended consequences resulting in a poorer overall economic outcomes.

For instance:

1 Increasing the cost of all-day parking reduces commuter demand to park near Frankston station, but commuters who work in central Melbourne on average earn higher wages than Frankston workers, so Frankston-based businesses and workers will be more adversely impacted by any price increase. This can force businesses to move out of Frankston’s CBD, which results in fewer shoppers and, consequently, even more businesses moving. Meanwhile, Frankston commuters displaced by higher parking costs will drive to a more affordable station car park further up the line or drive into the city and create even more inner Melbourne congestion.

2 Selling, privatising or reserving publicly available CBD car parks for redevelopment (to encourage local employment in the CBD) or to protect the interest of a particular group (for example, council staff, users of council facilities, and TAFE students) simultaneously:

- Decreases the existing car parking supply.
- Increases car parking demand with new users moving into the Frankston CBD.
- Displaces businesses, workers and customers previously using these spaces.
- Transfers control of future pricing and management decisions to a stakeholder with a vested commercial interest.

How does this need to change?

There are no silver bullets that will magically solve Frankston lack of car parking. Instead, we are calling for a policy rethink that recognises the economic benefits of providing affordable parking at outer suburban activity centres and train stations.

State government can take the lead on fixing outer suburban car parking by:

- 1 Changing clause 52.06 of the Victoria Planning Provisions to:
 - a. Create a requirement for authorities to **take into consideration a town or suburb’s existing “access to reliable, frequent and effective public transport” and current “publicly available car-park-to-floor-space ratios”** when evaluating the appropriate car parking requirements of a new development planning permit.
 - b. Introduce a **mandatory Victoria-wide car parking “cash-in-lieu” scheme for developments** that are unable to meet appropriate car parking requirements on a specific site. Money from the scheme would be specifically allocated to construction of new car parking areas only and not just go into “general revenue”. The scheme needs to be statewide so developers do not “play off” councils against each other.
 - c. Simplify parking ratio categories by using a common standard of “publicly available car parking to floor space” for all developments, that is, shops, cafes and office buildings. This would be separate from dedicated private car parking assigned to residential buildings and specific apartment owners and/or occupiers.
- 2 **Appreciating that adequate commuter car parking needs to be provided at train stations to allow people to catch trains in their own suburbs (or nearby).** At end-of-the-line stations such as Frankston, this policy would mean construction of large park and ride areas for commuters that do not take up valuable commercial land. (See the *Case for extending the Frankston train line, June 2018* for more details.)