

The Effects of Paid Parking on Customer Numbers

Draft Annual Plan 2025/26

Paid Parking is a charge on shoppers

- Most of the time on the street now - since a parking charge introduced
 - carparks are empty
- No cars in the car parks means
 - there are no customers in the shops / cafes
- So less money being spent
- Shoppers have decided to go elsewhere – likely where parking is free
 - Demand for parking is inelastic
 - That is, If you charge to park, *on a suburban street*, shoppers don't come
 - There are far less cars and shoppers now.
 - Our staff stand around waiting for a car to park = shopper

The effect on our business

- Sales from Oct 2024 to March 2025
 - Sales decreased \$51,365.89
- Annualised = over \$100,000 down
- We were limping along through the tough economy
- Now, the drop in customer numbers, from charging shoppers to park, has made the business unsustainable

The Impact on Jackson Street

- Without a higher numbers of cars – and shoppers
 - There are insufficient sales
 - We're at a non sustainable business level
 - Loss of local jobs
 - No business profit means no rent to the building owners
 - Means lack of maintenance of the heritage buildings
 - Revert back to the visual state of the street in the 1970's to 1990's

Jackson Street – How it works

- **The nature of how Jackson Street is shopped – it's a suburban street**
 - **Customers come to the street, walk, shop, dine at a café –**
 - **this requires 90 minutes free parking, or they won't come.**
- Wellington City Council recognised this
 - See suburban centres like Kilbirnie with 90 minutes free parking
- There is now a major stress on the smallest, most discretionary businesses
- These are the businesses that add the vibrancy to the local Petone/LH village

The UK Solution

- Realised the vibrancy of the village high street was being lost
- A negative community impact and loss of small business/jobs
- Govt Categorised business into 4 groups
 - Small High Street Discretionary / lower sales – important - vulnerable
 - Large Format High sales – many not discretionary but necessary
 - Shopping malls
 - Online only – operating from lower cost locations

The UK Solution

- The goal was to be rates neutral but reallocate based on ability to pay
- UK Labour Party
- Effective 2026/27 year
- We could look at something similar
- This would reduce the need to rely too heavily on parking charges

Money for Water Pipes and Council Spending

- Parking meters on Jackson Street = forecast revenue circa \$400,000
- Or an increase of 0.5% general rates
- The water pipes burden belongs to all residents
- Using the UK model – it could be possible to look at rates across the 4 categories – and lower the need to charge customers wanting to shop at the at the smaller businesses

An Alternative Funding Example

- Categorised business into 4 groups
- 6 large format businesses
 - Paying an additional \$2500 per month rates X's 12 months
 - Equals \$180,000pa
- The Shopping mall - \$8000pm extra = \$96,000 pa
- Of the \$400,000 ish over \$276,000 could be gained from larger business + the mall
- Then - First hour free on Jackson Street – current parking hours –
 - would encourage shoppers back, and make up the balance of budgeted income.
 - A charge after the first hour to park– more efficient use of parking spaces

My Submission

- Oppose the 0.50cents per hour increase in parking on Jackson Street
 - Charging shoppers to park means empty carparks – fewer shoppers – fewer sales - non viable business.
- Review the parking regime – Make the first hour free immediately
- Look at the UK model to make up the first hours parking +
 - Retain the village street vibrancy / small businesses / jobs
 - (The example extra rates in this submission is a smaller burden than the actual lost revenue in my business. That is \$30,000pa V's over \$100,000pa)
- Don't kill the heritage street – remember it's a suburban street, not a city centre
- And is one of our cities & NZ's great shopping / hospitality streets.

- John Donnelly
 - Business Owner Jackson Street
 - Building Owner Jackson Street