

## 10.14.Review of On-street Parking Infrastructure

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<b>ATTACHMENTS</b>	1. CONFIDENTIAL - Onstreet Parking Tender Evaluation Summary [10.14.1 - 1 page] 2. Complaints Received Post Installation and Mitigation Strategies [10.14.2 - 2 pages]
<b>CSP LINK</b>	2. Our Built Infrastructure 2.4 Efficient traffic mobility and parking

### PURPOSE:

The purpose of this report is to provide a review of the recent replacement of on-street parking meters across the North Sydney LGA.

### EXECUTIVE SUMMARY:

- Revenue generated through on-street car parking is used to fund local services and infrastructure for the community.
- On 12 September 2023, Council called open tenders for the supply, installation, commissioning, and management of the North Sydney on-street paid parking meter (contract 12/2023).
- Following the assessment of tenders, Council engaged the highest-ranked and preferred tenderer Orikan, whose submission ranked highest in capacity, experience, methodology, product & Customer Outcomes, and sustainability.
- Orikan's system includes Touch N Go (TNG) meters and mobile app functionality, bridging traditional parking meters with pay-by-phone technology.
- Orikan commenced installation of parking meters on 20 May 2024, and the new parking infrastructure was fully operational on 24 July 2024.
- Despite a reduction in revenue, an increase in transactions has seen 25,000 transactions occur across Council's on-street parking network each week.
- This early transaction data indicating an increase in transactions across the network and a drop in revenue, would indicate users are utilising the PayStay App which enables payment for the period used and the termination of parking session rather than minimum stay.
- Community feedback on the new parking meters has been mixed, with concerns primarily about needing to access digital technology to pay for parking. Council has recognised these concerns and has moved to alleviate issues raised, including the installation of

additional meters. Despite the negative feedback, there has been some general positive feedback about the functionality of the parking app.

**RECOMMENDATION:**

- 1. THAT** Council notes the contents of the report and ongoing initiatives to assist with the transition to the new on-street parking infrastructure.
- 2. THAT** Council notes an additional 20 parking meters will be installed in high demand areas to increase availability and operational by the end of October 2024.
- 3. THAT** Council proceeds with a full review of its metered parking framework including the development of local guidelines for the use and placement of parking meters.

## Background

### Procurement

The contract for the management and maintenance of Council's on-street parking meter system was due to expire in July 2024. This arrangement had previously been extended under the provisions of the contract and there were no options to further extend the existing contract.

The Telstra 3G Network in the North Sydney LGA was also due to shut down on 30 June 2024. The existing meters were not able to be upgraded to operate on the 5G network, due to their age. The shut-down would render North Sydney's existing parking meter network non-operational.

Council subsequently commenced research into available technologies and the development of tender documentation for the replacement of Council's on-street parking meter infrastructure. The research confirmed a move towards the obsolescence of cash-based on-street parking meters and the growing integration of services through applications on smartphones, which now add considerable functions that improve parking.

On 12 September 2023, Council called open tenders for the supply, installation, commissioning, and management of the on-street paid parking meter network for the North Sydney LGA (contract 12/2023). When tenders closed on 10 October 2023, Council received eight submissions.

Governance of the tender process was overseen by Council's Procurement Panel to ensure adherence to the tendering requirements within the NSW Local Government Act, Regulations, and Council's procurement policies and procedures.

Tenders were assessed against the criteria outlined within the tender document by a panel of four representatives from different departments across Council. Weighting of the tender criteria was as outlined in Table 1 below.

<b>Criteria</b>	<b>Weighting</b>
Price	20%
Capacity and Experience	25%
Methodology	15%
Product and Consumer Outcomes	20%
Sustainability	10%
Program Duration	10%
Work, Health & Safety	Mandatory
Insurance	Mandatory

*Table 1*

Upon initial assessment four of the eight submissions were found to be non-compliant as they had not responded to the mandatory criteria outlined in the tender documentation. These submissions were excluded from further evaluation.

The remaining submission were assessed against the previously outlined criteria. The assessment process also included interviews with each of the proponents to confirm information proposed within their submissions and their proposed processes and technologies.

Upon completion of assessments Orikan was ranked as the highest overall tenderer and highest scoring tender across each individual criteria with the exception of program and initial price.

Orikan's submission proposed a longer installation program, however the program still enabled the installation of the new meters before the shutdown of the 3G system.

In addition to a conforming submission, Orikan also proposed an alternative system that reduced the number of standard parking meters through the use of non-traditional 'Touch N Go' (TNG) point of payment devices and the use of phone application-based technologies.

Orikan's alternative proposal reduce upfront costs and Council's ongoing maintenance liability over the life of the parking meter assets, which is estimated to be in the order of \$1M per annum. This was an important consideration given Council anticipates that parking meter income will decline as the use of alternative forms of transport and technologies increase. The recent opening of the Metro is a case in point. Other financial considerations included Councils current financial position, along with the loan outstanding for the obsolete parking infrastructure.

As part of their alternative proposal, Orikan and Council agreed to the conversion of Council's 400<sup>1</sup> existing meters to 117 parking meters and 211 Touch N Go (TNG). An additional twenty meters were provisioned to enable Council to respond to feedback received post-installation of the new parking infrastructure. These meters have now been installed and will be operational at the end of October 2024.

The Orikan proposal also demonstrated significant previous experience with the operation and installation of the proposed system and cited having previous recent installations of similar on-street parking meters at the following councils:

- Blue Mountains City Council;
- Brisbane City Council;
- Darwin City ; and
- City of Ryde.

Orikan have also installed parking meters at:

- Adelaide City Council
- Burwood Council
- Canada Bay
- Byron Bay

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<sup>1</sup> It should be noted that the number of parking meters in the LGAs fluctuates due to the implementation of changed road conditions.

- Joondalup Council
- Sunshine Coast
- Gold Coast

Orikan's submission included an 8.25% surcharge for using premium services such as the PayStay App, Touch N Go meters, and phone payments for parking. The use of this service enables:

- the ability for users to identify parking zones with greater availability of parking spaces before arriving.
- payment for the period which the user has parked, as opposed to minimum stay.
- the ability to terminate a parking session, to allow users not to over-pay for parking.
- the ability to remotely top-up parking and avoid fines.

Three of the four submission received proposed surcharges between 6%-10%. The surcharge, which equates to five minutes of paid parking, can be avoided by paying at traditional parking meters.

The surcharge is a user pays system for additional parking functionality. Council could consider absorbing the surcharge, however this would reduce the user pay nature of the charge and instead requires ratepayer subsidy. Council could increase car parking charges to absorb the surcharge, however this would result in a subsidy from those users not taking advantage of the functionality of the app, essentially increasing their car parking charge.

Orikan's submission was assessed and rated highly for data security, with a comprehensive approach to data protection. The company adheres to key industry standards including PCI-DSS and ISO 27001, as well as the ACSC Essential Eight practices, ensuring best practices for data security and breach prevention.

Orikan's secure data storage is not accessible from the internet and is stored entirely in Australia, further safeguarding sensitive information. Additionally, Orikan is committed to providing regular high-level audit reports to Council in relation to data security.

The submission from Orikan was considered the best value tender and Orikan was recommended to Council as the preferred tenderer. Approval was sought from Council to reject all tenders and allow negotiation with the preferred tenderer, which enabled Council to finalise a contract with Orikan using their proposed alternative.

Council subsequently finalised and entered into contracts with Orikan for on-street parking meters for a period of 5 years. A summary of the tender assessment has been attached to this report (attachment 10.12.1)

### Installation

On 5 May 2024, Telstra announced that the 3G network would remain operational until 31 July 2024, which effectively gave Council another four weeks to install, commission, and test the new on-street parking infrastructure.

Orikan commenced installation of parking meters on 20 May 2024, and the new parking infrastructure was fully operational on 24 July 2024, in accordance with the provision of the contract. Work was completed without any Work, Health, and Safety (WHS) issues or public safety incidents.

### Change Management and Communications

On average, over 25,000 transactions occur across Council's parking meter networks each week. Noting this, Council developed a comprehensive communications plan in conjunction with Orikan to advise of the proposal and assist users with the transition to the new parking meters. The plan included the following notifications:

- 11 June: 'Parking payments going cashless' stickers placed on all existing meters;
- 4 July: information about the new meters posted on Council's website;
- 17 July: announcement in Councillor Bulletin;
- 22 July: North Sydney News article published – printed newsletter distributed to 50,000 households within the LGA;
- 22 July: Social media posts on Facebook and Instagram;
- 22 – 28 July: Orikan Staff and Rangers on-street in North Sydney LGA assisting the community on the new parking meter system during the 'go-live' period; and
- Throughout June/July/August 2024 : articles in multiple Council e-newsletters, posters on our 60 LGA-wide community noticeboards, and promotion via Council's Customer Service team.

In response to public feedback, Council organised two information pop-up events led by Orikan representatives on Wednesday 18 September (10am–4pm) at Burton Street Plaza, Kirribilli, and Thursday 19 September (9am–3pm) on Willoughby Road, Crows Nest. Overall, community interactions ranged from advocacy to frustration.

Concerns about the surcharge were less prominent in person compared to social media. When the surcharge was raised, representatives demonstrated how it appears clearly during the payment process, which alleviated most concerns. Additionally, information was provided on the locations of traditional parking meters for those wishing to avoid the surcharge.

Feedback from older community members indicated that setting up mobile parking app was time-consuming and challenging, particularly for those unfamiliar with mobile applications. However, most found the process manageable after receiving guidance, and initial hesitation shifted to acceptance.

Overall, negative interactions were fewer than expected. Other topics raised included concerns about excessive signage, requests for free parking, and dissatisfaction with public space presentation. The topic of cashless parking meters was seldom discussed, and when it was, it generally led to questions about alternative payment methods, rather than objections to the cashless system—helped by the understanding that physical card payments remain an option.

The following list provides specific data on the type of complaints that Council has received since the installation of the on-street parking system:

- That North Sydney Council is discriminating against older demographics with the requirement of smartphone technology to pay for parking.
- The misconception that PayStay registration is essential to park in North Sydney
- That users without smartphones are unable to pay for parking in some areas.
- Complaints referring to data security, centred around the amount of information required to pay using PayStay.
- The misconception that there are no parking meters available in North Sydney that do not require the use of a smartphone.
- People have been defrauded by downloading PayStay from non-reputable sources and provided their details to fraudulent companies.
- That there were no instructions for use for the TNGs, and it was unclear that they were not 'tap n go'.
- Customers unable to use their coins to pay for only a few minutes in the parking meters.
- Using PayStay Guest was slow, and clunky (resolved with updates from Orikan).
- That we do not use Park N Pay App and general dissatisfaction that different LGA's use different meters and apps.
- Unclear to the community that payment could not be made by tapping the card to the screen on the parking meters (resolved with graphics directing payment to the stem of the meter).

The following measures and initiatives were implemented by Council following the initial feedback received following the initial installation:

- detailed instructional video on how to use the new meters and Touch N Go boxes published on Council's website and social media channels;
- comprehensive FAQs addressing all community concerns published on Council's website and social media channels;
- development and distribution of updated stickers and signage for the old and new meters;
- dedicated community information stalls in Milsons Point and Crows Nest;
- Relocation of 10 parking meters from under-utilised areas to high transaction areas. 35 Additional Touch N'Gos have also been installed;
- 20 new parking meters to be installed by the end of October 2024, with 12 more Touch N'Gos to be installed early November 2024.

In addition, the following Operational measures have/are being taken to improve customer experience with:

#### Parking meters

- graphics on parking meter changed to highlight the payWave box located on the stem, alleviating confusion of customers attempting to tap the touch screen to pay;
- meter touch bar sensitivity adjusted remotely to allow for easier 'wake up';
- in the process of amending screens to provide clearer instructions when servicing multiple tariffs.

Touch N Go boxes:

- minimum increments of payment changed to 1-minute rather than 15-minutes on PayStay Guest
- continual improvements to the PayStay Guest App:
  - o reduced loading time of 10-15%;
  - o optimising caching to improve loading for return visitors;
  - o additional payment options via Apple Pay and Google Pay;
  - o Click to Pay made available (opt-in to remember card details)
  - o Installation of signage on TNG boxes to advise users of the nearest available parking meter.

A more comprehensive list of the mitigations strategies that have been implemented post installation are attached herein (attachment 10.14.2).

### Current Situation

Council is currently receiving in the order of 25-30 direct complaints per week, mostly related to the PayStay Guest App. Council is providing instruction on the use of the App/ system and has also recently installed an additional twenty meters, which enables payment through debit card.

Council is monitoring complaints and transactions by location to identified locations where meter locations need to be reviewed, or additional meters are required.

Council staff are also reviewing locations and data to understand whether additional parking meters are required. The supply and installation of an additional parking meter is \$7,500. During this period Council will also investigate whether the availability of parking in certain areas can be managed through the use of timed parking restrictions rather than paid parking.

Since the installation of the parking meters daily transaction volumes (all transactions) have increased, although the proportion of payments made by phone (PayStay app and Guest) has remained steady at approximately 49%, even at locations where additional traditional parking meters have been installed.

Council is continuing to actively respond to direct messages on social media, addressing concerns, providing information to the community, and responding to media enquiries.

Council is planning to hold further pop-up sessions at community centres, which would allow for greater accessibility and engagement across different areas of the community. In addition, Stanton Library staff will be upskilled to assist with app-related inquiries. This training will assist the existing technology support sessions, enabling them to provide guidance and answer questions about the mobile app payment process.

An article will also be featured in the summer edition of North Sydney News which is hand-delivered to all residents, and a poster will be displayed on community noticeboards from 20 October to 30 November 2024, providing a link to the FAQs and Customer Service telephone numbers (both Council and Orikan), offering clear and accessible information to the public.



## Revenue

Council has limited opportunities to generate revenue. Revenue from on-street parking is a significant component of Council's income, which enables Council to maintain other fees and charges to support the levels of service currently enjoyed by the community.

There has been a significant decline in Council's revenue from on-street parking since the Global Pandemic in 2020 as indicated in Table 3 below. Given the workplace changes that have resulted from the Pandemic it is unlikely that this revenue is likely to rebound. Anecdotal evidence indicates that on-street parking has been further reduced by the recent opening of the Metro. It is also thought that the ongoing transition to public and active transport will continue to reduce paid parking revenue.

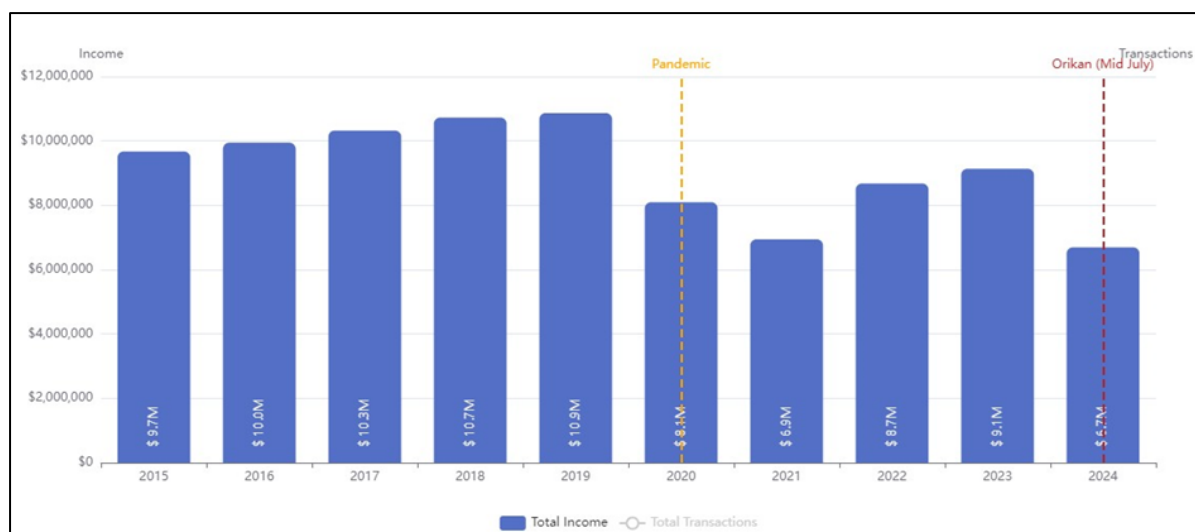


Table 3

Whilst transaction numbers have increased, data collected indicates that the average transaction value and overall revenue from on-street parking has declined since the installation of the new parking infrastructure. This has been attributed to the increased use of the PayStay App, which enables users to terminate a parking session as soon as they leave and only pay for the time they are parked.

Previous parking systems defaulted to a minimum stay and could only be adjusted in increments of 15 minutes, which often resulted in users paying for time they did not use. In using the Paystay App users are only paying for the time they were parked, effectively reducing their parking costs.

### Financial/Resource Implications

There are no financial implications for Council in adopting the recommendations within this report, however the reduction in on-street parking revenue is brought to the attention of Council.

Management of issues and adjustments to infrastructure are being managed within existing operational budgets and resources.

On-street car parking is a user pays charge which allows income to be generated for use of car parking. Given the significant inflow of non-residents to North Sydney each year, this income ensures a financial contribution by workers and visitors towards the services and infrastructure provided by Council.

### **Community Engagement**

No specific community engagement has been undertaken to inform the recommendations within this report.

### **Legislation**

- Transport Administration Act 1988
- Transport Administration (General) Regulation 20218
- Roads Act 2013