

**Report to General Manager**

Attachments:

1. Summary of Councils offering Free Parking at Parking Meters

**SUBJECT:** Response to Mayoral Minute - Proposed 12-month Trial of 15-Minute Free Parking at all North Sydney Council Parking Meters

**AUTHOR:** Leonie Wishart, Manager Parking Meters

**ENDORSED BY:** Duncan Mitchell, Director Engineering and Property Services

**EXECUTIVE SUMMARY:**

Council at its meeting on 23 March 2020 (rescheduled to Monday 6 April 2020) considered a Mayoral Minute regarding this matter and resolved (Min. No. 56):

1. *THAT Council receive a report from the General Manager (Director Engineering and Property Services) outlining the practicality of running a 12-month trial for free 15-minute parking at all North Sydney Council parking meters.*
2. *THAT the report be submitted to the 27 April 2020 Council meeting, if practicable.*

This report outlines the implications, both financial and operational of undertaking such a trial.

**FINANCIAL IMPLICATIONS:**

This proposed 12-month trial to permit 15-minute free parking across all of Council's parking meter network will have an impact on Council's revenue estimates for parking meters. It is estimated that across Council's entire network of 435 parking meters (2713 parking metered bays) that the cost impact will be approximately \$4,064 in revenue forgone per week or \$211,305 revenue forgone over the 12-month trial period. These forecasts in revenue foregone are based on the current income data that Council has on each parking meter bay in each parking meter zone for stays that are less than 15 minutes over the last 12 months.

This data is available through Council's parking meter management system.

There are also estimated operational costs of \$290,000 in staff time and administration to manage the re-configuration of Council's 435 parking meters.

The total estimated costs in revenue foregone and operational costs to undertake this 12-month trial is \$501,305.

It is also important to note that Council's current parking meter income across the entire parking meter network since March 2020 is down by over 80% per week as a result of the impacts that the COVID-19 Pandemic Crisis is having on business activity in the North Sydney Area. The total forecast for Parking Meter income for the 2019/20 Financial Year is being amended down

Report of Leonie Wishart, Manager Parking Meters

Re: Response to Mayoral Minute - Proposed 12-month Trial of 15-Minute Free Parking at all North Sydney Council Parking Meters

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from \$9,635,000 to \$7,879,955 as at 30 June 2020, a forecast reduction in Council's revenue of \$1,755,045 in just over 3 months.

**RECOMMENDATION:**

1. **THAT** the report be received.
  2. **THAT** Council continue with the 15-minute free parking trial at Cremorne.
  3. **THAT** should Council wish to pursue an extension of 15-minute free parking after the Cremorne trial, the matter be considered in conjunction with the Parking Meter Solution Contract Tender which is due to expire on 31 December 2021.
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**LINK TO COMMUNITY STRATEGIC PLAN**

The relationship with the Community Strategic Plan is as follows:

- Direction: 2. Our Built Infrastructure
- Outcome: 2.4 Improved traffic and parking management

**BACKGROUND**

Council at its meeting on 23 March 2020 (rescheduled to Monday 6 April 2020) considered a Mayoral Minute, MM05: Free 15 Minute Parking at all Meters and resolved (Min. No. 56):

- 1. THAT Council receive a report from the General Manager (Director Engineering and Property Services) outlining the practicality of running a 12-month trial for free 15-minute parking at all North Sydney Council parking meters.
- 2. THAT the report be submitted to the 27 April 2020 Council meeting, if practicable.

This report outlines the implications, both financial and operational of undertaking such a trial.

**CONSULTATION REQUIREMENTS**

Community engagement is not required.

**SUSTAINABILITY STATEMENT**

The following table provides a summary of the key sustainability implications:

QBL Pillar	Implications
Environment	<ul style="list-style-type: none"><li>• No perceived environmental impact</li></ul>
Social	<ul style="list-style-type: none"><li>• Reduced income may affect the quality of local infrastructure services provided to the community (e.g. footpaths, drainage, roads) due to reduced capital works reserves.</li></ul>
Economic	<ul style="list-style-type: none"><li>• The financial implications of implementing the 15-minute free parking would be an ongoing impact on the parking meter revenue and transfers to the Capital Works Reserve.</li></ul>
Governance	<ul style="list-style-type: none"><li>• No governance impact</li></ul>

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## BACKGROUND

North Sydney Council currently has 435 parking meters which operate 2713 parking meter bays. The network is divided across the LGA into three parking demand zones which each have a separate fee structure – refer to Table 1 below.

**Table 1. – North Sydney Council’s Parking Meter Network**

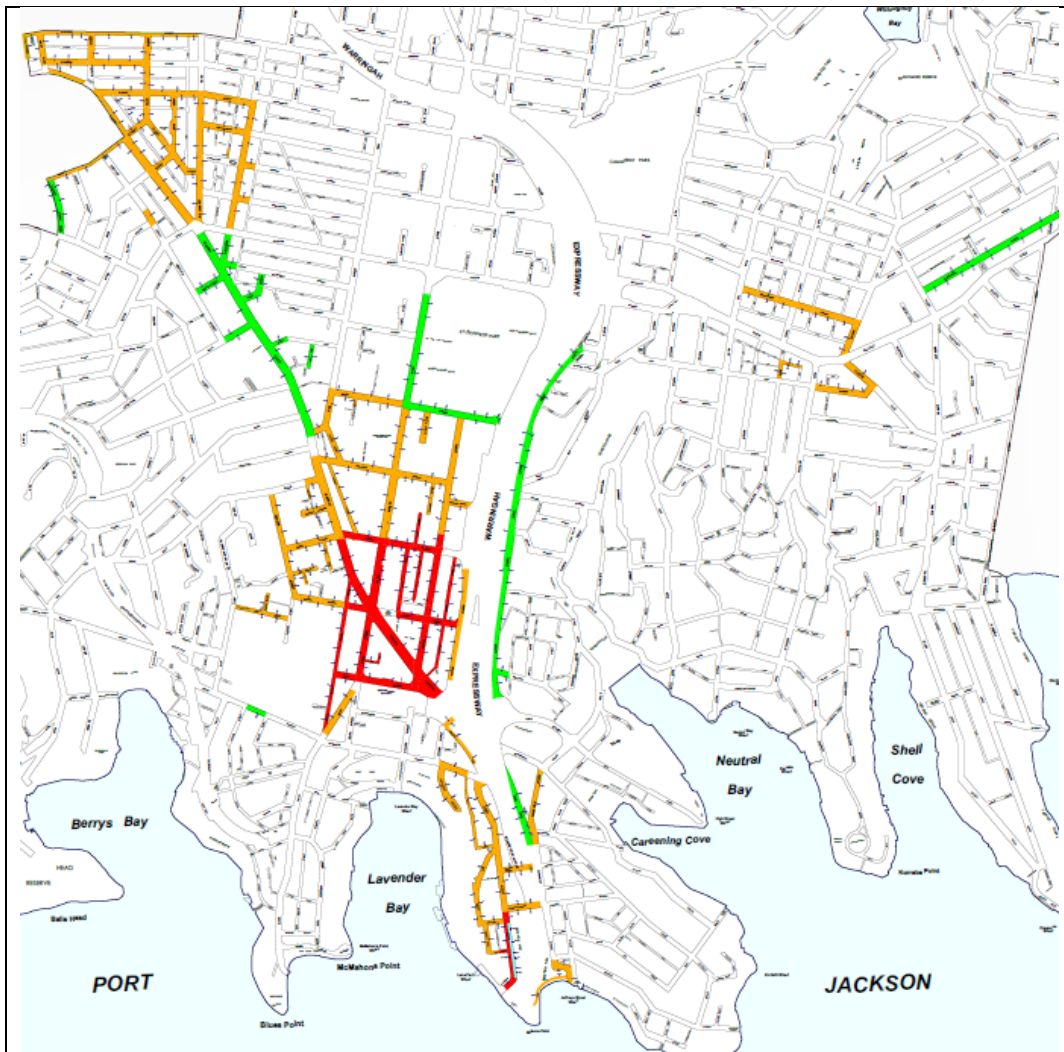
<b>Area – Parking Demand Zone</b>	<b>No of Meters</b>	<b>No of Bays</b>	<b>Revenue from last 12mths – 1 March 2019 to 29 February 2020 (ex gst)</b>	<b>Under 15mins stays % use over the last 12mths – between 1 March 2019 to 29 February 2020</b>
High	79	447	\$2,902,908	27%
Medium	263	1604	\$6,592,167	61%
Low	93	662	\$1,275,827	12%
Total	435	2713	\$10,770,902	100%

The Figure below shows where each parking demand zone is located in the North Sydney Local Government Area.

**Figure 1. North Sydney Council’s Parking Meter Network Map – 2019-2020**

*This map is also available on Council’s website as a PDF:*

[https://www.northsydney.nsw.gov.au/Transport\\_Parking/Parking\\_Management/Meters/Rates\\_Guidelines](https://www.northsydney.nsw.gov.au/Transport_Parking/Parking_Management/Meters/Rates_Guidelines)



The 2019/20 fees and charges for each parking meter demand zone in North Sydney

<b>Parking Meter Rates for 2019-2020</b>		
<b>Parking Demand Areas</b>	<b>Daytime</b>	<b>Evening</b>
	Rate/hour	Rate/hour
<b>HIGH</b>	<b>\$7.80</b>	<b>\$3.70</b>
<b>MEDIUM</b>	<b>\$5.90</b>	<b>\$3.60</b>
<b>LOW</b>	<b>\$3.30</b>	<b>\$2.20</b>

**NOTE**

- Parking for periods of less than 1 hour is available at a pro rata rate.
- The Park & Swim Discount Scheme meters are \$10.30 per hour (maximum 2hours) Mon-Sun 10am to Midnight.

Fees and charges was adopted by Council on 24 June 2019.

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## DETAIL

### Council's Analytics on Parking Meter usage and Parking Meter Technology

North Sydney Council in 2012 completely overhauled its parking meter network with the introduction of new parking meter technology. The upgrading of the network was required to improve the overall effectiveness and efficiency of Council's parking meter systems and infrastructure.

The key benefits that this new parking meter technology has brought to Council since its introduction in 2012 are as follows:

- Parking turnover in metered areas has improved by 44%.
- Occupancy per metered space is down by -6%.
- Number of Pins issued for overstays in metered spaces is down by -11%, better compliance.
- Council has access to more accurate data on parking usage rates, capacity and availability in metered areas.
- Council has more flexibility and accurate data on utilisation of metered spaces which assists Council in determining parking meter fees and charges.

The contract that Council entered in to 2012 with Duncan Solutions expires 31 December 2021. Council is currently preparing a new parking meter contract and specifications for public tender which will be advertised early-mid 2021.

Council has vehicle sensors installed in 1833 parking meter bays across the LGA out of a total network of 2713 metered bays. The areas that are metered and don't contain parking sensors are generally secondary roads, clearways and/or adjacent to developments/construction sites.

The vehicle sensors communicate with the parking meters via a wireless system and data is uploaded in real-time then stored within the On-Street parking meter management system. The sensors record information on the length of stay in the parking meter bay so that Council can get accurate analytics on turnover and utilisation. Analysing the data over the last 12 months across the network the number of stays in Council's parking metered bays that are under 15 minutes was 221,228 which is 12% of the total amount of stays. Most under 15-minute stays occur in the Medium zones (61%) and High zone (27%) while only 12% occur in the Low zone.

The revenue that Council's collected across the network for under 15-minute stays during the same 12-month period was \$211,305.



*Images of Council's vehicle sensors*

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## **Current 12-month Trial - 15-minute Free Parking – Parraween Street, Cremorne**

At its meeting on 26 August 2019, Council resolved to conduct a 12-month trial of 15-minute free parking in Parraween Street, Cremorne (EPS02, Min. No.238). To facilitate this trial under the current Parking Meter Contract, sensors have been installed in all metered parking bays in Parraween Street and the software is being tested before the 15-minute free parking is rolled out throughout the street, which is anticipated to commence in the next month.

### **15-Minute Free Parking - Methodology**

Currently in the industry there are three recognised methods that can offer free parking at parking meters.

#### **1. Automatic - Multi Bay or Pay&Go Meters with Vehicle Sensors (North Sydney)**

Through real-time communication with the vehicle sensor, the parking meter can automatically enable free parking to a metered space when a vehicle enters the space.

The 15 minutes free parking would start when the vehicle enters the vacant parking space, not when the motorist goes to the parking meter. For this system to operate, the parking meter space must have an active vehicle sensor, and the meter requires new software to be installed. The meter would simply display via an app on a Parking Services Officer (PSOs) smart device that the bay has been occupied for 15minutes or less and no infringement would be required to be issued unless the vehicle had overstayed the 15minutes free period and not paid for any additional time.

This method is available under Council's current Parking Meter Contract. The contractor is currently finalising the software trial of 15minute free parking before being rolled out to Parraween Street Cremorne as outlined previously in this report. The COVID-19 pandemic world-wide restrictions have caused delays with sourcing some sensor components from China, India and the manufacturer are based in the US.

The estimated time frame to roll this out to all sensors across Council's Parking meter network is 8-12 weeks, which includes testing and de-bugging any issues. The estimated cost of new signage, meter configuration, advertising and labour on-costs (operations) is \$290,000.

#### **2. Ticket or Pay-By-Plate utilising Pay & Display Machines (Other Councils)**

A number of Councils across Sydney who have introduced periods of "Free Parking" in metered areas use Ticket or Pay-By-Plate utilising Pay & Display machines.

This option is not available at North Sydney Council because Council's parking meters are ticketless Pay&Go or Multi-Bay Meters. The decision to install 'paper-less' parking meters at North Sydney was made in 2003 for environmental reasons.

Pay-by-Plate is a relatively new system and generally this methodology has been applied to a converted Pay & Display meter. Most Councils that offer a period of free parking at their meters use Pay & Display or Pay-By-Plate meters.

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It is important to note, that this type of free ticket meter function is open for abuse because customers can press free parking buttons on the meters every 15 minutes, and as a result the customers could remain in the space all day causing further parking issues through reduced parking turnover and increased parking occupancy.

### **3. Apps – Smart Phones/Smart Devices**

There are several parking apps available on the market including the new NSW Government Park'n'Pay app that can provide this function. Some apps also use 'Pay By Plate' methodology. However, this would require further investigation to determine the contractual implications on Council's current Parking Meter contract and cost benefits.

Council's current Parking Meter Contract, which was entered into in 2012, includes provision of a phone payment option which is currently provided through ParkMobile. At present this service does not have readily available and user-friendly functionality for 15-minute free parking. Council's Parking Meter Manager has requested Council's service provider – Duncan Solutions to outline what the best current parking app available is and what the cost implications for introducing this functionality are.

Parking apps are very likely to be the technology adopted for the future of paid parking. Depending on the app chosen it could provide more versatility and transparency for the user, but also could include wayfinding/directional/GPS locations including vacancy features.

### **15-Minute Free Parking - Financial Implications**

The financial and operational implications of introducing 15minute free parking have been modelled on the same criteria and on street parking environment that operates in other Council areas currently offering free parking. The City of Sydney and Brisbane City Council offer 15-minute free parking in selected locations using ticket and pay by plate machines. City of Sydney have assigned 15-minute free parking to approximately 10% of their metered spaces in selected village areas only.

See Appendix No 1 for a summary of what other Councils that are currently offering short term free parking in metered areas.

It is proposed that if North Sydney Council was to proceed with the 12-month trial, free parking in its metered areas this would only apply to motorists that park for 15 minutes or less. Should the customer want to park greater than 15 minutes then a payment for the full period is required. For example - if a customer wants to park for 30 minutes, they must pay for the full 30 minutes. This is the same criteria as City of Sydney and Brisbane City Council are using.

This model supports better utilisation of Council's on street parking resource by encouraging and accommodating short trips and minor purchases (free parking for people that need to drop into a shop and buy a coffee), better turnover and discourages long term parking. Any changes to parking meter vehicle sensors technology or the introduction of Parking Apps, requires careful testing to ensure the systems are working satisfactorily before going live.

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For the estimated revenue foregone of introducing 15-minutes free parking to Council's metered areas the data is based over 5 years, including estimated CPI, are outlined in Table 2.

**Table 2. Estimated revenue foregone from the introduction of the 15-minute free parking for a 1-year trial at all parking meters (with sensors)**

<i>Below outlines the average income between '15mins &amp; under'</i>	
<b>Activities</b>	<b>Cost (\$)</b>
Estimated revenue forgone per annum. This is based on data from the previous 12 months where customers have paid 15 minutes or less.	\$211,305
The total number of customers that have stayed in Council's parking meter bays for 15minutes or less is 221,228	
The total number of customers that have stayed in Council's parking meter bays over the same period is 1,905,872 so this represents 12% of total usage / utilisation of Council's parking meter network.	
<b>Average revenue foregone loss (1 Year)</b>	<b>\$211,305</b>

**Table 3. Estimate revenue forgone over 5 years including CPI.**

Note this is based on current usage and also the current Parking Meters network of 435 parking meters (2713 parking meter bays). There are no allowances for expansion or reduction of the parking meter network or the potential abuse of the system through overstay as this is an unknown amount.	
<b>Activities</b>	<b>Cost (\$)</b>
Estimated revenue forgone for the first year	\$211,305
Estimated revenue forgone plus 2% CPI – year 2	\$215,531
Estimated revenue forgone plus 2% CPI – year 3	\$219,842
Estimated revenue forgone plus 2% CPI – year 4	\$224,239
Estimated revenue forgone plus 2% CPI – year 5	\$228,723
<b>Total Estimated revenue forgone over 5 years</b>	<b>\$1,099,640</b>

**Table 4. Operations - Estimated Costs of signage and meter configuration from the introduction of the 15-minute free parking for 1 year at all parking meters (with sensors)**

<b>Activities</b>	<b>Cost (\$)</b>
Replacement of Parking Meter signs throughout the parking meter zones, including labour.	\$240,000
New decals for the parking meters	\$8,000
Reconfiguration of Parking Meters	\$25,000
Advertising/ Labour / On costs	\$17,000
<b>Estimated Operations Costs</b>	<b>\$290,000</b>
<b>Total Estimated Operations/Setup Costs including Average Forgone Revenue for 1 year</b>	<b>\$501,305</b>

## **Conclusion**

The estimated cost in revenue foregone for a 12-month trial period across the entire network of Council's Parking Meters and the initial operational costs to establish the trial will cost Council **\$501,305**. The time frame to roll this out to all sensors across Council's Parking meter network is estimated to be 8-12 weeks.

Council should also consider the current environment and impacts that the COVID-19 Pandemic crisis is having on business activity in North Sydney and also Council's parking meter revenue which is currently down by 80% as outlined in the Financial Implications of this report.

It is the recommendation of Council Officers that Council should continue with the 12 month, 15minute free parking trial in Parraween Street, Cremorne and that Council should consider deferring any trial of introducing 15-minute parking to all of North Sydney Council's parking meters until after this trial is complete. It would also be prudent of Council to wait until after the COVID-19 Pandemic crisis is over and Council's revenue streams have recovered from the impacts that the crisis is having on business activity before expanding 15-minute free parking to all parking meters in North Sydney. It is also recommended by Council's Officers that undertaking any trial for free 15-minute parking or other re-configurations of Council's Parking Meter network should be deferred so that they can be included in the new parking meter contract and public tender that Council will run in 2020-2021 financial year.

The current Parking Meter contract with Duncan Solutions Australia (Reino International Pty Ltd) expires on 31 December 2021 and Council Officers are currently preparing a new contract and specifications for public tender which will be advertised early-mid 2021.

If Council was to proceed in the future with the trial it is also recommended that during the 12-month trial period, Council officers would collect detail data on turnover and utilisation, which will be collated, measured and compared against baseline data. At the end of the trial period a further report will be submitted to Council detailing the effectiveness of the 15-minute free parking proposal.

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## Appendix - Summary of Councils Offering Free Parking at Parking Meters - April 2020

Council	State	Where	Free time	Meter Type	How it works	Free Short Stay Only?	Link to website
City of Sydney	NSW	Retail areas of village main streets outside city centre (see map link)	15 mins	Pay and display	To park in the 15-minute free ticket zone you will need to press a button marked '¼ P free with ticket' and place the ticket on your dashboard.  If you intend to park longer than 15 minutes you must buy a normal longer stay ticket when you first park your vehicle.	Yes	<a href="https://www.cityofsydney.nsw.gov.au/explore/getting-around/parking/free-15-minute-parking-trial">https://www.cityofsydney.nsw.gov.au/explore/getting-around/parking/free-15-minute-parking-trial</a>  <a href="https://www.cityofsydney.nsw.gov.au/data/assets/pdf_file/0007/157984/Free-15-minute-parking-trial-locations.pdf">https://www.cityofsydney.nsw.gov.au/data/assets/pdf_file/0007/157984/Free-15-minute-parking-trial-locations.pdf</a>
Inner West Council	NSW	King St, Enmore road, Leichardt	30 mins	Pay and display	See City of Sydney	Yes	N/A
City of Newcastle	NSW	All 1P and 2P metered areas	15 mins	Pay & Display but Free parking is only via the EasyPay app	The free 15 minutes will be automatically applied to all EasyPark parking sessions in 1P and 2P ticket parking areas. After the first 15 minutes, users will be charged at the normal EasyPark hourly rate.	No	<a href="https://www.newcastle.nsw.gov.au/Living/Transport/Parking/15-minute-parking">https://www.newcastle.nsw.gov.au/Living/Transport/Parking/15-minute-parking</a>
Liverpool City Council	NSW	Across LGA	15 mins	Pay by Plate	Motorists who park on the street and wish to qualify for free parking must enter their car number plate into a parking meter and select 15 minutes free parking.	Yes	<a href="https://www.liverpool.nsw.gov.au/services/roads-traffic-and-parking/parking">https://www.liverpool.nsw.gov.au/services/roads-traffic-and-parking/parking</a>
Brisbane City Council	QLD	Everywhere but the CBD  (Available at more than 7500	15 mins	Pay by Plate	If you are intending to park for less than 15 minutes, press the 'free under 15 minutes' button.  If you wish to park for longer than 15 minutes, press the 'over 15 mins' button.	Yes	<a href="https://www.brisbane.qld.gov.au/traffic-and-transport/parking-in-brisbane/parking-meters-and-fees/parking-meter-payments/ticketless-parking-meter-guide">https://www.brisbane.qld.gov.au/traffic-and-transport/parking-in-brisbane/parking-meters-and-fees/parking-meter-payments/ticketless-parking-meter-guide</a>

## Appendix - Summary of Councils Offering Free Parking at Parking Meters - April 2020

Council	State	Where	Free time	Meter Type	How it works	Free Short Stay Only?	Link to website
		metered spaces outside the CBD)			<p>Confirm 15 minute time period. Press the 'ok' button to confirm that you wish to park for only 15 minutes. You are not required to complete this step if you've selected the 'over 15 mins' button.</p> <p>If you selected the 'over 15 mins' button, a new screen will appear asking you how you would like to pay - by credit card (excluding Diners Club and American Express cards) or coins (20c, 50c, \$1 or \$2 coins).</p>		
Townsville City Council	QLD	CBD in all 2P spaces	15 mins	Pay & Display	<p>Option 1) Parking for 15 Mins or less? Press the yellow button to print and display your ticket for your free 15 mins</p> <p>Option 2) Parking for more than 15 Mins? Pay and display as usual! You will have an extra 15 mins past the expiry time on your ticket. Extra 15 mins is not displayed on your ticket.</p> <p>Each ticket machine in the 2H parking area will have: Triangle corflute on the 'Pay Here' pole, Instructions on the side of the ticket machine, Sticker on the top of the ticket machine</p>	No	<a href="https://www.townsville.qld.gov.au/about-townsville/traffic-transport-and-parking/parking-zones-and-charges">https://www.townsville.qld.gov.au/about-townsville/traffic-transport-and-parking/parking-zones-and-charges</a>
City of Greater Geelong	VIC	All 2 hour zones in the CBD	30 mins	Pay by Plate	Customers enter the number plate registration, choose the time they plan to stay and pay for that time period. However, the system	No	<a href="https://www.geelongaustralia.com.au/parking/question/item/8d70b9bcd7265a9.aspx">https://www.geelongaustralia.com.au/parking/question/item/8d70b9bcd7265a9.aspx</a>

## Appendix - Summary of Councils Offering Free Parking at Parking Meters - April 2020

Council	State	Where	Free time	Meter Type	How it works	Free Short Stay Only?	Link to website
					automatically reduces the fee to the value of 30 minutes. If you choose to pay and stay for 30 minutes parking will be free. If you choose to stay and pay for 2 hours you will be charged for 1 hour and 30 minutes.		
Town of Cambridge	WA	Everywhere but the Town of Cambridge Medical Precinct and 10P restriction areas	30 mins	Pay & Display	<p>Press the green button and wait 2-3 seconds and a 30 minute ticket will be printed.</p> <p>If you select 2 hours you will pay for 1.5 hours. The first 30 minutes won't be charged.</p> <p>If you expect to stay more than 30 minutes then you should pay for whole time required or else risk a fine for expired ticket.</p> <p>The 30 minute free does not apply when purchasing an All Day ticket as total cost is already less than the total minus the 30 minutes free as per normal charges. The 30 min free rule will not be applied to parking areas with a 10P time restriction.</p>	Mixed	<a href="https://www.cambridge.wa.gov.au/Discover-the-Town/Getting-around-the-Town/Parking-in-the-Town/30-Minute-Free-Parking-FAQs">https://www.cambridge.wa.gov.au/Discover-the-Town/Getting-around-the-Town/Parking-in-the-Town/30-Minute-Free-Parking-FAQs</a>