

## **RELEVANT INFORMATION FOR COUNCIL**

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**FILE:** S116884 **DATE:** 21 March 2016  
**TO:** Lord Mayor and Councillors  
**FROM:** Graham Jahn, Director City Planning, Development and Transport  
**SUBJECT:** Information Relevant To Item 9.2 - Car Sharing Policy Review - At Council  
- 21 March 2016

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### **Recommendation**

That the Lord Mayor and Councillors note the information contained in this memo.

### **Background**

At the meeting of the Planning and Development Committee on 15 March 2016, further information was sought on issues related to the draft Car Sharing Policy Review.

#### **i) Change of Control Clause**

Concerns were raised by a number of speakers regarding the change of control clause, and its potential impact on the raising of finance for business expansion.

The intent of the change of control clause is not to prevent funders taking equity stakes in business, nor prevent normal acquisitions and divestments. It is intended to protect the public interest in circumstances such as:

- a) Attempts to 'sell' or transfer spaces among competitors
- b) Acquisition or takeover of one operator by another, thereby reducing or eliminating competition;
- c) Opportunistic bidding into an Expression of Interest (EOI) process with the intention of acquiring spaces that can be 'cashed out' to other operators.

It is recommended that the Change of Control clause be retained for exhibition, during which interested parties may propose alternative wording or policy content that would protect the public interest without prejudicing access to finance, or the normal conduct of business.

#### **ii) Termination Clause**

The termination clause essentially defines a contract period for the use of car sharing spaces. It is anticipated, given the success of car sharing, that future contract periods would be defined through an Expression of Interest process. The terms of a future EOI process have not been set, and can reflect contemporary opportunities and priorities, as well as innovations in the provision of car sharing.

In the absence of defined contract periods, there may be a risk that the City's policy is construed by an operator as an indefinite right over an on-street car sharing space. The defined contract period protects the City's legal position.

Should Councillors wish to increase certainty for car share operators, the section entitled 'City's Right to Terminate' could be replaced with a statement that that the City may, at its discretion, elect to undertake an Expression of Interest for the use of any or all car sharing spaces, and that this expression of interest process may commence on or after June 30, 2020.

### iii) Peer-to-Peer Car Sharing

Peer-to-peer car share operators allow members to rent out their personal vehicles directly to other members, typically neighbours. As the vehicles are owned by residents, they generally use resident parking permits or private parking, and the City consequently has no regulatory or oversight role.

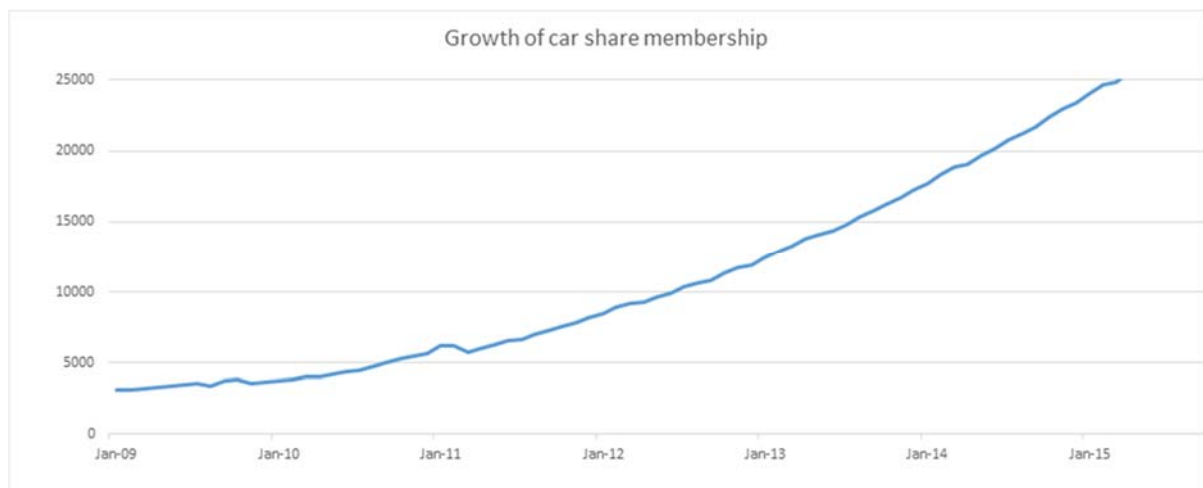
Peer-to-peer operators (not individual owners) may apply for a dedicated car share space, but they would then need to comply with the City's reporting and vehicle requirements, such as minimum availability of the vehicle to other users, monthly reporting of usage and membership and, limits on type of vehicles. This is unlikely to suit vehicle owners that wish to have some discretion over when and with whom they share their vehicle.

### iv) Membership Numbers

Car sharing operators report to the City the number of members currently registered to drive their vehicles. This number does not include a driver who has terminated a membership, and is consequently no longer eligible to drive.

The majority of members pay a monthly fee of some kind, and are consequently unlikely to retain membership if they no longer intend to use the service. It is possible that some members on plans that do not require a monthly fee may not have formally ended their membership, but do not intend to drive again.

Membership growth is shown in the figure below.



Membership numbers are a useful guide to growth in car sharing, however, actual vehicle usage is a more precise and reliable indicator of local demand. It is for this reason that the draft Policy includes monthly vehicle usage thresholds as part of the application process for new spaces.

**v) Limits on quantity of new spaces**

Section 3 of the Draft Policy sets monthly limits on the rate of installation of new spaces, with faster growth allowed in areas with fewer car share spaces.

The policy allows up to 4 spaces per month in any one low coverage parking precinct, and up to 8 spaces per month in total across all low-coverage precincts. In high coverage precincts 2 spaces may be installed each month, with a total of 4 spaces across all high coverage precincts. This means that not more than 12 spaces may be installed across the City of Sydney per month.

**vi) Community consultation**

The draft Policy stipulates that the City will consult on the installation of new spaces. This is consistent with current practice for parking changes considered by the City's Local Pedestrian, Cycling and Traffic Calming Committee.

**vii) Impacts of car sharing on driving rates and car ownership**

There is strong international and Australian evidence that availability of car sharing reduces household vehicle ownership, reduces vehicle travel, and reduces associated greenhouse emissions and air pollution. This evidence is discussed in paragraphs 9-11 of the subject report.

There has been some international research assessing whether availability of shared cars increases total driving. Research from the University of California (Cervero, R., Tsai, Y., 2003, 'San Francisco City CarShare: Second-Year Travel Demand and Car Ownership Impacts' US Transportation Research Board Annual Meeting 2004) followed driving habits of members and non-members. It found that while some specific groups of car sharing members did drive more than before (e.g. students, committed environmentalists), the effect was more than offset by the large reduction in total driving achieved by all members. As car sharing becomes more common and changes behaviour of 'mainstream' drivers, the total reduction in driving becomes more significant.

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Approved



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