

Item 5.

Public Exhibition - Car Sharing Policy

File No: X111618

Summary

The City of Sydney's (the City) Car Sharing Policy (Policy) is due for review. The Policy was adopted in 2011 and updated in 2016. The Policy has been reviewed to enable: alignment with City strategies including Sustainable Sydney 2030–2050 Continuing the Vision, the Community Strategic Plan, the Access Strategy and Action Plan – Continuing the Vision and the Electrification of Transport in the City Strategy and Action Plan; alignment with changes in NSW Government policy and regulation; consideration of emerging trends in mobility, such as electric vehicle charging, and responses to reduce transport related carbon emissions; trends occurring in the car sharing industry; the use of the car sharing system in the City of Sydney; and implementation impacts and options to improve outcomes and/or operational efficiency.

There are around 880 car share spaces across the city, accounting for around 2% of the 41,000+ on-street parking spaces.

The objectives of the Policy are to increase use of car sharing, and to ensure that the City's car sharing program is well-governed and transparent. The review found that the Policy is generally operating well, with use of the system stable, the number of operators and competition increasing and with car share operators generally meeting the minimum usage requirements in their spaces. The objectives of the Policy are fit-for-purpose and continue to provide a solid basis for the management of the car sharing system in our area, including enabling on-street parking spaces more efficiently, reducing vehicle traffic and emissions and increasing social inclusion.

The review determined some areas for improvement, notably to improve management of the system and to set an emission reduction target in line with the City's Net Zero by 2035 target. The revised draft Policy is presented in Attachment A with all proposed changes shown as tracked changes in Attachment B. Primary changes include: all car share vehicles will need to be zero emissions by no later than 2035; changes to enable a car share vehicle to be parked in nearby 'permit excepted' space if the dedicated space is illegally occupied; the introduction of mandatory auditing of operator reports every 3 years; capping the maximum parking space allocation of 5% of all parking spaces per parking area; clarification for new operators to enter the system; caps for the maximum monthly installation of new spaces; clarity on how applications for new car share spaces will be prioritised; and clarification on the City's approach for free floating car share scheme proposals. These and other minor changes are documented in Section 25 of this report. The proposed changes strengthen the City's governance of spaces, competition and environmental performance.

It is recommended that the draft Car Sharing Policy is exhibited for public comment with the final Policy presented to Council for approval once community feedback has been considered. The current Car Sharing Policy will remain in effect until such time as the updated Policy is adopted by Council.

Recommendation

It is resolved that:

- (A) Council approve the draft Car Sharing Policy, as shown at Attachment A to the subject report, for public exhibition;
- (B) Council note that the Car Sharing Policy, including any recommended changes, will be reported to Council for adoption following the exhibition period; and
- (C) authority be delegated to the Chief Executive Officer to make minor editorial amendments for clarity or correction of drafting errors prior to the exhibition of the draft Car Sharing Policy.

Attachments

Attachment A. Draft Car Sharing Policy

Attachment B. Draft Car Sharing Policy (tracked changes version)

Background

1. In 2007, the City began providing dedicated parking bays to car share operators as a trial.
2. On 4 April 2011, Council adopted a Car Sharing Policy. This was reviewed in 2016.
3. The objectives of the Car Sharing Policy are to use on-street parking more efficiently, reduce vehicle traffic, provide alternatives to private vehicle ownership, lower transport related greenhouse gas emissions, support the local economy and to increase social inclusion and health.
4. Review of the current Car Sharing Policy was delayed, primarily due to the impacts of the Covid-19 pandemic.
5. The Car Sharing Policy has now been reviewed. Proposed changes are presented in Attachment A. The review:
 - (a) enabled alignment of the Policy with City strategies including Sustainable Sydney 2030–2050 Continuing the Vision, the Community Strategic Plan, the Access Strategy and Action Plan – Continuing the Vision and the Electrification of Transport in the City Strategy and Action Plan
 - (b) enabled alignment with changes in NSW Government policy and regulation. The RMS technical direction has been updated
 - (c) considered emerging trends in mobility, such as electric vehicle charging
 - (d) considered responses to the Climate Emergency and the need for the transport sector to reduce transport emissions
 - (e) assessed trends occurring in the car sharing industry, including peer-to-peer car share and free-floating car share, and the applicability to our area
 - (f) evaluated the use of the car sharing system in the City of Sydney
 - (g) considered operational and implementation ('management') impacts and options to improve outcomes and/or operational efficiency.
6. The review found that the Policy is generally operating well in terms of use and management, with use of the system stable, the number of operators and competition increasing and with car share operators generally meeting the minimum usage requirements in their spaces. The objectives of the Policy are fit-for-purpose and continue to provide a solid basis for the management of the car sharing system in our area.
7. The use of car share over the last 3 years (in number of bookings) is stable, with some variation throughout the year (bookings tend to be higher in summer and spring months). Use declined significantly during the Covid-19 pandemic, but recovered as activity increased.

8. The Policy contains a clause outlining that the City can initiate an expression of interest (EOI) for any existing space that has been installed for ten plus years. The City has not, to date, exercised this clause using, instead, other levers in the Policy to increase competition between operators (existing and potential new ones).
9. Car share operators apply to the City to become an approved operator in the City of Sydney area. Since the last Policy review, there have been some changes to eligible operators, including:
 - (a) introduction of Car Next Door in 2017, supplementing its peer-to-peer business with a business to customer 'City' fleet consistent with the Policy (i.e. with dedicated vehicles and parked in City approved spaces). Car Next Door rebranded as Uber Carshare in 2021 (however the City's formal conferral of eligibility remained with Car Next Door)
 - (b) introduction of Popcar in 2018
 - (c) introduction of Kinto in 2023
 - (d) Uber has recently (September 2024) withdrawn from all car sharing in the City, and Car Next Door will not be operating peer to peer or business to customer car sharing. In the short term, this will likely trigger an initial reduction in car sharing membership in the City, as it is unclear how many Car Next Door members will join other operator schemes.
10. There are signs that competition has increased, as desired in the 2016 Policy review. GoGet voluntarily vacated 40+ spaces in late 2023, and the City reallocated these to other operators, further increasing the opportunities for competition.
11. GoGet continues to have a strong market share, with around 70% of spaces.
12. Car share companies apply to the City for dedicated on-street parking spaces by, when invited, nominating a location, which typically responds to increased nearby membership or usage. The number of car share bays in the city has increased from around 600 on-street spaces in 2016 to around 880 in 2024. This is around 2% of our (non-city centre) on-street spaces.
13. The City allowed significant expansion of on-street car sharing spaces in 2017-19, but did not allow operators to introduce new spaces during the pandemic, and there has been limited expansion since (reflecting the delay to the Policy review).
14. The proportion of on-street spaces allocated to car sharing spaces currently ranges from as low as 0.8% in Area 13 (Centennial Park and South Paddington) to 4.3% in Area 19 (Kings Cross).
15. The Policy treats 'high coverage areas' (more than 3.5% of spaces) differently, with a higher threshold for an operator to gain an additional space in that area, and a combined cap of only four new spaces implemented in any month. Only 2 areas are currently classified as high coverage, however another three are just below (at 3.4%). The net effect is likely to be to encourage operators to apply for spaces in areas with fewer spaces, which is a positive outcome for spreading the coverage across our area.

16. Car share operators are required to provide monthly reports on numbers and types of members (residents and business) per postcode as well as usage of vehicles itemised by location. This enables the City to determine whether the use of spaces is justified. Overall, car share operators are meeting minimum usage criteria outlined in the Policy.
17. The City charges car share operators a one-off fee to partially cover the costs of applying to be an operator (2024/25 \$1,880) and a one-off fee to partially cover the cost of new spaces (administration, installation of signage and line marking; 2024/25 fee \$2,710). Each car share vehicle must also have an Authorised Car Share Vehicle Permit (2024/25 \$188 per annum). Note that fees are exhibited and set annually as part of the Operational Plan.
18. Car sharing reduces the number of cars people own and use, resulting in benefits for members and non-members. However, the continued allocation of on-street parking spaces to car sharing on an individual basis can sometimes be contentious.
19. Car sharing reduces vehicle related emissions through reducing the number of vehicles people need to own, along with giving people access to newer (and lower emission) vehicles than they may be able to access otherwise.
20. The Car Sharing Policy currently mandates low emission vehicles. Early engagement with car share operators suggests that they will transition their fleets to electric vehicles for operational reasons once vehicles become available and affordable, and charging solutions are efficient and manageable. It is expected that operators will develop systems where they, or their members, refuel (or recharge) the cars, as occurs with the current fleet.
21. The Electrification of Transport in the City Strategy and Action Plan indicates the intention for a zero emission car sharing fleet by 2030 (Action 11 states that the City will 'Work with car share operators to develop a model to electrify their fleet by 2030. This includes changes confirmed via periodic policy review and that are cost neutral to the City'). Following the Lord Mayor writing to operators to indicate the City's intention that they be progressing their fleets to zero emission vehicles, City officers met with approved car share operators in our area to discuss their transition plans along with the Policy review. Support for electrification of fleets is mixed at this stage, though all accept that fleets will eventually be electrified, and that they will need to develop approaches that integrate vehicle charging into their operations.
22. Car share vehicles in the local area are used on average 35km per day over about 5 hours, noting inconsistent usage patterns and variations in each member's trip purpose, distance and duration. Based on this, a car share vehicle would be required to charge on average about once every 2 weeks. The City will work with operators to better understand the charging options in the initial stages of fleet transition (when fast charging opportunities will be less available).
23. There was significant and well-resourced external interest around 2018 in trialling a free-floating car sharing system in Sydney, including in the City of Sydney. Feedback from most inner area councils was that the likely risks would significantly outweigh any benefits, and potentially threaten the success of the current system. There are no current proposals we are aware of for such a scheme.
24. In terms of Car Next Door no longer facilitating peer to peer car sharing, it is unclear whether a new operator will attempt to capitalise on this opportunity. If not, it is possible that there will be increased demand for business to customer car sharing.

25. In consideration of the above findings, the Policy has been updated. The draft is presented in Attachment A. The proposed changes strengthen the City's governance of spaces, competition and environmental performance. Specific changes proposed to the Policy are:

(a) Key proposed changes, and the rationale for them, are:

Current Policy	Proposed change	Rationale for the change
2. Obligations of car share operators. i. Vehicle Environmental Impact	Addition of a requirement for zero emissions car share vehicles by 2035. target for zero emission fleets.	While noting the emissions reduction car share generates, from reduced car ownership and use, responds to the City's Electrification of Transport in the City Strategy and Action Plan.
2. Obligations of car share operators. iii. Permit	Text added that car share permits allow the car share vehicle to be parked in nearby 'permit excepted' spaces if the dedicated space is illegally occupied.	This was discussed in the 2016 review and an operational solution explored unsuccessfully. Making this intention clear in the Policy will support operational solutions to the issue.
2. Obligations of car share operators: v. Audit of reports.	New text added to introduce a mandatory audit of each operator's monthly reporting every 3 years.	Added to strengthen transparency and management of the Policy. The recent issue with alleged Beam e-scooter fraudulent reporting in multiple jurisdictions strengthens the case for this, considering the number of decisions the City makes that would benefit an operator, which are contingent on data provided by them.
3.1 Installation	Confirmation that the City will allow scope for new operators to enter the system. Specify maximum parking space allocation of 5% of all parking spaces per parking area.	The proposed 5% cap responds to the removal in the NSW Government's Technical Direction of any guidance on a cap. Most areas are well below this proposed cap.

3.5 Priority for new space applications	Referce to prioritisation for new car share space applications.	When the City seeks new space applications, it receives more than the relevant caps. Prioritisation to reflect the Policy’s objectives ensures the most appropriate spaces proceed to consultation.
3.8 Free floating car share	New section added on the City’s current lack of support for free floating car share scheme proposal.	Confirms the City has no current plans to explore these schemes.

(b) Other minor changes:

- (i) Purpose: Text added to align policy to Sustainable Sydney 2030-2050 Continuing the Vision, the Community Strategic Plan and the Access Strategy and Action Plan.
- (ii) Scope: Clarification that the Policy is not currently considering on-street spaces in the area defined by the Central Sydney On-Street Parking Policy.
- (iii) Definitions, references: Updated
- (iv) Peer to Peer Car Sharing: Removed section. The City had no active role in this product, no operator ever invoked the option to provide data, and retention of the reference to this informal system will be confusing with Car Next Door having ceased operation.
- (v) 5.4 Expression of Interest for use of car sharing bays: Clarity around process when an operator vacates a space i.e. if spaces remain in system, the City to offer to other eligible operators.
- (vi) 6.1 Disclosure of data: Clarity around publishing of car share data, to more clearly reflect the decisions made in the 2016 Policy review.

Key Implications

Strategic Alignment - Sustainable Sydney 2030-2050 Continuing the Vision

26. Sustainable Sydney 2030-2050 Continuing the Vision renews the communities’ vision for the sustainable development of the city to 2050. It includes 10 strategic directions to guide the future of the city, as well as 10 targets against which to measure progress. This policy is aligned with the following strategic directions and objectives:

- (a) Direction 1 - Responsible governance and stewardship - The revised Car Sharing Policy proposes changes to strengthen and clarify the City's management of the car sharing system within our area.

- (b) Direction 2 - A leading environmental performer - Car sharing reduces transport related carbon emissions. The draft Policy further enhances the emission reduction contribution of car share by specifying that car share vehicles need to be zero emissions by 2035.
- (c) Direction 5 - A city for walking, cycling and public transport - Car sharing uses on-street parking more efficiently, reduces vehicle ownership and traffic and supports walking.
- (d) Direction 6 - An equitable and inclusive city - Car sharing reduces the burden of car ownership on households, including the on-going costs associated with car ownership.

Organisational Impact

- 27. The changes proposed in the draft Policy will not materially impact on the current on-going organisational impacts of managing and implementing the Policy.

Social / Cultural / Community

- 28. The availability of car sharing provides casual access to safe and modern vehicles by households and individuals who may not be able to afford the upfront and on-going costs of an equivalent vehicle.
- 29. Car sharing enables access vehicles on an 'as needed' basis.

Environmental

- 30. Car sharing enables the more efficient use of on-street parking spaces, as a vehicle is shared by people. Car sharing has been shown to reduce second car ownership.
- 31. As car sharing members pay the marginal cost of their driving, they tend to drive less often and for shorter distances than private vehicle owners.
- 32. On-road emissions from car share vehicles are lower than the private fleet, because they have a much lower average age, and are subject to professional fleet maintenance.
- 33. The draft Policy specifies that car share vehicles need to be zero emissions by 2035.

Economic

- 34. Car sharing reduces the financial burden of car ownership (or second car ownership) on members.
- 35. This Policy affects those in the business of car share in our area.

Financial Implications

- 36. The City collects more than \$160,000 in fees from annual permits for the dedicated spaces. The proposed changes to the Policy will not materially impact on existing operations or fees collected from annual permits. The on-going management and implementation of the current Policy is part of the existing operations of the City.

Relevant Legislation

37. Technical Direction, Traffic and Transport, TTD 2018/001 – 26 October 2018: Guidelines for on-street fixed space car share parking
38. Transport for NSW Parking Permit Guidelines 2021 set out matters which need to be considered when permits schemes are developed and implemented.
39. In accordance with section 610F of the Local Government Act 1993, proposed changes to the fees will be exhibited along with the City's draft operational plan as part of the annual review of fees and charges.

Critical Dates / Time Frames

40. The City's current Car Sharing Policy will remain in effect until such time as Council adopts a revised policy.

Public Consultation

41. General feedback from the community has been considered. This arises from individual representations on issues, but also the structured engagements on Sustainable Sydney 2030-2050, the Access Strategy and Action Plan and the Electrification of Transport in the City Strategy and Action Plan.
42. The City consulted each eligible car sharing operator on the Car Sharing Policy, including on the opportunities and challenges of zero emissions fleet transition.
43. No changes to fees will occur until 1 July 2025. In accordance with section 610F of the Local Government Act, the proposed changes to the fees will be exhibited along with the City's draft operational plan as part of the annual review of fees and charges.
44. Installation of individual car share bays are consulted on.
45. Following endorsement by Council, the draft Car Sharing Policy will be placed on public exhibition for at least 8 weeks (allowing additional time to account for the end of year holiday period).

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