

# Changing The Mindset



**Tenaga Car Parks has revolutionised parking both on-street and off-street in Sri Lanka. They have introduced pioneering technology, which is aligned with the Government's objectives to make Colombo a smart megapolis. The technology and infrastructure is currently being translated to make the lives of those in Colombo more convenient. Duminda Jayathilake, Managing Director, Tenaga Car Parks and Fazal Hameed, Director, Tenaga Car Parks speak about their year long journey in changing the mindset of the public on parking as well as their future plans.**

**By** Keshini de Silva

**Photography** Mahesh Bandara and Menaka Aravinda

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**Tenaga Car Parks is considered a pioneer in providing parking and traffic management solutions in Sri Lanka. Could you elaborate on this?**

Tenaga Car Parks was established in 2003 as a joint venture of the BOI (Board of Investment of Sri Lanka) with Tenaga Malaysia. When we were approached by the Malaysian company with a proposal to start a joint venture for parking, we were sceptical, because at the time we did not know parking was a business. Parking arrangements in Sri Lanka were more ad-hoc, a basic operation that was happening on the ground. Our first parking business was at Chalmer's Granaries and we later expanded to St John's Fish Market. We started with these two locations and eventually set up parking at Lanka Hospitals, Asiri Surgical and Central Hospital. We also conducted the pilots of our parking solutions in the towns of Kurunagala, Puttalam, Chilaw, and Gampaha. It has been a journey that has evolved, from starting as a nuts and bolts operation to becoming a pioneer in offering state-of-the-art off-street enclosed parking and on-street parking solutions to Sri Lanka.

In 2009 we bought over the Malaysian partners. In 2015 we came up with the idea of introducing parking meters to Sri Lanka. Tenaga is now a 100 per cent Sri Lankan owned parking and traffic management company, which provides a diverse range of services. We tied up with CALE, a Swedish company that supplies solutions for unattended parking and entry fee systems. As it was solar powered, we did not need to access the National Grid. Together with CALE we

proposed the idea of introducing the parking meters to the Colombo Municipal Council as it fitted well with the concept of transforming Colombo into a smart city. Especially as our proposal was based on smart technology.

In August 2015, the CMC floated a tender to manage parking along Galle Road from Galadari Junction to the Dehiwala Bridge, and also along Duplication Road from the Liberty Plaza Junction to the Dharmarama Road, including for all intersecting by-lanes. Amidst six bidding companies, Tenaga managed to secure the tender because we had a reputed partner in CALE for the supply of parking meters machines and a Canadian company named GTECH to support the enforcement aspect. Dialog was our mobile partner for contactless payment and transport ticketing.

The meters operate on Near Field Communication (NFC) technology. Each meter has a data chip, enabling us to monitor nearly everything remotely from our back office. It is also a cloud-based system. Thus, in real time, we can provide information on how much money each machine has, how many coins and notes it contains. We can also switch off the machine remotely.

Tenaga has been installing these machines for the past year. Although the machines were operational, the on-street parking solution had not realised its full potential as the law or regulations for enforcement were not in place. It was gazetted recently, providing Tenaga authority to fine those who do not pay the parking charge as well as to clamp the wheels of the vehicles. Furthermore, the Colombo Municipal Council can now issue summons and take the offenders to court. I believe this is the first time in the world that a private company has been given the right to issue fines on drivers who fail to pay the parking fee and also clamp the wheels of their vehicles. Due to the Gazette, we believe more people will opt to pay the parking charge to avoid being fined. The fine starts from double the parking rate and then increases, which after 14 days will amount to a hefty charge. Once the public understands the sequence of events, the 30 or 60-rupee parking fee will seem insignificant.

Through Dialog we have introduced 'Touch' cards, which could be used at our machines for payment; it is basically a contactless payment system; people can pay for their parking through eZ cash as well. We are in discussion with Banks to introduce the mobile wallet, to enable users to purchase parking time in minutes, 100 minutes or 1,000 minutes.

We launched our own Smart Park app three months ago, which can be freely downloaded to enable people to pay for their parking. The benefit of these services is that the public won't need to pay cash. In addition, through the app, one can extend their allotted parking time, receive a reminder ten minutes before their parking time expires and in the future book a parking spot.

This project is being implemented through a Public-Private Partnership, a joint venture between Tenaga and the CMC, where the revenue is shared.

### **How does the system and enforcement work?**

First the driver must register the number plate of the vehicle at the machine. The machine prompts the driver to state the type of vehicle, whether it is van, bus, car, three wheeler or two wheeler. Subsequently, the number of required parking hours is entered for which a ticket is issued. Payment can be made via cash or cashless transactions. This parking ticket has to be displayed on the windscreen.

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Our vehicles fixed with 3M cameras will be patrolling the streets where the parking meters are fixed to photograph the number plates of all vehicles. This would allow easy identification of those who do not pay. If a person has overstayed his/her parking time and has failed to pay for the extra time the monitor will indicate a 'red' sign before the particular number plate, which will be communicated automatically to our back office. Our enforcement officers on the street can then issue the fine.

### **What are the challenges faced in trying to introduce payment for parking?**

The past one year has been a challenge because getting the public to pay for parking itself is a task. It is about changing the mindset of the people. Prior to this those who parked along Galle Road and Duplication Road did not have to pay. This is new to them. Another issue we face is that motorists will park for two hours while only paying for one hour. Before the Gazette was circulated we had no way of ensuring that everyone paid for the stipulated number of parking hours. But now we can address that issue through fines and our enforcement officers.

We have had serious issues with employee turnover and in hiring dedicated staff. Over the last year we have had a staff turnover of at least 500. As a result, we have obtained special permission from the BOI to import staff from Bangladesh

and Nepal. Therefore, we will be hiring around 50 staff from these countries soon. However, the ultimate goal is to eliminate any form of human intervention in this process, similar to on-street parking systems seen overseas where people purchase the parking ticket from the meter.

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### **Will there be issues in bringing manpower from abroad?**

Bringing manpower from abroad is for the short-term, probably for a year because through the enforcement law, the public will eventually get into a habit of paying especially with the convenience of cashless payments and parking permits that will be issued in future. This will eliminate the need for a middleman, cash transactions and will require minimum human intervention. We hope to achieve this goal as early as next year.

### **What challenges did you face when implementing payment for parking out of Colombo?**

The first town we implemented the meters was in Kurunegala, and then Puttalam and Chilaw. It was and is a difficult task because we do not have the necessary structure in place to manage these areas properly. These cities did not have the structure to provide an enabling environment. There was no culture of paying for parking in these areas. Moreover, there were other external influences such as unauthorised individuals collecting money, which was difficult to address.

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### **Do you think Sri Lankans are ready for this?**

Nearly two decades ago, we never thought about Automatic Teller Machines, or that bank transactions would be conducted without human intervention. Consequently, we are also changing the mind-set of the people to pay for parking.

We did not encounter an issue operating along Galle Face Green because people used to pay for parking. But along Galle Road and Duplication Road, the public had never paid for parking. Therefore, the biggest revolution we made was to introduce a paying culture for parking. And most importantly changing the mind-set of people. Everyone wants everything free; nobody wants to pay for it.

The idea is to make people use a parking space as minimally as possible and to have a higher turnaround time to create more parking space. Because Sri Lanka has a huge parking problem in Colombo. Previously motorists would abuse these spaces by parking for many hours sometimes even overnight, yet now they would have to pay 270 rupees for parking for eight hours.

In Colombo, the public has evolved with the system, compared to when we started over a year ago, today 99 per cent of the motorists purchase their parking ticket at least for the first hour. The problem is capturing the payment for the subsequent parking hours as earlier we could not fine or enforce the penalties. Therefore, everyone must pay the entire parking charge to avoid penalties.

### **How do you hope to earn a return on the investment you have made in terms of technology and infrastructure?**

Parking is the core business, however these parking meters have a far greater capacity. The machines have the technology to support reloads for mobile phones, payment of utility bills among other services. Therefore, eventually these meters will become multi-function machines.

For example, Dialog's pre-paid users make up 85 per cent of its customer base, thus these meters will be access points for customers to obtain reloads 24/7 in high traffic areas. It is all about convenience. You may have a parking meter in front of a house, which would make bill payments quite convenient. The new machines we hope to import will be touch screen with no prompt buttons. Therefore, the machine could run advertisements when it is not being used. It will be another revenue generating initiative.

Through our app we hope to tie up with off-street parking facilities to offer users the options of reserving a parking spot. Therefore, we can offer our technology to competitor car parks as well.

We also hope to look into the apartment business, where only 20 per cent of parking space is used during the day. The commercial peak is a residential off-peak. The residents have to pay a monthly fee, which constantly increases and the management of condominiums want to reduce cost on the residents. These are revenue generating projects, in which they could partner with Tenaga. They can outsource their parking for use during residential off-peak hours to earn additional revenue.

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We are also connected with the Department of Motor Traffic and are looking to connect with the courts to sponsor the online screening of traffic offences, which can then be easily accessed.

Tenaga has invested nearly 300 million rupees on this operation. For us, entering another area will only incur a marginal cost as we have the core infrastructure in place. Our backend can support even 2,000 parking meters. A new entity attempting to enter this market would need to make a substantial investment. For instance, an area such as Colombo Fort may require no more than 50 parking meters, no one would invest in such a small amount as the return on investment would take a long time. For us there will only be a basic cost of fitting the machines. We can operate anywhere in Sri Lanka.

**What are your future plans? Do you plan on expanding to other cities and venturing into other new areas of business?**

Yes, we do plan to expand to other cities. We have been approached by many local authorities, but have placed them on hold as we intend on getting the Colombo business right.

Our on-street parking system is a totally green field. It is also the first time that this machine is being used in South Asia. They are looking at a similar model in India. It is also the first time in the world for CALE that their machines are being used for mobile credit reloads.

Future initiatives of Tenaga will be concentrated on five areas - on street, off street, selling parking industry products, the app and the mechanised parking project that is in the pipeline.

**Being the first such parking system in South Asia, is Tenaga looking to expand overseas?**

Sri Lanka is good enough for us!







