City Revenue Optimization: Analysis of Parking Fee Revenue Supervision in Makassar City

Dewi¹, Badu Ahmad², Muhammad Yunus³, Rizal Pauzi⁴, Saenab⁵

¹,²,³,⁴Department of Science Administration, Faculty of Social and Political Sciences, Hasanuddin University, Indonesia
³Department of Science Administration, Faculty of Social and Political Sciences, Bosowa University, Indonesia

*Corresponding author’s: Dewi

Abstract

This study examines the supervision mechanisms of parking fee revenue management in Makassar City, focusing on the efficacy of the comparison stage in the supervision process. Utilizing a qualitative approach, the research concentrates on Regional Parking Company Makassar Raya, the local city council, and the revenue agency, exploring their roles in managing and supervising parking services to optimize local revenue. The study reveals that despite an increase in vehicle volume, revenue targets set by the Regional Parking Company Makassar Raya over the last five years have not been met, largely due to external factors like climate and the COVID-19 pandemic, as well as the inefficacy of an e-parking system hindered by community resistance and technological challenges. The findings underscore the necessity of a responsive and adaptable supervision system that can address dynamic changes in urban conditions and community behaviors. The research advocates for enhanced public awareness, improved technology infrastructure, and collaborative governance to bolster the e-parking system's efficiency, aiming to enhance urban life quality and financial sustainability in Makassar City.

Keywords: Collaborative Governance, Parking Management, Supervision, Regional Own-Source Revenue

1. Introduction

Supervision is an important instrument to ensure that governance operates in accordance with established rules and policies, with the goal of achieving good and accountable governance. Supervision is emphasized as a control mechanism in state administration, intended to ensure that local governments do not deviate from the policy lines set by the central government (Vu & Deffains 2013, Ahlers & Schubert 2015, Dick-Sagoe 2020). There is an inherent assumption that supervision is unidirectional, from the center to the regions, reflecting power dynamics in Indonesian governance.

Supervision is necessary to prevent deviations from the duties and functions of the government, which include aspects of legality and effectiveness in administration (Fasyehhudin & Mohas 2021, Siregar 2015, Tomilina 2022, Tarjo 2022). In addition to prevention, supervision also serves to identify and rectify deviations that occur, reflecting the government's responsibility to carry out its duties in accordance with applicable laws and policies.

Supervision in state administration relies on administrative law, which means that all supervisory actions must be carried out within the framework of existing laws and must not exceed those boundaries. The effectiveness of supervision depends on how well administrative law is implemented and adhered to (Liu 2010, Majone 2019, Wu 2020, Clayton 2021), as well as the extent to which the central and regional governments can collaborate while maintaining their respective authorities and responsibilities.

Regional Regulation (PERDA) No. 17 of 2006 in Makassar City grants full authority to the Regional Parking Company Makassar Raya in parking management. However, the growth of vehicles and increased community activities have created a need for adequate parking spaces. On the other hand, imbalanced road infrastructure development compared to the volume of vehicles, as well as the presence of buildings without sufficient parking space, has led people to use the road itself as a parking area.
(Epstein 2002, Manville & Shoup 2005, Isminingtias 2017, Liu 2018). This has resulted in traffic congestion and the need for better transportation system management in Makassar.

Furthermore, the issue of parking supervision in Makassar, especially illegal parking activities, has become increasingly concerning. Unauthorized parking attendants collecting non-compliant parking fees have become a serious issue. PD Parkir Makassar Raya has taken steps by issuing official ID cards for authorized parking attendants and collaborating with the military and police (TNI-Polri) to crack down on illegal parking attendants. However, this situation indicates deviations in the supervision process, requiring corrective actions.

Suboptimal management of parking fees also affects the Local Own-Source Revenue (PAD) of Makassar City. Despite an increase in the volume of vehicles, the revenue generated by PD Parkir Makassar Raya has not reached the set targets in the last five years, indicating a misalignment in the supervision process, particularly in the comparison stage. This underscores the importance of effective supervision in managing the significant flow of funds from the parking sector to support the city's finances.

According to Robbins & Coulter (2016), the supervision process involves several stages, including setting standards, measuring actual performance, comparing actual performance to standards, and taking corrective actions if necessary. The comparison stage in supervision is a dynamic process that allows organizations to continuously adjust and improve their performance in line with established goals and standards. This stage is crucial as it provides the necessary feedback for organizational learning and adaptation. Without this stage, organizations would continue to operate without recognizing problems or opportunities for improvement.

In the management of parking fee revenue in Makassar City, the comparison stage outlined by Robbins and Coulter becomes key to ensuring that the parking system operates effectively. This process compares actual revenue with predetermined targets, allowing managers to evaluate and improve the system as needed. Through this comparison, deviations can be identified and corrective actions taken, such as improving fee collection efficiency or addressing illegal parking. Strategic decisions and policies are made based on comparison data, which not only enhances parking management and revenue but also supports the optimization of Local Own-Source Revenue (PAD). This stage also ensures that the parking management system can adapt to the rapidly changing dynamics of the city. In the context of Makassar City, where illegal parking and unofficial fee collections pose challenges, an efficient and effective comparison stage is essential to achieving financial targets, reducing congestion, and improving the quality of urban life.

2. Materials And Methods

This research employs a qualitative method to delve deeper into the meanings and understanding of the phenomenon of supervising the management of parking fee revenue in Makassar City. This method was chosen because it allows researchers to directly engage with the field and gather data from informants through interviews, providing a richer understanding of humanitarian and social issues compared to quantitative figures alone. The research location focuses on Regional Parking Company Makassar Raya, the Makassar City Regional Council (DPRD Makassar), and the Makassar City Revenue Agency (Bapenda Makassar). Regional Parking Company Makassar Raya is the institution responsible for managing and improving the efficiency and effectiveness of parking services to support local revenue.

This type of research is descriptive, with an emphasis on data analysis to produce valid, accurate, and significant information. The research aims to describe and analyze the supervision of parking fee revenue management and evaluate its effectiveness. Research informants were selected based on their involvement and knowledge of the research topic. They provided primary data through stories and interviews, as well as secondary data through documentation and other materials.

The data analysis technique follows the model of Miles and Huberman (2002), which emphasizes continuous interaction during the research process. This analysis consists of three main activities: data reduction, data presentation, and drawing conclusions or verification. The focus of this research is on the supervision of parking fee revenue management, with four sub-dimensions being studied: setting standards, measurement, comparison, and corrective actions for deviations that occur. Data collection techniques include in-depth interviews with key actors and related organizations, as well as document studies to obtain relevant data for the research. Primary data is obtained directly from informants, while secondary data involves information that has been further processed for analysis and performance development assessment.

3. Results and Discussion
Compare

The comparison stage, as described by Robbins and Coulter (2016), relates to measuring actual performance against the standards or objectives that have been set. In the context of managing parking fee revenue in Makassar, this stage involves comparing the actual revenue collected from roadside parking with the targets set by the city management authorities. This comparison allows for an assessment of whether the parking management system is effective or if there are discrepancies that need to be addressed.

If the actual revenue falls short of the targets, an analysis is required to understand the underlying reasons, such as driver non-compliance, inefficiencies in fee collection, or inadequate parking enforcement. Conversely, if the revenue exceeds expectations, this can be an opportunity to understand what is working well and how it can be replicated or further improved.

This comparison stage is crucial because it provides essential feedback for learning and adaptation within the organization responsible for supervising parking fee revenue. Without this feedback loop, there would be no informative basis for improving operations or policymaking aimed at enhancing parking management effectiveness in the city.

Comparing involves comparing the annual revenue realization achieved with the annual targets set. Although revenue targets increase each year as an assumption of revenue potential, the actual revenue realization does not always reach the set targets. Despite progress in revenue generation, existing expenditures also need to be balanced. Continuous efforts are made to maximize revenue to reach the expected targets.

The research findings indicate that there has been an increase in revenue every year, except during the COVID-19 pandemic period. This demonstrates that there are significant external factors influencing parking revenue, such as unexpected climatic conditions and the pandemic situation, which directly affect parking activities and revenue from this sector. Climate factors, such as heavy rain leading to floods, directly impact the use of parking services due to reduced outdoor activities. Similarly, the COVID-19 pandemic has had a negative impact on parking revenue due to reduced public mobility and store closures. This highlights that parking fee revenue is closely related to the economic and social conditions of the community.

Another phenomenon is the dynamic changes in popular parking spots, which can change for various reasons, such as businesses closing or changes in traffic patterns. This underscores the importance of constant monitoring and adapting parking management strategies to address demand fluctuations.

Parking fee revenue is a dynamic variable influenced by various internal and external factors. Therefore, it is crucial for Regional Parking Company Makassar Raya to effectively carry out the comparison stage, not only to meet financial targets but also to understand and respond to changing conditions, requiring rapid adjustments to strategies and operations. This also emphasizes the importance of having a flexible and responsive supervisory system that can accommodate changes and offer solutions to optimize revenue and ensure operational sustainability. In view of this, below is a comparison table between the targets and revenue realization for the past five years, from 2018 to 2022, as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Year</th>
<th>Target</th>
<th>Realization</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2018</td>
<td>Rp40,020,000.000</td>
<td>Rp16,027,369.400</td>
<td>42.05%</td>
</tr>
<tr>
<td>2</td>
<td>2019</td>
<td>Rp46,433,212.000</td>
<td>Rp17,692,969.540</td>
<td>38.10%</td>
</tr>
<tr>
<td>3</td>
<td>2020</td>
<td>Rp46,626,712.000</td>
<td>Rp13,355,071.004</td>
<td>35%</td>
</tr>
<tr>
<td>4</td>
<td>2021</td>
<td>Rp15,199,090.000</td>
<td>Rp14,667,989.070</td>
<td>96.63%</td>
</tr>
<tr>
<td>5</td>
<td>2022</td>
<td>Rp15,433,662.800</td>
<td>Rp14,647,600.200</td>
<td>94.91%</td>
</tr>
</tbody>
</table>

Source: General Section of the Regional Parking Company Makassar Raya, 2023

Table 1 presents a comparison between the targets and revenue realization of the Regional Parking Company Makassar Raya over five years, from 2018 to 2022. In 2018 and 2019, the percentage of target achievement was relatively low, at only 42.05% and 38.10% of the revenue target, respectively. This indicates significant challenges in parking management or external factors affecting parking revenue during those years. In 2020, there was a further decrease in target achievement, with only 35% realized. This decline is directly related to the impact of the COVID-19 pandemic, which resulted in a drastic reduction in population mobility and economic activities, directly affecting parking revenue. In 2021 and 2022, there was a substantial improvement in target achievement, with revenue realization reaching 96.63% and 94.91% of the target, respectively. This increase reflects a recovery from the pandemic's...
impact and effective parking management strategy adjustments by the Regional Parking Company Makassar Raya.

The analysis of this table shows how economic conditions, policy changes, external factors such as weather and pandemics, and the effectiveness of management strategies affect parking fee revenue. The significant improvement in target achievement in recent years could be the result of strategy adaptation, such as increased enforcement against illegal parking, tariff adjustments, and improved parking services. From this, the Regional Parking Company Makassar Raya can draw valuable lessons to inform future strategic decisions and continue optimizing parking management to support local revenue. In the effort to increase local revenue, an e-parking system was introduced but is no longer in operation.

E-parking revenue has not been optimally implemented because it was not managed by the Regional Parking Company itself. When working with third parties, revenue sharing was involved, reducing the income received. In the future, e-parking will be reactivated after system improvements. However, the research findings indicate that e-parking did not work optimally due to a lack of awareness among the community about how e-parking operates. Considering the community's characteristics, efforts to advance the parking system may be hindered because some people prefer manual methods over electronic ones. This observation extends beyond young people to include older individuals who may not be tech-savvy. Community awareness is essential because even if the government implements e-parking, its effectiveness relies on community participation.

To achieve optimal e-parking utilization, a comprehensive approach is needed, not only improving technical infrastructure but also involving efforts to enhance community awareness and capabilities in using the e-parking system. Education and awareness campaigns may be necessary to ensure that all segments of the community can adapt to this new parking system. Collaboration between the Regional Parking Company, the city government, and the community will be key to the successful implementation of e-parking, which not only increases revenue but also provides better services for road users.

Based on the research findings, comparing the annual revenue targets and realizations over the past five years from 2018 to 2022 shows that each year's target increased from the previous year. Furthermore, the revenue realization for each year increased compared to the previous year. However, when comparing the set targets to the revenue realization for each year, it is evident that the realization never reached the targets. Several factors contributed to the revenue not reaching the targets, including climate factors like heavy rain leading to reduced parking activity, the existence of parking spots that no longer generated income due to business closures, and the COVID-19 pandemic that had a significant impact on reducing roadside parking revenue.

To address revenue leakage, e-parking was previously implemented but is now temporarily discontinued for system improvements and will be reintroduced when ready. The utilization of e-parking is closely tied to the community's knowledge and willingness to use it. However, the characteristics of the community have also influenced the effectiveness of e-parking, as not everyone is familiar with its usage. This is further compounded by the fact that some individuals, including older generations, may not be tech-savvy. Community awareness plays a crucial role because even if the government implements e-parking, its effectiveness hinges on community adoption.

To achieve optimal e-parking utilization, a holistic approach is needed, encompassing not only technical infrastructure improvements but also efforts to raise community awareness and capacity in using the e-parking system. Education and social awareness campaigns may be necessary to ensure that all segments of the community can adapt to this new parking system. Collaboration between the Regional Parking Company, the city government, and the community will be essential for the successful implementation of e-parking, which aims not only to increase revenue but also to provide better services to road users.

4. Conclusion

The research shows that over the past five years, revenue from the Regional Parking Company Makassar Raya has never reached the set targets, primarily due to factors such as climate conditions, the COVID-19 pandemic, and the presence of parking spots that are no longer lucrative. This highlights the need for continuous adjustments to monitoring strategies and practices. The transition to e-parking was considered a solution to address revenue leakage, but its implementation has not been optimal. Factors such as third-party partnerships leading to revenue sharing, the expansion of the e-parking system, and the adaptation of the community to new technology have been obstacles that need to be overcome. In this regard, the demographic characteristics of parking users, including diverse age groups and levels of technological literacy, require a tailored approach to ensure effective adoption and utilization of the
e-parking system. Therefore, increasing public awareness through education and socialization, as well as improving technical infrastructure and strategies, is considered crucial to support the successful implementation of e-parking. Collaboration between the Regional Parking Company, the city government, and the community is key to optimizing parking revenue and providing better services for users. This research underscores the importance of responsive and adaptive monitoring, which can respond to social and economic dynamics and leverage technology to enhance efficiency and effectiveness in managing parking fee revenue.

References: