

Report to the Future Melbourne Committee**Agenda item 6.5****The future of commercial e-scooter operations****15 August 2023**

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Purpose and background

1. Council's annual plan includes the following activity; "Establish a Council position on the future of commercial e-scooter operations in the municipality in response to Victorian Government decisions" and on 13 June 2023, the Future Melbourne Committee (FMC) resolved to request a report from management by 15 August 2023 on the operation of commercial e-scooter schemes in the municipality.
2. The City of Melbourne (CoM) has been participating in the Victorian Government's shared e-scooter trial since February 2022 in partnership with the City of Port Phillip and City of Yarra. In March 2023 the Victorian Government extended the trial by six months and expanded it to include private e-scooters. It appears likely that e-scooters will be permanently legalised in early October 2023.
3. Lime and Neuron were selected through a competitive process to operate shared e-scooters in the three council districts. Since the trial began there have been nearly 5 million shared e-scooter trips. Melbourne e-scooters have been among the most intensively-used in the world. There have been some issues during the trial including illegal riding (riding on footpaths, without helmets, carrying passengers and while affected by alcohol) as well as improperly parked e-scooters impeding footpaths. Attachment 2 provides details about suggested ways to respond to the issues.

Key issues

4. In order for shared e-scooter systems to be safe, viable and provide a net public benefit, the most important regulatory tool is for councils to have legal power to manage shared e-scooter schemes. This can be achieved by the Victorian Government requiring operators to have agreements with the councils in which they operate. Officers have advocated to the Department of Transport and Planning (DTP) for this power to be provided if e-scooters are permanently legalised.
5. The agreements with e-scooter operators would provide the tool for councils to determine performance standards and ensure compliance via penalties or termination of operations under specific circumstances. Performance standards could include: reporting and verification systems; acceptable rider behaviour; change the size of the e-scooter fleet; require specific approaches to e-scooter deployment and parking. The agreements can be updated relatively quickly to take advantage of new technology, changes to Council policy or to address issues which arise.
6. The coordination of communications and consistency of messaging is important to ensure riders are aware of their responsibilities and understand the laws. The participating councils, DTP and the operators are working together to ensure consistent messages through the most effective channels.
7. Management has begun discussions with inner Melbourne councils to assess interest in participating in a new, larger more permanent shared e-scooter scheme post legalisation. The benefits of a larger scheme include allowing users to make more and longer trips; economies of scale; and greater value for operators leading to increased investment, improved technology, greater employment, better service and higher performance standards. Moving from a trial to a larger more permanent scheme would likely require a dedicated manager and governance structure, a new procurement process and the development of agreements to ensure high standards of rider behaviour, parking, compliance and appropriate fees. The Chief Executive Officers of the M9 group of inner Melbourne councils (refer to Stakeholder consultation in Attachment 1) met recently and agreed to consider participation in a wider e-scooter scheme. CoM's participation would be crucial to the development of a wider e-scooter scheme due to its central location and because it is where the largest proportion of trips occur.
8. Management intends to continue to operate the shared e-scooter scheme under the current agreement until a new scheme is launched and to pursue improvements in parking and rider behaviour with Lime and Neuron. There may need to be adjustments to the current agreement such as expanding the operating area should a contiguous council wish to join the scheme or changing the size of the fleet.

9. A new shared scheme could be launched in the first half of 2024 following a decision by the Victorian Government to legalise e-scooters which is expected in early October 2023. The launch of a new scheme would be contingent on management being confident that higher standards of parking and rider behaviour can be delivered. Attachment 3 outlines the procurement approach.

Recommendation from management

10. That the Future Melbourne Committee:
 - 10.1. Approves the proposals to improve safety and amenity of the e-scooter system during the Victorian Government's ongoing shared e-scooter trial, under the current agreement, as detailed in the report from management.
 - 10.2. Provides in principle support for the ongoing operation of commercial e-scooters in the City of Melbourne, should the Victorian Government legalise the use of shared e-scooters beyond the trial, subject to:
 - 10.2.1. councils being provided with the power to manage the schemes by agreements with operators; and
 - 10.2.2. the issues raised in the report from management being satisfactorily addressed through the agreements, enforcement powers and education.
 - 10.3. Notes that breaches of the Road Safety Road Rules 2017 are traffic offences, enforceable by Victoria Police. This includes failure to wear a helmet, riding an e-scooter on a footpath and other breaches.
 - 10.4. Approves the approach to managing the impacts of shared e-scooters primarily through contractual agreements with operators; including clear performance standards, penalties for non-compliance and the ability to withdraw from an agreement, ceasing operations should that be required.
 - 10.5. Approves the approach to planning a new e-scooter system for inner Melbourne and requests the Chief Executive Officer continue advocacy and negotiations with other councils, including M9, to achieve this.
 - 10.6. Requests that a report be presented to the Future Melbourne Committee prior to the launch of any new e-scooter scheme for inner Melbourne, providing further detail on its operation and design.

Attachments:

1. Supporting Attachment (Page 3 of 10)
2. E-scooter Management; Responses to matters raised in resolution (Page 5 of 10)
3. E-scooter Management; Procurement Framework (Page 10 of 10)

Supporting Attachment

Legal

1. Legal advice has and will be provided as required on issues in respect to e-scooters. Depending on how the e-scooter scheme proceeds, the authorisation of the Australian Competition and Consumer Commission may be required so the scheme does not breach competition laws.

Finance

2. E-scooter operators pay a fee to CoM to operate the system. The fee is \$1 per e-scooter permitted to be deployed in the municipality per day.
3. Both operators consider that Melbourne's shared e-scooters have a higher-than-optimal rate of use per day and that the fleet could be expanded from the current 750 e-scooters per operator which would provide an improved transport service. Should the deployment of designated parking prove successful, it may be agreed to increase the fleet. Should this occur, CoM revenue would increase by \$1 per day per new e-scooter.
4. The development of a new shared e-scooter scheme for inner Melbourne would provide the opportunity to review the pricing structure to ensure appropriate incentives for operators and participating councils to deliver the best possible service. Options include changing to a per ride fee and for the allocation of space in the public domain.

Conflict of interest

5. A member of Council staff who is involved in advising on this report has a family member who works at the Department of Transport and Planning. This interest is managed internally. No other member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

6. In developing this proposal, occupational health and safety issues have been considered. The aim of the recommendation in this report is to improve community safety including the safety of those using e-scooters and of those in the community where e-scooters are being used, noting that no transport mode is without risk. The operators report a hospitalisation rate of fewer than 2.0 hospitalisations per 100,000 km travelled for the Melbourne trial. This is below the average for all jurisdictions in Australia. There are some international studies which concluded that injury rates for e-scooter use are lower than for bicycle use. Others have concluded they are higher. There is evidence from New Zealand, Europe and the USA that e-scooter injury rates drop as users improve their skills in riding e-scooters. Management will continue to work with key stakeholders to monitor the safety of the shared e-scooter system and address issues which arise.
7. New approaches to e-scooter parking seek to reduce footpath clutter and trip hazards by dedicating specified areas for parking.

Stakeholder consultation

8. The M9 group of councils includes the local governments of Darebin, Hobsons Bay, Maribyrnong, Melbourne, Moonee Valley, Merri-bek, Port Phillip, Stonnington and Yarra. M9 represents one in five Victorians and more than a third of Victoria's Gross State Product. M9 advocacy priorities include advocating for improvements to the transport network including active and public transport to deliver social, environmental and economic benefits.

9. The FMC resolution of 13 June 2023 requested that management seek the opinions of the CoM Disability Advisory Committee. Management wrote to the committee members on 27 June 2023 asking whether members had concerns about the operation of commercial e-scooters in the Council district; what conditions members considered should be required by CoM in agreements with private operators; and whether members had any other comments they wished to make.
10. Issues raised by committee members were similar to those raised by other members of the community including in submissions to the 13 June 2023 FMC meeting. They included:
 - 10.1. The need for users to understand and follow the e-scooter rules and for better communications and enforcement to support this.
 - 10.2. The need for designated parking and for operators to be responsible for illegal parking.
 - 10.3. The need for better technology and other approaches to prevent illegal riding.
11. These matters are addressed in general response to issues in Attachment 2.

Relation to Council policy

12. The recommendation aligns with the Transport Strategy 2030 which includes an action to trial micro-mobility which delivers a public benefit. About 40 per cent of riders use e-scooters to connect to public transport. This supports the Transport Strategy 2030's aim to increase public transport mode share.
13. It also aligns with the Economic Development Strategy 2031. E-scooters are a growing, low-carbon technology generating new jobs based in and around the central city including technology development, operations, management and customer service. Most e-scooter users purchase something before or after they travel. E-scooters provide an extra travel option to connect people to jobs, services and activities in the central city thus supporting economic activity. E-scooter use is higher during the evening, supporting the night time economy when public transport is running less frequently or not at all. E-scooters also serve journeys which are less attractive to reach by other modes such as when the destination is far from public transport.

Environmental sustainability

14. Environmental sustainability has been considered in developing this recommendation. The Victorian Government reported that during the first 12 months of the e-scooter trial, around 400 tonnes of carbon emissions were avoided as people switched journeys from motor vehicles to e-scooters. E-scooters are popular for short journeys. Travel modes which operate over short distances tend to encourage the development of nearby goods and services which in turn reduce the need for long distance travel reducing negative environmental impacts.

E-scooter Management; Responses to matters raised in resolution

FMC resolution

On 13 June 2023, the Future Melbourne Committee (FMC) resolved to request a report from management by 15 August 2023 on the operation of commercial e-scooter schemes in the municipality, to consider and address the following matters:

- The regulatory and enforcement agreements that would be necessary to secure from the State Government in order for the future of commercial e-scooter operations to be considered safe, viable and a net public benefit.
- The role of the Cities of Melbourne, Yarra and Port Phillip, the State, and commercial e-scooter operators, in facilitating education campaigns to drive public safety and, especially, rules as they relate to footpaths.
- The opinions of the City of Melbourne Disability Advisory Committee.
- The adequacy and efficiency of powers available to Local Laws Officers to keep footpaths safe.
- New opportunities available to Council to better identify, manage and regulate e-scooter parking locations.
- What technology is required to better manage compliance with the rules governing the use of commercial e-scooters and the ability of Council to deny commercial operators that cannot deliver that technology.
- The potential, though the Council of Capital City Lord Mayors, National Cabinet or otherwise, to pursue harmonised approaches to laws governing e-scooter to reduce confusion and improve public safety.

Regulatory and enforcement agreements

1. The most important regulation required for shared e-scooter systems to be safe, viable and provide a net public benefit is for Councils to have legal power to manage shared e-scooter schemes. This can be achieved by requiring operators to have agreements with the Councils in which they operate. This is the case under the current trial rules. Officers have advocated to the DTP for this power to be provided if e-scooters are permanently legalised.
2. Agreements could give the Councils power to, among other things, require certain performance standards; require reporting and verification systems; address rider behaviour; change the size of the e-scooter fleet; require specific approaches to e-scooter deployment; and terminate operations under specific circumstances. The agreements can be updated to take advantage of new technology. Council policy changes can be quickly enacted via changes to agreements.
3. Management is also discussing with DTP whether other legal changes are required including changes to local laws. At this stage it is believed that the most effective and efficient way to regulate e-scooter activity is via legal agreements with operators. Expanding Council's enforcement powers could increase the required resourcing in local laws and may be less effective in dealing with e-scooter issues.
4. Privately-owned e-scooters which meet Victorian Government rules became legal to use in March 2023. The implications of this are not yet clear. It is expected that some owners will prefer to park private e-scooters off-street for security reasons and that bike racks may be useful for those parking on-street. Management will monitor user behaviour and work with DTP and Victoria Police should issues arise.
5. Other issues raised in discussions with DTP include:
 - The development of a list of accredited providers of shared e-scooter schemes. This could help reduce the load on Councils broadly in procuring shared schemes. Accreditation could address minimum technology requirements, operator due diligence, insurance and other matters.

- The development of a list of performance indicators, with guidance on reporting and verification, which could be applied in shared schemes throughout Victoria. These could cover e-scooter parking; intervention times; customer service response times and reporting.
 - Guidance on appropriate parking including on-street and on-footpath designated parking to achieve consistency across the State.
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6. Both operators have now extended their insurance to cover costs incurred by third parties injured by an e-scooter rider, including when the rider was breaking the rules. CoM would seek to make this provision a criterion for selection of providers of e-scooter services as part of any future procurement.

Education campaigns

1. On Friday 2 June 2023, the DTP launched a media campaign aimed at educating the Victorian community about e-scooters and reducing illegal riding. It uses social media, radio, “out-of-home” advertising, search engine marketing and digital display channels.
2. The DTP shared the communications assets with stakeholders including CoM. Our communications team use City of Melbourne channels to further spread the messages including social media, Melbourne News, Neighbourhood Portals and business communications.
3. The DTP campaign is also engaging with key stakeholders, including retailers, with fact sheets and web links including a QR code for up to date information on rules.
4. E-scooter operators are also increasing their communications which encourage responsible riding. One example is Lime’s recent “Lime Responsibly” campaign run for two weeks in May on outdoor media sites including busy locations in the City of Melbourne. Neuron has produced a series of safety videos and shared these across media platforms. Both companies use escalating policies to address illegal riding with the final step being removal from access to the e-scooters.
5. In any future agreements with commercial e-scooter operators, management would include requirements for education, marketing and communications.

Views of the Disability Advisory Committee

1. The Disability Advisory Committee responded to the request for their advice about concerns related to e-scooters in the following terms:
 - The need for users to understand and follow the e-scooter rules and for better communications and enforcement to support this.
 - The need for designated parking and for operators to be responsible for illegal parking
 - The need for better technology and other approaches to prevent illegal riding.
2. These matters reflect the issues raised by others in the community and have assisted in forming Council’s approach to ongoing management of the shared scheme.

Powers available to Local Laws Officers to keep footpaths safe

1. Failure to wear a helmet, riding an e-scooter on a footpath and other breaches of the Road Safety Road Rules 2017 (Rules) are traffic offences, enforceable by Victoria Police. Council’s authorised officers do not have the power to enforce traffic offences.
2. Council officers do have the ability to impound e-scooters which are dangerously parked under current local laws. However it is considered that the most effective and appropriate way to keep footpaths safe is a combination of new technology (see below), new approaches to parking (see below) and the use of agreements between councils and operators with effective performance standards and sanctions.

Opportunities to better manage e-scooter parking

1. At the request of the three councils, Lime and Neuron have developed a joint program to roll out “designated parking” across busy areas of the three municipalities. Designated parking requires e-scooter users to park in particular locations with the aim of causing minimum footpath clutter and fewer hazards. Current trials of designated parking in the three councils and Ballarat (where a separate e-scooter trial is operating) have improved parking discipline and neatness. In CoM the designated parking has been trialled on Swanston and Elizabeth Streets and in Jolimont.
2. During the trials, the operators report a 55 per cent reduction in complaints to operators regarding e-scooter parking and a reduction in the proportion of users abandoning e-scooters without properly “ending” their trips. The trials use “in-app” communications to instruct riders to park in specific locations, but no indicators are visible to non-riders such as pavement marking. The grouping of e-scooters in logical locations encourages other users to follow suit.
3. Were e-scooters to be permanently legalised, designated e-scooter parking for shared schemes should be expanded and improved. Lime and Neuron support this. In busy areas and areas of high e-scooter use, designated parking zones would be spaced approximately 150 metres apart, large enough for five or more e-scooters. These would be readily identifiable using physical infrastructure (a combination of line-marking, decals and possibly kerb protection for some on-street zones). Designated parking would be located on both kerbside spaces and footpaths. Users would be directed where to park by the e-scooter app and line-marking would encourage neat parking. Officers are identifying locations to trial marked e-scooter parking zones. Care will be taken to ensure they do not obstruct footpaths or add clutter. Officers will seek to locate on-road sites in locations which cannot be used for other kerbside purposes. If the trial is successful, officers intend to introduce designated parking throughout busy areas of the municipality. Many cities around the world are moving from free-floating e-scooter parking to designated parking, often clustered with other micro mobility vehicles, i.e. bicycles.
4. The Parking and Kerbside Management Plan (PKMP) endorses the provision of e-scooter parking at the kerbside (on the street). On-street parking will also encourage users not to ride on footpaths. The PKMP anticipates a role that will oversee the allocation of on-street space to different uses. This would include on-street e-scooter parking. Should designated parking continue to be successful, management would include designated parking requirements in any future agreements with commercial e-scooter operators. Operators could pay a fee for access to on-street space or parking charges could be included in the fees charged to operate the schemes.
5. Officers will work with operators to improve e-scooter parking during the final months of the trial as part of preparation for a possible wider e-scooter scheme.

Technology to better manage e-scooter compliance

1. Technology to better manage e-scooters is evolving quickly. In any future agreements with e-scooter operators, officers would include requirements to take advantage of up-to-date technology as part of the procurement process. Management would also seek to ensure that agreements are flexible and able to incorporate new technology as it develops and to exclude operators which cannot deliver appropriate technologies.
2. Melbourne is one of the few places in the world where e-scooters are not permitted to be ridden on footpaths. Both operators are working on in-scooter, camera-based technology designed to reduce footpath riding and expect to trial and/or deploy this starting in 2023. The technology uses cameras and sensors to distinguish between footpaths and legal riding areas (streets, shared paths etc.). E-scooter operator Beam reports that it is planning to deploy 200 e-scooters in the City of Melton in July which can only travel at 4 km/h on footpaths. This allows access to footpath parking areas but is expected to significantly discourage footpath riding.

3. Other technologies currently being developed include:
 - AI systems preventing riders from “ending” their trips unless they provide a photograph of their e-scooter correctly parked.
 - Dual band GPS which would improve the accuracy of locating e-scooters, improving geofencing and designated parking. Currently, most GPS systems use a single frequency band which makes locating objects less accurate especially in cities with tall buildings.
 - On-board mapping to reduce reliance on GPS positioning
 - Alcohol detection and deterrence systems
 - Rider identification verification systems to prevent under age riders using e-scooters
 - Installation of small Bluetooth “beacons” at e-scooter parking bays to improve e-scooter parking accuracy to within 30 cm.
4. E-scooters are currently operating under a trial which was originally planned to run for 12 months. Should the Victorian Government legalise e-scooters, this will provide significantly greater certainty encouraging greater investment in aspects such as new technology, parking infrastructure, contractual agreements and systems to manage an ongoing e-scooter system for Melbourne.
5. The e-scooters use GPS technology to locate devices and create no-riding and no-parking zones. This technology works well to prevent riders riding in areas such as Fitzroy Gardens or the Shrine of Remembrance but is not accurate enough to prevent riding on a footpath while allowing riding on the adjacent street. E-scooter companies compete to develop the best technology and any new procurement process would include an assessment of technological performance.
6. In the remaining months of the trial, officers will continue to seek early deployment of technologies which will reduce the negative impacts of e-scooter use, especially footpath riding, poor e-scooter parking and other illegal behaviour.

Harmonised approaches to laws governing e-scooter use

1. Steps have been taken to harmonise e-scooter laws across the country. The National Transport Commission (NTC) is the cross-jurisdictional body responsible for the model Australian Road Rules (ARR). The NTC recently undertook a review of personal mobility devices (PMDs) including e-scooters, with the aim of removing barriers to the use of innovative vehicles. The NTC produced a Regulatory Impact Statement and assessment of ‘Barriers to the safe use of personal mobility devices’. The NTC’s Australian Road Rules (ARR) amendment package, introducing PMDs into the ARR, was endorsed by Infrastructure and Transport Ministers on 30 May 2021. The ARR have been updated to include PMDs (see Australian Road Rules (Personal Mobility Devices) Amendment 2021).
2. The ARR are a model law and have no legal effect unless they are adopted into the local jurisdiction’s state/territory road laws. The ARR are an attempt to harmonise national law to the greatest extent possible. Each state and territory has agreed to adopt the model ARR in their local version of the road rules, with some measures subject to the law of jurisdiction. States can derogate from the ARR to any extent they see fit provided a rationale is made as part of the law-making process. There is no legal obligation to adopt ARR in full or in part.
3. For the current e-scooter trial, Victoria has adopted rules which differ from those adopted in other states and from the ARR PMD framework. For example, the maximum e-scooter speed in Victoria is 20 km/hr compared to the model law speed of 25 km/hr and e-scooters are not permitted on footpaths in Victoria but are permitted on footpaths under the model law and in several other states and territories (e.g. Tasmania, Western Australia, Queensland and Northern Territory).
4. Management will continue to advocate to the Victorian Government for harmonisation of e-scooter laws where this will reduce confusion, improve public safety and enhance the amenity of the city.

Other issues

1. Management has begun discussions with M9 councils to assess interest in participating in a wider shared scheme. The benefits of a larger scheme include allowing users to make longer trips; avoiding difficult-to-manage clusters of devices at council borders; economies of scale; greater value for operators leading to increased investment, better service and higher performance standards. Moving from a trial to a larger more permanent scheme would likely require a dedicated manager and governance structure. The M9 CEOs met recently and agreed to consider participation in a wider e-scooter scheme.
2. CoM's participation will be crucial to the development of a wider e-scooter scheme due to its central location and because it is where the largest proportion of trips occur.
3. DTP is planning to engage with councils across Victoria regarding their interest in operating shared e-scooter schemes. This engagement will be delivered through the Municipal Association of Victoria.
4. Officers have also advocated to DTP that councils should have power to manage shared e-bike schemes in a similar way to e-scooters.

Procurement Framework to Deliver a Safe, Effective and Well-Integrated Shared E-Scooter Scheme for Inner Melbourne

Vision

The vision for a shared e-scooter scheme for inner Melbourne is a best-practice system which ensures safety for the whole community, including users and non-users, and delivers economic, environmental and social benefits to the inner Melbourne region by improving the connectivity of the transport network and offering a new way to travel which complements existing modes.

Procurement approach

The approach to procuring a new shared e-scooter scheme for inner Melbourne would be to seek tenders from qualified and experienced operators who can demonstrate how they would ensure the scheme and its users would comply with Victorian road rules and City of Melbourne requirements.

The launch of a new scheme would be contingent on management being confident that proposals from operators are able to deliver on this vision.

Delivery of the e-scooter scheme would be managed via an agreement between the City of Melbourne and the operators. The City of Melbourne would retain the right to withdraw from the agreement, should the operator(s) be unable to meet performance requirements. The City of Melbourne would also retain the right to vary the agreement should there be a need to change the performance requirements.

Key outcomes regarding user behaviour and e-scooter parking which would be required via the procurement process include:

- On-street riding – Operators would need to demonstrate how they would detect, report on and prevent footpath riding.
- Parking – Operators would need to demonstrate that they are able to meet performance outcomes in relation to parking and ensure e-scooters are parked as required by City of Melbourne and to detect and report on levels of parking compliance. This might include the use of technology to verify appropriate parking and assist users to park appropriately.
- Exclusion zones – Operators would need to demonstrate the ability to institute permanent and temporary exclusion zones for a range of applications including supporting events and protecting locations where e-scooter riding is not appropriate.
- Helmets – Operators would need to demonstrate how they would ensure users wear approved bike helmets.
- Carrying passengers - Operators would need to demonstrate that they are able to detect, report on and prevent users from carrying passengers.

There would also be a range of other performance requirements as part of the procurement approach including for e-scooters to meet Victorian Government rules on speed limits; rider identity verification; locally-based customer service and operations staff; customer communications regarding appropriate behaviour; escalating disciplinary approaches for users who breach the rules; reporting and verification; insurance requirements; and requirements to work with local businesses to promote economic development.

The approach to procurement will continue to be refined in the lead-up to the Victorian Government's expected decision on legalising e-scooters in early October.