

Submission
No 139

INQUIRY INTO USE OF E-SCOOTERS, E-BIKES AND RELATED MOBILITY OPTIONS

Organisation: NSW Productivity and Equality Commission

Date Received: 16 August 2024



Treasury

TA24/895

Ms Cate Faehrmann MLC
Chair
Portfolio Committee No. 6 - Transport and the Arts
Parliament House
SYDNEY NSW 2000

Dear Ms Faehrmann,

Re: Legalising E-Scooters in NSW: A Case for Progress and Sustainable Mobility

I welcome the opportunity to make a submission to the Inquiry into the use of e-scooters, e-bikes and related mobility options. I believe that embracing new transport technologies can bring significant benefits to our state.

The NSW Productivity and Equality Commission (the Commission) is focused on driving economic reform to boost productivity and increase living standards. Carefully developed regulation can foster both technological progress and economic expansion, while safeguarding community health and safety. Overly rigid regulations can hinder innovation, forego productivity benefits of new technologies, and even work against the goals of the regulation.

In New South Wales, there is currently no regulatory framework supporting the personal use of e-scooters outside of private properties.

My report, *Regulating Emerging Technologies* (Attachment A), examines how establishing fit-for-purpose regulations to harness the full potential and benefits of emerging technologies, while addressing safety concerns and other risks. We found that greater adoption of e-scooters and other personal mobility devices could generate up to \$87 million in net economic benefits.

Other jurisdictions have successfully managed to legalise the private use of e-scooters in public roadways and areas by redefining and reclassifying what is an e-scooter. Victoria's classification of a legal e-scooter is defined as a low-speed device (like bicycles) by limiting the maximum speed. Any vehicle capable of travelling faster than this threshold is treated similar to a road-registered motor scooter.

Should a similarly robust regulatory framework be introduced for e-scooters, it could enable uptake of between 8 million and 10 million trips per year by 2041, compared to just 600,000 trips per year if no changes are made. The benefits include productivity increases for individuals and businesses, positive economic impacts such as employment opportunities and tourism, and positive environmental outcomes from reduced emissions.

- E-scooters offer an efficient solution for “first and last mile” transport, connecting commuters to public transport hubs. By bridging gaps between buses, trains, ferries, and light rail, e-scooters can significantly reduce travel time and encourage increased uptake of public transport.

- By providing an alternative to conventional bicycles and walking, e-scooters can lead to substantial time savings. Commuters can bypass traffic congestion and reach their destinations faster, contributing to increased productivity.
- E-scooters can help ease traffic congestion by providing an alternative mode of transportation. Fewer cars on the road means less congestion and reduced emissions.
- In other jurisdictions, there has been proven tourism benefits. In some instances, the tourists who used e-scooters the most spent 41% more money per day than those that used e-scooters less frequently or not at all. This increased spend was also across a wider geographic region than would be possible by foot, meaning more local destinations were visited.

Despite legal restrictions, consumers are currently able to purchase a wide range of e-scooters in New South Wales with a range of speeds and power options. If they were to use these in public, however, an individual could potentially face a \$5,500 fine for operating an unregistered vehicle (as there is no way to register an e-scooter as a road vehicle).

New South Wales could introduce a robust regulatory framework, learning from the experience of other jurisdictions. Victoria, the Australian Capital Territory, and Queensland have successfully regulated e-scooter use by addressing safety, parking, speed limits, and rider behaviours. While e-scooters are currently classified as “motor vehicles” in NSW, the creation of a low-speed device classification would create the opportunity to implement this regulatory framework safely and define exact parameters for compliance.

Technological change is continuous, bringing new products and services that can unlock large productivity gains in the transport sector. Having the right regulatory settings will position NSW to benefit from future innovation in personal mobility devices, and help deliver better economic, social and environmental outcomes for the people of NSW.

Yours sincerely,

Peter Achterstraat AM

NSW Productivity and Equality Commissioner

Attachments:

- A:** Regulating Emerging Technologies report - <https://www.productivity.nsw.gov.au/regulating-emerging-technologies>