



Brisbane Central Business District Bicycle User Group

CBD BUG

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The Right Honourable Graham Quirk
Lord Mayor of Brisbane
GPO Box 1434
BRISBANE QLD 4001

Via email: Lord.Mayor@brisbane.qld.gov.au

Dear Lord Mayor

I write to you on behalf of Brisbane Central Business District Bicycle User Group (CBD BUG) members, who passed a motion during at our February 2019 General Meeting that a letter be written to you regarding Brisbane City Council's (BCC) announcement of the intention to conduct a tender process for two e-scooter-sharing companies to each operate 500 scooters.

The CBD BUG commends BCC for enabling shared-e-scooters to continue to be used in Brisbane. According to Lime, since their November 2018 Brisbane roll-out 131,000 unique users have already used their scooters to make more than 500,000 trips. These numbers are indeed testimony to these devices, which are a fun, affordable and efficient way to travel, filling a large gap in Brisbane's transport system. With up to 30% of Lime scooter trips replacing motor vehicle use the CBD BUG views the increased uptake of e-scooter sharing schemes as a key means of reducing Brisbane's over-dependence on cars for transport and thereby improving safety for people riding bicycles.

We appreciate that to ensure safety for all road and footpath users BCC must adopt a measured approach to the on-going operations of shared e-scooter schemes. However, Council's recently announced approach has a strong potential to smother the further desirable growth in shared e-scooter utilisation.

Key among these concerns is the BCC decision to limit the number of authorised shared e-scooter providers to just two (2), effectively establishing a duopoly. By restricting the number of providers in this manner there is a high likelihood of no genuine competition occurring between suppliers, resulting in consumers paying a higher price than would be the case in a more competitive market. Table 1 on the following page lists the 15 cities in just the United States that we have identified as having a greater number of shared e-scooter companies operating than BCC is proposing, with many of these cities having resident populations equivalent to or less than Brisbane's.

We suggest that establishing a duopoly of shared e-scooter provider is the same mistake perpetuated for decades by successive Queensland Governments with respect to taxis, and is contrary to the Deputy-Mayor's statement that "we believe in competitive tension and that competition in the marketplace will drive better outcomes for users". (Brisbane Times 19/2/19)

Table 1: USA cities where three or more shared e-scooter companies operate

City	State	Pop'n (2017)	E-scooter companies operating					Total
			Lime	Bird	JUMP	Skip	Lyft	
Atlanta	Georgia	486,290	Y	Y	Y		Y	4
Austin	Texas	950,715	Y	Y	Y		Y	4
Los Angeles	California	3,999,759	Y	Y	Y		Y	4
Nashville	Tennessee	667,560	Y	Y	Y		Y	4
San Diego	California	1,419,516	Y	Y	Y		Y	4
Washington D.C.		693,972	Y	Y		Y	Y	4
Arlington	Texas	396,394	Y	Y			Y	3
Dallas	Texas	1,341,075	Y	Y	Y			3
Denver	Colorado	704,621	Y	Y			Y	3
Mesa	Arizona	496,401	Y	Y			Y	3
Portland	Oregon	647,805	Y	Y		Y		3
San Antonio	Texas	1,511,946	Y	Y			Y	3
San Jose	California	1,035,317	Y	Y	Y			3
Santa Monica	California	92,478	Y	Y			Y	3
Scottsdale	Arizona	249,950	Y	Y			Y	3

Along with this concern is the parallel issue of Council's proposed limit for Brisbane of only 1,000 as the total shared e-scooter fleet across both authorised companies. This number is viewed as overly restrictive and highly likely to further hinder e-scooter utilisation growth. Underpinning this view are reports on the Brisbane experience so far indicate each Lime scooter is being used between six and nine times per day, which is more than ideal and a strong indication of the need for more scooters. We also note that in comparison BCC's Citycycle shared bicycle scheme provides 2,500 bikes for the community's use, while there is no Council-imposed restriction on the number of motor vehicles that can be driven into or through the Brisbane CBD.

One further reason for ensuring Council allows room for further market entrants is the suggestion by market analysts that some of the current e-scooter companies may yet merge, which could effectively result to Brisbane having just the one provider.

Accordingly, we propose that BCC's tender process for shared e-scooter scheme providers at least includes a condition that Council will allow additional shared e-scooter providers to enter the Brisbane market following six-monthly assessments, subsequent to the initial two successful tenderers commencing operations. These reviews would also examine the potential for expansion of Brisbane's shared e-scooter fleet beyond the currently intended limit of 1,000 scooters.

Yours sincerely

Paul French
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Brisbane CBD BUG
12 March 2019