



**BICYCLE
NETWORK®**

Federal Budget Submission 2024–25

January 2024



25 January 2024

The Hon Stephen Jones MP
The Assistant Treasurer and Minister for Financial Services
Treasury
via email

Pre-Budget Submission 2024-25

Please find attached Bicycle Network's 2024-2025 Pre-Budget Submission outlining our priorities for the 2024-25 Budget.

Our focus is a faster and more economically efficient switch to low-emissions transport. We believe this can be achieved by including electrically assisted bicycles as qualifying vehicles within the scope of the National Electric Vehicle Strategy and investing in related infrastructure support.

Bicycle Network has more than 48,000 members and is one of the top five member-based bike riding organisations in the world.

We have a proud history reaching back almost 50 years and we sense a powerful social trend emerging where families replace an internal combustion engine vehicle with an e-bike or e-cargo bike. Such an initiative can gain momentum rapidly at comparatively low cost, making a measurable impact on related policy objectives.

We look forward to working with you to get more people riding bikes and building a happier, healthier, and more sustainable Australia.

For further information contact Leanne Tolra, General Manager Public Affairs, leannet@bicyclenetwork.com.au, 03 8376 8881.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Alison McCormack".

Alison McCormack
CEO



Headline summary

Bicycle Network supports the thrust of the Australian Government's emissions reduction ambitions.

Transport emissions are a large, and growing, proportion of those emissions and regrettably we are not on target to address this excess.

The 2024-25 Budget is an opportunity to adjust Australian Government programs to better meet these objectives.

In the 2024-2025 Federal Budget, and beyond, we argue that two fundamental commitments would provide manifold economic, health and social benefits to the community.

1. Establish a national grant scheme to address the cost barrier for e-bikes and make them an accessible, affordable mode of transport for everybody.
2. Commit a larger portion of the federal transport budget to active transport, bringing Australia into line with leading countries and the United Nations recommendations of 20%.

Financial year	2024–25 \$m	2025–26 \$m	2026–27 \$m	2027–28 \$m	TOTAL \$m
National e-bike rebate program	12.5	12.5	12.5	12.5	50
An active transport budget	5%	10%	15%	20%	

1. Seize Australia's e-bike moment



Australia faces many challenges in its commitment to an economy-wide emission reduction of 43% below 2005 levels by 2030, but transport emissions are particularly complex.

The rapid uptake of e-bikes presents the nation with a sanguine opportunity to reduce car trips, address growing transport emissions and set up our population centres for cleaner and healthier futures.

Australians have already shown they have a huge appetite for e-bikes and sales are now outpacing electric vehicles at more than 100,000 a year.ⁱ Globally, electric bikes and mopeds are displacing four times as much demand for oil as the world's electric cars.ⁱⁱ

Governments around the world are unlocking the potential of e-bikes through innovative rebate schemes that address the sometimes-prohibitive purchase price. The City of Denver, US, introduced a popular e-bike incentive program in 2022. Surveyed participants replaced an average of 3.4 vehicle trips per week and the program saved an estimated 2000 MT CO₂ equivalent in its first year.ⁱⁱⁱ A study on rebate programs in California found that incentives were key to cutting car use, and estimated greenhouse gas reductions to be 12-44 kilograms of CO₂ equivalent (CO₂e) per rebate participant per month.^{iv}

A study in Sweden found that e-bikes saved users in urban areas an average of 55km in car travel per week.^v Another study in Brighton, UK, found that a group of e-bike trial participants reduced their miles driven by 20%.^{vi} Similar stories of e-bikes reducing private car use can be found around the world.



In November 2023, Tasmania became the first Australian state to join this growing list of governments investing in e-bike rebates. In just three months, the Tasmanian scheme is proving effective at guiding people towards sustainable transport modes. ^{vii}



The Federal Government has recently taken decisive action to address transport emissions, through the introduction of the Fuel Efficiency Standard, incentives for EV owners, the National Electric Vehicle Strategy and the \$500 million Driving the Nation Fund to establish the charging infrastructure. It should consider broadening the scope of these efforts to get more Australians onto e-bikes. The benefits are 'low-hanging fruit' and there for the taking.

Modelling suggests that a \$31 million Australian e-bike rebate program would provide a cost-benefit ratio of nearly \$2 for each \$1 invested, avoiding up to 8.4 million kilometres of car travel or more than 10,000 tonnes of greenhouse gas emissions over five years. In the context of the government's broader actions on electrification and transport decarbonisation, this would represent a modest investment, but one that could have a momentous impact.

Of its \$1.2 million e-transport package introduced in November 2023, the Tasmanian Government allocated \$200,000 to its e-bike and e-scooter grant scheme, covering up to \$500 of the cost of standard e-bikes and up to \$1000 for cargo e-bikes.

Bicycle Network is seeking a total \$50 million investment in a national e-bike rebate program to capture the transformational potential promised by this nascent and fast-growing mode of transport.

Distributed as individual grants, this could reduce the financial outlay and create impetus for more than 100,000 Australians to choose an e-bike for transport.

2. Invest in world-class active transport infrastructure



To capture the opportunities of getting more people on e-bikes, the nation must invest more in infrastructure to encourage and support more citizens to switch to electric bicycle technologies.

The Australian Government has numerous funding programs that assist state governments to provide transport infrastructure across multiple modes. By adopting transport integration principles, these programs can be adapted so all modes are considered in funding proposals.

Australia stands poorly on the world stage without a dedicated active transport budget. Bike riding and walking receive only a tiny fraction of the funding allocated to road projects. All states and territories besides the ACT (14%) allocate less than 2% to bike infrastructure.^{viii}

The United Nations Environment Program has called on governments at all levels to invest at least 20% of their transport budgets into walking and bike infrastructure to directly tackle the international crisis of emissions and air pollution.

In 2021, Ireland committed to allocating 20% of its transport budget to active travel projects. Scotland also increased its active transport investment to 10% of its overall transport budget in 2024-25. In 2020, the UK announced a six-fold increase in funding for walking and bike riding projects.^{ix}

Modelling indicates that we must dramatically increase bike riding trips to meet our obligations on climate change. International evidence shows that investing in high-quality and connected infrastructure is an effective, sustainable and long-lasting solution.

ⁱ <https://www.theguardian.com/australia-news/2023/oct/08/its-also-just-fun-why-a-growing-number-of-australia-families-are-ditching-cars-for-e-bikes> accessed 24 January 2024

ⁱⁱ <https://theconversation.com/the-worlds-280-million-electric-bikes-and-mopeds-are-cutting-demand-for-oil-far-more-than-electric-cars-213870> accessed 24 January 2024

ⁱⁱⁱ <https://www.ridereport.com/blog/ebike-inventive-programs> accessed 24 January 2024

^{iv} <https://bicyclenetwork.com.au/newsroom/2023/09/27/e-bike-incentives-key-to-cutting-car-use/#:~:text=An%20e%2Dbike%20can%20be,the%20benefits%20from%20lower%20emissions.>

Accessed 24 January 2024

^v Hiselius, L and Svensson. A (2017) 'E-bike use in Sweden – CO2 effects due to modal change and municipal promotion strategies' *Journal of Cleaner Production.* accessed 24 January 2024

<https://www.sciencedirect.com/science/article/abs/pii/S0959652616314822>

^{vi} Cairns, Behrendt, Raffo, Beaumont and Kiefer, (2017) 'Electrically-assisted bikes: Potential impacts on travel behaviour' accessed 24 January 2024

<https://www.sciencedirect.com/science/article/pii/S0965856415301865>

^{vii} <https://www.themercury.com.au/news/tasmania/emobility-rebate-program-tasmanian-government-paying-up-to-12-per-cent-rebate-on-ebike-escooter-purchases/news-story/0a2fb1a18c40e7c3224d12b9ae97a58b> Accessed 24 January 2024

^{vii} <https://bicyclenetwork.com.au/newsroom/2021/12/16/should-australia-have-an-active-transport-budget/> Accessed 24 January 2024

^{vii} <https://theconversation.com/cycling-and-walking-are-short-changed-when-it-comes-to-transport-funding-in-australia-92574> Accessed 24 January 2024

^{viii} <https://theconversation.com/cycling-and-walking-are-short-changed-when-it-comes-to-transport-funding-in-australia-92574> Accessed 24 January 2024

^{ix} <https://bicyclenetwork.com.au/newsroom/2021/12/16/should-australia-have-an-active-transport-budget/> Accessed 24 January 2024