

Bicycle Network policy analysis: City of Melbourne cycle infrastructure commitments

The proposed City of Melbourne Budget has made major cuts to bike lanes

On 13 May 2025, the City of Melbourne endorsed a Draft Budget 2025-26 for public exhibition and community feedback.¹

The draft budget significantly reduces the annual budget expenditure on cycle infrastructure, compared to the previous budget (see [Fig 1](#)).

Fig 1: Cycle infrastructure commitments in Budget 24-25 vs Budget 25-26²

	<div> <div>↓ Election</div> <div>↓ We are here</div> </div>				
Council term	October 2024 - October 2028				
Calendar year	2025	2026	2027	2028	
Financial year	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029
Endorsed Budget 24-25	Year 1: \$4m	Year 2: \$3m	Year 3: \$3m	Year 4: \$3m	
Proposed Budget 25-26		Year 1: \$1.5m	Year 2: \$1.5m	Year 3: \$3m	Year 4: \$3m
Difference		\$1.5m cut	\$1.5m cut	Even	

(Note: we anticipate that some new cycle infrastructure could also be built under other capital works programs, most notably the 'Transport and Amenity Program', which will fund upgrades to Franklin St: a new linear park that will also include the physical separation of cyclists from cars and pedestrians – about 2.1km of physically separated cycle infrastructure.³ But this component cannot be separated from the budget for the overall program, so this has not been measured in [Fig 1](#).)

¹ <https://www.melbourne.vic.gov.au/meeting/council-meeting-13-may-2025>

² <https://www.melbourne.vic.gov.au/annual-plan-and-budget>

³ <https://mvga-prod-files.s3.ap-southeast-4.amazonaws.com/public/2024-09/SEP24%20FMC1%20AGENDA%20ITEM%206.3.pdf>

These cuts go against the election promise made by Team Reece

In October 2024, 'Team Reece' won the election for Lord Mayor and Deputy Lord Mayor, and also won two of the nine councillor positions.

Prior to the election, on 9 October 2024, Cr Reece published the following commitment: "Lord Mayor Nick Reece will maintain investment in bike lanes over the next four years at the same level as the previous term of council".⁴

The meaning of 'investment at the same level as the previous term of council' depends on whether one is measuring the budget commitments or actual expenditure. Bicycle Network has measured both. This analysis relies on four endorsed budgets,⁵ and available information about actual expenditure found in annual reports⁶ or the relevant end-of-financial-year financial performance report considered in council meetings.⁷

Fig 2: Cycle infrastructure expenditure, budgets and actuals, under the previous term of council

Council term	↓ Election					↓ Election ↓ We are here
	October 2020 - October 2024					Oct 2024 - Oct 2028
	Calendar year	2021	2022	2023	2024	2025 2026
Financial year	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Budget	Endorsed:	Endorsed:	Endorsed:	Endorsed:	Endorsed:	Proposed:
	\$10m +\$6m Exhibition St	\$8.06m +\$3.44m Exhibition St +\$2.03m carry forward	\$4m +\$3.22m Exhibition St +\$3.23m carry forward	\$4m +\$2.35m carry forward	\$4m +\$1.06m carry forward	\$1.5m Carry forward not set
The previous term of council budgeted \$20.06m in cycle infrastructure expenditure (plus \$6.66m for Exhibition St)						
Actuals	Annual report:	Q4 fin report:	Annual report:	Q4 fin report:	Q2 fin report:	
	\$7.49m Exhibition St not reported	\$4.00m +\$0.17m Exhibition St	\$4.24m Exhibition St not reported	\$2.94m +\$1.36m Exhibition St	\$1.93m (YTD) +\$1.22m Exhibition St	
The previous term of council reported \$18.97m in cycle infrastructure expenditure (plus Exhibition St)						

Given the Team Reece pledge was to "maintain investment in bike lanes over the next four years at the same level as the previous term of council", the four year projection spend on cycle infrastructure under the proposed 2025-26 budget (being \$9m) is either:

- A \$11.06m shortfall if measuring the 2025-26 budget against the previous four budgets;⁸ or
- A \$9.97m shortfall if measuring the 2025-26 budget against the previous four financial years' actual expenditure.

In either case, the shortfall is *greater* than the budget commitment for the next four years. This is no small breach of election promise.

⁴ Media Release, 9 October 2024, <https://web.archive.org/web/20241018144721/https://www.nickformelbourne.com.au/news/bottlenecks-and-blackspots-the-focus-for-a-commonsense-transport-system-for-melbourne>

⁵ ibid

⁶ <https://www.melbourne.vic.gov.au/annual-report>

⁷ 30 August 2022 for FY21-22 <https://mvga-prod-files.s3.ap-southeast-4.amazonaws.com/public/2024-08/AUG22%20CCL%20AGENDA%20ITEM%206.5.pdf>; 27 August 2024 for FY23-24 <https://mvga-prod-files.s3.ap-southeast-4.amazonaws.com/public/2024-08/AUG24%20CCL%20AGENDA%20ITEM%206.6.pdf>; 25 February 2025 for FY24-25 to date <https://mvga-prod-files.s3.ap-southeast-4.amazonaws.com/public/2025-02/FEB25%20CCL%20AGENDA%20ITEM%206.3.pdf>

⁸ or a \$17.72m shortfall if including Exhibition St

This projected funding will see the City of Melbourne fail to meet its 2030 targets

The City of Melbourne's Transport Strategy 2030 aims to build 50km of new physically protected bicycle lanes by 2030 on local roads (and advocate to the Victorian Government to construct another 40km on state-managed roads).⁹ The locations of the new cycle lanes are set out in a network map on pages 116 and 177 of that Strategy.

As at April 2024, the City of Melbourne reported that 27.4km of new bike lanes had been delivered on local and state roads, by the Council and the Victorian Government.¹⁰ This is 30.4% of the 90km target set by the Strategy, over 41.3% of the timeframe (January 2020 to June 2030). If the City is going to meet its 2030 targets it will need to increase, not decrease, its cycle infrastructure capital expenditure commitments.

On 23 April 2024, the Council (the Future Melbourne Committee) received a report that showed that the Department of Transport and Planning would no longer approve temporary infrastructure, it would only consider proposals for permanent infrastructure. The Council endorsed a new four year program for cycle infrastructure – including with the votes of Crs Reece and Louey in 'Team Reece', and Crs Le Liu, Ball and Griffiths.¹¹

This new program is not able to be delivered under the funding levels found in the proposed Budget 2025-26.

This projected funding may not even be available for new projects at all

The Herald Sun reported on 11 May¹² that the initial expenditure could be earmarked for Exhibition Street; Queens Bridge; Macaulay Road; William Street; and Rathdowne Street.

Other than Macaulay Road, these streets have existing bike lanes. It seems possible, therefore, that the funds may be earmarked for reconfiguring the existing bike lanes. In the case of Macaulay Road, this project has been in the budget since 2022-23, and is likely to be part of the 'carry forward' funds from the 2024-25 budget into the 2025-26 budget.

There is no evidence published by the council that shows that Exhibition Street, Queens Bridge, William Street and Rathdowne Street are creating 'bottlenecks': this is an assertion by Cr Reece, not an evidence-based finding of government.

Cr Reece estimated the cost of reconfiguring existing bike lanes to address "bottlenecks" at \$5m.¹³ If the first \$5m of \$9m (across the next four years, per Budget 2025-26) is to be spent on reconfiguring existing lanes, very little new infrastructure will be built in this term of council.

⁹ <https://mvga-prod-files.s3.ap-southeast-4.amazonaws.com/public/2024-05/transport-strategy-2030-city-of-melbourne.pdf>

¹⁰ <https://mvga-prod-files.s3.ap-southeast-4.amazonaws.com/public/about-council/committees-meetings/meeting-archive/MeetingAgendaItemAttachments/1056/18679/6.3%20Cycling%20and%20Micromobility%20Infrastructure%20Program.pdf>

¹¹ <https://www.melbourne.vic.gov.au/meeting/future-melbourne-committee-23-april-2024>

¹² Herald Sun, 11 May 2025, 'More bike lanes planned in Lord Mayor's ambitious draft budget', <https://www.heraldsun.com.au/news/victoria/lord-mayor-nick-reeces-draft-budget-focuses-on-bicycle-lane-enhancements-iconic-walks-and-traffic-flow-improvements/news-story/15577599203f841ad9c18584055c8b14>

¹³ Media Release, 9 October 2024, <https://web.archive.org/web/20241018144721/https://www.nickformelbourne.com.au/news/bottlenecks-and-blackspots-the-focus-for-a-commonsense-transport-system-for-melbourne>

Conclusions

The City of Melbourne's proposed Budget has cut \$3m over two years from the cycle infrastructure program: \$1.5m in 2025-26 and \$1.5m in 2026-27.

The proposed Budget for cycle infrastructure over 4 years (\$9m) is \$11.06m short of the level promised by Lord Mayor Nick Reece during the election (\$20.06m).

The cycle infrastructure funds may be spent on reconfiguring existing bike lanes, not constructing new bike lanes. The true spend on new bike lanes over four years under the proposed Budget could be as little as \$4m.

The City of Melbourne will fall well short of its Transport Strategy 2030 targets: less than half of the 90km will be able to be constructed under these settings.

The Budget has completely abandoned the 'rephased' program established by the council on 23 April 2024.

The proposed Budget is not the final Budget. The opportunity remains for the council to make changes to the proposed Budget that will allow it to meet its own Transport Strategy 2030 targets.
