

The Bicycle Industry in Australia 2011/12

A national snapshot by Bicycle Industries Australia, Cycling Promotion Fund and the Retail Cycle Traders Australia



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Industry Overview

The bicycle industry in Australia is a diverse and ever changing industry providing our customers with a wide range of quality products and services.

This report provides a snapshot of the cycling sector in Australia, an overview of the trends and developments over the last year which impact on the industry and an outline of the initiatives, programs and services provided by the two industry associations and the Cycling Promotion Fund.

Australia has two distinctive bicycle industry member associations:

- **Bicycle Industries Australia Ltd. (BIA Ltd)** represents the wholesaler supply companies
- **Retail Cycle Traders Australia (RCTA)** supports and represents the independent bicycle shops.

In an environment of constant change and uncertainty it has been essential that both associations work together to optimise outcomes for their members and the sector overall.

Both associations are committed to providing the best possible services to their members as well as ensuring that the interests of the industry are represented.

Decisions which impact on the industry are made at a range of levels including economic and trade policies, industrial relations, taxation, urban planning and design, transport policy and resource allocation, road safety, environment, tourism, sport and recreation. The complexity of the external environments which impact on the sector remains the biggest challenge for the industry associations.

Partnerships are vital and critical to our success. It is vital to nurture these relationships and to build alliances and partnerships to ensure that the sector is well placed to respond to the challenges of the future.

Visionary companies within the bicycle industry have helped to create the **Cycling Promotion Fund (CPF)**. The role of the CPF is to provide the sector with a collective voice to promote cycling and work for improved conditions for bicycle riders.

Australian Bicycle Industry

The Australian bicycle industry, like all Australian industries is affected by the current global financial situation, and with the purchase of bicycles considered discretionary spending, we are reflective of Australians spending habits.

This financial year the industry has seen a fall in bicycle imports, dropping by 4% from 2009/10 and 13% since the peak financial year of 2007/08.

The downward trend of imports over the last three years is significant, but the ten year trend does reflect a 38 % increase since 2001/02.

The reality is that the bicycle industry will always face challenges; there always will be issues which will affect bicycle sales. As an industry, we need to be able to take advantage of new opportunities and markets, be adaptable to change and to deliver outstanding customer service.

> **The industry employs approximately 10,000 people**

> **Staff are employed in 1,052 shops and 432 wholesale businesses**

> **Value of industry sales: \$1.1 billion**

> **Number of bicycles imported in 2011/12: 1,126,000**

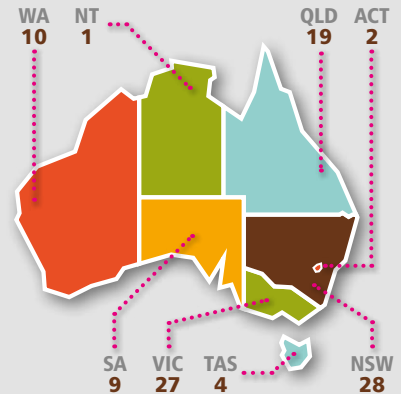
> **Import value of bicycles: \$194,450,183**

> **% of bikes sold in 2011/12 that were adult sizes: 66%**

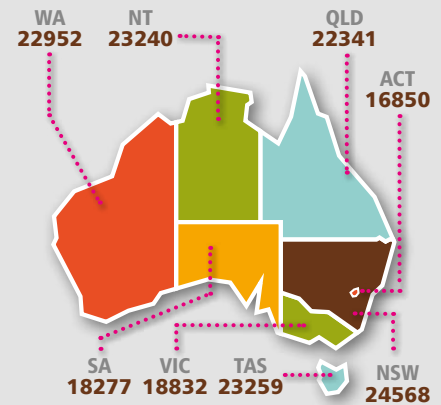
> **% of bikes sold in 2011/12 that were children sizes: 34%**

> **Number of bicycle stores online: 39% of Australian stores have online sales capacity while 77% have a store website**

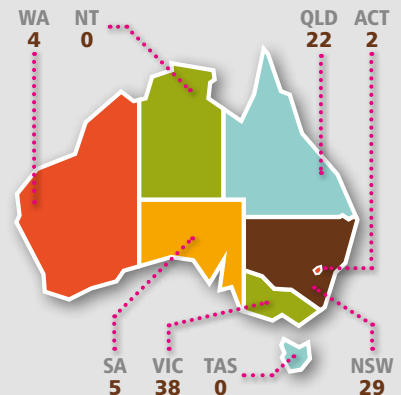
Location of stores by percentage



Population per store



Location of wholesalers by percentage





Trends in Australian Cycling

2011 Cycling participation rates

Trends of use of bicycles are constantly changing, shaped by a range of factors. Cycling was once a means of transport for millions of people around the world. The expansion of the motorcar and its popularity resulted in the decline in sales and production of bicycles. But over the last few decades the bicycle has seen a real revival in interest as people seek ways to become more physically active, beat congestion in cities and find a personal physical challenge.

In Australia the popularity of cycling is undergoing significant growth. According to Government statistics there has been a 45% increase in participation in the past ten years to identify as the 3rd most popular physical activity in Australia, behind aerobics/gym/fitness and swimming and ahead of running, golf and tennis.

The national increase is also supported by some significant site specific increases such as the Sydney Harbour Bridge which has seen an almost 130% increase in bicycle traffic in 5 years and Perth's Principal Bike Network usage has increased 490% in the past 25 years.

Cycling is most popular with people aged between 25 and 44 years, the generation also most conscious of the need for healthy lifestyles.

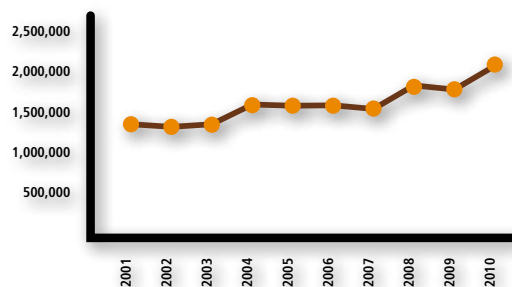
Given Australia has an ageing population, and people over 55 constitute 21% of the population, there is considerable potential for the bicycle industry to ensure both that the people already cycling maintain their interest beyond 55 and attract new people in this age group to cycling. Seniors Australia calls those born between 1946 and 1964; *"at the top of the hill, not over it"*.

This age group is critical for the long term health of the industry and the entire sector.

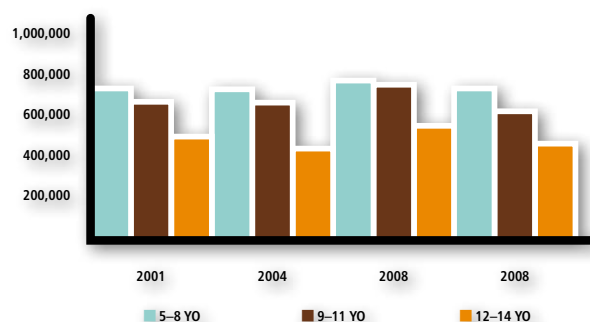
This increase is however offset by the alarming downward trend in children's participation.

Since 2000 we have seen a fall across all categories and as a sector we need to be aware that to ensure an continued increase in cycling, engaging and developing children cycling will be a critical challenge in which we must invest.

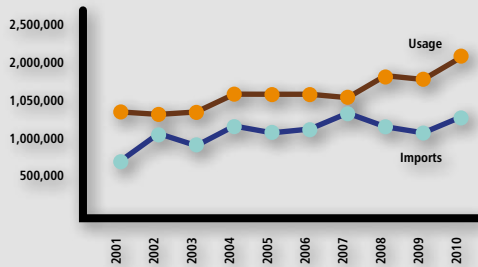
Adult cycling participation



Participation by 5 to 14 year olds



Bicycle imports vs bicycle usage



The industry and bicycle sales

Although participation has gone up significantly over the past 10 years, import data has shown that sales increased at a similar rate until 2007/08 but since that time, as participation has continued to grow, sales have started to fall providing the industry with the challenge of translating increasing usage into greater sales.

Offshore online retailing and the Low Value Import Threshold

As many bicycle related products are light weight, easily transportable and valued under \$1000, the industry is acutely aware of the impact of the current threshold on the Australian bicycle retailer. This point has been reinforced by offshore online retailers who have openly targeted the Australian market due to our economic stability and tax regimes benefiting foreign retailers.

Offshore online retailing continues to be one of a number of key activities for the industry bodies, more specifically the low value import threshold and the importation of goods which do not meet Australian standards.

The aim of the industry bodies has been to achieve a level playing field for Australian wholesalers and retailers who, with the current system, are required to pay GST, duties and the cost of meeting Australian standards which is not required for offshore retailers if goods are under \$1000.

A Quantum report at the beginning of the 2011/12 financial year indicated that 16% of all bicycle related purchases made through electronic means (credit card/ eftpos/direct debit) came from foreign online stores.

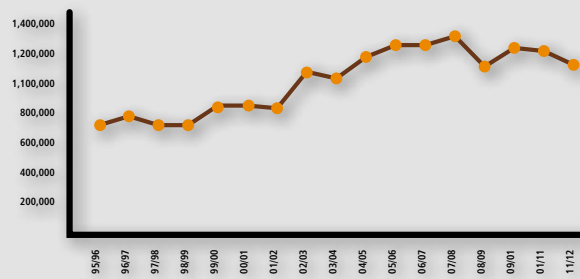
This data has been used to further push the need to lower the Low Value Import Threshold.

Bicycle imports

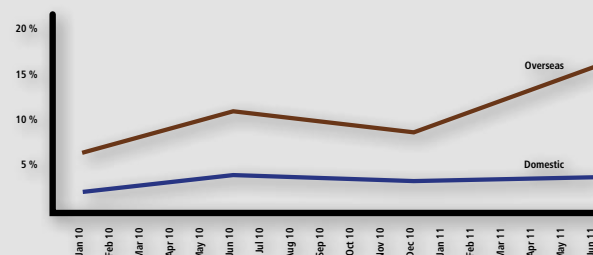
Recent trends have seen a reduction in bicycle imports since the 2007/08 year. This fall continued in 2011/12, but only 4% from the previous year and 13% from its peak in 2007/08. The greatest reduction came in children's bicycles which have fallen 18% during this period.

Importation rates, although falling over the past three years, are still 54% higher than importation rates in 1995/96.

Annual bicycle imports



Proportion of online transactions



Taskforce and Productivity Commission

Throughout the year, the bicycle industry continued to lobby all sides of politics to promote lowering the value of the Low Value Import Threshold.

The industry also worked with a number of wholesale and retail groups to form the Fair Import Alliance to provide a unified approach and stronger voice to this advocacy.

The Productivity Commission Inquiry into the Economic Structure and Performance of the Australian Retail Industry was implemented to investigate a number of facets affecting retail in Australia including the importation of low value goods.



The Productivity Commission handed down its findings and recommendations in December 2011. The Commission found that the threshold should be lowered to promote tax neutrality but should not be done if the cost of achieving it would be greater than the revenue raised.

Stemming from this report, the Government commissioned the Low Value Parcel Processing Taskforce to identify improvements in efficiencies for the importation of goods arriving through Australia Post and private courier companies.

The Taskforce were due to present their report to the Government by July 2012.

The industry bodies will continue to lobby the government to achieve a level playing field for all within the retail sector.

Electric bicycles

The industry must continue to identify opportunities to increase sales and growth of the entire sector. International experience shows electric bicycles are one of those key areas that have been identified for their potential to engage with a new audience and increase the participation in cycling. This year Australia Post contracted the purchase of 1000 new electric bicycles and the retrofitting of 300 of their current stock.

This purchasing has demonstrated the diversity of areas which some wholesalers and suppliers may look to expand their businesses.

There are many examples across the world of growing support for electric bicycles such as a 135% growth in sales of electric bicycles in Germany in the last year; electric bicycles now account for one in every five bicycles sold in the Netherlands.

After the work of many groups over several years and significant lobbying from the industry, the federal Government announced on the 30th of May 2012 that they had made an addition to the definition of an electric bicycle to include a Pedelec or a bicycle which meets European Standard EN15194.

The new definition has expanded the types of electric bicycles to be allowed into Australia, which is expected to significantly improve the quality and range of bicycles that are available to consumers. These electric bicycles are also expected to increase acceptance by the community and to attract a new audience interested in riding for recreation and transport.

The industry bodies will continue to lobby the state and territory governments to ensure that each jurisdiction expedites the required local road laws to allow their use on roads and bike paths.

Australian Standards

The industry members have been part of a process to bring together six Australian standards under a single committee at Standards Australia. This 'supra-committee' is expected to streamline the process for the development, review and implementation of bicycle related standards, as well as increasing communication with key stakeholders relating to the standards.

The standards included relate to:

- Bicycle Helmets
- Pedal bicycles
- Child carrier seats / trailers / attachments
- Parking facilities
- Lighting equipment
- Electric bicycles

The proposed timeline to commence review of strategies is:

2013

Parking facilities
Lighting equipment

2014

Child carrier seats / Attachments
Electric bicycles

2015

Bicycle Helmets
Pedal Bicycles

Industry trade shows

The industry is currently in a position where it must choose the direction and support of industry trade shows.

Ausbike Australia reintroduced a trade show to the market in 2009 after a hiatus of three years and it has developed into a key date on the industry calendar. In 2012, Ausbike will move to a bigger venue and coincide with Bike Week in October.

In 2011 Cycling Australia introduced the *Bike and Lifestyle Show*, a consumer oriented event, in Sydney and Brisbane.

With many large wholesalers choosing to develop their own extensive dealer shows, either in a single central location or as a road show, the industry may soon find itself back in a position which does not feature an Australian trade show.

The growth in bike shows does now pose the questions:

- *What is the best for the growth of the industry?*
- *What is the impact of the current approach?*



AusBike 2011



Bicycle Industries Australia Ltd

Overview

This year we again saw the wider community embrace cycling as a means of leisure, transport, fitness and sport. Statistics show there has been a 45% growth in the number people riding bicycles in the last ten years with almost 4 million Australians choosing to ride a bicycle each week.

The *Cycling Australia Road National Championships* were shown live in full for the first time on SBS television, achieving a peak audience of 145,000 viewers. Meanwhile the Tour Down Under continues to attract record crowds and the value of cycle tourism to local economies has been acknowledged by a number of state and local governments. This is all great news for Australia and of course for the Australian bicycle industry.

Whilst this growth paints a rosy picture, many business owners know that as an industry, we cannot necessarily rely on this growth automatically translating into more sales. It does however mean there is an increasing opportunity to convert this growing interest into business.

As the peak body for the wholesalers and manufacturers, we have worked hard to improve the environment for all stakeholders within the sector. We have strengthened relationships with the Retail Cycle Traders of Australia, national cycling bodies including Cycling Australia and the Amy Gillett Foundation and with the state cycling groups. Along with these relationships, we have expanded our partnerships with the Bus, Rail, Planning, Health and Local Government Sectors. These relationships all allow the industry to push for a better cycling environment and indirectly, a stronger sales position.

In recent times we have faced a number of challenges to an ongoing and sustainable growth. A key issue for us has been the Australian Low Value Import Threshold. We have actively participated in both, the Productivity Commission Inquiry into Australian retail and the *Australian Low Value Parcel Processing Taskforce*. Aligning with others in the broader retail sector in our approach, has given us a much stronger voice to government.

In support of these submissions we also released a public education campaign relating to the impact of purchasing non Australian standards-compliant goods from overseas.

We have supported the review of a number of bicycle related standards. In the coming year we will also be part of the review into bicycle parking, lighting, child carriers and electric bicycles.

With the projects that have been targeted, it was significant to witness the beginning of a new era in electric bicycles. The federal government's announcement earlier this year of European Pedelec or 'electric bicycle' definitions, will see a growing range of high quality electric bicycles available for consumers, opening up cycling to a whole new market.

The engagement of Stephen Hodge as the Government Relations Manager for the past four years is beginning to reap significant benefits. The CPF report in this publication demonstrates how effective this investment has been.

This year we were delighted to announce Bicycle Parts Wholesale, CSG, Shimano, Specialized and Trek had joined as members of CPF, joining with current long term members Abbotsford Cycles, Aussie Butt Crème, Bike Box, Body Torque, Cyclecover Insurance, Gazelle, Gemini and Giant in contributing to support the promotion and growth of cycling within Australia. We urge all businesses to join the CPF and strengthen our capacity to take advantage of the many emerging opportunities.

We would also like to thank our General Manager Peter Bourke for his tireless work and the delivery of great outcomes for our members and a job well done.

On behalf of the Board, I would like to thank all members of the cycling community for their work over the last year. People in the industry share a passion for bicycles and ultimately we all get rewarded when we work together to achieve a stronger industry.

David Cramer
Chairman, BIA Ltd

The aims of the BIA

- **To foster** the interests of the Australian Bicycle Industry.
- **To promote** sound and ethical trading and commercial practices.
- **To collect** information and statistics on the Australian Bicycle Industry.
- **To make** representations to governments and other industries for the benefit of the Australian Bicycle Industry.
- **To create**, support and manage the Cycling Promotion Fund.
- **To promote** communication within the Australian Bicycle Industry.

Board Members

Matt Bazzano
David Cramer
Felicity Dales
Shane DeGrandi
Andrew McEwin
Sam Monardo
Jason Wyatt



General Manager's Report

In my second year in the role, the BIA continues to evolve and develop in to a stronger organisation supporting the needs of importers, manufacturers, wholesalers and distributors.

The past two years has been a period of transition for the BIA, internally as an industry body, and this has been accompanied by a significant growth in membership.

The long term involvement of three BIA board members has previously been recognised and we again thank Noel McFarlane, Geoff Ward and Graeme West who retired from the board after a combined 75 years of service to the industry. Although the loss of their knowledge and experience left a large hole, we welcomed six new members to the board and their energy and enthusiasm has helped to overcome this challenge.

The new members of the board have built on the activities of the BIA and promoted an increase in projects to support the needs of the entire industry.

Through these activities and engagement with the industry, we have significantly increased our membership base of both the BIA and the CPF. This increased membership will allow the BIA to provide even greater support and promote a strong and healthy sector

We look forward to the coming year and the opportunities which the BIA will pursue.

Peter Bourke
General Manager, BIA Ltd

Industry engagement

There has been a greater focus on the engagement of the industry through regular communication and events. This has included regular information dissemination, communication and a growing number of both large and small events for the industry to engage on a personal basis.

This has included;

- Monthly industry update
- Specific information updates
- Import data distribution
- Industry breakfasts
- Industry drinks and networking

In the coming 12 months we will extend this engagement through an increased calendar of events including increased breakfasts, networking functions and industry bunch rides at specific events.

This communication with the industry has assisted increased knowledge sharing along with the collection of data and information supporting the knowledge base of the BIA for use in submissions and industry reports.

Data collection

Data collection continues to provide challenges for the bicycle industry. Throughout the year, we distributed bicycle import data and contracted Quantum Group to collect both foreign and domestic electronic purchase information.

To achieve an accurate picture of the industry, we also attempted a data collection project through retail point of sale systems. Due to the financial cost of the process, the project did not achieve the desired outcomes.

The project was one of a number of attempts that have been made to collect data from both wholesalers and retailers. Australian Bureau of Statistics data has provided long term trends, but the willingness of the industry to work together to achieve a reliable data source has so far been lacking, which has provided a number of challenges in providing accurate data to the industry along with supporting evidence in our government submissions. As we look into the coming year, we will again assess how to achieve accurate and viable data collection for both bicycles and related products.

Representation of the industry

The BIA represents the industry on several forums; these include regular committees along with presentation to government bodies and inquiries.

Australian Bicycle Council

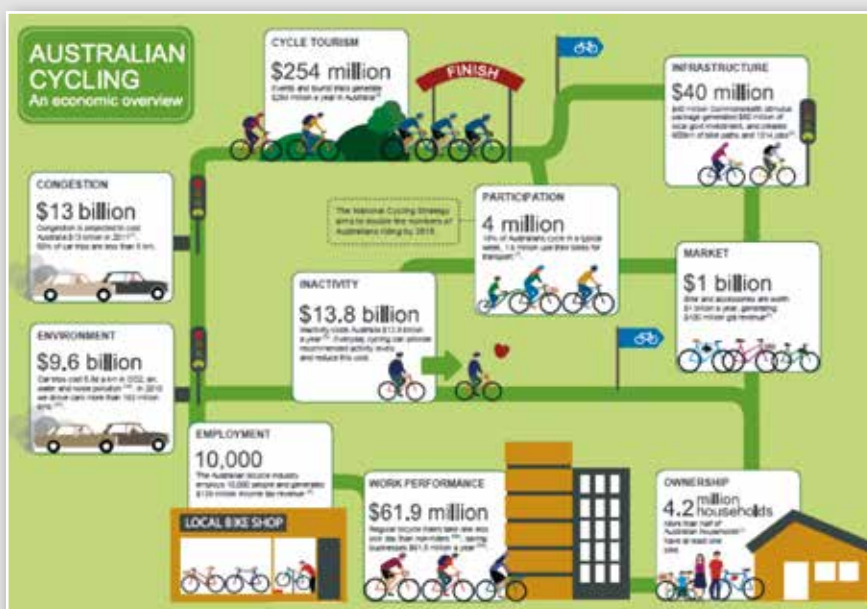
The ABC is comprised of representatives of each of the states road or transport regulatory bodies along with senior representatives from appropriate federal government departments. It provides a platform to discuss opportunities and share information and resources, commissions research and coordinates strategic discussions for the growth of cycling in Australia.

Significant projects of the ABC include;

- Oversee and coordinate implementation of the Australian National Cycling Strategy 2011-16
- National Participation data
- Improvement of road design features for cyclists

Standards Australia Committee

Standards Australia is responsible for the development, review and implementation of Australian Standards. We have lobbied for Standards Australia to streamline the process of bicycle related products under one committee.



Individual presentations (lobbying)

Productivity Commission - Economic Structure and Performance of the Australian Retail Industry

Low Value Parcel Processing Taskforce

Australian Competition and Consumer Commission

Supporting our submissions to all three agencies regarding the Low Value Import Threshold and the associated purchase of goods not to Australian Standards, the BIA engaged in a consumer awareness campaign relating to the impact on insurance and legal ramifications of wearing a non-Australian Standards approved helmet.

Throughout the year, staff and board members have held discussions at both a state and federal level with key government staff and politicians specifically relating to:

- Electric bicycles
- Low Value Import Threshold
- Enforcement of Australian standards
- Bicycle mechanic training funding

Industry training

The industry bodies do not currently deliver any training for the sector, but have supported the facilitation and promoting of training in key areas.

We are also currently engaged in discussions with key government staff and politicians regarding the impact of the current funding allowances for bicycle mechanic training.

A future focus will be the development of appropriate training packages to support the needs of both bicycle mechanics and business owners to support the service sector of the industry.

Office location

During the year, we joined with several Melbourne based cycling bodies to move into a single office forming a 'Cycle House'.

The members of the office are;

- Amy Gillett Foundation
- Bicycle Industries Australia
- Cycling Australia – Business/Events Units
- Grassroots (in partnership with Cycling Australia)
- Retail Cycle Traders Australia

Bringing these groups together is an opportunity to present a united approach to promoting cycling and utilise limited resources to achieve all of our goals.



Retail Cycle Traders Australia

Overview

In 2011/2012, change in the retail area of the Australian Bicycle Industry intensified in pace and scope. Customers were experiencing and driving continuous change in the way they obtained goods. Retailers, whose function had been the final link in the supply chain, were faced with decisions on how to react. Increasingly frequently it was Australia Post which was the final link in the chain.

Demand for bicycles hardly dropped despite the recession in retail in Australia. Demand for parts, accessories and clothing was probably higher than ever, among both performance oriented and recreational and transport cyclists. Demand for repairs and servicing, bike fit and training was also increasing, related to more kilometres being ridden by more bicycles and riders than ever.

So the pie, the amount of bicycle related goods and services being transferred to customers, was expanding. However, it is no longer true that the pie was baked and sold mainly by bricks and mortar shops in Australian streets. The traditional retail share has reduced, and despite the much larger pie, its slice may well have contracted in absolute terms. Even retailers who held their customer numbers found turnover down, as the high Australian dollar meant lower retail prices, and competitive pressures pushed margins down.

The 2011/2012 year saw an increase in diversity in bicycle related retail:

- Bigger groups like 99 Bikes, Goldcross and Bikeforce expanding and pushing into new territories
- many small players opening up in small shops and factories
- all the above plus existing shops going online with websites, and increased use of Social Media
- a few Australian wholesalers going direct to consumers online
- overseas online businesses increasingly targeting the Australian consumer, as our economy was one of the few not in overall recession, and the postal service was quicker from the other side of the world than the nearest capital city.

Despite the increasing challenges to retailers, membership of the only Bicycle Retailer focussed body, the Retail Cycle Traders Australia, continued to slowly contract. The RCTA took a leading role in the fight against the pernicious effects of the (ironically named) *Low Value Import Threshold*, presenting to both the Productivity Commission Inquiry and the Low Value Parcel Processing Taskforce, and contributing to the *Fair Imports Alliance* campaign. A few non member retailers also presented, but in general there was little response from the Trade when support was most needed.

(The LVPP Taskforce has now reported, and the findings suggest there may be changes to some of the current measures which disadvantage Australian retailers and taxpayers.)

The RCTA began sharing office space and working more closely over the year with the BIA, particularly on the Fair Imports Alliance, Australian Standards, and the Amy Gillett Foundation push to encourage all groups involved in cycling at any level to cooperate. Unfortunately the latter move failed in its main aims, but did give an impetus to more cooperation overall.

The issue of whether the Industry needs two bodies has had some airing, but remains a work in progress. The Retail Cycle Traders Australia has more members, Bicycle Industries Australia has more funding (the word 'Industry' here standing for wholesalers and distributors but not retailers).

As we go into 2013, the challenges in retail become greater!

Peter Moore
President, RCTA



Australian bicycle retail sector 2011/12

There are very few years in retailing which are not challenging, and 2011/2012 has been up there with the busiest. The global financial crisis effects, previously disguised by the Federal government's stimulus package, bit savagely in retail across the board.

Whilst bicycle use is continuing to boom, bicycle riders, like the rest of the population, have increased their savings rate so the retail bicycle industry struggled, although workshop turnover held firm.

Add to that the increasing effect of overseas online sales, and the increase in the number of retail outlets, and 2011/2012 was tough for many bike shops.

Value of the industry

There are now over 1000 specialist bicycle retailers in Australia, not including mass merchants or the chain stores and sporting goods stores that also sell bicycles and accessories. Only three years ago it was estimated that there were 850 shops across the country; the increased number of shops includes some specialist shops that cater for small market segments.

The value of the bicycle industry as a whole is estimated to be around \$1.1 billion a year, this does not take into account associated businesses such as transport firms and tourism operators, who also contribute to the economy.

Employment

It is estimated that the retail side of the bicycle industry employs around 3000 full time workers and a slighter lesser number of part time and casual workers. Shops are concentrated in the larger cities and towns, and the majority are small businesses with a couple of employees, the owners, and sometimes their partners, work in the business on a day to day basis.

Changes in industrial relations brought about by the introduction of the General Retail Award have meant that employing staff on weekends and public holidays has become much more costly. Some shops have reduced their trading hours on weekends, and it is often the owner who works at the times that labour is expensive. There were strong concerns about the way the Award applied to casuals meaning that after school work was often not available, a blow to many, especially in regional towns. There was pressure for Fair Work Australia to review penalty rates in the regular review process, as the cost of labour in Australian shops is much higher than in equivalent businesses in the US or the UK.

Training

Uniform training outcomes are difficult to achieve in Australia partly because of the system of states and territories. Each of these has its own training rules and only the states with large populations find it economic to set up proper training facilities. Training providers are automotive industry based in some states and TaFE based in another; the remaining states and territories either have a private training provider or have no effective training at all.

Mechanics training is the major focus of the industry although training in retail skills is also desirable, and this can be linked with mechanics training. There are two main levels for bicycle mechanics training and they fall into the automotive sector for skills management. Other training in retail skills is available and some training providers also deliver training for the general public. Government funding support for training varies widely between states and territories, and is sometimes affected by political whims rather than the demonstrated need for such training.

Reviews of bicycle mechanic training resulted in changes that were introduced in early 2012 and this was an opportunity to further promote mechanic training. In the past twelve months the industry has developed a website for bicycle mechanics which brings together all the information that a prospective bicycle mechanic needs to know and pointing him or her to sources of more information including training providers.

While career paths are not well defined in the bicycle industry, efforts are being made to show a potential employee that working in the bicycle industry can lead to business ownership, and that the skills gained are transferable to other occupations.

There has been a recent move toward using the term 'bicycle technician' rather than 'bicycle mechanic'.

GST and imports

Privately imported goods continue to take a slice of the market from local bike shops. GST levels are part of the problem but the cost of doing business in this country is high when compared to similar markets overseas. Utility costs, high rental rates, transport costs and other charges make Australian bricks and mortar stores uncompetitive with online overseas imports. Calls by retail analysts to go online to compete can be demonstrated to be flawed, when local online shops themselves sometimes struggle against the overseas online retailers.

The RCTA engaged with the Fair Imports Alliance, and also presented to the Productivity Commission. Commission recommendations saw the formation of a taskforce to review the low value parcel processing system, and we remain hopeful of a good outcome from this work. Engaging State and Territory governments has been part of our work, as they and the people of Australia are those who are ultimately deprived of benefit when tax is avoided on imports.



Technology

Power assisted bicycles are very much in the ascendancy overseas. There have long been efforts to introduce better quality power assisted bicycles in Australia

There are two types of power assisted bicycle, defined as;

- **Pedelec - using the pedals**, motor input is only activated while pedaling. It has been described as like riding with a tail wind.
- **E-Bike - using the throttle**, motor input is activated by turning a handlebar throttle. It is possible to cycle without pedaling.

The federal government has continued to frustrate the industry with its attitude to power assisted bicycle legislation reform. Overseas markets have clearly demonstrated that a good quality pedelec is appreciated by consumers; the potential to reduce congestion and improve the health of the community is also overlooked.

In May 2012 a decision was made on the status of pedelecs and the 250w limit, and our task now is to convince the states and territories to ensure that the changes at the Federal level are reflected in state legislation as quickly as possible. To that end the industry is taking every opportunity to show off power assisted bicycles to politicians and decision makers.

Having a presence on the web has become important to businesses, although Australian bike shops have been slower than average to take up a presence online. Along with social media such as Facebook and Twitter a website can aid a shop in reaching a wider market than the physical address would normally allow. The down side with social media is that dissatisfied customers can and do complain to all rather than talking to the shop; it is an incentive for shops to maintain a high level of service.

Costs for setting up and maintaining a website continue to fall, a basic page presence is inexpensive, and a Facebook page can be used as a store presence without the need for a website. More retailers are taking up these options, but Australia still lags behind in some areas.

Bicycle shows - consumer and trade

There are now several annual bike shows in Australia, the major one is Ausbike, held in Melbourne at the start of the cycling 'season', and there are also regular Bike & Lifestyle Shows, often held in conjunction with other major events such as the biennial Asia Pacific Cycle Congress.

The retail industry is well served by these shows, as they raise consumer awareness about products and allow the public to see new technology. The trade show, which is held as part of Ausbike, is attended by the majority of retailers across Australia; seminars in conjunction with the show offer information and product knowledge for shop staff.

Retail Cycle Traders Australia

The Retail Cycle Traders Australia, the national association for bicycle shops, has had a busy year. The Fair Imports Alliance (FIA), of which the RCTA is a member, successfully pushed for a productivity commission inquiry into retail. The FIA lost some momentum after the inquiry was set up but the RCTA, along with some former members of the FIA, continued to lobby and appear before committees such as the Low Value Parcel Processing Taskforce,

In 2010 the Amy Gillett Foundation proposed a national bicycling community and the RCTA became involved from the start; collaboration across all parts of the cycling world in Australia has improved and the industry itself is working more closely as a result. The RCTA moved into a shared office early in 2012 and this has improved communications between BIA Ltd and the RCTA, as well as with others in the same space, the AGF and part of Cycling Australia.

Some of the recipients of CPF Bicycling Achievement Awards 2012 outside the Old Parliament House, Canberra



Cycling Promotion Fund

Overview

The federal advocacy work of the Australian bicycle industry's Cycling Promotion Fund has achieved a range of significant outcomes in 2011-12.

It has been a year of major developments for active travel and cycling with the launch of a *National Urban Policy* by the Minister for Infrastructure and Transport, Anthony Albanese, significant announcements for cycling in the May Budget and our work to build a national alliance composed of all key transport peak bodies to develop and launch a *Moving People 2030 Taskforce Report* in Parliament later this year.

The leading role of the Cycling Promotion Fund (CPF) in the national bicycle and active transport policy agenda is increasingly recognised in the federal sphere:

- The CPF partnered with national peak transport, local government, health and conservation bodies to hold the *Emerging Crises Summit: Moving People Solutions for a Growing Australia* in Parliament to raise awareness of solutions to transport congestion in our cities.
- The CPF's Government Relations Manager was invited by Minister Albanese to join his national stakeholder reference group, the *Urban Policy Forum*.
- Our work for the *2010 Australian Vision for Active Transport* was recognised by Transport Minister Albanese and Shadow Transport Minister Warren Truss and they have both indicated great interest in the upcoming *Report of our National Moving People 2030 Taskforce*.
- The CPF continues to be a key stakeholder in national discussions in active and sustainable transport.

Highly successful initiatives such as our *Bicycling Achievement Awards* and our 'behind the scenes' advocacy with federal policy makers continue to enhance a broad and important range of outcomes for Australian cyclists and industry members.

Emerging Crises Summit

The *Emerging Crisis Summit* and policy forum was hosted by the Australian Local Government Association, Australasian Railways Association, Australian Conservation Foundation, the Bus Industry Confederation, Cycling Promotion Fund, the Heart Foundation and the International Public Transport Association in Parliament House on 6 July 2011.

The Summit identified transport based solutions to the issues of climate change, congestion, physical inactivity and the growth in population levels in major cities.

Polling conducted by our group was released showing 85% of Australians wanted the Federal Government to spend money on better planning to make walking and cycling for transport simple and convenient options.



It was the first time an event of this nature, with such a broad coalition of organisations, had taken place. It attracted an unprecedented amount of interest from all sectors of government. Members of Parliament and Senators; the 120 seat Main Committee Room was filled to capacity throughout the half day summit.

Active Travel for Australian Cities workshop

In August 2011 the CPF participated in the *'Active Travel for Australian Cities'* workshop co-hosted by the Major Cities Unit (Department of Infrastructure and Transport) and Infrastructure Australia. The workshop provided input to inform the Governments position on active travel in cities.

Participation included a broad range of experts and practitioners with an interest in active travel (cycling and walking) who looked at successful case studies and presented advice on measuring the cost-benefits.

The workshop will inform a Departmental discussion paper on walking and cycling which we expect will result in future federal policy from the Government to boost cycling.

National Urban Policy and membership of the Urban Policy Forum

In March 2012, the Minister for Infrastructure and Transport launched the National Urban Policy. This milestone document outlines a federal approach to improving life in our major urban centres and cements cycling as a cornerstone part of the solution.

The CPF has had a productive relationship with the Major Cities Unit, responsible for the drafting of the Policy and for at least the last four years has actively supported their evidence gathering processes and stakeholder workshops.

Ensuring this federal approach continues and is carried through to budget commitments is one of the CPF's major priorities.

The invitation from the Minister to Stephen Hodge to join his national stakeholder reference group, the Urban Policy Forum, was seen by us as clear recognition of the role we have played to date.



Urban Policy Forum, March 2012

Moving People 2030 Taskforce launch

Part of the CPF's national role is building a powerful alliance to support cycling as an integral part of the transport system and enhance community liveability, health outcomes, environment and provide many more benefits.

Each year we have joined with the major national transport, health, local government and planning organisations to push for policies and funding to achieve our objectives to 'mainstream' cycling.

This year our effort has been bigger than ever and we are working towards a report with a 20-year outlook under the title 'Moving People 2030 Report'. Our national Taskforce was launched in March 2012 in the presence of the Minister and Shadow Minister for Transport. Both acknowledged our previous work in this space and indicated they are looking forward to the Report.



Moving People 2030 Taskforce launch

2012-13 Federal Budget

The 2012 Budget included for the first time ever new measures that will pave the way for greater investment in active travel (walking and cycling).

The massive *Nation Building 2* program will be focused on four cornerstone themes of which one, 'Connecting People – Urban Living', will target the objectives of the *National Urban Policy*.

While no direct funding announcements have been made we will be actively participating in discussions with the Department for Infrastructure and Transport as they develop the details for this program which is due to start in 2014.

Active Transport for Sustainable Cities Dinner

The inaugural *Active Transport for Sustainable Cities Parliamentary Dinner* was organised by the CPF on 21 September and co-hosted by the Hon Bernie Ripoll MP and Hon Kevin Andrews MP.

Four international key note speakers from the Asia Pacific Cycle Congress accompanied Stephen Hodge and Peter Bourke to Canberra to speak to around 40 MPs, Senators and senior advisors on 'International perspectives from the UK, USA, China & Australia'.



Active Transport Dinner in Canberra, September 2012

Asia Pacific Cycle Congress

The CPF is a foundation partner of the international Asia Pacific Cycle Congress (APCC). Hosted in September 2011 by the Queensland Government the APCC provides both national and international visibility for the CPF and significant opportunities to pursue relevant policy discussions and solutions with experts in our sector.

The Congress will be held from 10-13 March, 2013 at the Gold Coast Convention Centre. For more information visit the website www.cyclecongress.com.



CCCLM Roundtable

Stephen Hodge was one of a handful of representatives from peak organisations invited to a national Roundtable of the Council of Capital City Lord Mayors.

All Council CEOs were present with their Lord Mayors for this important forum which looked at future solutions for transport congestion, population growth, carbon reduction and liveability for the future in our cities.

Cycling has many answers to these issues and the CPF was re-assured by the acknowledgement of this fact by all jurisdictions at the table, although this may not be a view shared by all residents of their cities. It reinforced the CPF's view that marketing the benefits of greater cycling to the public is a key objective of our work in the cities and urban policy arenas.

Parliamentary Sports Festival

The CPF assisted the Australian Parliamentary Sports Club organise a cycling event as part of its Canberra Parliamentary Sports Festival on 10th October.

Enthusiastically supported by the Parliamentary cycling group, Riders on the Hill, cycling was a part of this event that brings most MPs and Senators out of Parliament House for a bit of sporting fun and active participation each year at this time.

Riders on the Hill

Riders on the Hill is the federal Parliament's cycling group. Stephen Hodge has organised Riders on the Hill since 2005 and is also their 'patron'.

The CPF has been able to provide 'Riders' with their own kit, an identity which is increasingly seen and recognised as various MPs are interviewed and filmed while cycling in – with their kit on display.

The relationships established through the group are invaluable for enhancing many of the initiatives the CPF undertakes on a range of issues both in the public arena and informal approaches.



Riders on the Hill

ARA Conference

The Government Relations Manager was part of a panel at the Australasian Railways Conference on 'Rail and the Sustainability Challenge' as part of a panel on 'Promoting Active Transport Initiatives'.

Cycle Tourism Conference Key Note

Stephen Hodge was invited to present the Dinner Address at the 5th Australian Cycle Tourism Conference in Canberra in February.

Cycle tourism has been a significant economic driver in recent years for many regional and remote communities that have suffered declines in population and economic opportunities. The CPF promotes tourism cycling to government for the regional benefits it provides.

Australian Bicycling Achievement Awards

The CPF's Australian Bicycling Achievement Awards are now an institution in this country and celebrated their 10th anniversary in 2012.

A high profile event was held in Old Parliament House and the 10 category winners were presented with their Awards by senior federal politicians and guests.

For more information see www.cyclingawards.com.au



Recipients and guests at the 2012 Australian Cycling Achievement Awards

Corporate visits - Brisbane, Sydney

The CPF has focused on economic benefits to Australian business in 2012 and it has been visiting several major corporations in the mining, banking and telecommunications sectors to discuss how investments in riding have benefitted those businesses.

The relationships developed and information collected is vital when selling the case for cycling to federal politicians and policy makers.



The COF put it's case with corporate visits to Ausenco, Optus and Santos

Relationships with all major political parties

The Government Relations Manager continues to support federal MPs with their charity cycling efforts wherever possible. Time spent 'on the road' builds relationships and demonstrates support for the MPs. This is invariably reciprocated in valuable ways and most importantly provides unparalleled opportunities to discuss cycling policy and benefits with key Parliamentarians.

Pollie Pedal Dinner & Ride

Stephen spent four days with the Leader of the Opposition, Tony Abbott, on his *Pollie Pedal* in early 2012. Previously he attended the major fund-raising dinner in Sydney and a post-Pollie Pedal informal dinner with all participants.

Brisbane 2 Ipswich

Stephen Hodge has travelled to Queensland for the last few years to support the Hon Bernie Ripoll and his *Brisbane 2 Ipswich Community Ride*. This year it was held on 29 April. Bernie is one of the Convenors of the *Riders on the Hill*.



Kevin Andrews 10yr Parliamentary Anniversary Dinner

Stephen was invited to Melbourne to celebrate the 10th Anniversary of Kevin Andrews Parliamentary service in August 2011. Kevin Andrews is one of the original members of the Parliamentary cycling group, *Riders on the Hill*.

Through the work of the Government Relations Manager, the CPF has positioned itself as a key stakeholder and a point of reference in transport, health and environmental discussions.

The investment of the members of the CPF will have long term benefits to all within the industry.





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