

Pre-Budget Submission 2024-2025



Moving Australia – a transition to NetZero transport

This submission outlines proposed Budget measures that would directly contribute to the Federal Government's commitment for a 43% reduction in transport carbon emissions by 2030 and NetZero by 2050.

We propose targeted measures to boost walking and bike riding for short trips (active transport) for a faster, more effective transition to a zero-emissions transport system.

Not only do these measures provide additional, cost-effective pathways for a mode shift to low or zero carbon active transport, there are significant wider benefits associated with their adoption – for population health – physical and mental, noise and particulate pollution, reductions in infrastructure investment requirements, road safety improvements and to cost of living pressures.

These measures respond to the statement by Ministers Bowen and King in the consultation document for the National Electric Vehicle Strategy where they stated:

“the time has come for Australian households and businesses to reap the benefits of cheaper, low emissions transport that is fit for the 21st century.”¹

Consideration of cheaper, low emissions transport must include consideration of e-bikes and investments for infrastructure and programs that facilitate a significant boost in active transport, globally recognised as a pathway to significant personal transport decarbonisation, and to support the transition of trips that are less than 5km, which account for 50% of all trips for all purposes across Australia.

Bike riding has impact

33% of Australian adults rode a bike 2022, purchasing over 1.5 million bikes, supporting 58,272 jobs and contributing \$16.9 billion to the economy, and bicycle commuters avoided over 500,00 tonnes of tCO₂e equivalent being emitted, or the same impact as taking over 200,000 cars off the road for a year.

¹<https://consult.dccew.gov.au/national-electric-vehicle-strategy>, accessed on 15 January 2024.

In Australia in 2022 ...

Cycling and e-scooters contributed an estimated **\$18.6bn** in economic and social benefits to the economy. This included an estimated...

\$17.6bn in direct and indirect output from cycling e-scooter expenditure and **\$954m** in health and social benefits from cycling.

6.5m
adults cycled

3.6m
adults used
an e-scooter

\$16.9bn estimated direct
and indirect output from cycling
expenditure

\$728m estimated
direct and indirect output
from e-scooter expenditure

Cycling generated an estimated **\$954m** in health and social benefits. Including...

\$101m in value of life
years gained

\$540m productivity
benefits

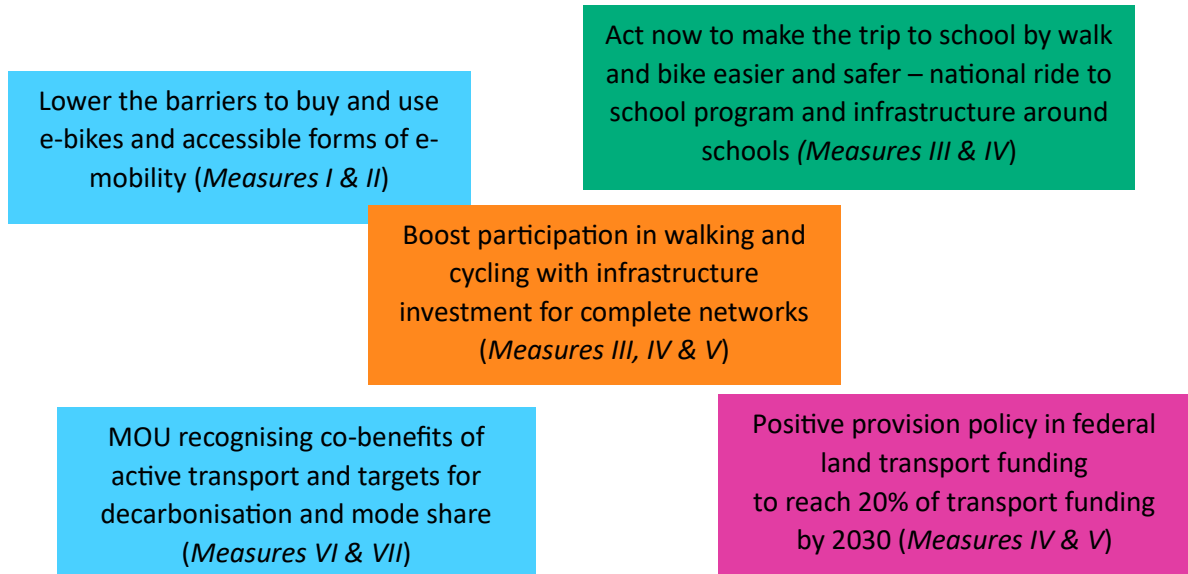
\$313m in net
avoided financial
health system costs

In addition it is estimated that cycling resulted in the following **environmental benefits...**

3.9bn kms of driving
replaced by bicycles over
the year

514,096 tonnes of
carbon dioxide equivalent
(CO_2e) avoided over the year

2.2m kg of air
pollutants avoided
over the year



Australia’s transport emissions are currently 19% of overall emissions and expected to be the single largest emissions sector in the future, with cars and light commercial vehicles contributing 62% of transport emissions². There is potential to significantly boost active transport with the options and technologies readily available in Australia today.

With half of all trips for all purposes in Australia every day 5km or less, measures to boost active travel (walking, riding and public transport) provide opportunities to shift more trips to low or zero carbon modes (mode shift), to achieve stronger economic outcomes for transport infrastructure investment and boost population health at the same time.

Boosting active transport from the current very low rate assists the Government meet stated obligations and commitments for road safety, freight and climate change while addressing health, liveability and affordability.

E-mobility also provides mobility options for the many Australians who cannot drive and have few options, whether by choice or due to disability, exclusion or for financial reasons.

We Ride Australia calls on the Australian Government to:

- I. Exempt e-bikes from fringe benefits tax as a corrective measure that establishes parity with recent similar legislation for EVs**
- II. Reinstate the exemption on the 5% tariff on e-bikes for all imports to increase affordability at point of sale for active transport.**
- III. Establish a national initiative for a healthy futures program for primary aged children**
- IV. Implement an investment policy requiring all federal land transport funding to provide for walking and cycling.**
- V. Establish dedicated funding for local walking and cycling networks to enable choice to walk and cycle for local trips.**
- VI. National Memorandum of Understanding (MOU) that recognises the co-benefits of active transport and drives consideration of walking and cycling in all programs.**
- VII. Establish a national active transport plan with mode share and decarbonisation targets to boost walking and cycling.**

² <https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-gas-inventory-quarterly-update-sept-2022>, accessed on 24 January 2024.

Summary of Measures

I. Legislate to exempt e-bikes from fringe benefits tax as a corrective measure that establishes parity with recent similar legislation for EVs (*'Treasury Laws Amendment (Electric Car Discount) Bill 2022'*).

- a) This measure would signal to the transport sector that the Government is supportive of expanding options across all modes of the electric vehicle fleet.
- b) The concessionary nature of the specific EV legislation continues to distort transport choice in favour of private vehicles with associated social costs due to congestion, road crashes, parking, road building and maintenance and wider disbenefits including physical inactivity, lack of equity and accessibility and community amenity.

II. Reinstate the exemption on the 5% tariff on e-bikes for all imports to increase affordability at point of sale for active transport.

- a) The exemption was previously recorded as TC 1664814 16.12.16
- b) While the majority of e-bikes are imported from China (~70%) and are therefore exempt under the FTA, higher quality e-bikes, including cargo and higher load carrying, which are less subject to concerns around quality and fire risk of batteries, are generally imported from Europe and the USA. This measure would therefore provide more affordable quality e-bikes for the Australian market and support transition of last mile freight
- c) The cost of the measure is also therefore likely to be modest.

III. Establish a national initiative for a healthy futures program for primary aged children.

- a) Establishment of a national funding program to support critical investment in infrastructure and programs at the local level to make it easier, safer and more enjoyable for kids to walk, scoot and cycle to school and other places they need to get to.
- b) Sets out in a draft strategy the objectives and targets to make this a reality in the government's second term of office including dedicated funding for infrastructure in a 1,500m radius around schools.

IV. Investment policy requiring all federal land transport funding to provide for walking and cycling.

- a) Provision for walking and cycling to be made mandatory across all projects receiving Commonwealth investment is needed to achieve substantial mode shift and should result in an increasing proportion of all transport spending over time to 20% by 2030.
- b) Investment in accordance of Austroads, national safe systems guidelines and the Commonwealth's National Land Transport Act 2014, is critical to achieve both emissions reductions and road safety targets.
- c) In their report, *Global Outlook on Walking and Cycling*³, the United Nations Environment Program called on countries to invest at least 20% of transport budgets in walking and cycling infrastructure to save lives, reverse pollution and reduce carbon emissions.

³ <https://www.unep.org/news-and-stories/press-release/urgent-investment-needed-walking-and-cycling-infrastructure-save>, accessed on 24 January 2024.

V. Establish dedicated funding for local walking and cycling networks to enable choice to walk and cycle for local trips.

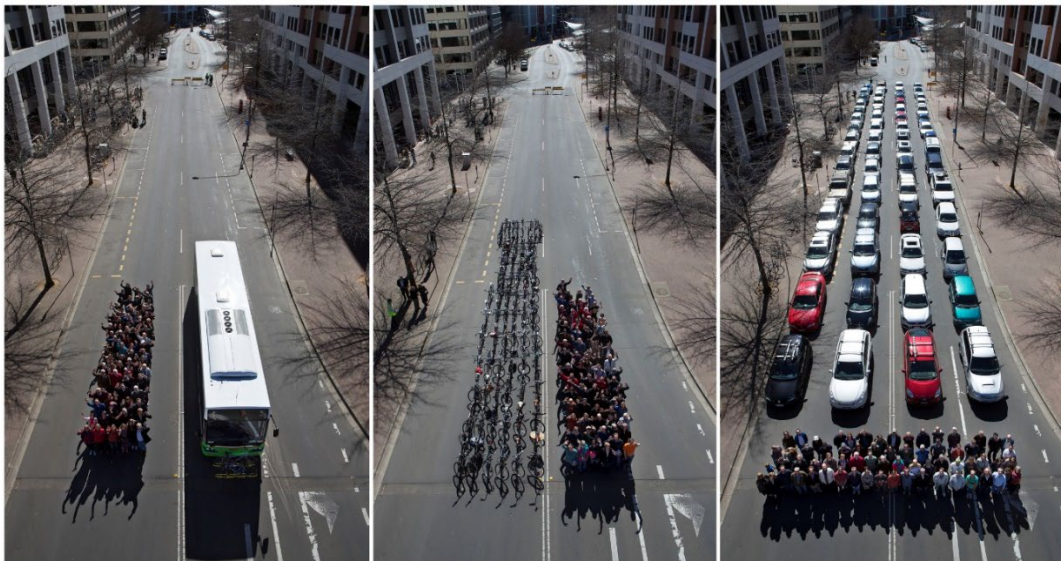
- a) Establish dedicated funding for local walking and cycling networks to enable choice to walk and cycle for local trips.
- b) Fund infrastructure links and crossings in the 1500 metres around key local activity centres, including schools, shopping centres and recreation facilities.

VI. National Memorandum of Understanding (MOU) that recognises the co-benefits of active transport and drives consideration of walking and cycling in all programs. Engages key stakeholders across:

- a) Infrastructure and Transport, including sub-agencies for Road Safety and Cities and Suburbs Unit,
- b) Health and Ageing, including the National Preventive Health Strategy Expert Steering Committee,
- c) Climate Change, Energy and Water, and
- d) Prime Minister and Cabinet, NetZero Economic Agency/Authority.

VII. Establish a national active transport plan with mode share and decarbonisation targets to boost walking and cycling.

- a) Department of Infrastructure, Transport, Regional Development, Communications and the Arts to re-join and co-fund Cycling and Walking Australia and New Zealand⁴ to coordinate strategy, investment, programming and delivery for active transport investment with all state and territory jurisdictions, local government and key stakeholders.
- b) Supported by cross-agency MOU to ensure other targets are met, e.g. under the National Preventative Health Plan for population levels of physical activity.



Above: the Canberra Transport Photo, 69 people with one bus, 69 bikes and 60 cars. ©WeRide 2012.

⁴ <https://www.cwanz.com.au/>

The best solutions for the journey

Boosting trips by bicycle and particularly e-bikes for the large number of daily trips that are 5km or less is a cost-effective and rapid means of facilitating a shift of travel behaviour to a low emissions mode.

Modelling shows that the return on investment for e-bike purchase subsidies is \$3 for every dollar invested⁵ and the return on investment for bicycle infrastructure is even better value at almost \$5 return for every dollar invested according to the Queensland Government.⁶

Oxford University's Associate Professor Christian Brand has reported that cycling emissions can be 30 times lower than a fossil fuel powered car and about ten times lower than an EV⁷.

Private motor vehicle use is characterised by relatively low occupancy, around 1.2 persons per trip, and private motor vehicles spend the majority of time sitting idle. This does not change whether Australians drive an internal combustion engine car or an EV. Smaller, more efficient vehicles like e-bikes can provide a solution for a significant proportion of the passenger transport task.

The large number of lithium-ion cells in an electric vehicle (EV) battery can power the equivalent of around 147 e-bikes.⁸ With around half of all trips every day just 5km or less and average private vehicle occupancy generally slightly more than one person per trip, a shift to more trips by e-bike would provide significant environmental savings in transport and reduce cost of living pressures for users.

The current crisis in road safety caused by road traffic crashes and chronic disease related to physical inactivity will also benefit from a significant shift to walking, riding and public transport.

1,266 Australians lost their lives on the road in 2023⁹, an increase of 7.3% on 2022, and pollution from vehicles is linked to more than 12,000 people being hospitalised with cardiovascular issues, more than 6,800 people being hospitalised with respiratory issues and 66,000 cases of childhood asthma each year.¹⁰

Australians are already choosing to ride bikes

- The *2023 National Walking and Cycling Survey* revealed 3.88 million Australians ride in a typical week and 9.52 million rode in the last year.¹¹

⁵ Report 'E-bike subsidies for Australians,' Institute for Sensible Transport, November 2021. https://www.weride.org.au/wp-content/uploads/2022/04/WeRide_e-Bike_Subsidy_Report_FINAL-lores.pdf, accessed on 24 January 24, 2024.

⁶ <https://www.tmr.qld.gov.au/Travel-and-transport/Cycling/Cycling-investment-in-Queensland>. Accessed on 24 January 2024.

⁷ <https://theconversation.com/cycling-is-ten-times-more-important-than-electric-cars-for-reaching-net-zero-cities-157163>, accessed on 15 January 2024.

⁸ E-bike batteries contain about 30 cylindrical lithium-ion cells (3.3kg). A Tesla 3 uses 4,416 cells (long-range model - 530kg). One EV battery therefore corresponds to the number of batteries required for around 147 e-bikes.

⁹ Road deaths Australia December 2023 bulletin, BITRE. https://www.bitre.gov.au/sites/default/files/documents/rda_dec2023.pdf, accessed on 23 January 2024.

¹⁰ Shifting Gear: the path to cleaner transport, Climate Council, 2022. https://www.climatecouncil.org.au/wp-content/uploads/2023/08/CC_MVSA0354-CC-Report-Road-to-Personal-Transport_V6-FA-Screen-Single.pdf, accessed on 23 January 2024.

¹¹ National Walking and Cycling Participation Survey 2023, https://www.cwanz.com.au/wp-content/uploads/2023/08/NWCPS_2023_report_v1.3.pdf, accessed on 16 January 2024.

- The 2022 data from WeRide's *Australian Cycling and e-Scooter Economy Report* reported that 6.5 million Australians cycled in that year – 33% of adults.¹²
- The 6.5 million riders replaced 3.9 billion kilometres of driving in 2022 which avoided 514,096 tonnes of carbon dioxide equivalent emitted over the year.¹³ and
- Cycling generated an estimated \$954 million in health and social benefits.¹⁴

And many more would like to...

While 2021 Census data shows only 0.7% of trips to work nationally are undertaken by bike¹⁵, there is enormous potential to boost cycling for short transport trips.

This high propensity of Australian adults to ride a bike more has been illustrated with Australian research conducted by Monash University's School of Public Health and Preventative Medicine¹⁶ showing three quarters of people surveyed are interested in riding a bike, but only if they can ride on a path that is separated from cars.

Only around one quarter to one third of all trips for all purposes are trips to work and the diversity of destinations also provides an opportunity to focus on mode shift for trips to local destinations.

Significant barriers relating to sharing roads with cars are reported by Australians. We Ride Australia's latest *Australian Cycling and e-scooter Economy Report*¹⁷ reveals 64% of adults do not feel safe on the roads with motor vehicle traffic.

Encouraging more Australians to ride a bike for short trips requires encouragement, safe continuous networks separated from cars or on local streets with lower speed limits and access to a range of incentives to get them started.

We urge the Australian Government to consider these proposals for the 2024-2025 Budget.

About WeRide

As the national independent voice for cycling WeRide's Vision is that Australia's a greener, healthier, better place to be because more people are riding bikes. Our Mission is to achieve this by building a healthy, sustainable future through advocacy, program development and research around the bicycle's role in environment, health, infrastructure and safety.

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(the Australian Cycling Environmental and Health Foundation Limited t/as We Ride Australia or 'WeRide')



¹² https://www.weride.org.au/wp-content/uploads/2023/11/The_Australian_Cycling_and_e-scooter_Economy_in_2022_WeRide_and_EY_2023_Report_Final_web.pdf, accessed on 15 January 2024.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ <https://www.abs.gov.au/articles/australias-journey-work>, accessed on 15 January 2024.

¹⁶ <https://theconversation.com/3-in-4-people-want-to-ride-a-bike-but-are-put-off-by-lack-of-safe-lanes-172868>, accessed 15 January 2024.

¹⁷ https://www.weride.org.au/wp-content/uploads/2023/11/The_Australian_Cycling_and_e-scooter_Economy_in_2022_WeRide_and_EY_2023_Report_Final_web.pdf, accessed on 15 January 2024.