

Proactive investment

Policies to increase rates of active transportation

As Australia's cities continue to grow, policies that incentivise more people to walk, cycle, and ride electric 'micro-mobility' devices could help reduce congestion. However, less than 1% of federal road funding is spent on active transportation. Unless funding is increased, Australia will continue to lack the infrastructure needed to reduce car dependency.

Discussion paper

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Summary

Active transport – which includes walking, cycling, and the use of ‘micro-mobility’ devices such as e-bikes and e-scooters – offers a clean, healthy alternative to driving that can help reduce traffic congestion, especially when used for short trips or in conjunction with public transport.

However, rates of active transport are low, and cars continue to be far and away the most dominant form of transport across Australia’s cities. This paper focuses on how increasing rates of active transportation could change the way Australians move around our cities. This could also help reduce Australia’s carbon emissions.

There are three major ways in which Australian governments could help increase rates of active transportation: 1) Improving infrastructure; 2) Allowing for the use of personal e-mobility devices through appropriate legislation; and 3) Creating financial incentives for the purchase of bicycles, e-bikes and other similar modes of transportation. Specifically, the Commonwealth, state and territory, and local governments could coordinate the implementation of policies that would:

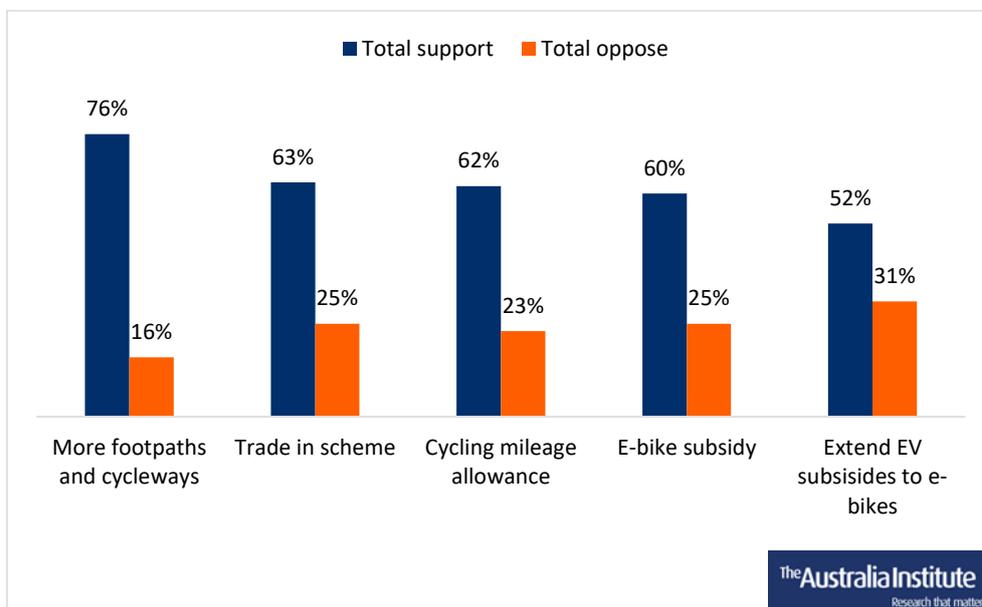
- Subsidise the purchase of e-bikes.
- Apply the subsidies currently available for EVs to e-bikes.
- Introduce a scrapping scheme for old cars in exchange for e-bike rebates or public transport tickets.
- Legalise private e-scooters in all states and territories, with supporting rules, regulation, and infrastructure.
- Ensure transport and road legislation includes requirements for active transport infrastructure.
- Introduce a tax-deductible per/km ride to work mileage allowance.
- Make infrastructure safer to encourage more use of active transport and public transport.
- Increase funding for active transportation to the equivalent of at least 10% of road-related expenditure.

Polling conducted by The Australia Institute shows that the majority of Australians support these policies (Figure 1). Specifically:

- 52% support extending EV subsidies to apply to e-bikes
- 60% support introducing a government e-bike subsidy scheme
- 62% support the introduction of a per kilometre cycling mileage allowance for commuting to and from work

- 63% support schemes that would allow for internal combustion engine cars to be traded in for EVs, e-bikes and public transport tickets
- 76% support building more walking and cycling paths in their areas.

Figure 1: Active transport policies



Source: The Australia Institute polling.

Some of these policies will require a substantial level of investment, and current levels of funding fall well short of what is needed to engineer this transformation. The Commonwealth Government’s National Active Transport Fund, announced in the 2024–25 budget, will spend just \$100 million over four years to upgrade and build new bicycle and walking paths across the nation. However, the construction of a shared pedestrian and cycle path separated from a road costs an estimated \$2-3.9 million per kilometre, which means the National Active Transport Fund has only enough money to build 25-50 km of new, separated bike paths. Over the four-year lifetime of the Fund, this is about 6-12 km of paths per year. The \$25 million a year that this fund is worth is about 0.3% of what the Commonwealth spends on roads every year.

While states and territories also have policies intended to increase rates of active transportation, spending on active transport pales in comparison to the amount governments around Australia spend on infrastructure for other modes of transport. For example, Queensland and NSW spend less than 1% of their transport budgets on active transport. In the 2021–22 financial year, state and territory governments spent over \$35 billion on road-related expenditure. Of this, state governments spent \$21 billion, local governments spent nearly \$6 billion, and the Commonwealth spend \$7.7 billion. These figures are not broken down into spending for type of road, and may include some funding for bike lanes, but this funding mostly benefits drivers of cars,

buses and trucks. By redirecting some of this funding, Australia could have more, better bike and walking paths.

If Australian governments genuinely want to encourage rates of active transportation there is ample room to divert funding that incentivises driving towards policies that would instead incentive more people to cycle, walk, and ride. We recommend that governments at the local, state, territory and commonwealth level increase funding for active transportation to the equivalent of at least 10% of road-related expenditure.

Introduction

Governments around Australia are spending billions on roads for cars, and next to nothing on infrastructure that would enable more people to walk, cycle or take other modes of active transportation. The decisions that governments make now will determine the shape of Australia cities as they continue to grow. Will sustained investment in roads mean that an ever-increasing number of cars continue to dominate ever more space given over to roads? Or can Australia break free of its dependence on cars and create cities that are cleaner, healthier and less congested?

Active transport – which includes walking, cycling, and the use of ‘micro-mobility’ devices such as e-bikes and e-scooters – offers a clean, healthy alternative to driving that can help reduce congestion, especially when used for short trips or in conjunction with public transport.

Australia is a highly urbanised nation. Australia’s eight capital cities are home to 68% of the population,¹ and urban density is only expected to grow with further population growth.² A 2019 report by Infrastructure Australia estimated that without appropriate and proportional investment in infrastructure, road congestion and crowded public transport will cost the Australian economy nearly \$40 billion by 2031.³ Numerous studies have shown that building more roads, especially highways, only increases traffic.⁴ By the same principle, building more footpaths and cycleways should increase rates of active transportation, and relieve road congestion.

Every day, millions of Australians drive short distances that could be walked or cycled. In Victoria for example, private cars are used for more than half of all trips of between

¹ Australian Institute of Health and Welfare (2024) *Profile of Australia's population*, <https://www.aihw.gov.au/reports/australias-health/profile-of-australias-population>

² ABS (2023) *Population projections, Australia, capital cities*, <https://www.abs.gov.au/statistics/people/population/population-projections-australia/2022-base-2071#capital-cities>

³ Infrastructure Australia (2019) *Urban transport crowding and congestion*, p 1, <https://www.infrastructureaustralia.gov.au/publications/urban-transport-crowding-and-congestion>

⁴ Hymel (2019) ‘If you build it, they will drive: Measuring induced demand for vehicle travel in urban areas’, *Transport Policy*, <https://doi.org/10.1016/j.tranpol.2018.12.006>; Duranton and Turner (2009) *The fundamental law of road congestion: Evidence from US cities*, <https://www.nber.org/papers/w15376>

1-5 km, and 1.4 million car trips of 1-2 km are taken every day.⁵ Most of these could be replaced with cycling, walking, public transport, or some combination thereof.

Active transport is one of the best ways to address the so-called ‘first/last mile’ problem – or how to get from the front door to public transport.⁶ Public transport is often quite limited in outer suburbs and other parts of Australia where population densities are lower. This makes them particularly vulnerable to the first/last mile problem. As our cities grow, investment is needed in both public and active transport to reduce congestion and increase liveability.

There are three major ways in which Australian governments could help increase rates of active transportation: 1) Improving infrastructure; 2) Allowing for the use of personal e-mobility devices through appropriate legislation; and 3) Creating financial incentives for the purchase of bicycles, e-bikes and other similar modes of transportation. Specifically, the Commonwealth, state and territory governments could coordinate the implementation of policies that would:

- Subsidise the purchase of e-bikes.
- Apply the subsidies currently available for EVs to e-bikes.
- Introduce a scrapping scheme for old cars in exchange for e-bike rebates or public transport tickets.
- Legalise private e-scooters in all states and territories, with supporting rules, regulation, and infrastructure.
- Ensure transport and road legislation includes requirements for active transport infrastructure.
- Introduce a tax-deductible per/km ride to work mileage allowance.
- Make infrastructure safer to encourage more use of active transport and public transport.
- Increase funding for active transportation to the equivalent of at least 10% of road-related expenditure.

⁵ Victorian Government (2023) *Victorian integrated survey of travel & activity*, trip distance, <https://public.tableau.com/app/profile/vista/viz/VISTA-TripsDraft/Trips-methodoftravel>

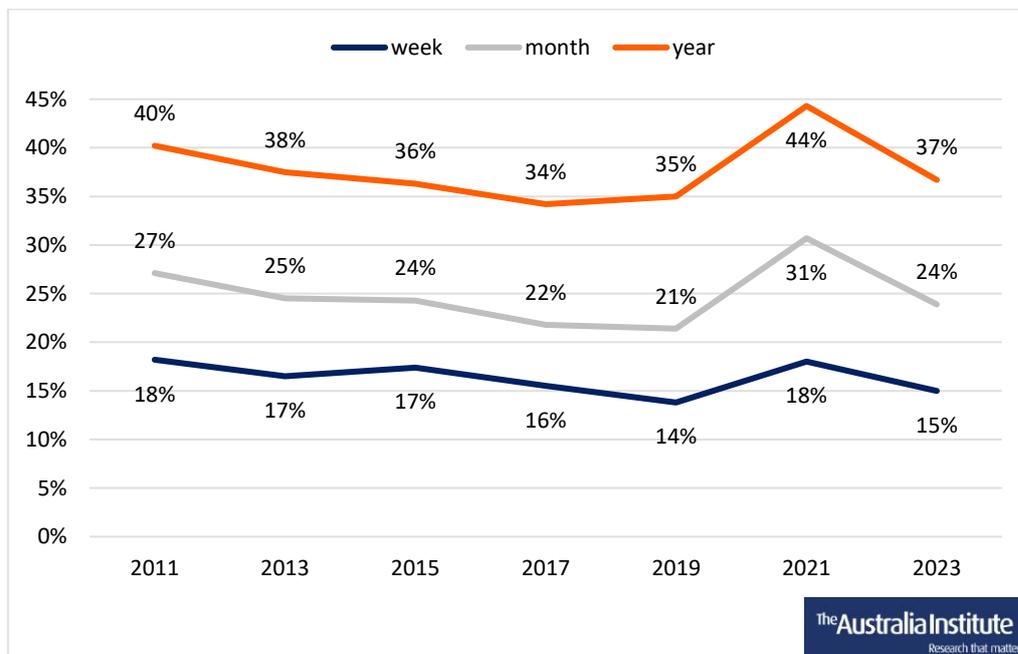
⁶ Gilchrist and Denniss (2015) *The role of ridesharing in addressing Canberra’s transport challenges*, <https://australiainstitute.org.au/report/the-role-of-ridesharing-in-addressing-canberras-transport-challenges/>

The need for behavioural change

In Australia, cycling participation rates are lower than what they were in 2011. A 2023 national survey revealed that 15% of Australians rode a bike (including e-bike) in the past week, and 37% regularly did so in the past year – this was down from 18% and 40% respectively in 2011.⁷

Figure 2 shows an overall decline in cycling participation, but also notes a peak in 2021, during the COVID-19 pandemic. At that time, fewer cars were on the road due to lockdowns and movement restrictions. It is reasonable to assume that increased cycling rates during the pandemic were associated with these factors.

Figure 2: Cycling participation rates, Australia

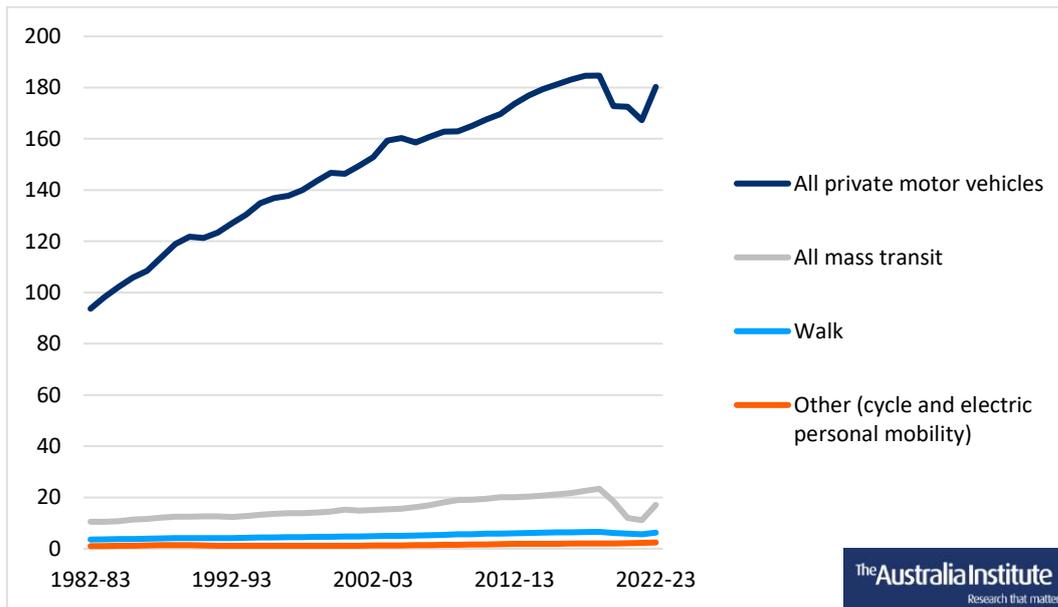


Source: CWANZ (2023) *National walking and cycling participation survey, A.2*, values are population proportions (%), pp 30-31.

In contrast, cars have been the single most dominant transport mode in Australia for decades (Figure 3).

⁷ CWANZ (2023) *National walking and cycling participation survey 2023*, <https://www.cwanz.com.au/national-walking-and-cycling-participation-survey-2023/>

Figure 3: Total (billions) passenger kilometres travelled, Australian capital cities



Source: BITRE (2023) *Australian Infrastructure and Transport Statistics - Yearbook 2023*, Table 5.3j, <https://www.bitre.gov.au/publications/2023/australian-infrastructure-and-transport-statistics-yearbook-2023>

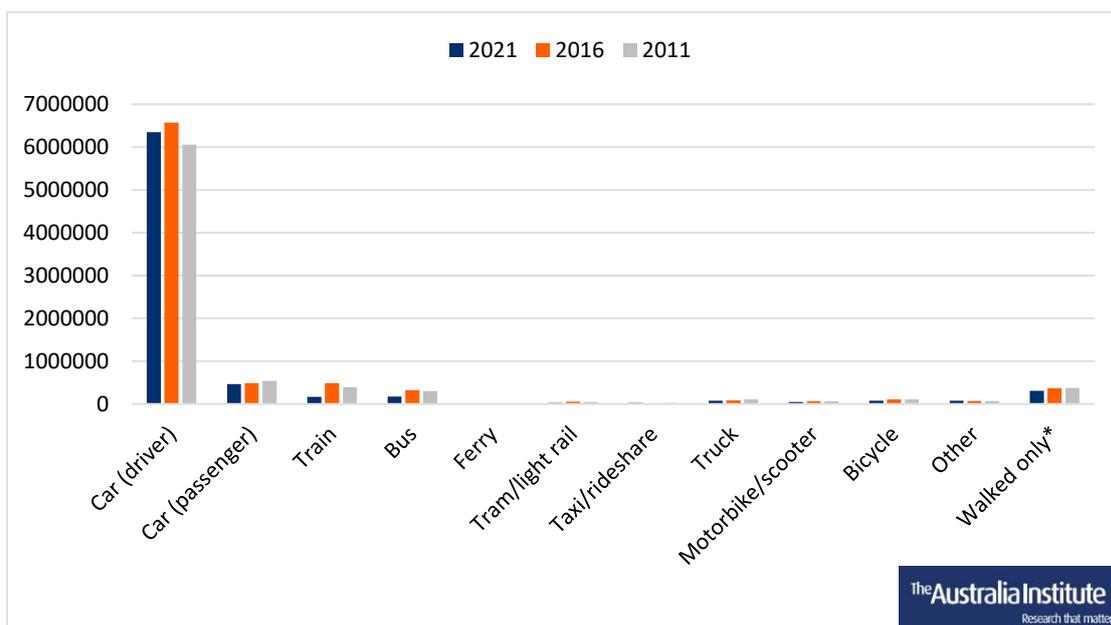
The commute to work is also dominated by cars (Figure 4). More than half (53%) of Australians drive a car to work compared to just 0.7% who cycle, 2.5% who walk, and 4.7% who use public transport (train, bus, tram/light rail, ferry).⁸ Even in the ACT, which has higher rates of cycling than the national average,⁹ the vast majority (77%) of people commute to and from work by car. Just 7% cycle and walk and 7% use public transport.¹⁰

⁸ ABS (2021) *Australia's journey to work*, <https://www.abs.gov.au/articles/australias-journey-to-work>

⁹ CWANZ (2023) *National walking and cycling participation survey 2023*.

¹⁰ ACT Government (2022) *Household travel survey*, <https://www.transport.act.gov.au/planning-for-the-future/household-travel-survey>

Figure 4: Work commute, one method only, number of people



Source: ABS, *Census Basic Community Profile Series, 2021, 2016, 2011, Working population profile, Method of travel to work by occupation tables*, <https://www.abs.gov.au/census/find-census-data/community-profiles/2021/AUS>; *Walking only, not in combination with another transport mode.

Compare this with the Netherlands and Denmark, where cycling and walking are seen as fast and easy ways to get around and are often the main mode of transport for shorter trips. In the Netherlands, 28% of all trips are taken by bicycle, as are 53% of trips that are up to 5 km.¹¹ In Denmark, 12% of all trips are taken by bicycle, and 81% of trips less than 2 km are taken by walking.¹²

In the Netherlands, cycling and walking are popular ‘first/last mile’ options too, with 40% of public train passengers cycling and 60% walking to and from public transport.¹³ These high levels of active transport are underpinned by significant investments in bicycle parking facilities at train stations. Every train station in the Netherlands has at least one bicycle parking facility, including 106 within secure parking garages (half automatic and half with staff) and 30 with bicycle repair services available. In 2020, the

¹¹ de Haas and Kolkowski (2024) *Cycling facts 2023*,

<https://english.kimnet.nl/publications/publications/2024/01/10/cycling-facts-2023>

¹² Christiansen and Baescu (2022) *The Danish national travel survey: Annual statistical report for Denmark for 2021*, <https://orbit.dtu.dk/en/publications/the-danish-national-travel-survey-annual-statistical-report-for-d>

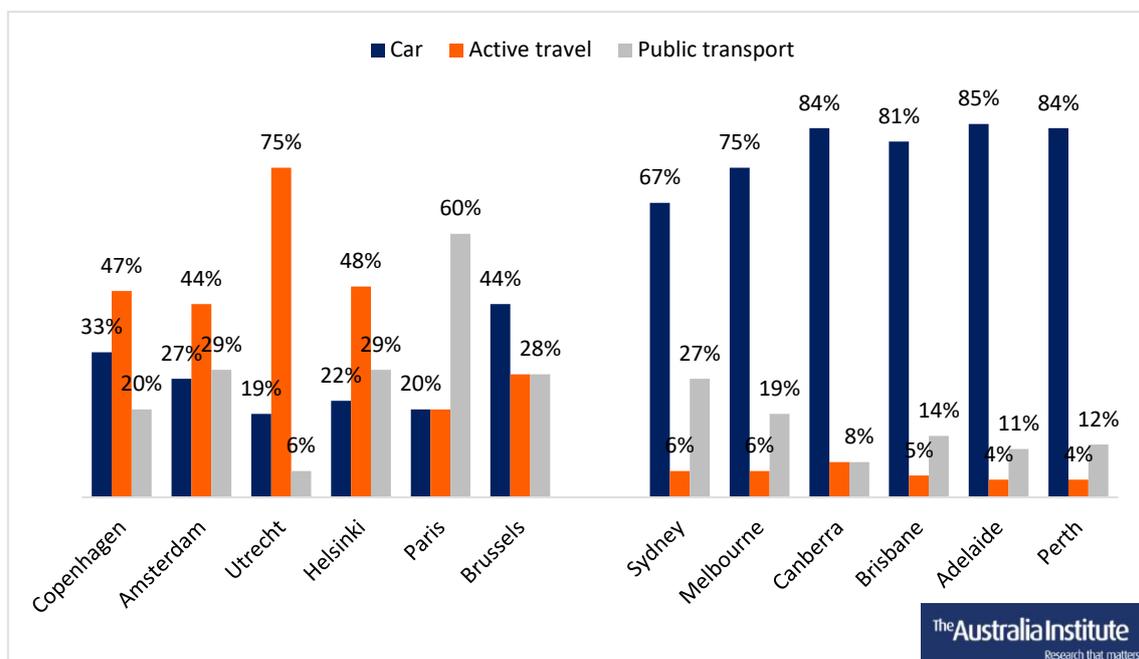
¹³ de Haas and Kolkowski (2024) *Cycling facts 2023*.

Netherlands government allocated EUR 200 million (approx. AUD 320 million) to create 100,000 more new bicycle parking spaces by 2025.¹⁴

In Denmark’s capital city Copenhagen, 21% of all trips are taken by bicycle, and 62% of people cycle several times a week. Copenhagen is aiming for a 50% bicycle mode share for all trips to and from work and education by 2025, and for cars to be a maximum of 25% mode share for all trips.¹⁵ Significantly more people cycle and take public transport to work in Denmark (17% and 7.4%, respectively) than in Australia (0.7% and 4.7%, respectively).¹⁶

Several European cities have much higher rates of active transport than Australian capital cities (Figure 5). This is largely due to the extensive investment these countries have made in cycling infrastructure and other related facilities specifically to reduce dependency on cars.

Figure 5: Transport mode shares, selected cities



Source: Prieto-Curiel and Ospina (2024) ‘The ABC of mobility,’ *Environment International*, <https://doi.org/10.1016/j.envint.2024.108541>; visualisation available here:

¹⁴ Caletrio (2024) *The combined use of bicycles and trains in the Netherlands: a promising mode of transport in a suitable environment*, <https://forumviesmobiles.org/en/project/16047/combined-use-bicycles-and-trains-netherlands-promising-mode-transport-suitable-environment>

¹⁵ City of Copenhagen (2022) *Bicycle account 2022*, <https://urbandevdevelopmentcph.kk.dk/mobility-cycling/copenhagen-the-best-cycling-city-in-the-world>

¹⁶ Christiansen and Baescu (2022) *The Danish National Travel Survey: Annual Statistical Report for Denmark for 2021*, Table 24, <https://orbit.dtu.dk/en/publications/the-danish-national-travel-survey-annual-statistical-report-for-d>; ABS (2021) *Australia’s journey to work*.

<https://citiesmoving.com/visualizations/>; Active travel includes walking, cycling, skating and others.

The evidence from cities who are leading the way in active and public transport shows that a few small policy changes can make a big difference. So how can the use of active and public transport be increased in Australia?

Policy solutions

The Commonwealth Government's *Transport and Infrastructure Net Zero Consultation Roadmap* suggests that mode share and investment targets for active transport could be established to complement existing targets in jurisdictions across Australia.¹⁷ Transport and energy experts recommend a target of 50% active and public transport commute share by 2035 for all Australian capital cities.¹⁸ Various existing targets include:

- Victoria has an active transport mode share target of 25% by 2030.¹⁹
- Greater Adelaide has an active travel mode share target for work trips of 30% by 2045.²⁰
- Brisbane City Council aims for 20% of transport trips to be by walking or cycling by 2026.²¹
- The City of Melbourne aims for a 70% active travel mode share by 2030.²²
- The City of Sydney aims for 10% of all trips to be by bicycle by 2030.²³

But if Australia is to reach these targets, big changes are needed. This section discusses policies that would help increase rates of active transport.

INFRASTRUCTURE

In the *Transport and Infrastructure Net Zero Consultation Roadmap*, the Commonwealth Government suggests that it could improve active transport

¹⁷ Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2024) *Transport and Infrastructure Net Zero Consultation Roadmap*, p 26, <https://www.infrastructure.gov.au/have-your-say/transport-and-infrastructure-net-zero-consultation-roadmap>

¹⁸ Whitehead et al (2002) *FACTS: Framework for an Australian clean transport strategy*, <https://transportfacts.org/>

¹⁹ Victoria State Government (2021) *Victoria's climate change strategy*, <https://www.climatechange.vic.gov.au/victorias-climate-change-strategy>

²⁰ Government of South Australia (n.d.) *Getting active*, https://www.livingadelaide.sa.gov.au/targets/getting_active

²¹ Brisbane City Council (2012) *Brisbane active transport strategy 2012-2026*, <https://www.brisbane.qld.gov.au/about-council/governance-and-strategy/vision-and-strategy/brisbane-vision/our-accessible-connected-city>

²² City of Melbourne (2019) *Transport strategy 2030*, <https://www.melbourne.vic.gov.au/parking-and-transport/transport-planning-projects/Pages/transport-strategy.aspx>

²³ City of Sydney (2023) *Cycling strategy and action plan*, <https://www.cityofsydney.nsw.gov.au/strategies-action-plans/cycling-strategy-and-action-plan>

infrastructure, including by introducing more green spaces to protect cyclists and pedestrians from heat.²⁴ Safe and quality infrastructure is foundational for encouraging more people to walk and cycle. This will require significant increases on current investment commitments and greater integration of transport policies and legislations.

Building and improving walking and cycling paths

One of the main barriers to an increased uptake of active transportation is that people do not feel safe on existing cycling, walking and public transport infrastructure. One national survey found that 64% of people think riding on roads shared with cars is dangerous, and 64% of people think the infrastructure is not safe enough.²⁵ Researchers have shown that safety is a particular concern for women.²⁶ Dedicated cycling infrastructure, including paths that physically separate cyclist from cars, can help create safer cycling environments.²⁷ 'Traffic calming' interventions like lower speed limits, bollards and cycle and walk-friendly road alterations can also make residential roads safer. This, in turn, would encourage more people to walk and cycle.²⁸

Australia Institute polling conducted in July 2024 shows three in four Australians (76%) support increasing the amount of footpaths and cycleways in their local areas (Figure 6), with just 17% opposed.

²⁴ Department of Infrastructure, Transport, Regional Development, Communications and the Arts (2024) *Transport and Infrastructure Net Zero Consultation Roadmap*, p 27, <https://www.infrastructure.gov.au/have-your-say/transport-and-infrastructure-net-zero-consultation-roadmap>

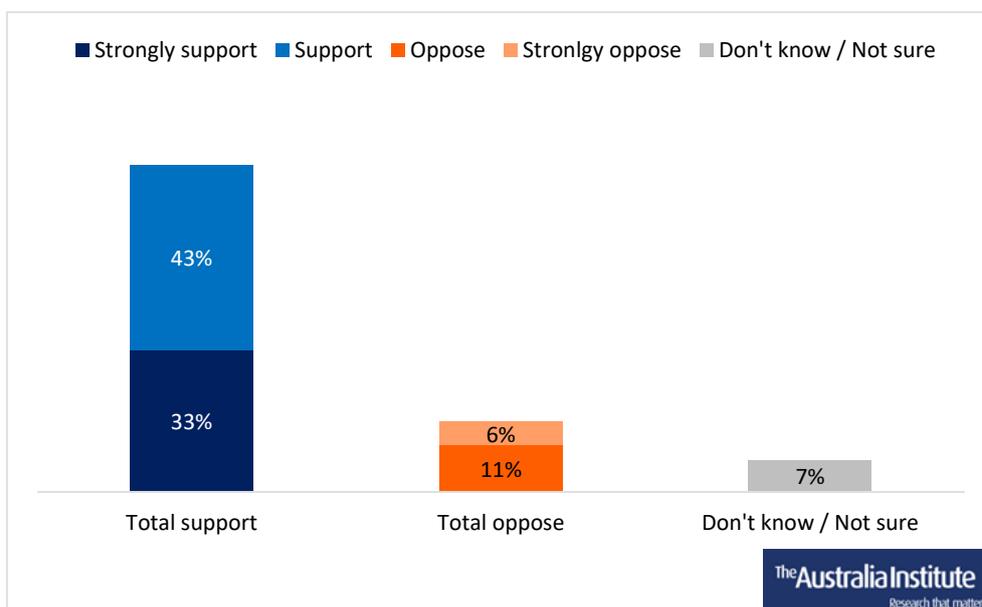
²⁵ WeRide (2023) *The Australian cycling and e-scooter economy in 2022*, p 22, <https://www.weride.org.au/australiancyclingeconomy/>

²⁶ Pearson and Beck (2023) *How to get more women on bikes? Better biking infrastructure, designed by women*, <https://theconversation.com/how-to-get-more-women-on-bikes-better-biking-infrastructure-designed-by-women-202147>

²⁷ Pearson et al (2023) 'Barriers and enablers of bike riding for transport and recreational purposes in Australia', *Journal of Transport and Health*, <https://doi.org/10.1016/j.jth.2022.101538>

²⁸ Timmons et al (2024) 'Active travel infrastructure design and implementation: Insights from behavioral science', *WIREs Climate Change*, <https://doi.org/10.1002/wcc.878>

Figure 6: Increasing the amount of footpaths and cycleways



Source: The Australia Institute polling.

Restricting cars within city centres

Improving the safety of cycling infrastructure does necessarily mean spending money. Making existing infrastructure more accessible to people who use forms of active transport – by, for example, lowering speed limits and allocating more space for cyclists and pedestrians – can also encourage more people to take forms of active transport.

An effective way to improve infrastructure for cyclists would be to restrict the amount of space that cars are afforded. This could be done in several ways, including through car-free areas, by introducing car-free days, swapping out car parking spaces for greenery and walking and cycling spaces, and making car parking more expensive.²⁹ This is already happening in many cities across the world,³⁰ including some in Australia. For example, the City of Melbourne is considering restricting private vehicle access to

²⁹ For example, Parisians recently voted in favour of tripling parking fees for larger cars of 1.6 tonnes and more, to EUR 18 (AUD 29). ABC News (2024) *Paris votes in support of referendum to triple-charge SUV parking in bid to become fully bikeable city*, <https://www.abc.net.au/news/2024-02-05/paris-votes-on-triple-charging-suvs/103426696>

³⁰ Some cities include Oslo, Copenhagen, Helsinki, Dublin, Glasgow, Edinburgh, Lisbon, Ljubljana, and Paris. Chollet (2024) *Congestion-free city centres*, https://www.nordicpolicycentre.org.au/congestion_free_city_centres; Kelly (2024) *Trips by private cars and commercial vehicles 'through' central Dublin to be banned by August*, <https://www.irishtimes.com/transport/2024/02/07/trips-by-private-cars-and-commercial-vehicles-through-central-dublin-to-be-banned-by-august/>

the CBD on certain roads at particular times.³¹ The Committee for Sydney has proposed that some streets be made car free,³² and the ACT's Climate Change Strategy proposes car free days and areas.³³ Car free city centres have been found to lower car use by up to 20%, stimulate local business through more foot traffic, and improve urban air quality.³⁴

To make roads safer and increase the number of people who walk and cycle, Western Australia's Safe Active Streets program aimed to reduce the number of vehicles, and the speed they travelled at (to 30 km/hr) in residential areas.³⁵ Overall program change across eight Safe Active Streets pilot projects showed a 51% increase in cycling, a 27% increase in walking, a 22% decrease in average vehicles per day and a 15% decrease in vehicle speeds.³⁶

Incorporating active travel into transport, building and land use legislation

Another key to building environments that encourage active travel is to ensure that it is incorporated in relevant policies and legislation. For example, the Victorian Transport Integration Act, 2010, brings together the state's transport portfolio under one statute to ensure transport agencies and relevant pieces of legislation work better together to deliver Victoria's transport needs. The Act stipulates that any new infrastructure must consider all modes of transport.³⁷ However, an audit concluded that the Department of Transport was not delivering on the Act's requirements and

³¹ City of Melbourne (2023) *Draft future streets framework 2030 and beyond*, <https://www.melbourne.vic.gov.au/building-and-development/shaping-the-city/Pages/future-streets-framework.aspx>

³² Committee for Sydney (2023) *Everyday culture*, <https://sydney.org.au/program-areas/culture/>

³³ ACT Government (2019) *ACT climate change strategy*, <https://www.climatechoices.act.gov.au/policy-programs/act-climate-change-strategy>

³⁴ Nicholas (2022) *12 best ways to get cars out of cities – ranked by new research*, <https://theconversation.com/12-best-ways-to-get-cars-out-of-cities-ranked-by-new-research-180642>; Luke and Mbabazi (2023) *5 Car-free day myths debunked: Unveiling the true benefits of open streets*, <https://thecityfix.com/blog/5-car-free-day-myths-debunked-unveiling-the-true-benefits-of-open-streets/>

³⁵ Government of Western Australia (2023) *Safe active streets pilot program*, <https://www.transport.wa.gov.au/activetransport/safe-active-streets-pilot-program.asp>

³⁶ Elliot, Ginbey and Bolton (2024) *Webinar: Safe Active Streets – An overview of WA's pilot program*, <https://austroads.com.au/publications/network/web-sas-24>

³⁷ *Transport Integration Act 2010 (Vic)*, <https://www.legislation.vic.gov.au/in-force/acts/transport-integration-act-2010/073>

that an associated transport plan was needed to strengthen the implementation of the Act.³⁸

Other states have active travel stipulations in relevant Acts and associated policies to ensure walking and cycling considerations are core parts of transport and building projects. This includes in planning laws and building codes. Examples include Queensland's Transport Planning and Coordination Act 1994³⁹ and the ACT's Planning Act 2023⁴⁰ and Infrastructure Standards.⁴¹

The NSW and Western Australian governments have policies requiring every transport project to include provisions for walking and cycling infrastructure as well as for road user space allocations.⁴² However, a recent review of the NSW Road User Space Allocation Policy, which aims to prioritise active and public transport over cars, found it to be insufficiently understood and implemented, and that relevant road transport legislation needed to be updated to better reflect the policy.⁴³ The Western Australian Transport Coordination Act 1966 does not mention active travel, when a 2022 independent review says it needs to.⁴⁴ Similarly, the NSW Transport Administration Act 1988, which is supposed to "promote the integration of the transport system", does not mention active travel (walking, cycling).⁴⁵

³⁸ Victorian Auditor-General's Office (2021) *Integrated transport planning*, <https://www.audit.vic.gov.au/report/integrated-transport-planning>

³⁹ *Transport Planning and Coordination Act 1994* (Qld), <https://www.legislation.qld.gov.au/view/html/inforce/current/act-1994-002>

⁴⁰ *Planning Act 2023* (ACT), <https://www.legislation.act.gov.au/a/2023-18>

⁴¹ ACT Government (n.d.) *Municipal infrastructure design standards*, <https://www.cityservices.act.gov.au/plan-and-build/standards-codes-and-guidelines/municipal-infrastructure-design-standards-mis>; The Standards are to be informed by the 2023 'Design Guide: Best practices for urban intersections and other active travel infrastructure in the ACT', ACT Government (2023) *Design guide: Best practices for urban intersections and other active travel infrastructure in the ACT – DRAFT*, https://hdp-au-prod-app-act-yoursay-files.s3.ap-southeast-2.amazonaws.com/3216/8316/8412/Draft_Design_Guide_-_Best_practices_for_urban_intersections_and_other_active_travel_infrastructure_in_the_ACT.pdf

⁴² NSW Government (2021) *Policy*, <https://www.movementandplace.nsw.gov.au/standards/policy>; Western Australian Government (2024) *Active transport infrastructure policy*, <https://www.transport.wa.gov.au/activetransport/planning-and-design-guidance.asp>

⁴³ NSW Government (2024) *Implementation review of the road user space allocation policy*, <https://www.transport.nsw.gov.au/projects/programs/implementation-review-of-road-user-space-allocation-policy>

⁴⁴ Bunbury (2022) *Review of the Transport Coordination Act 1966 - Minister for Transport's, Parliament of Western Australia, Australia*, <https://www.parliament.wa.gov.au/Test/Tables.nsf/screenLaunch>

⁴⁵ *Transport Administration Act 1988 No 109* (NSW), <https://legislation.nsw.gov.au/view/html/inforce/current/act-1988-109>

It is important to have significant investments in active transport infrastructure, but this needs to be supported by relevant legislative and policy commitments, especially around aspects like safety and road user space allocations. Active travel infrastructure requirements can be guaranteed in the same way as workplace health and safety standards and heritage laws are factored in for other sectors. This will better ensure safer cycle and walking paths for everyone.

Recommendation: Ensure transport and road legislation includes requirements for active transport infrastructure.

Recommendation: Make infrastructure safer to encourage more use of active transport and public transport.

REGULATING E-TRANSPORT DEVICES

With proper regulation and safer infrastructure, e-scooters, e-skateboards and other similar forms of micro-mobility can help reduce transport emissions.

Research shows mixed results about whether e-scooters (both shared and private) have a positive or negative affect on displacing other forms of active transport use.⁴⁶ Since their introduction with companies like Beam and Neuron several years ago, there have been many incidences of hospitalisations and injuries resulting from the unsafe use of e-scooters.⁴⁷ Several local councils, including in Brisbane and Melbourne, have restricted or banned the use of rental e-scooters.⁴⁸ But a national approach to appropriate speed restrictions, safety requirements (including for users to wear a helmet), and fines for non-compliance would allow personal e-scooters and other forms of micro-mobility to be part of the active transport solution. This would also require safe infrastructure for e-scooters. Like cyclists, e-scooter riders will be safer on dedicated and shared riding paths rather than competing for space on pathways full of pedestrians, which is especially of concern in dense urban areas. In 2022, Australians spent \$75 million on public e-scooter shared schemes and \$72 million on e-scooter

⁴⁶ Austroads (2024) *Prioritising active transport*, pp 101-106, <https://austroads.com.au/publications/active-travel/ap-r711-24>

⁴⁷ Cahill (2023) *Melbourne doctors call for greater regulation of e-scooters as injuries rise, clogging up hospitals*, <https://www.abc.net.au/news/2023-12-20/e-scooter-injuries-rise-as-hospitals-struggle-to-treat-riders/103246314>

⁴⁸ Hinchliffe (2024) *Brisbane e-scooter operator Beam loses licence over alleged breach of daily cap*, <https://www.theguardian.com/australia-news/article/2024/sep/02/beam-e-scooters-brisbane-loses-licence-daily-cap>

purchases.⁴⁹ But in many states, questions remain over the status of privately owned e-scooters.

In the Northern Territory, private e-scooters are illegal in public spaces.⁵⁰ In Victoria, although some trials are ongoing, e-scooters and e-skateboards on footpaths and those capable of traveling more than 25km/hr are not allowed in public areas.⁵¹ In NSW, although local government trials are ongoing, and e-scooters can now be taken on busways, private e-scooters remain illegal on all public roads, footpaths, and shared/bicycle paths.⁵² If private e-scooters are illegal in public then people cannot use them to replace the short trips they might otherwise drive.

Recommendation: Legalise private e-scooters in all states and territories, with supporting rules, regulations, and infrastructure requirements.

FINANCIAL INCENTIVES

International evidence shows that direct financial incentives are an effective way to increase rates of active transportation. This can include tax breaks for those who commute using a mode of active transportation, subsidising the cost of e-bikes and similar vehicles, and libraries that allow people to try new modes of active transportation for free.

Paying people to ride to work

The Netherlands, Belgium, and France all offer tax incentives to people who commute to work by cycle; rates per km vary from EUR 0.23 in the Netherlands (around AUD 0.37) to EUR 0.35 in Belgium (around AUD 0.55).⁵³

⁴⁹ WeRide (2023) *The Australian cycling and e-scooter economy in 2022*, p 14.

⁵⁰ Northern Territory Government (2024) *Electric scooters and bikes*, <https://nt.gov.au/driving/safety/electric-scooters-and-bikes>

⁵¹ VicRoads (2024) *E-scooters in Victoria*, <https://www.vicroads.vic.gov.au/safety-and-road-rules/e-scooters-in-victoria>

⁵² NSW Government (2024) *NSW shared e-scooter trial program*, <https://www.transport.nsw.gov.au/projects/current-projects/nsw-shared-e-scooter-trial-program>

⁵³ Government of Netherlands (n.d.) *Ways of encouraging bicycle use*, <https://www.government.nl/topics/bicycles/bicycle-policy-in-the-netherlands>; WEF (2019) *The Netherlands is paying people to cycle to work*, <https://www.weforum.org/agenda/2019/02/the-netherlands-is-giving-tax-breaks-to-cycling-commuters-and-they-re-not-the-only-ones/>; Elton (2024) *France, Italy, Belgium: Which European countries have the best cycle to work schemes?*, <https://www.euronews.com/green/2024/05/12/france-netherlands-belgium-which-european-countries-have-the-best-cycle-to-work-schemes>; Maurissen and Veugelen (2024) *Bike allowance and*

In Belgium, a tax-free cycling allowance is paid through employers as part of an employee's salary. The allowance is now mandatory for all private and non-profit sector employers under Collective Labour Agreement No. 164.⁵⁴ The allowance, which is applied monthly and indexed annually, is capped at 20 km per commute. Because only regular bicycle commuters are eligible for the allowance, employees must provide a signed statement about how much they have cycled. Employers can verify this and decide how often they require such statements.⁵⁵

In the Netherlands, a tax-free cycling allowance is optional and paid through employers.⁵⁶ Private companies may offer a higher per kilometre amount, but the tax-free part is capped.

In France, a tax-free cycle to work allowance is optional for employers. The per kilometric aspect of the scheme has since been replaced by the sustainability mobility package, which covers a range of ways to get to work. The package provides a flat rate yearly reimbursement of up to EUR 800 (around AUD 1,300) per employee for private sector employees, and up to EUR 300 (around AUD 500) for public service employees. As with the Belgium scheme, employees are required to sign an honour statement about how much they cycle.⁵⁷ Other modes of transport are included in the package, such as carpooling, low emissions car sharing services and public transport.

When the French national government introduced their per kilometre scheme in 2014, cycling participation rates increased by 50% in the first six months and by 125% in the second year.⁵⁸ In Belgium, tax credits paid out from the scheme doubled from EUR 33

company bikes in 2024: Important updates, <https://kpmg.com/be/en/home/insights/2024/02/ppl-bike-allowance-and-company-bikes-in-2024-important-updates.html>; Netherlands Tax Administration (n.d.) *Buy or lease a company bicycle*, <https://business.gov.nl/running-your-business/environmental-impact/making-your-business-sustainable/buy-or-lease-a-company-bicycle/>

⁵⁴ Collective Labour Agreement, No. 164, <https://cnt-nar.be/sites/default/files/documents/fr/cct-164.pdf>

⁵⁵ FGTB (2023) *Bike allowance: Frequently asked questions*, <https://www.fgtb.be/indemnite-velo-faq>; Deloitte (2024) *Embracing sustainable commuting: Update on company bicycles and bicycle allowance*, <https://www.taxathand.com/article/34376/Belgium/2024/Embracing-sustainable-commuting-Update-on-company-bicycles-and-bicycle-allowance>; Lockton Global Compliance (2023) *Belgium entitles employees to bicycle allowance*, <https://globalnews.lockton.com/belgium-entitles-employees-to-bicycle-allowance/>

⁵⁶ Ministry of infrastructure and water management (n.d.) *Financial schemes to encourage cycling*, <https://www.daszogefietst.nl/financiele-regelingen>

⁵⁷ Work Life (n.d.) *What is the sustainable mobility package?*, <https://en.worklife.io/forfait-mobilite-durable/comment-ca-fonctionne>; Public Service France (n.d.) *Sustainable mobility package in the private sector: increase of the exemption limits*, <https://www.service-public.fr/particuliers/actualites/A14046?lang=en>

⁵⁸ European Commission (2017) *A cycling kilometric allowance in France*, https://urban-mobility-observatory.transport.ec.europa.eu/resources/case-studies/cycling-kilometric-allowance-france_en

million in 2014 to EUR 61 million in 2019, which shows its popularity.⁵⁹ In the Netherlands, a scheme specially aimed at encouraging car users to instead use an e-bike to commute to work through a financial incentive of up to EUR 0.15 per km (around AUD 0.25) increased the number of e-bike commutes from 0% to 68% in the first month and up to 73% in the first year.⁶⁰ This scheme operated through an app and participants were paid the financial incentive directly.

In Australia, a ride-to-work allowance could build on the car travel allowance system. Employees using their own car for work purposes during work hours can currently claim 88 cents per kilometre driven on their tax return.⁶¹ However, this does not apply to commuting to and from work. This could be complimented with ‘congestion pricing’ which, by charging drivers to use roads in highly congested areas, would incentivise the use of public and active transportation.⁶²

Some states have made modest steps towards introducing this kind of scheme. The ACT’s Climate Change Strategy aims to explore “a reward scheme for community members who increase their use of public transport and/or active travel”,⁶³ Queensland’s cycling strategy wants to “encourage employees to ride to work”,⁶⁴ and NSW’s Active Transport strategy says it will “Investigate opportunities for workplace initiatives, incentives, and interventions such as e-bike rebates or end-of-trip facilities, to promote active travel to work.”⁶⁵ The non-profit cycling advocacy organisation Bicycle Network has proposed that Australians be paid \$5 every time they ride to work.⁶⁶

In contrast, the NSW Government is incentivising people to commute by car. It provides eligible motorists up to \$60 per week in toll relief for car users, or a 40% toll

⁵⁹ Belgium Ministry of Finance (2020) *Inventory of tax expenditures*, https://finance.belgium.be/en/figures_and_analysis/figures

⁶⁰ de Kruijf et al (2018) ‘Evaluation of an incentive program to stimulate the shift from car commuting to e-cycling in the Netherlands’, *Journal of Transport & Health*, <https://doi.org/10.1016/j.jth.2018.06.003>

⁶¹ ATO (2024) *Expenses for a car you own or lease*, <https://www.ato.gov.au/individuals-and-families/income-deductions-offsets-and-records/deductions-you-can-claim/cars-transport-and-travel/motor-vehicle-and-car-expenses/expenses-for-a-car-you-own-or-lease>

⁶² Knight (2024) *Would congestion pricing work in Australia?* <https://www.unsw.edu.au/newsroom/news/2024/01/would-congestion-pricing-work-in-australia->

⁶³ ACT Government (2019) *ACT Climate Change Strategy*, p 8, <https://www.climatechoices.act.gov.au/policy-programs/act-climate-change-strategy>

⁶⁴ Queensland Government (2023) *Queensland Cycling Strategy 2017–2027*, p 14, re-released 2023, <https://www.tmr.qld.gov.au/travel-and-transport/cycling/cycling-strategies>

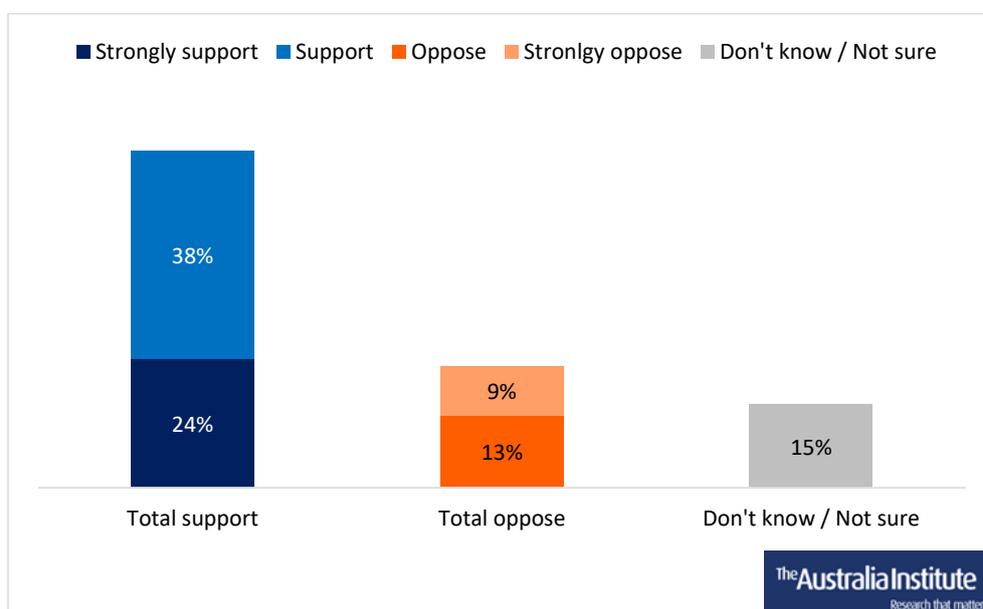
⁶⁵ Transport for NSW (2022) *Active transport strategy*, p 26, <https://www.future.transport.nsw.gov.au/future-transport-plans/active-transport-strategy>

⁶⁶ Bicycle Network (2019) *Pay Australians to ride to work*, <https://bicyclenetwork.com.au/newsroom/2019/04/11/pay-to-ride-to-work/>

relief rebate over the financial year.⁶⁷ In 2023, the toll relief budget allocation was \$561 million over two years (so around \$280 million per year).⁶⁸ This is nearly ten times the \$30 million per year (\$120.9 million over four years) the NSW Government plans to spend on active transport in the 2024–25 state budget.⁶⁹ This forgone revenue could be productively redirected to incentivise people to use active travel for commuting.

Australia Institute polling shows that three in five Australians (62%) support the introduction of a cycling mileage allowance for the work commute (Figure 7), more than twice as many as oppose the introduction of an allowance (23%). Such an allowance has the potential to boost cycling to work rates.

Figure 7: Cycling mileage allowance for work commute



Source: The Australia Institute polling.

Recommendation: Introduce a per km ride to work mileage allowance

Subsidise the cost of replacing old cars

Finland, France and Lithuania have used financial incentive programs that allow people to trade in their internal combustion engine cars for more efficient cars, e-bikes or

⁶⁷ NSW Government (2024) *Toll relief*, <https://www.service.nsw.gov.au/services/toll-relief>

⁶⁸ NSW Government (2023) *Return to spender: Motorists to get \$561 million cash back under toll cap*, <https://www.nsw.gov.au/media-releases/return-to-spender-motorists-to-get-561-million-cash-back-under-toll-cap>

⁶⁹ NSW Government (2024) *Budget paper no.03 infrastructure statement*, p 39, <https://www.budget.nsw.gov.au/2024-25/budget-papers>

public transport tickets. In Lithuania, the payment is up to EUR 1,000 (around AUD 1,600). In Finland, a pilot program gave people who traded in their car between EUR 1,500 and EUR 2,000 (around AUD 2,400 or 3,300) – 8,000 cars were scrapped.⁷⁰ The Finnish program appears to have run between 2015 and 2021 but was used as the basis for the polling question for Figure 8. In France, a payment of EUR 2,500 (around AUD 4,000) was offered on trade-ins.⁷¹ In British Columbia, Canada, the SCRAP-IT scheme offers CAD 1,050 (around AUD 1,100) toward an e-bike purchase for the trade in of an old car.⁷² As of September 2023, more than 54,000 cars have been scrapped.⁷³ The Californian ‘Clean Cars 4 All’ program, which operates in five districts, offers up to USD 7,500 (around AUD 11,250) for lower income earners to trade in their car to buy an e-bike, EV, or hybrid car and has enabled more than 20,000 old cars to be scrapped.⁷⁴

Australia Institute polling shows that two in three Australians (63%) support a similar trade in scheme being introduced here (Figure 8), more than twice as many as are opposed (25%).

⁷⁰ Armstead (2023) *Car scrapping premiums: Removing polluting vehicles from Finland’s roads*, https://www.nordicpolicycentre.org.au/removing_polluting_vehicles_finland

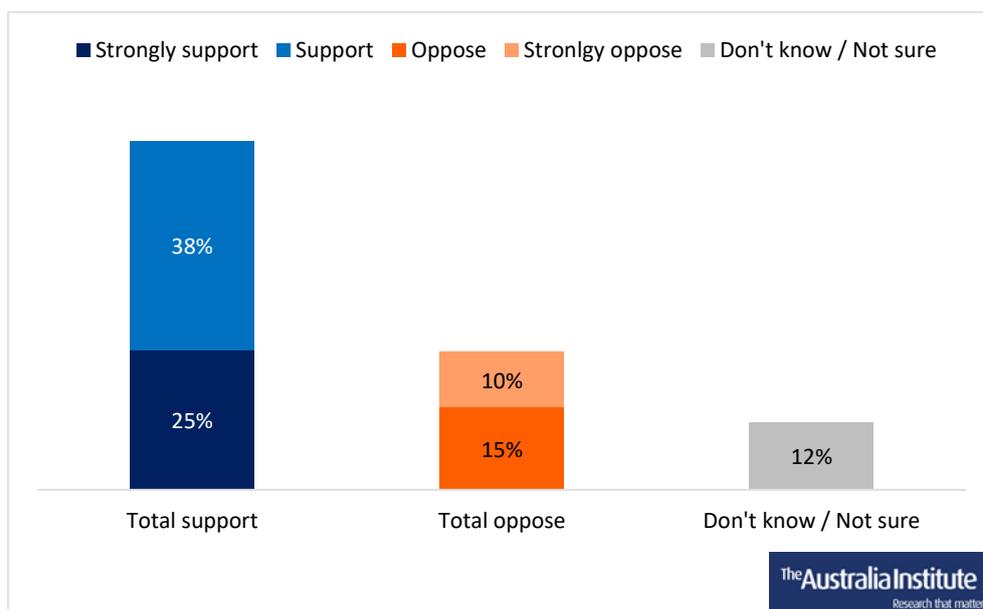
⁷¹ Bicycle Network (2021) *The French are trading old cars for e-bikes – should we?*, <https://bicyclenetwork.com.au/newsroom/2021/05/31/the-french-are-trading-old-cars-for-e-bikes-should-we/>

⁷² BC Government (2020) *Province increases e-bike rebates to increase affordability*, <https://news.gov.bc.ca/releases/2020TRAN0109-001308>

⁷³ SCRAP-IT (n.d.) *Scrap vehicle rebates and incentives for BC residents*, <https://scrapit.ca/>

⁷⁴ Government of California (n.d.) *Clean cars 4 all*, <https://ww2.arb.ca.gov/our-work/programs/clean-cars-4-all>

Figure 8: Trade in scheme for older petrol/gas/diesel cars for more efficient options



Source: The Australia Institute polling.

Recommendation: Introduce a scheme that would allow people to trade in their old car in exchange for a rebate on an e-bike or public transport tickets.

Subsidies for e-bikes

One of the main reasons that rates of active transportation are not higher is that e-bikes and other similar vehicles are expensive. To address this problem, several countries have introduced e-bike rebate programs.⁷⁵ In 2024, California introduced an e-bike voucher system for low-income earners.⁷⁶ A study of three e-bike subsidy programs in Northern California⁷⁷ shows that they increased rates of cycling.⁷⁸ An e-

⁷⁵ Ride Review's new online tool is a useful starting point for tracking nearly 400 e-bike rebate schemes around the world, last updated April 2024. See Ride Review (2024) *Electric bike rebate and tax credits*, <https://ridereview.com/incentives>; Portland State University's online tracking tool for North America is also useful, see Transportation Research And Education Center (2024) *E-bike incentive programs in North America: New online tracker*, <https://trec.pdx.edu/news/e-bike-incentive-programs-north-america-new-online-tracker>

⁷⁶ State of California (2023) *California e-bike incentive project*, <https://ww2.arb.ca.gov/our-work/programs/california-e-bike-incentive-project>

⁷⁷ Two energy (electricity) organisations and Contra Costa County.

⁷⁸ Johnson, Fitch-Polse and Handy (2023) 'Impacts of e-bike ownership on travel behavior: Evidence from three northern California rebate programs', *Transport Policy*, <https://doi.org/10.1016/j.tranpol.2023.06.014>

bike subsidy program in Saanich, British Columbia, Canada, helped reduce car use by an average of 49 km per week.⁷⁹

In 2018, Sweden introduced an 25% e-bike subsidy for e-bikes, capped at SEK 10,000 (around AUD 1,400). In the first year, e-bike sales increased by around 70%.⁸⁰

The state of Minnesota recently introduced a USD 2 million (around AUD 3 million) e-bike rebate program that was so popular that the website crashed within minutes of launching; more than 14,000 applied.⁸¹

In Australia, e-bike subsidy schemes have so far been limited. In 2023–24 the Tasmanian Government offered a 12% rebate for e-bikes (up to \$500), cargo e-bikes (up to \$1,000) e-scooters and e-skateboards (up to \$250). The scheme closed after the \$200,000 in funding was exhausted.⁸² In South Australia, the City of Adelaide currently offers a 20% rebate (\$200 to \$1,000) for purchases of e-bikes used for commuting purposes.⁸³ The City of Holdfast Bay currently offers \$200 rebates for e-bikes and regular cargo bikes and \$300 for electric cargo bikes.⁸⁴ In its Active Travel plan, the NSW Government is considering workplace e-bike rebates to incentivise active travel to work.⁸⁵ The evidence shows that these programs are a popular way of increasing rates of active transport that are capable of reducing emissions. A nationally consistent rebate program would help the Commonwealth reach its goal of reducing emissions from transportation.

WeRide, which represents the interests of Australian cyclists, calculates that a \$1,000 e-bike subsidy in Australia could result in emissions reduction of 15,729 tonnes over

⁷⁹ Bigazzi, Hassanpour and Bardutz (2024) *Travel behaviour and greenhouse gas impacts of the Saanich e-bike incentive program*, <https://reactlab.civil.ubc.ca/saanich-ebike-incentives/>; There are several other financial incentive programs for e-bikes mentioned in this report, including for the Netherlands, Sweden and Norway.

⁸⁰ Anderson and Hong (2022) 'Welfare implications of electric-bike subsidies: Evidence from Sweden', *National Bureau of Economic Research*, <https://doi.org/10.3386/w29913>

⁸¹ Jackson (2024) *Minnesota e-bike rebate program fills up in minutes after shaky initial rollout*, <https://www.startribune.com/minnesota-e-bike-rebate-program-fills-up-in-minutes-after-shaky-initial-rollout/600377923/>

⁸² Tasmanian Government (2024) *e-Transport support*, https://www.recfit.tas.gov.au/what_is_recfit/climate_change/electric_vehicles/support

⁸³ City of Adelaide (2024) *Incentives for sustainability*, <https://www.cityofadelaide.com.au/about-council/grants-sponsorship-incentives/incentives-for-sustainability/>

⁸⁴ Bicycle Network (2024) *Local advocates bring e-bike rebates to life in Adelaide*, <https://bicyclenetwork.com.au/newsroom/2024/02/15/local-advocates-bring-e-bike-rebates-to-life-in-adelaide/>

⁸⁵ Transport for NSW (2022) *Active transport strategy*, p 26, <https://www.future.transport.nsw.gov.au/future-transport-plans/active-transport-strategy>

five years.⁸⁶ Bicycle Network estimates a \$9,047 average saving for someone swapping out a car for an e-bike and recommends a \$50 million national e-bike grant scheme.⁸⁷ E-bike sales in Australia increased from 3% of total bike sales in 2020 to 12% in 2022.⁸⁸

However, it is important that subsidies are substantial enough to capture people who would not have bought an e-bike regardless of an incentive scheme.⁸⁹

From all this evidence it is clear that a substantial subsidy scheme would increase the use of e-bikes.

Australia Institute polling shows that three in five Australians (60%) support a government rebate scheme to reduce the cost of purchasing bicycles, including e-bikes (Figure 9). Only one in four (25%) oppose a government rebate scheme.

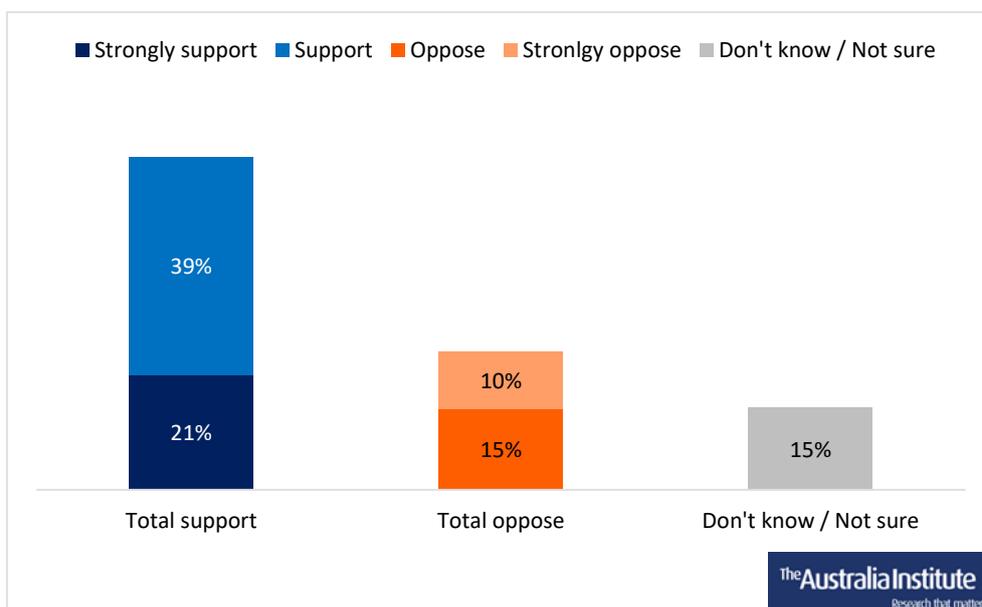
⁸⁶ WeRide (2021) *E-bike subsidy for Australians*, https://www.weride.org.au/wp-content/uploads/2022/04/WeRide_e-Bike_Subsidy_Report_FINAL-lores.pdf

⁸⁷ Bicycle Network (2024) *Australia's e-bike moment*, <https://bicyclenetwork.com.au/our-advocacy/e-bikes/>; Bicycle Network (2024) *Federal budget submission 2024–25*, <https://bicyclenetwork.com.au/our-advocacy/submissions-2/>

⁸⁸ WeRide (2023) *The Australian cycling and e-scooter economy in 2022*, p 12, <https://www.weride.org.au/australiacyclingeconomy/>

⁸⁹ Jones et al (2024) 'Consumer purchase response to e-bike incentives: Results from a nationwide stated preference study', *Transportation Research Part D: Transport and Environment*, <https://doi.org/10.1016/j.trd.2024.104114>; Anderson and Hong (2022) 'Welfare implications of electric-bike subsidies: Evidence from Sweden', *National Bureau of Economic Research*, <https://doi.org/10.3386/w29913>; Anderson and Hong (2022) *E-bikes subsidies reduce reliance on cars and cut emissions, but at what cost?*, <https://www.hhs.se/en/houseoffinance/research/featured-topics/2022/e-bikes-subsidies-reduce-reliance-on-cars-and-cut-emissions-but-at-what-cost/>

Figure 9: Government rebate scheme to help buy bicycles, including e-bikes



Source: The Australia Institute Poling.

Recommendation: The Commonwealth Government introduce a national subsidy scheme for the purchase of bicycles and e-bikes.

Another way to increase the uptake of e-bikes would be to extend the incentives offered to electric vehicles to e-bikes. Several EV subsidy schemes exist across states and territories in Australia.⁹⁰ Along with such a subsidy scheme, e-bikes could be included in exemption from fringe benefits tax payments and associated expenses, as electric vehicles currently are.⁹¹ This could promote more use of e-bikes, including e-cargo bikes, for work purposes. Interest-free loans could also be usefully applied to e-bike purchases. In the ACT, such loans can be used to buy energy efficient products like EVs.⁹² This could be extended to the purchase of e-bikes. Imported EVs are also exempt from customs duty.⁹³ E-bikes imported from outside Australia may incur a

⁹⁰ Australian Government (2023) *National electric vehicle strategy*,

<https://www.dcceew.gov.au/energy/transport/national-electric-vehicle-strategy>

⁹¹ ATO (2024) *Electric cars exemption*, <https://www.ato.gov.au/businesses-and-organisations/hiring-and-paying-your-workers/fringe-benefits-tax/types-of-fringe-benefits/fbt-on-cars-other-vehicles-parking-and-tolls/electric-cars-exemption>

⁹² ACT Government (2021) *Sustainable household scheme*,

<https://www.climatechoices.act.gov.au/policy-programs/sustainable-household-scheme>

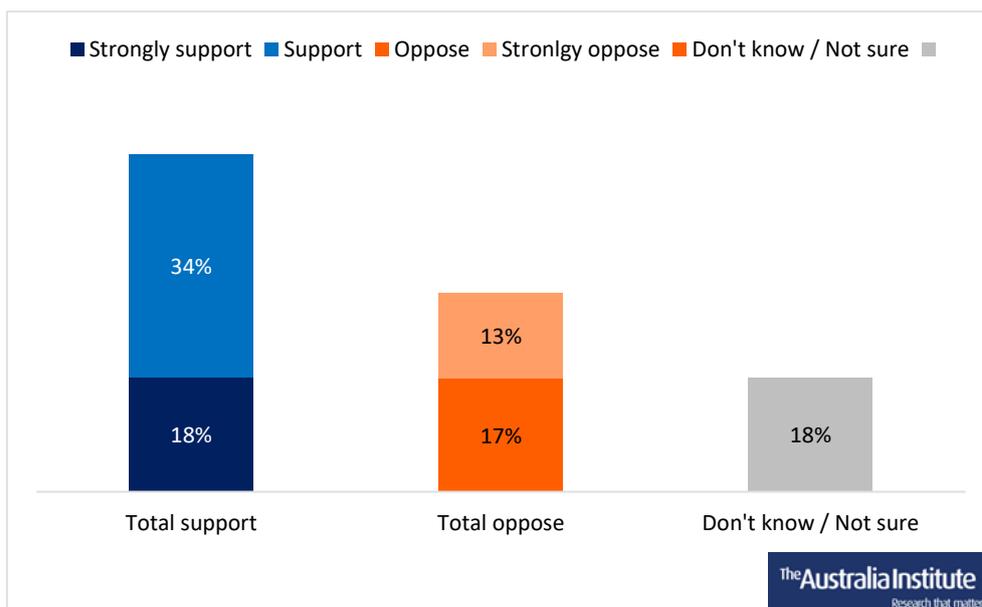
⁹³ Australian Border Force (2022) *Removal of customs duty on certain electric vehicles*,

<https://www.abf.gov.au/help-and-support-subsite/CustomsNotices/2022-34.pdf>

tariff of up to 5%.⁹⁴ We Ride, representing several bicycle organisations in Australia, recommends this tariff be removed.⁹⁵

Australia Institute polling shows that just over half of Australians (52%) support extending current EV subsidies to apply to e-bikes as well (Figure 10). Three in five (31%) oppose extending current EV subsidies.

Figure 10: Extend current EV subsidies to apply to e-bikes



Source: The Australia Institute polling.

Recommendation: Apply current similar EV subsidies and incentives to e-bikes.

E-bike libraries

According to research conducted by the Climate Council, as many as 80% of people are interested in trying an e-bike for free,⁹⁶ before they commit to purchasing one, and this suggests that increasing the number of e-bike libraries could increase rates of active transportation. One of the best examples of how this could work is the Canberra Electric Bike Library. Over four years of operation it has provided nearly 500 free, two-

⁹⁴ Australian Border Force (2024) *Current tariff classification*, see classification 8711.60.00, <https://www.abf.gov.au/importing-exporting-and-manufacturing/tariff-classification/current-tariff/schedule-3/section-xvii/chapter-87>

⁹⁵ Treasury (2024) *Tariff reform: removal of nuisance tariffs*, see We Ride submission, <https://treasury.gov.au/consultation/c2024-506306>

⁹⁶ Climate Council (2022) *People and transport national poll 2022: Results*, p 26, <https://www.climatecouncil.org.au/resources/people-and-transport-national-poll-2022-results/>

week loans from its 19 e-bike fleet.⁹⁷ A survey of loanees found that 73% have either purchased (35%) or intend to purchase their own e-bike after a loan (38%), and that 78% borrowed an e-bike to replace car or rideshare trips.⁹⁸ E-bike libraries are growing in popularity and can be an easy and cost-effective way for people to ‘try before they buy’.

⁹⁷ See Change (n.d.) *The Canberra electric bike library*, <https://seechange.org.au/cbrebikelibrary>

⁹⁸ See Change (2024) *The Canberra electric bike library final evaluation report 2024*, supplied.

Funding Active Transportation

The policies outlined above will require a substantial level of investment. Although governments around Australia are beginning to invest in infrastructure specifically intended for active transportation,⁹⁹ current levels of funding fall well short of what is needed to engineer a transformation away from car dependent cities and suburbs.

In the 2024–25 budget, the Australian Government announced a four-year, \$100 million National Active Transport Fund to upgrade and build new bicycle and walking paths across the nation.¹⁰⁰ However, the Australian Greens argue that this will not be enough to reach a target, set by the United Nations, of having active transport account for at least 20% of all transport.¹⁰¹ A 2022 policy from the Australian Greens calls for \$500 million to be spent nationally on active transport every year¹⁰² – this would be 20 times more than the \$25 million per year currently allocated under the National Active Transport Fund.¹⁰³ Bicycle organisations argue that active transport infrastructure spending needs to be at least 10% of federal transport investments.¹⁰⁴

⁹⁹ Over the next four years, commitments to the tune of \$340 million in Western Australia, \$315 million in Queensland, and \$120.9 million in NSW have been allocated for active transport. See: Government of Western Australia (2023) *Sectoral emissions reduction strategy for Western Australia*, p 23, <https://www.wa.gov.au/government/publications/sectoral-emissions-reduction-strategy-western-australia>; Queensland Government (2024) *Queensland transport and roads investment program (QTRIP) 2024–25 to 2027–28*, <https://www.publications.qld.gov.au/dataset/queensland-transport-and-roads-investment-program-qtrip-2024-25-to-2027-28/resource/e2f11e9c-f59c-4292-a5cf-f35716d083dc>; NSW Government (2024) *Budget paper no.03 infrastructure statement*, pp 35-39, <https://www.budget.nsw.gov.au/2024-25/budget-papers>

¹⁰⁰ Australian Government (2024) *Budget measures, Budget Paper No. 2*, p 146, <https://budget.gov.au/content/documents.htm>

¹⁰¹ Skatssoon (2024) *Greens slap down Budget's \$100m active transport fund*, <https://www.governmentnews.com.au/greens-slap-down-budgets-100m-active-transport-fund/>; UNEP (2016) *Share the road: Global outlook on walking and cycling, October 2016*, <https://www.unep.org/resources/report/share-road-global-outlook-walking-and-cycling-october-2016>

¹⁰² Greens (2022) *Investing in more public transport and high speed rail*, <https://greens.org.au/platform/services>; Australian Government (2024) *Federal financial relations, Budget Paper No. 3*, p 68, <https://budget.gov.au/content/documents.htm>

¹⁰³ Australian Government (2024) *Federal financial relations, Budget paper no. 3*, p 68, <https://budget.gov.au/content/documents.htm>

¹⁰⁴ Bicycle Network (2024) *Bike groups call for National Urban Policy to deliver on active transport*, <https://bicyclenetwork.com.au/newsroom/2024/07/18/bike-groups-call-for-national-urban-policy-to-deliver-on-active-transport/>

The construction of a shared pedestrian and cycle path separated from a road costs an estimated \$2-3.9 million per kilometre,¹⁰⁵ which means the \$100 million from the National Active Transport Fund will be enough to build 25-50km of new, separated bike paths. The \$25 million a year that this fund is worth is about 0.3% of what the Commonwealth spends on roads every year. To put this spending into perspective, France plans to invest EUR 2 billion (around AUD 3.2 billion) in cycling infrastructure between 2023 and 2027, including 100,000 km of bicycle lanes by 2030.¹⁰⁶

Spending on active transport pales in comparison to the amount governments around Australia spend on infrastructure for other modes of transport. Queensland and NSW spend less than 1% of their transport budgets on active transport. In its 2024–25 budget, NSW allocated \$17.6 billion a year for transport, but just \$30 million a year for active transport.¹⁰⁷ In its 2024–25 budget, Queensland allocated a total of \$37.4 billion over four years for transport, but just \$315 million for active transport.¹⁰⁸

All up, Australian governments spent over \$35 billion on road-related expenditure in the 2021–22 financial year. Of this, state governments spent \$21 billion, local governments spent nearly \$6 billion,¹⁰⁹ and the Commonwealth spent \$7.7 billion.¹¹⁰ These figures are not broken down into spending for type of road, and may include some funding for bike lanes, but this funding mostly benefits drivers of cars, buses and trucks. By redirecting some of this funding, Australia could have more, better bike and walking paths. For example, if Commonwealth funding for active transport increased to the equivalent of 10% of road-related expenditure, it would make at least \$770 million per year available to pay for the policies outlined above. If this money were invested solely in bike paths, at the cost of \$2-3.9 million per kilometre (as outlined

¹⁰⁵ Australian Transport Assessment and Planning (2023) *Australian transport assessment and planning guidelines M4 Active travel*, p 55, <https://www.atap.gov.au/mode-specific-guidance/active-travel/index>

¹⁰⁶ European Commission (2023) *France plans to invest €2 billion in cycling*, https://urban-mobility-observatory.transport.ec.europa.eu/news-events/news/france-plans-invest-eu2-billion-cycling-2023-05-31_en

¹⁰⁷ NSW Government (2024) *Budget paper no.03 infrastructure statement*, pp 35-39.

¹⁰⁸ Queensland Government (2024) *Queensland transport and roads investment program (QTRIP) 2024–25 to 2027–28*.

¹⁰⁹ Bureau of Infrastructure and Transport Research Economics (BITRE) (2023) *Australian Infrastructure and Transport Statistics - Yearbook 2023*, pp 67-69, <https://www.bitre.gov.au/publications/2023/australian-infrastructure-and-transport-statistics-yearbook-2023>

¹¹⁰ BITRE (2023) *Australian Infrastructure and Transport Statistics - Yearbook 2023*, p 64, <https://www.bitre.gov.au/publications/2023/australian-infrastructure-and-transport-statistics-yearbook-2023>

above), this would be enough to build between 197 km and 385 km of new separated bike paths every year.

Furthermore, the tax incentives that favour larger, high-emissions vehicles¹¹¹ could be redirected to incentivising people to purchase e-bikes or other forms of short-distance, low-emissions transport. Redirecting the \$250 million in revenue that the Commonwealth Government forgoes by allowing large, expensive utes to be exempt from the Luxury Car Tax,¹¹² would not only triple Commonwealth spending on active transportation, but should easily cover the cost of a national e-bike subsidy program. Such a scheme could be targeted towards those on lower incomes who are the least able to buy a bicycle or e-bike.

For these reasons, we recommend that funding for active transportation be increased to at least 10% of road-related expenditure.

Recommendation: Governments at the state, territory and commonwealth level increase funding for active transportation to the equivalent of at least 10% of road-related expenditure.

¹¹¹ Saunders, Grudnoff and Campbell (2023) *In reverse: The wrong way to fuel savings and falling transport emissions*, <https://australiainstitute.org.au/report/in-reverse/>

¹¹² Throrer (2024) *Luxury Car Tax and the ute loophole*, <https://australiainstitute.org.au/report/luxury-car-tax-and-the-ute-loophole/>

Active transport and emissions

Increasing rates of active transportation could also make a modest contribution to the effort to reduce Australia’s carbon emissions. The International Energy Agency recommends incentivising micro-mobility, walking and cycling as a way of reducing oil consumption.¹¹³

The transport sector is Australia’s third largest source of carbon emissions. In 2023, it was responsible for 21% of Australia’s total emissions.¹¹⁴ Light duty vehicles (cars, utes, vans) are the main cause of these emissions.¹¹⁵ Most cars, utes and vans are driven relatively short distances¹¹⁶ and, as shown above, the majority of Australians continue to drive to work.¹¹⁷ Without change, the transport sector is projected to be the largest source of emissions by 2030.¹¹⁸

The Climate Council has calculated that an ambitious pivot toward a combination of active and public transport could lead to a reduction in Australia’s annual emissions of 35 million tonnes by 2030, compared with 2020 levels (Figure 11). In their modelling, even a less ambitious pivot (see Table 1) away from reliance on private transport – especially cars – could still reduce annual emissions by 15 million tonnes. Under existing government policies, transport emissions are actually expected to grow by about one million tonnes per year by 2030, to a total of 94 million tonnes, so either of these scenarios would be an improvement.

According to the Department of Climate Change, Energy, Environment and Water (DCCEEW) publication *Australia’s Emissions Projections 2023*, by 2030 “additional measures” will only reduce annual transport emissions by seven million tonnes – but that reduction will be entirely undermined by the expected growth of emissions in the sector. The “additional measures” projections take into account emissions reductions resulting from the government’s National Electric Vehicle Strategy, whereas the

¹¹³ International Energy Agency (2022) *A 10-point plan to cut oil use*, <https://www.iea.org/reports/a-10-point-plan-to-cut-oil-use>

¹¹⁴ DCCEEW (2023) *Australia’s emissions projections 2023*, p 52, <https://www.dcceew.gov.au/climate-change/publications/australias-emissions-projections-2023>

¹¹⁵ In 2020, cars and light commercial vehicles accounted for 58 Mt of emission, from a total of 93 Mt. DCCEEW (2023) *Australia’s emissions projections 2023*, p 53.

¹¹⁶ Bureau of Infrastructure, Transport and Regional Economics (BITRE) (2014) *Who’s using the roads: variations in usage by drivers*, https://www.bitre.gov.au/publications/2014/is_053

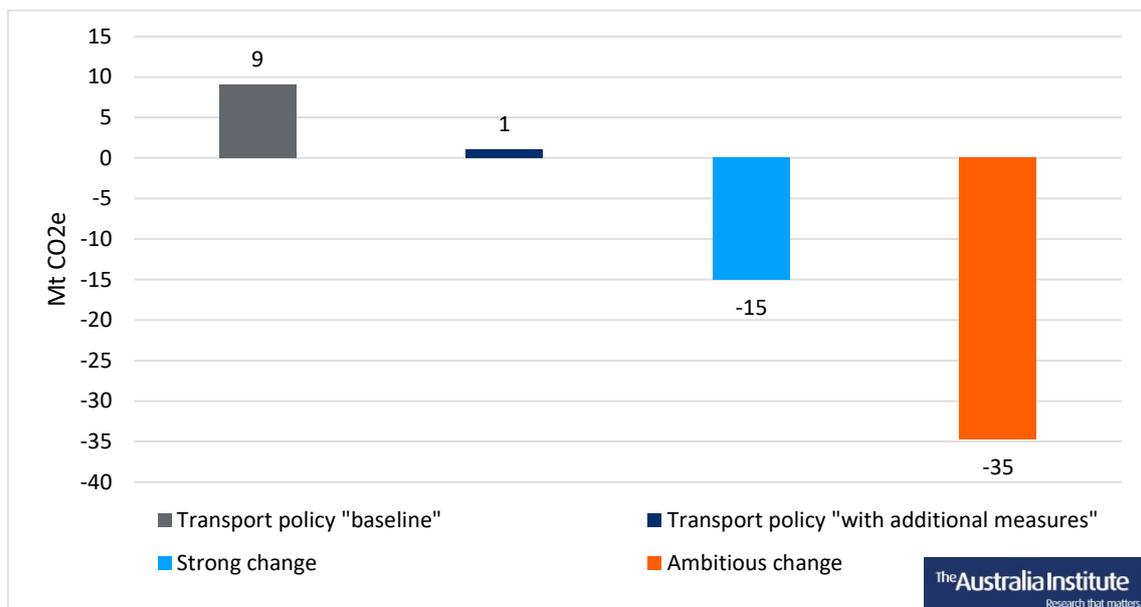
¹¹⁷ ABS (2021) *Australia’s journey to work*.

¹¹⁸ DCCEEW (2023) *Australia’s emissions projections 2023*, p 20.

“baseline” scenario assumes no policy change.¹¹⁹ According to official accounts, transport emissions were 93 million tonnes in 2020, and are expected to grow to 102 million tonnes by 2030 in the baseline scenario. This means that expected emissions reductions from government policy – i.e. the National Electric Vehicle Strategy – will only mitigate growth (to 1 million tonnes more per year by 2030), rather than achieve actual emissions reductions.¹²⁰

Significantly, the government’s modelling does not assume an increase in public or active transportation, merely that some current private car use will substitute internal combustion engine vehicles (ICEVs) for electric vehicles (EVs), and that the fuel efficiency of new ICEVs will improve.¹²¹ *Australia’s emissions projections 2023* mentions electric vehicles and the NEVS 20 times, but does not mention active transport or public transport once.

Figure 11: Change in annual transport emissions by 2030, government policy compared with active and public transport scenarios



Source: DCCEEW (2024) *Australia’s emissions projections 2023*; Climate Council (2023) *Shifting Gear: The path to cleaner transport*.

¹¹⁹ DCCEEW (2024) *Australia’s emissions projections 2023*, p 4.

¹²⁰ DCCEEW (2024) *Australia’s emissions projections 2023*, Figures 4, 5, 7.

¹²¹ DCCEEW (2024) *Australia’s emissions projections 2023*, p 18.

The Climate Council has calculated the emissions from shorter trips taken by car,¹²² and modelled how the emissions could be reduced under different scenarios.¹²³ Key assumptions are detailed below (Table 1: Key scenario assumptions, % of total distance travelled by mode of transport). While these targets are indeed ambitious – it appears highly unlikely that car use will decline so much by 2030 – they give a clear indication of the emissions reductions that could be achieved if more Australians used forms of active transport.

Table 1: Key scenario assumptions, % of total distance travelled by mode of transport

Mode	Status quo	Strong change	Ambitious change
Train	9%	23%	32%
Bus	4%	15%	22%
Car, as driver	73%	38%	16%
Car, as passenger	5%	3%	1%
Bicycle	1%	5%	7%

Source: Climate Council (2023) *Shifting gear: The path to cleaner transport*, p 67.

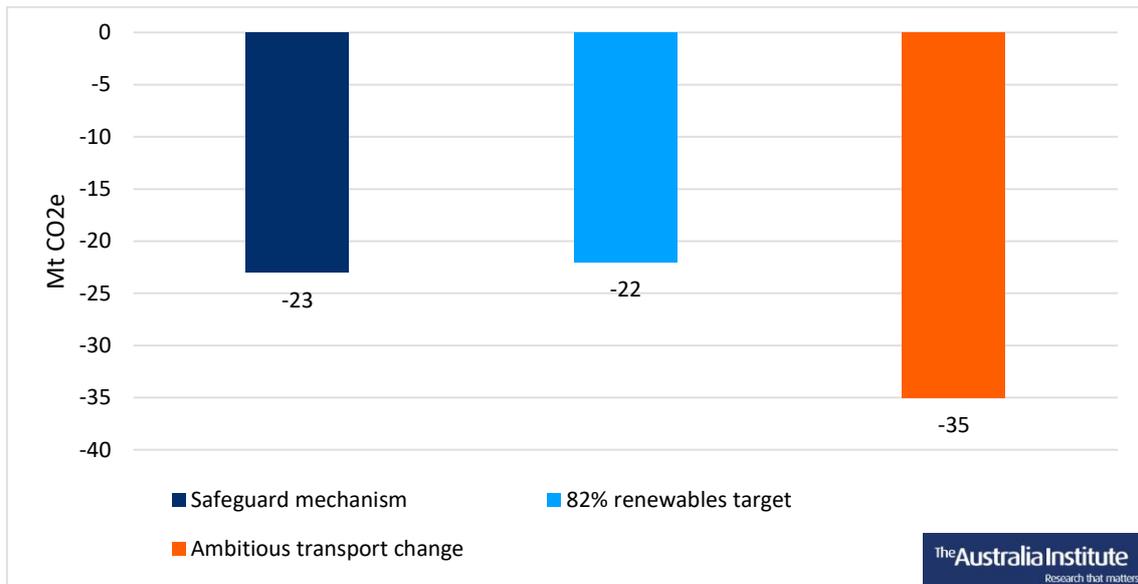
In the “strong change” scenario, the share of kilometres travelled by car is reduced from 73% to 38%. The “ambitious change” scenario would see the share of travel by car as a driver reduced down to 16% of total kilometres travelled, while bicycle usage increases seven-fold, from 1% to 7%, train usage increases from a 9% share to 32%, and buses (electrified) increase their share from 4% now to 22% at 2030.

Figure 12 compares this “ambitious change” scenario to existing government policy and shows that the broad adoption of active and public transport would reduce emissions more than *either* of the federal ALP government’s cornerstone climate policies – namely the Safeguard Mechanism, and the 82% renewable energy target.

¹²² These calculations were based on data from the ABS, Bureau of Infrastructure and Transport Research Economics (BITRE) and Victorian Integrated Survey of Travel and Activity (VISTA).

¹²³ Climate Council (2023) *Shifting gear: The path to cleaner transport*, pp 64-65, <https://www.climatecouncil.org.au/resources/shifting-gear-the-path-to-cleaner-transport/>

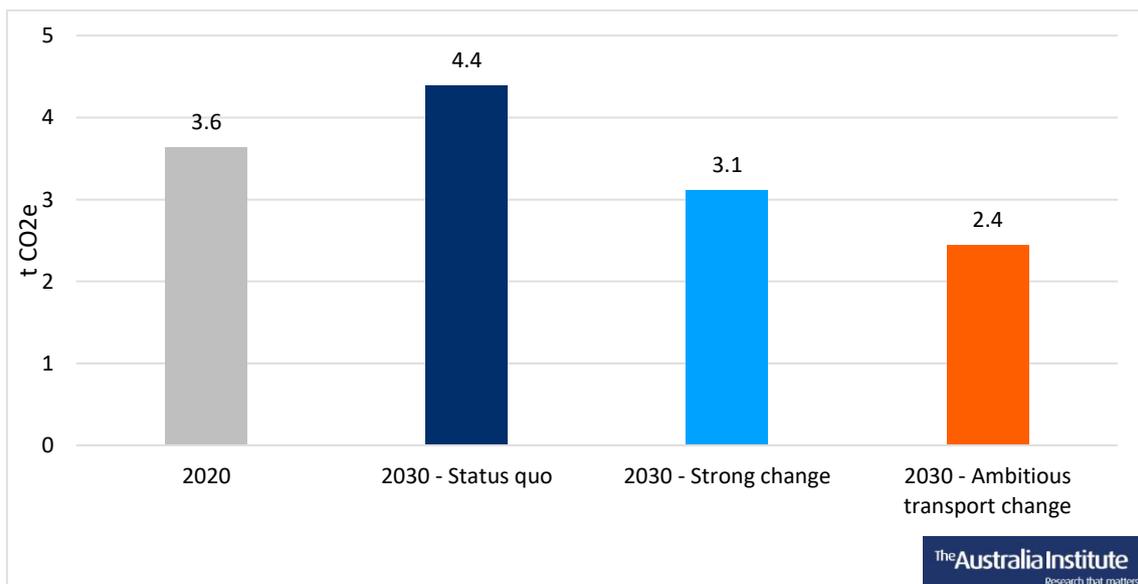
Figure 12: Emissions reduction policies and scenarios, 2030



Source: DCCEEW (2024) *Australia's emissions projections 2023*; Figure 1.

Figure 13 takes the scenarios from Figure 11 and shows what these reductions would look like on a per-capita basis. Under current policy settings, per capita emissions will increase from 3.6 tonnes per capita in 2020, to 4.4 tonnes per capita in 2030. Under the “ambitious change” scenario, however, emissions can be reduced to 2.4 tonnes per capita by 2030, which is a reduction of emissions by 33% on current levels, and almost half projected per capita emissions with no policy change.

Figure 13: Emissions reduction scenarios, per capita



Source: ABS (2020) *National, state and territory population*; ABS (2022) *Population Projections, Australia*; Climate Council (2023) *Shifting gear: The path to cleaner transport*.

Conclusion

Increasing rates of active transport could lead to enduring changes to the way Australian's live, work, and travel. However, greater investment in active transport infrastructure is needed now to avoid congested, polluted, car-dependent cities in the future. It could also help reduce Australia's carbon emissions.

We have identified three major ways in which Australian governments could help increase rates of active transportation: 1) Improving infrastructure; 2) Allowing for the use of personal e-mobility devices through appropriate legislation; and 3) Creating financial incentives for the purchase of bicycles, e-bikes and other similar modes of transportation. Specifically, the Commonwealth, state and territory and local governments could coordinate the implementation of policies that would:

- Subsidise the purchase of e-bikes.
- Apply the subsidies currently available for EVs to e-bikes.
- Introduce a scrapping scheme for old cars in exchange for e-bike rebates or public transport tickets.
- Legalise private e-scooters in all states and territories, with supporting rules, regulation, and infrastructure.
- Ensure transport and road legislation includes requirements for active transport infrastructure.
- Introduce a tax-deductible per/km ride to work mileage allowance.
- Make infrastructure safer to encourage more use of active transport and public transport.
- Increase funding for active transportation to the equivalent of at least 10% of road-related expenditure.

Polling conducted by The Australia Institute shows that the majority of Australians support these policies. While some of these policies will require a substantial level of investment, the funding required to increase rates of active transportation pales in comparison to the \$35 billion spent by governments around Australia on building and maintaining roads that facilitate the continued use of cars. That is why we recommend that governments at the local, state, territory and commonwealth level increase funding for active transportation to the equivalent of at least 10% of road-related expenditure.

Appendix - Polling

Method

Short disclosure statement

Panel provider	Dynata
Research company	The Australia Institute
Client commissioning the research	NA
Fieldwork dates	10 July 2024 to 16 July 2024
Mode of data collection	Online recruited from research panel
Target population	Australian adults aged 18+
Sample size	1,014. A further 498 South Australians were sampled to produce more precise results, but weighting was used to ensure that people from the state were not over-represented in national results.
Australian Polling Council compliant	Yes
Voting intention published	No
Long disclosure statement	See below

Long disclosure statement

Effective sample size after weighting applied	1,031
Margin of error associated with effective sample size	±3%
Variables used in weighting	Age, gender, and state/territory based on Australian Bureau of Statistics "National, state and territory population" data
Gender identity categorisation	Those who answered the gender identity question as "Non-binary", "I use a different term", or "Prefer not to answer" had their responses included with females for the purpose of reporting, due to constraints from weighting data availability
Weighting method used	Raking method
Full question text, responses categories and randomisation	See below
Source of online sample	Dynata's online panel
Positioning of voting intention questions in questionnaire	Immediately after demographics, before policy questions. Lower house voting intention was asked first, followed by upper house voting intention.
How were undecided voters handled?	Respondents who answered "Don't know / Not sure" for voting intention were then asked a leaning question; these leanings are included in voting intention crosstabs
Method of calculating ZPP	NA
Voting intention categorisation	Voting crosstabs show voting intentions for the House of Representatives. "Coalition" includes separate responses for Liberal and National. "Other" refers to Independent/Other, and minor parties in cases where they were included in the voting intention but represent too small a sample to be reported separately in the crosstabs
Location results	Results are shown only for larger states



Detailed results

No preceding questions in the poll are expected to have influenced the results of the questions published here.

To what extent would you support or oppose a government rebate to reduce the cost of purchasing bicycles, including e-bikes?

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>	<i>SA</i>
Strongly support	21%	22%	20%	23%	17%	20%	22%	20%
Support	39%	40%	39%	40%	35%	41%	50%	40%
Oppose	15%	15%	15%	14%	17%	13%	7%	17%
Strongly oppose	10%	12%	9%	10%	12%	11%	9%	7%
Don't know / Not sure	15%	11%	18%	12%	18%	16%	12%	16%

	<i>Total</i>	<i>Labor</i>	<i>Coalition</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Strongly support	21%	22%	16%	32%	17%	19%
Support	39%	42%	37%	50%	30%	30%
Oppose	15%	15%	19%	5%	11%	13%
Strongly oppose	10%	6%	15%	3%	24%	13%
Don't know / Not sure	15%	16%	12%	10%	19%	25%

To what extent would you support or oppose extending current subsidies and tax incentives for electric vehicles to apply to e-bikes as well?

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>	<i>SA</i>
Strongly support	18%	20%	15%	22%	14%	16%	14%	15%
Support	34%	35%	34%	33%	34%	35%	42%	36%
Oppose	17%	17%	18%	17%	20%	15%	15%	17%
Strongly oppose	13%	15%	11%	12%	13%	16%	12%	14%
Don't know / Not sure	18%	13%	22%	15%	20%	18%	17%	19%

	<i>Total</i>	<i>Labor</i>	<i>Coalition</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Strongly support	18%	19%	14%	29%	12%	14%
Support	34%	36%	34%	39%	23%	28%
Oppose	17%	18%	22%	9%	17%	10%
Strongly oppose	13%	8%	17%	5%	34%	15%
Don't know / Not sure	18%	19%	12%	18%	14%	34%

In some countries, employers give their staff an allowance if they ride a bike or e-bike to and from work based on the number of kilometres they commute. To encourage more cycle use, governments in the Netherlands, Belgium, and France make this allowance tax-free.

To what extent would you support or oppose making this kind of bike allowance tax-free in Australia?

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>	<i>SA</i>
Strongly support	24%	26%	21%	25%	22%	22%	27%	23%
Support	38%	37%	40%	39%	40%	35%	41%	41%
Oppose	13%	13%	14%	14%	13%	14%	10%	13%
Strongly oppose	9%	11%	7%	9%	8%	10%	10%	10%
Don't know / Not sure	15%	13%	18%	13%	17%	19%	12%	13%

	<i>Total</i>	<i>Labor</i>	<i>Coalition</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Strongly support	24%	25%	17%	42%	25%	18%
Support	38%	42%	37%	45%	18%	36%
Oppose	13%	13%	16%	9%	11%	11%
Strongly oppose	9%	6%	14%	1%	23%	6%
Don't know / Not sure	15%	15%	15%	4%	22%	28%

In Finland, people who trade in an old petrol, diesel or gas car receive up to \$3,000 towards the cost of an electric car or e-bike, or towards the cost of public transport tickets.

To what extent would you support or oppose a similar scheme being introduced in Australia?

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>	<i>SA</i>
Strongly support	25%	25%	25%	27%	23%	23%	30%	25%
Support	38%	38%	37%	38%	39%	35%	34%	36%
Oppose	15%	15%	15%	14%	17%	15%	15%	16%
Strongly oppose	10%	13%	7%	10%	11%	11%	6%	12%
Don't know / Not sure	12%	9%	16%	11%	10%	16%	16%	11%

	<i>Total</i>	<i>Labor</i>	<i>Coalition</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Strongly support	25%	25%	19%	52%	14%	20%
Support	38%	42%	37%	36%	22%	33%
Oppose	15%	14%	18%	6%	19%	13%
Strongly oppose	10%	4%	15%	0%	32%	12%
Don't know / Not sure	12%	14%	10%	5%	12%	22%

To what extent would you support or oppose increasing the amount of footpaths and cycleways in your local area?

	<i>Total</i>	<i>Male</i>	<i>Female</i>	<i>NSW</i>	<i>VIC</i>	<i>QLD</i>	<i>WA</i>	<i>SA</i>
Strongly support	33%	29%	37%	32%	27%	35%	47%	31%
Support	43%	44%	43%	44%	43%	43%	39%	46%
Oppose	11%	14%	8%	11%	15%	6%	9%	8%
Strongly oppose	6%	7%	4%	5%	8%	4%	2%	4%
Don't know / Not sure	7%	6%	8%	6%	7%	11%	4%	10%

	<i>Total</i>	<i>Labor</i>	<i>Coalition</i>	<i>Greens</i>	<i>One Nation</i>	<i>Other</i>
Strongly support	33%	32%	24%	58%	32%	33%
Support	43%	50%	46%	32%	31%	32%
Oppose	11%	8%	15%	5%	15%	11%
Strongly oppose	6%	2%	9%	2%	9%	9%
Don't know / Not sure	7%	7%	6%	3%	13%	15%