Committee Secretary
Standing Committee on Climate Change, Energy,
Environment and Water
PO Box 6021
Canberra ACT 2600

Bicycle Industries Australia (BIA) would like to thank the Joint Standing Committee for the opportunity to provide a submission for this inquiry.

As an industry we support the transition to a low carbon transport future, but in doing so we are also critically aware of the impact of transport on health, congestion, road safety, community connection and cost of living.

To achieve transport emission reduction targets, Australia needs to invest in mode shift, not just moving people from one private motor vehicle to another.

- In 2022, bike commuters avoided
    - 514,096 tonnes of carbon dioxide (tCO2e) being emitted through mode shift (equivalent of taking 207,000 cars off the road for a year)[1]
        - That figure is 10 times greater than the number of e-cars sold![2]
    - 2.2m kg of air pollutants avoided over the year

E-bikes have an important role in achieving the transport task required to keep Australia moving.

- In London[3]
    - Delivery bikes cut carbon emissions by 90% compared with diesel vans and a third compared to electric vans.
    - Electric cargo bikes deliver about 60% faster than vans in cities.

Bicycles have consistently outsold motorcars each year in Australia for more than two decades, with sales of new bikes growing to 1.7million units during covid (this does not include scooters or other LEV).

Sales of e-bikes has now grown to be more than 20% of all annual bike sales and if we continue to follow international trends, we expect this number to grow to 50% of annual sales.

The world's leading automakers, motorcycle and electronic manufacturers are investing heavily in e-bike technology, identifying not only economic, but environmental and community benefits of transitioning greater numbers of people and goods to be moved by active transport.

These brands are investing hi levels of funding in the technology required, but also production capacity to produce millions of bikes and other light electric vehicles.

[1] The Australian Cycling and E-Scooter Economy in 2022
[2] FCAI releases 2022 new car sales data | Federal Chamber of Automotive Industries
[3] The Promise of Low-Carbon Freight (squarespace.com)

The transition to e-bikes to complete the transport task has been shown to have significant benefit to both the Australian economy and the community.

In 2022 the bicycle sector made the following contribution[4] -

- $16.9billion to the Australian economy
- Supported 60,000 FTE equiv jobs
- $954million in health and social benefits
- $1.9billion in cycle tourism (mainly to regional economies)

The introduction of incentives to promte the purchase and use of e-bikes has been shown to provide a strong return on investment, with modelling utilising figures from the 2022 Australian Transport Assessment and Planning guidelines identifying direct incentives for the purchase of e-bikes returned $7 on investment for every dollar invested[5].

These benefits have been highlighted through the current costs of living crisis, with many families benefiting from the ability to achieve their transport tasks utilising e-bikes as a cost-effective substitute reducing the requirement for a primary or secondary motor vehicle.

There are many aspects to reducing transport emission reductions, but with half of all trips less than 5km, walking, e-bikes and e-scooters need to be a critical component of any plan

If we don't do something different (which is not shifting people from one type of car to another), roads will still be congested, we will continue to have high road deaths, our transport behaviours will still add to high obesity levels and the pressure will remain on household budgets to own multiple vehicles.

The Government can show leadership. Fixing one problem, while forgetting about the rest is not leadership.

Regards Peter

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'Definition of insanity – Doing the same thing over and over again and expecting and different results'[6].

[4] The Australian Cycling and E-Scooter Economy in 2022
[5] E-bike Subsidy for Australians
[6] Albert Einstein

Community benefits

Supporting a transition towards low and zero emission vehicles is important so that Australians can start sharing in the benefits of cleaner transport that are better for the environment and for the wider community.

The most common form of transport utilised in Australia and around the world is walking and the most common vehicle sold in Australia is a bicycle.

The opportunity to transition to low cost and low emission transport must include active transport.

Australia, for many, is currently impacted significantly by a 'cost of living,' crisis with the AAA reporting that transport is accounting for up to 17% of total household income or around $24,000 per household per year in the city.[7]

With around 50% of all trips in metropolitan areas 5km or less[8], and 50% of trips in regional cities 4.5km or less, distances easily covered by bicycles and over 80% of Australians using a private vehicle to get to work (BITRE, 2021) the transition to sustainable transport will have significant impact on household spending.

- Imagine announcing a policy that significantly supported reducing average household costs – and reduced emissions.

Along with cost savings for individuals and households, the transition to active transport will have a positive impact on the economy, through reduced congestion, increased productivity cost savings to the health system and reduced carbon emissions[9]

In 2022 the bicycle sector made the following contribution to Australia -

- $16.9billion to the Australian economy
- 514,096 tonnes of carbon dioxide (tCO2e) avoided over the year (equivalent of taking 207,000 cars off the road for a year)
- $954million in health and social benefits
- $1.9billion in cycle tourism (mainly to regional economies)
- Supported 60,000 FTE jobs

Shifting private car journeys to active and public transport will have significant impact on

- Emissions reduction from the transport sector
- Reduced stress on a congested road network
- Improvements in road safety
- Reduced cost of living pressures
- Reduce costs on the health system

Many Australians choose to drive as a lack of investment and planning has ensured our shared and active transport infrastructure remains inadequate.

[7] https://www.drive.com.au/news/household-transport-costs-skyrocketed-in-2023/
[8] https://www.vic.gov.au/department-transport-and-planning
[9] The Australian Cycling and E-Scooter Economy 2022

A critical issue identified through the ABS, was that Australian electric vehicle owners drove further than ICE vehicle drivers, supporting earlier findings that electric and hybrid vehicle drivers in the UK[10] and Norway[11] drove almost 20% further than petrol and diesel car drivers.

Transitioning to electric vehicles may in fat exacerbate issues associated with car travel, including congesting, road safety and impact on the health system.

The federal government historically has chosen not to invest in active transport and has chosen not to work with states and territories to improve their investment in public and active transport from the average 2% of transport.

Our investment in transport must reflect mode share and transport outcomes that support options and not force Australians to drive as they are not provided with any alternatives.

To overcome the historical lack of funding and allow active transport to support a reduction in transport emissions, the BIA is calling for a 20% on transport investment in active transport.

children

A 2023 report identified that 25% of all of Melbourne's vehicle trips between 8am and 9am were to a primary or secondary school[12].

Further to the issues associated with road congestion and road safety, this travel behaviour exacerbates the critical health issue created by only 1/4 of Australian children and young people getting enough physical activity.[13]

As the majority of electric vehicles are in the Metropolitan areas, shifting the population to electric vehicle will support emissions reduction, but does not solve the other critical items, and as highlighted by pervious comments, may in fact have a negative impact on the long-term physical activity and health of children as electric vehicle drivers tend to drive more.

To reduce emissions, support the health of Australia's children and reduce congestion to and around schools, the Government should, and would get greater return on investment, investing in active travel to school programs.

[10] https://www.drive.com.au/news/electric-vehicle-owners-travel-further-than-petrol-or-diesel-cars/
[11] https://www.kbb.com/car-news/study-buying-an-ev-makes-you-drive-more/
[12] https://www.victoriawalks.org.au/Assets/Files/Walking_in_Melbourne_2023_update.pdf
[13] https://www.aihw.gov.au/reports/physical-activity/physical-activity

Legislation

Previous federal Governments through a lack of leadership have failed to invest in active transport and in fact introduced legislation that has been negative to the sector.

The growth in the sector has come in spite of government intervention and not because of it.

2018 – The withdrawal of the exemption to import tariff for e-bikes (increasing the price of e-bikes)

2021 - The modification of the definition of an e-bike in 2021 the Assistant Minister to the Deputy Prime Motor Vehicle Standards (Road Vehicles) Amendment Determination (No 1) 2021 (without consultation with the industry)

- Due to the inclusions in this change, no state or territory road legislation aligns directly with the federal Road vehicle standards (which differ from standards Australia)

These changes have made the cost of e-bikes more expensive and increased the complexity and confusion regarding the sale and use of e-bikes across Australia.

The leadership regarding the import, sale and use of e-scooters has been even worse, resulting in a fragmented and dysfunctional legislative framework across Australia.

Incentives

The federal Government has refused to include light electric vehicles in any FBT exemption or electric vehicle incentive package.

Modelling released in 2021 and updated with figures included in the Australian Transport Assessment and Planning guidelines released in 2022 identify a return on investment of $7 to each dollar invested in promoting the purchase of e-bikes.

The benefits identified through the modelling included

- Health
- Congestion
- Car user costs
- Journey ambience
- Infrastructure costs
- Air pollution
- Noise pollution
- Parking costs

Incentives for e-bike purchase and use have been shown to work across the world. There are 168 incentive programs in North America[14] alone, and there are over 300 tax incentive and purchase premiums across Europe[15].

The federal government is currently being led by states and local governments as demonstrated by the Tasmanian, City and Adelaide and the City of Holdfast Bay incentive programs getting more people onto electric bikes.

The inclusion of incentives end exemption from FBT reporting requirements for bicycles will promote mode shift, which will support mode shift and critical reduction in transport emissions.

[14] https://trec.pdx.edu/e-bike-research

[15] Money for bikes: Tax incentives and purchase premiums for cycling in Europe | ECF

Conclusion

The BIA supports a transition to a low carbon transport system, but mode shift must be a critical component if Australia is to reach its targets.

Mode shift will also support greater outcomes

- Improved health (reduced stress on health systems)
- Reduction in congestion (improved economic activity)
- Improved social connection
- Reduced road traffic trauma

1. Invest in active travel infrastructure
2. Invest in a national active travel to school to achieve 50% of all children arriving to school by active means
3. Implement e-bike purchase incentives
4. Introduce FBT exemptions for bicycles utilised to travel to work
5. Update e-bike legislation to reflect national standards
6. Withdraw import tariff on e-bikes
7. Invest 20% of transport investment in active transport.