



I represent Bicycle Victoria, Australia's largest bike riding organisation, with more than 40,000 members in all states.

Getting more people to ride bikes to work has the potential to save Australians a very large sum of money from state and federal transport and health budgets, and cut the burden of carbon reduction.

The fact that our national rate of riding to work is comparatively low is partly the result of distortions in the tax system which favour certain modes of transport above others.

For the nation to gain the economic benefits of increased bike commuting we propose two changes.

Firstly, a tax concession scheme analogous to existing schemes that offers individuals a salary sacrifice arrangement for bicycles, parts and services.

Employed people would be permitted to salary sacrifice in a non-reportable FBT concession \$2 000 of bicycle equipment and services from independent bicycle dealers over a two year period.

In addition employees can add to this main benefit through packagable minor benefits.

To be eligible for the tax concession the person would make and maintain a record of their journeys for 12 weeks in each year. The journeys in each week must add up to at least 25km.

The second thrust involves a corporate tax advantage on retrofitting bike parking, showers and lockers.

The historic lack of investment in end-of-ride facilities is proving a barrier to rapid take up of bike commuting, and can be corrected by a focused incentive.

This could be structured as extra depreciation to depreciate 200% of the cost of the facilities. Other options could be the immediate write off of capital works related to these facilities.

Our proposals are simple, but impactful.

They encourage the efficient allocation of national economic resources.

We have a submission available with more detail.

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