



By Email To: Department of Finance at [Minister@finance.gov.ie](mailto:Minister@finance.gov.ie)

## **Pre-Budget 2018 submission from 'Cyclist.ie' – The Irish Cycling Advocacy Network**

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### **Introduction:**

Cyclist.ie ([www.cyclist.ie](http://www.cyclist.ie)), the network of cycling advocacy groups, greenway development groups, and bicycle festivals on this Island, makes this Pre-Budget Submission 2018 in the interests of the Budget supporting and encouraging more active travel on a daily basis by Irish citizens, in line with the aims of the government's 'National Cycle Policy Framework' (2009), 'Smarter Travel' (2009) and in the process improving general population health via the 'Healthy Ireland' strategy (2016).

Fresh thinking is required on the role of the taxation system in helping to decrease the societal impacts and latent costs to the Exchequer from increasing motorised transport use, contrary to Smarter Travel policy goals and unhealthy lifestyles. Our National Budgets should be striving to support healthier and cost-effective modes of transport with definable and visible benefits across the health, community (social cohesion) and environment sectors. Investment in developing cycling is highly cost-effective.

[[https://drive.google.com/file/d/0B7v8\\_RA4nxWrcTg5dFFnaHIJak0/edit](https://drive.google.com/file/d/0B7v8_RA4nxWrcTg5dFFnaHIJak0/edit)]

The Minister is well aware of the unacceptably high incidence of overweight/obesity in the general population, but particularly in our children due, in part, to sedentary lifestyles where the school run by car features too strongly in comparison to say Denmark, The Netherlands or Germany. The statistics (Census, 2016) point to a frightening future unless we act positively, as recommended in the recently launched National Physical Activity Plan - <http://health.gov.ie/wp-content/uploads/2016/01/Get-Ireland-Active-the-National-Physical-Activity-Plan.pdf>. This morbidity crisis in the health of the nation cannot be ignored by government any longer.

### **1 Recognising the importance of developing Cycling, and financially supporting Cycling Infrastructure**

Recent horrific cycling deaths on our roads (11 people who cycle dead so far in 2017), have highlighted the difficulties encountered by everyday cyclists in making basic journeys to work, to school, or simply for leisure. It is time for recognition of the need for a proper level of investment in cycling infrastructure and cycling promotion.

Increased investment in Cycling makes good sense, as:

- Cycling gives exceptionally high benefit/cost returns on investment, greater than all other transport modes;
- Cycling is an exceptionally low cost transport investment;
- Cycling produces wider societal benefits, particularly in terms of health benefits, reduced morbidity, and healthier workforce;
- Increased rates of cycling help to support our Climate Change targets that we lag way behind in attaining

The proposed level of investment in 'active travel modes' under the 2016-2021 Transport budget, is less than 1% of the overall proposed transport budget. This should ideally be increased to an approximate 10% of the transport budget (spending €150M/y from now on), in recognition of the wide ranging benefits that increased cycling can bring to society, as exemplified in cycling's ability to deliver on the United Nations Global Goals ([https://ecf.com/sites/ecf.com/files/The%20Global%20Goals\\_internet.pdf](https://ecf.com/sites/ecf.com/files/The%20Global%20Goals_internet.pdf))

The National Cycling Promotion Framework (NCPF, 2009) set a target of 10% of daily commuting trips to be made by bike by 2020. Now, in 2017, we are still a long way off this target, due to the prevalence of car commutes, even for short trips (less than 5 km). The State must actively work to promote and encourage commuting travel by bike. Every extra trip made by bicycle and not private car helps to reduce transport emissions in support of our Climate Change emission targets, which will attract EU Commission fines in due course, if left unchecked. Census 2016 found that "The number of people driving to work increased by 85,180 to 1,152,631 and was the largest increase of all categories. Car passengers increased by a smaller amount to 77,335 in 2016 from 69,164 in 2011". The good news is while "cycling to work has shown the largest percentage increase of all means of transport, rising from 39,803 in 2011 to 56,837 in 2016, an increase of 42.8 per cent over the five years" the national average is a lowly 4.2% and nowhere near the 10% modal-shift target set by the NCPF for 2020.

[[http://cso.ie/en/media/csoie/newsevents/documents/census2016summaryresultspart2/Census\\_2016\\_Summary\\_Results\\_%E2%80%93\\_Part\\_2.pdf](http://cso.ie/en/media/csoie/newsevents/documents/census2016summaryresultspart2/Census_2016_Summary_Results_%E2%80%93_Part_2.pdf)]

## 2 Supporting and Enhancing the Revenue's 'Cycle-To-Work' scheme

Cyclist.ie recommends the following changes to the Cycle to Work scheme in order to increase the level of take-up, the development of greater commuting and everyday travel by bike, and a reduction in bike theft.

- **Retain the 'Bike to Work' Scheme**
- **Allow two claims in a 5 year period, if a bicycle is stolen OR allow claims every 3 years**
- **Permit the sharing or transfer of the allowance between family members, to enable parents to buy bicycles for children and young adults.**
- **Introduce a Bikes for All scheme for those dependant on social welfare**
- **Introduce a requirement for the serial number of the bicycle to be quoted on the invoice**
- **Give a tax-break to those citizens who use their bicycle for commuting similar to the one operating in Belgium where €0.23 is paid per km trip distance**

The reasons for these recommended changes are outlined below:

### **Retain the 'Bike to Work' Scheme**

The current Revenue scheme was introduced in 2009 -

<http://www.revenue.ie/en/business/pay/guide/employers-guide-pay-definition.html#section6.6>

Cyclist.ie supports the continuance of this scheme because it has had a transformative effect on the uptake of cycling for everyday trips including the all-important commuting journeys. Many more bicycles are now imported into this country than private motor vehicles. CSO data for 2016 show that **338,102** bicycles were imported in comparison to 146,625 private motor vehicles, of which 102,724 (70%) were diesel fuelled – see later.

### **Allow two claims in a five year period, if a bicycle is stolen or allow claims every three years**

Bike theft has been on the rise over the past few years. Studies carried out have shown that bicycle theft can act to discourage bicycle use when a modest bicycle costs around €700 to replace. One in six cyclists who have their bike stolen do not replace their bikes -

<http://www.dublincycling.ie/cycling/bike-theft-survey-results>

We would urge that once a stolen bike has been reported to An Garda, and recorded as stolen, that the erstwhile owner should be able to purchase a replacement even if the 5-year period has not elapsed on the original purchase using the scheme. It is expensive to insure a bike against theft and some insurers won't take it as a risk, which indicates the real extent of bike theft.

As an alternative, Cyclist.ie recommends that the period of 5-years is reduced to three years. Employees who are cycling to work every day are keen to have a bike that is safe, well maintained and in good condition. Cycling must be seen as an attractive option which will compete with driving, where it is not unusual to replace a car every year or two.

[See page 45 of the Irish Bicycle Business Association Report (2011) at: [http://ibba.ie/wp-content/uploads/2011/12/IBBA\\_Report.pdf](http://ibba.ie/wp-content/uploads/2011/12/IBBA_Report.pdf)]

### **Permit the Sharing or Transfer of the Bike to Work Allowance between Family Members**

In many cases, for different reasons, employees are unable to avail directly of the Bike to Work allowance, but other members of their family, who are able to cycle cannot at present use this potential allowance. Cyclist.ie recommends that flexibility in the use of the allowance be explored, to support the growth in numbers cycling

The launch in 2015 of the National Physical Activity Plan (<http://health.gov.ie/wp-content/uploads/2016/01/Get-Ireland-Active-the-National-Physical-Activity-Plan.pdf>) outlined the stark facts that 'only 19% of primary and 12% of post-primary school children met the physical activity recommendations' and 'one in four children was unfit, overweight or obese and had elevated blood pressure'. The promotion of walking and cycling among our future adult population, thus presents a major opportunity for improving these levels of physical activity among children and adolescents.

Last spring, Cyclist.ie appointed Prof. Donal O'Shea (Endocrinologist at SVUH and chairperson of the RCPI 'Obesity Taskforce') as its first Hon. President in recognition of his role in trying to improve public health outcomes.

### **Introduce a Bikes for All scheme for those dependant on social welfare**

The present Bike to Work scheme is restricted to company directors and employees (those with taxable earnings). Many of our citizens in the welfare category cannot afford private cars and yet they need mobility to seek work and eventually commute to work if they are successful. Lack of a personal mobility vehicle is socially isolating. Ireland's car dependency exacerbates poverty and social exclusion. See, for example, James Wickham's Gridlock (<http://www.tascnet.ie/showPage.php?ID=3042&PHPSESSID=2491b2bfa5be69eddf680b2945ee2bc>) or Hine and Mitchell's (2003) 'Transport Disadvantage and Social Exclusion'. The ESRI

report "The Transition from Short- to Long-Term Unemployment: A Statistical Profiling Model for Ireland" 2012

([https://www.esri.ie/publications/search\\_for\\_a\\_publication/search\\_results/view/index.xml?id=3513](https://www.esri.ie/publications/search_for_a_publication/search_results/view/index.xml?id=3513)) found that lack of personal transport was one of the significant factors contributing to long term unemployment. On the other hand, the use of the bike for personal transport opens up opportunities to access employment centres, retraining schemes and other social institutions.

We suggest that a bike purchase scheme be extended in some imaginative way to ensure mobility for such citizens, perhaps in conjunction with the Department for Social Protection. One possible way would be to offer interest free loans for the purchase of bicycles, which would be repaid through weekly deductions from the person's social welfare payment or an outright grant-in-aid scheme.

### **Introduce a requirement for the serial number of the bicycle to be quoted on the Bike to Work invoice**

We also recommend that the Bike to Work scheme be modified to require traders to show the serial number of the bicycle on the invoice. This would assist in the prevention of bicycle theft as, in the event of theft, the Gardai would be more easily able to link the serial number to the owner of the bicycle and bicycle thieves would find it more difficult to sell the stolen bicycle.

### **Give a tax-break to those citizens who use their bicycle for commuting similar to the one operating in Belgium where €0.23 is paid per km trip distance**

Ireland will not meet its 2020 emission reduction targets under the EU requirements, partly due to large increases in transport emissions. There is a pressing need to induce more commuters to leave their cars behind in the driveway for the commute to the workplace and shift to the active travel modes of walking and cycling. The government in Belgium has introduced a scheme where €0.25 is paid to any employee commuting by bicycle per km of trip distance to/from workplace. This is administered by the employer via payroll.

## **3 Reduce VAT applicable to Cycles**

Cyclist.ie would like to see a fundamental review of VAT and Excise Duties in relation to promotion of sustainable transport and promotion of healthy life-styles among citizens – the active travel concept.

In so far as we can ascertain a VAT rate of 23% applies to cycles and yet sugar and sugar products are zero rated for VAT. It seems skewed to us that using a bicycle to travel, rather than using a private car, should attract an identical VAT rate. The State must favour (i.e. promote) active travel and bike use as opposed to car use. This would be consistent with commitment in the National Cycle Policy Framework. Policy 13.3 reads:

*"Indirect Tax System. We will investigate possible options of using the indirect tax system to reduce the cost of bicycle purchase"* (NCPF, 2009: p. 37)

## **4. Introduce a Parking Levy for Retail Shopping Centres**

There is an uneven playing field at the moment in that shoppers to town centres often have to incur parking charges (on-street or in multi-story facilities) whereas those who shop in 'out-

of-town' centres may be 'rewarded' with free parking. This represents a potential loss of revenue to the state, and encourages driving – instead of walking and cycling.

A parking levy for retail shopping centres, similar to the plastic bag levy, would have to be passed on to the customers. The levy would apply where 50 or more retail parking spaces are currently supplied free of charge. The resultant revenue would ideally be used to support local transport services, and active travel projects.

#### **5. Increase the quantum of fines for traffic offences that impact on safety of cyclists**

There is an over-provision of on-street car parking spaces in inner-core areas of towns and cities at the expense of goods delivery bays. Far too many goods vehicles are parked in cycle tracks during their period of operation thus forcing people who cycle out into the fast-moving traffic stream. Cycle tracks are not an aid to doing business but an essential safety feature for cyclists. The quantum value of the fine for parking in a cycle track has been set at €60 since 2004. This needs to be markedly increased, to perhaps €200, in order to act as a deterrent to fly-parking and to make the roads safer for people, including children, who cycle.

Money raised by Local Authorities from on-street parking (after councils recover their costs) should be reallocated with a greater proportion going to councils which remove on street parking to provide better for cycling.

#### **6 Eliminate the price gap at the retail pump between dirty-diesel and petrol fuels**

The use of the tax system to meet climate change targets for 2020 and beyond is an essential component of fostering Irish compliance with its EU and UNFCCC obligations. These are national priorities to ensure Ireland plays its part in efforts to avoid the dangerous climate change objectives agreed to by the Irish government in Paris in December 2015, and now ratified by all EU Member states, including Ireland.

Recent economic growth has lessened the effectiveness of environmental taxation tools, such as the Carbon tax and it is now appropriate that these should be reviewed, especially as emissions are projected to rise and not fall over the next few years and compliance with obligations has been stated as unlikely by the EPA.

#### **7. Active Travel Promotion**

To help drive Active Travel/Smarter Travel policies Cyclist.ie calls for the establishment of the post of National Cycling/Walking Coordinator in the Department of Transport along with a team of officials and contract specialist staff to drive modal-shift to walking and cycling for commuting trips.

In order to for Ireland to meet its EU and international climate-change commitments it is essential for the transport system to de-carbonise. A modal-shift to cycling and walking for short trips up to 5 km has to be driven and coordinated by the Department of Transport. Cyclist.ie would hope that the Minister for Finance could agree to the establishment of this post along with its team members.

**8. Grant Scheme to Aid Retro-fitting of Bicycle Stands in Developments**

Many of the apartment complexes developed during the development 'boom' of the 'Noughties' have poor provision for secure, convenient and user-friendly bicycle parking stands, subject to CCTV surveillance 24/7.

Cyclist.ie would urge the implementation of some sort of support for retrofitting/installing new bike parking facilities in apartment blocks/housing complexes. Something along the lines of the energy efficiency scheme for domestic houses?

**End**

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