

# FINANCIAL INCENTIVES TO RIDE TO WORK SURVEY 2014



## COMMUTING TO WORK

The 2011 Australian Census revealed the overwhelming majority of workers in Australia travel to and from work by motor vehicle. More than 6.5 million, or 66% of all Australian workers either drove or were a passenger in a motor vehicle in their commute to work.

Following motor vehicle usage, the use of public transport was the next most common form of transportation to and from work in Australia, with more than 1.25 million workers utilising the train, tram or bus services.

Whilst close to 1.5 million adult Australians regularly cycle for exercise or recreation, only 100,000 chose to cycle to work as their form of daily commute. In comparison, four times the number of Australians regularly walk to work rather than cycle.

## COMMUTING TO WORK

Australia currently ranks well below other countries on a comparative level for the proportion of workers cycling to and from work as their daily commute. Compared to the 1% of workers in Australia who cycle to work, five percent of workers in France and Italy regularly cycle to work, increasing to one in ten in Germany and more than one in four in the Netherlands.

If the rate of workers in Australia cycling to work increased, this would deliver a range of economic, environmental and social benefits. Cycling to work not only helps to reduce road congestion and pollution levels, but also increases workers level of physical activity.

The latest statistics showed more than two in three Australians were either sedentary or had low levels of exercise, with physical inactivity costing the economy \$13.8 billion each year. Current National Physical Activity Guidelines for Australians (2014) recommend 150 to 300 minutes of moderate intensity physical activity or 75 to 150 minutes of vigorous intensity physical activity each week, or an equivalent combination of both moderate and vigorous activities.

Given that time is one of the biggest barriers to participation in physical activity, integrating physical activity into daily routines such as commuting between home and work, or home and school is increasingly regarded as an effective strategy to increase and maintain population-wide physical activity levels

## SURVEY OF WORKERS ATTITUDES AND INTENTIONS TO CYCLE TO WORK

The Financial Incentives to Ride to Work survey by the Heart Foundation and Cycling Promotion Fund focused on workers aged 25 to 54 who live within 15 kilometres from work and currently do not cycle to work.

The objective of the survey was to assess if there was support for the introduction of financial incentives, whether financial incentives would motivate workers to change from their current forms of commute to work, and which of the three financial incentive models (direct subsidy, indirect subsidy and tax rebate) would be most appealing. The survey also sought to measure the desire from workers to cycle to work.

## SUPPORT FOR INTRODUCTION OF INCENTIVES

More than 80%, or 5.5 million Australian workers between the ages of 25 to 54 support the implementation of a financial incentive to get more people to ride to work.

The support by workers for the implementation of financial incentives was unanimous across all key demographic factors, including age, gender, income levels and educational attainment.

## DESIRE TO CYCLE TO WORK

When posed with the question of whether they would like to cycle to work, more than one in three Australian workers aged 25 to 54, or 2.45 million would like to start riding to work.

Workers who were more likely to report the desire to ride to work were males, between the ages of 25 to 34, and those who currently catch the train or bus to work.

There are an estimated 750,000 workers who currently do not own a bike that would like to start to ride to work.

## INCENTIVE TO CYCLE TO WORK

Close to one in two workers, or approximately 3.25 million workers aged 25 to 54 stated that the existence of a financial incentive would entice them to start riding to work instead of their current form of transport.

Workers between the ages of 25 to 34 and those who reside at least six kilometres from work were significantly more likely to report the introduction of a financial incentive would get them to start riding to work.

## FINANCIAL INCENTIVE MODELS

Survey participants were provided with three distinct financial models to motivate workers ride to work. The three models included direct subsidy (employee is paid a set amount per kilometre for the distance they ride to work from their home), indirect subsidy (employers receive a tax refund for the employees who cycle to work, which is then paid to the employee) and tax deduction (a tax concession is provided for the purchase of a bike for riding to work).

The direct subsidy incentive was favoured by the majority of workers, with two in three workers ranking the model as their most preferred.

The direct subsidy was also identified as the model that would motivate Australian workers to ride to work as well providing the greatest personal motivation for individual respondents to start riding to work.

## CYCLING FOR FUN AND EXERCISE

Close to 40%, or approximately 2.7 million workers aged 25 to 54 stated that they cycle for either fun or exercise, with more than half cycling at least once a month. Of the workers who cycle for fun or exercise, more than half would like to start riding to work.

## SUMMARY OF RESEARCH METHODOLOGY

In September 2014, the National Heart Foundation of Australia in partnership with the Cycling Promotion Fund conducted an online survey with a sample of 2,007 Australians aged 25 to 54.

To be eligible to participate in the survey, respondents needed to be employed for at minimum 15 hours per week and live within 15 kilometres from their main place of work. Respondents were also excluded from participating in the survey if they cycle to and/or from work as their method of travel.

## ACCURACY OF RESULTS

This survey was based on a sample of Australian workers aged between 25 to 54. As it is not a census, some level of error is inherent in the results. This error can be quantified statistically to give a margin of error - essentially, this means that, with 95% confidence, a given range contains the true result at a population level.

The error margin was 2.19%, meaning that, with 95% confidence, a result, plus or minus the error margin (i.e. 50%  $\pm$ 2.19%), contains the true result at the population level.

<b>State</b>	
NSW	34%
VIC	30%
QLD	13%
SA	10%
WA	8%
NT	1%
TAS	1%
ACT	1%

<b>Gender</b>	
Male	41%
Female	59%

<b>Age</b>	
25 to 29	15%
30 to 34	20%
35 to 39	16%
40 to 44	15%
45 to 49	16%
50 to 54	18%

<b>Household Status</b>	
Couple living with their child(ren)	41%
Couple only	24%
Person living alone	15%
Single person living with their child(ren)	7%
Group household	7%
Adult living at home with parents	5%
Other	1%

<b>Marital Status</b>	
Single	25%
Married	52%
Widowed	1%
Divorced	5%
Separated	2%
De facto	14%

<b>Education Level</b>	
Year 11 or below	7%
Year 12	11%
Vocational qualification (e.g. trade/apprenticeship)	4%
Other TAFE or technical certificate	16%
Diploma	12%
Bachelor Degree (including Honours)	33%
Post graduate diploma or degree	16%

<b>Total Household Income</b>	
Below \$25,000	3%
Between \$25,000 to \$40,000	7%
Between \$40,001 to \$55,000	10%
Between \$55,001 to \$70,000	12%
Between \$70,001 to \$85,000	13%
Between \$85,001 to \$100,000	14%
Between \$100,001 to \$120,000	13%
Over \$120,000	19%

<b>Language Spoken at Home</b>	
Speak language other than English	26%
English speaking only	73%

<b>Country of Birth</b>	
Australia	69%
Born overseas	30%

# Travelling To & From Work

Three in five survey participants reported that on average, they work at least 35 hours a week.

Respondents aged 45 to 54 were significantly more likely to work between 15 to 24 hours per week compared to those aged 25 to 34, whilst female respondents were also more likely to report working 15 to 24 hours a week.

Female respondents were significantly more likely to report working within five kilometres from their place of residence, whilst respondents aged 25 to 34 were significantly more likely to report working between 11 to 15 kilometres from home.

The majority of workers reported that they travel to work by car, with respondents living between 11 to 15 kilometres from work significantly more likely to use their car as a form of transport to work than respondents who work within five kilometres from home. Those who work within five kilometres from home were four times more likely to walk to work than those living 11 to 15 kilometres from work.

Usage of public transport was influenced by distance from place of residence to work, with respondents living between 11 to 15 kilometres from work significantly more likely to catch the train or bus to work.

Only one in eleven respondents reported they currently lease a car through work or receive motor vehicle subsidies.

Respondents who are male, between the ages of 25 to 34 or working between 11 to 15 kilometres from home were significantly more likely to report leasing a car through work or receiving motor vehicle subsidies.

Two in three respondents who currently travel to work by car have access to a car park at work.

Three in four respondents who lease a car through work or receive motor vehicle subsidies from work have access to a car park at work.

Hours of work per week	% of Respondents
15 to 24 hours	21.0%
25 to 34 hours	19.0%
35 hours or more	60.0%

Distance between place of residence and work	% of Respondents
0 to 5 kms	32.9%
6 to 10 kms	34.2%
11 to 15 kms	32.9%

Current methods of travelling to work	% of Respondents
Car	68.0%
Walk	19.7%
Train	16.8%
Bus	15.7%
Tram	5.8%
Other	4.2%

Currently lease a car through work or receive subsidies	% of Respondents
Yes	9.0%
No	90.0%
Prefer not to say	1.0%

Have a car park at work	% of Respondents
Yes	56.0%
No	43.0%
Prefer not to say	1.0%

# Access To A Bike & Cycling Activity

Less than half of the respondents currently own a bike. Respondents who do own a bike were significantly more likely to be male, have a household income of more than \$100,000 or work at least six kilometres from home.

<b>Do you own a bike?</b>	
Yes	46.1%
No	53.9%

Overall, just over forty percent of respondents either do not own a bike or do not have access to a bike.

<b>For those who don't own a bike, do you have access to a bike?</b>	
Yes	23.8%
No	76.2%

More than 80% of respondents who reported that they currently lease a car through work or receive motor vehicle subsidies own or have access to a bike, whilst more than 60% who travel to work by car have access to (including owning) a bike.

More than one in three respondents who own a bike or have access to one currently ride at least once a week.

<b>How often do you ride a bike?</b>	
At least once a week	33.9%
At least once a month	18.9%
At least once every three months	9.0%
At least once every six months	7.2%
At least once a year	5.8%
Less than once a year	12.5%
Never	11.0%
Unsure	1.7%

Respondents with a household income of less than \$55,000 were significantly more likely to report riding at least once a week than those with a household income of more than \$100,000.

Likewise, male respondents and those aged 25 to 34 were significantly more likely to report riding at least once a week.

The majority of respondents cycle for fun or for exercise, with two in three who own or have access to a bike cycling for both fun and exercise.

<b>Do you cycle for...?</b>	
Fun or recreation	77.7%
Exercise	69.6%
General errands (i.e. to the shops)	25.0%
Visiting family or friends	11.2%
Competition	2.8%
Other	1.0%

# Reasons For Not Cycling To Work

Whilst only five percent of respondents who live within five kilometres from work stated distance was a reason for not cycling to work, this increased to one in three respondents who work between 11 to 15 kilometres from home.

Overall, one in eleven respondents reported that they do not cycle to work due to not having access to a bike. Respondents working within five kilometres from home were significantly more likely to state access to a bike was a barrier.

Respondents who raised the issue of having no access to a bike were significantly more likely to have a household income of less than \$70,000 compared to respondents with a household income of more than \$100,000.

Main reasons you do not cycle to work?	
Distance	17.5%
Speed/volume of traffic/unsafe road conditions	11.7%
Don't feel safe riding	11.4%
Need car for work/home office	9.7%
No access to a bike	9.2%
Inconvenience (eg showering/changing at work)	6.2%
Time	6.0%
Prefer other forms of transport	6.0%
Don't feel confident riding/can't ride	5.3%
Need to transport other people (eg children)	4.2%
Weather conditions	4.0%
No facilities at work (eg shower/bike storage)	3.3%
Lack of motivation/fitness	3.0%
Shift work	2.9%
Health problems	2.1%
Other	13.4%
Unsure	2.8%

# Financial Incentive Models

Over 80% of respondents agreed that at least one of the financial models would motivate Australians to ride to work. In comparison, only 9% of respondents felt neither of the three financial models would motivate workers to ride to work.

More than 70% of respondents felt that providing a direct subsidy as a financial incentive would motivate workers to ride to work. In fact, close to one in three respondents 'strongly agreed' that the direct subsidy model would motivate workers to ride to work.

Respondents aged 25 to 34 were significantly more likely to agree that the direct subsidy model would motivate more Australians to ride to work. Likewise, respondents who work more than six kilometres from home were also significantly more likely to believe that the incentive would motivate more workers to ride to work.

For respondents who currently use forms of public transport to and from work, those who currently use the train or bus were significantly more likely to report that they believe the direct subsidy model would motivate more workers to ride to work.

Importantly, respondents who don't currently own a bike but do have access to a bike were more likely to believe the incentive would motivate workers to ride to work.

In comparison to the direct subsidy, fewer respondents felt the other two financial incentive models would motivate workers to cycle to and from work.

However, similar to the direct subsidy incentive, respondents who work more than six kilometres from home, currently use the bus or train as a form of transport or do not own but have access to a bike believe the incentives would motivate workers to ride to work.

**FINANCIAL INCENTIVE MODELS**

**DIRECT SUBSIDY**  
Employee is paid a set amount per kilometre for the distance they ride to work from their home.

**INDIRECT SUBSIDY**  
Employers receive a tax refund for the employees who cycle to work, which is then paid to the employee.

**TAX DEDUCTION FOR PURCHASE**  
A tax concession is provided for the purchase of a bike for riding to work.

**Which financial incentive model would motivate more Australians to ride to work?**

	<b>Strongly Agree / Agree</b>	<b>Strongly Disagree / Disagree</b>	<b>Unsure</b>
Direct Subsidy	72.3%	16.2%	11.4%
Tax deduction for purchase	63.3%	22.7%	14.0%
Indirect Subsidy	58.5%	27.5%	14.1%

# Preference of Financial Incentive Models

More than two in three respondents favoured the direct subsidy model as the most attractive to them personally.

The ranking of the direct subsidy model was consistent across most demographic factors, including gender, age, number of hours worked per week, distance from home to work, as well as household income.

The proportion of respondents favouring the direct subsidy was also consistent with methods of travelling to and from work, including by car, train or bus.

The tax reduction model was ranked as the second favoured model, with one in five respondents ranking the model as their preferred choice.

Respondents who are aged 45 to 54 or work within five kilometres from home were significantly more likely to rank the tax deduction model higher than those under the age of 45 or those working six or more kilometres from home.

<b>Ranking of financial incentive models</b>			
	<b>Ranked 1</b>	<b>Ranked 2</b>	<b>Ranked 3</b>
Direct Subsidy	67.7%	21.1%	11.3%
Tax deduction for purchase	20.4%	34.3%	45.3%
Indirect Subsidy	11.9%	44.6%	43.5%

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A tax concession is provided for the purchase of a bike for riding to work.

# Personal Impact of Incentives

Overall, close to one in two (or 3.25 million) workers reported that at least one of the incentives would motivate them to ride to work.

Respondents who reported that at least one of the incentives would entice them to start riding to work were more likely to be:

- male,
- between the ages of 25 to 34,
- work at least 6 kilometres from home,
- work at least 25 hours per week,
- currently take the train or bus to work, and
- have access to a bike but do not own one.

One in six of the respondents stated that all three financial incentives would entice them to start riding to work. Respondents who reported any of the three incentives would get them to start riding to work were more likely to be aged between 25 to 34 and be male.

In addition, those who currently use the train or bus to and from work were also more likely to report any of the three incentives would entice them to start riding to work.

Incentive would get you to start riding to work	Yes	No	Unsure
Direct Subsidy	40.7%	32.5%	26.8%
Tax deduction for purchase	31.2%	41.3%	27.5%
Indirect Subsidy	28.2%	41.5%	30.3%

**FINANCIAL INCENTIVE MODELS**

**DIRECT SUBSIDY**  
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**INDIRECT SUBSIDY**  
Employers receive a tax refund for the employees who cycle to work, which is then paid to the employee.

**TAX DEDUCTION FOR PURCHASE**  
A tax concession is provided for the purchase of a bike for riding to work.

# Desire To Ride To Work

More than one in three respondents who currently do not cycle to work would like to start.

This represents approximately 2.45 million workers aged 25 to 54 who would like to start riding to work.

Whilst 44% would not be interested in cycling to work, one in five respondents were unsure as to whether they would like to start cycling to work.

Respondents who would like to start cycling to work were significantly more likely to:

- be male,
- between the ages of 25 to 34,
- live at least six kilometres from their work,
- work at least 25 hours a week,
- lease a car through work,
- currently catch the train or bus to work,
- have access to but don't own a bike, and
- regularly (at least once a week) cycle for exercise or fun.

Close to three in four people aged 25 to 54 (or 4.8 million) would be in favour of the implementation of financial incentives to get people to cycle to work.

Support for the introduction of incentives to get more people to ride to work was consistent across all key demographic factors, including age, gender, household income and educational attainment.

Support for incentives was also even for respondents who drive to work, or catch a train or bus.

<b>Would you like to cycle to work?</b>	
Yes	36.1%
No	44.0%
Unsure	19.9%

<b>Support the implementation of incentives to get more people riding to work?</b>	
Yes	71.5%
No	13.7%
Unsure	14.9%

# Non-Financial Incentives

Aside from financial incentives, there was a range of factors that respondents reported would get them to start riding to work.

Whilst one in five respondents reported there were no other factors that would get them to start riding to work, for factors outside the control of an individual, the availability of bike lanes and facilities at work were two of the common factors mentioned.

One in nine reported that more bike lanes/paths would get them to start riding more. This represents approximately 750,000 workers aged 25 to 54.

<b>Aside from financial incentives, what is the one thing that would make you start riding a bike to work?</b>	
Health & fitness	15.5%
Safer riding conditions (eg less traffic)	13.0%
Bike lanes/paths	11.2%
Reasonable distance	5.8%
Facilities at work (eg shower/bike storage)	4.8%
Save money/time	3.4%
Improved weather conditions	2.7%
Access to a bike	2.0%
More time/no other commitments	1.5%
Ability/confidence in riding	1.3%
No access to alternate transport	1.1%
Nothing	20.8%
Other	14.9%
Unsure	8.4%