

ACTION AREA 11 – Financial measures

Provide financial incentives to make active choices cheaper and easier

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The formulas for calculating the costs and benefits of many Australian transport, planning and health policy priorities do not accurately reflect the impact these choices have on communities, health and the environment.



WHY IS THIS IMPORTANT?

Prices influence behaviour and choices, particularly among people on lower incomes, pensioners and unemployed people. Through financial incentives and disincentives, we can promote healthier behaviours. In turn, adoption of healthier behaviours creates savings for the country. The formulas for calculating the costs and benefits of many Australian transport, planning and health policy priorities do not accurately reflect the impact these choices have on communities, health and the environment.

The case for change is significant:

- costing formulas fail to fully account for the impact of private motor vehicle use on the health and wellbeing of communities and the environment, while transport modes of walking, cycling and public transport are not recognised for their wider benefits⁽¹⁻⁵⁾
- low income should not be a barrier to participation in physical activity. Families on low incomes, older adults and Indigenous Australians are more likely to live in outer metropolitan areas or in rural communities with limited or ageing physical activity infrastructure and without the benefits of good public transport services available, compared to those living closer to the centre of cities^(6, 7)
- socioeconomically disadvantaged members of the community are further disadvantaged by:
 - › transport policy and urban planning that is dominated by the car (rather than public transport, walking and cycling)^(8, 9)
 - › urban planning that fails to support incidental physical activity and provide for accessible physical activity, sport, recreation, walking and cycling⁽¹⁰⁾
 - › high costs associated with participating in some physical activity, recreation and sporting activities.

WHAT MUST BE DONE?

It is vital that policies are implemented to correct market-pricing failures and ensure equitable access to physical activity opportunities. The following interventions are recommended.

Implement financial policies and regulations that support and promote more physical activity:

- conduct an inquiry to determine opportunities for public policies to favourably influence affordability of physical-activity-related products and services; examine mechanisms such as pricing, taxation, grants and subsidies
- reorient transport policy, planning and funding to prioritise investment in walking, cycling and public transport infrastructure; allocate resources proportionally to need, concentrating initially on underserved areas, including developments on the urban fringe
- ensure transport project analysis frameworks include wider benefits and dis-benefits when considering funding priorities
- provide financial incentives to make public transport, walking and cycling cost competitive with driving and parking
- ensure that car users are charged for the costs their travel choices impose on the wider community, using the revenue raised to improve walking, cycling and public transport choices, especially for lower-income communities^(2, 11)
- manage car parking demand at Central Business Districts and Activity Centres through increasing parking charges with revenue used to improve access by walking, cycling and public transport
- charge parking fees at train station car parks and use the revenue to improve station facilities
- encourage public transport use by continuing to financially support services and subsidise fares, especially in outer metropolitan suburbs



- increase the availability of free secure bicycle storage facilities at Activity Centres and places of employment
- provide free or subsidised bicycle, e-bike and e-scooter share services at train stations and activity centres to increase their catchment for non-car modes
- provide financial incentives for people who choose to ride bicycles for transport (e.g. the UK's 'bike to work scheme' enables the costs of purchasing and running a bike to be paid with pre-tax dollars if people commit to cycle to work 50% of the time)⁽¹²⁾
- provide increased scope for tax deductibility for physical activity participation (such as club memberships, sporting equipment, exercise classes, bicycles and clothing) in a range of settings
- withdraw import taxes on power assisted pedal bicycles for use in Australia
- develop a system to provide subsidised sporting club fees for children, especially to families that experience financial hardship
- provide subsidised user fees for community services such as swimming pools and recreation centres, especially in poorer urban suburbs and depressed rural communities
- provide fringe benefits tax exemption for workplace packaging of sporting and health club memberships, bicycle purchases and public transport use
- provide "parking cash out" equivalents for staff who do not utilise free car parking when it is provided at the workplace
- provide dedicated federal funding to local governments to maintain and enhance community infrastructure that promotes physical activity.

Implement social and community interventions that incentivise participation in physical activity:

- financially reward people who make active travel choices through local business and workplace incentives (e.g. a Victorian company pays an annual bonus to staff based on the number of times in the year they rode, walked or caught public transport to work)⁽¹³⁾
- fund workplace based TravelSmart programs, Workplace Travel Plans and/or Transport Management Associations to encourage greater use of walking, cycling and public transport, and use these programs to identify incentives that are likely to support travel behaviour change^(5, 14, 15)
- fund 'free days' on public transport to encourage new users to try the service^(14, 16)
- provide targeted subsidies to increase participation for:
 - › children from disadvantaged families to participate in organised sport and sporting clubs
 - › national scheme for safe routes to school with incentives and an engagement platform
 - › subsidised entry fees to gyms, community recreational facilities and sports clubs
 - › participation in evidence-based physical activity programs (primary-care link)
- provide affordable and accessible physical activity options in the poorest metropolitan suburbs and rural and remote communities to improve equity and access
- promote subsidised entry to a range of physical activity opportunities for individuals and families with a lower socioeconomic status
- develop and trial new models of transport service provision for a range of sustainable and healthy transport modes via the concept of 'Mobility as a Service'.



At the time of writing, various states are exploring options to group and deliver a range of public and active transport modes to customers as 'Mobility as a Service'. Developing new mobility services and online platforms to secure these outcomes is desirable, especially where they encourage use of modes such as public bikeshare.

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