

**Cycling 100 –
the
‘Earn Your Money Back’
model**

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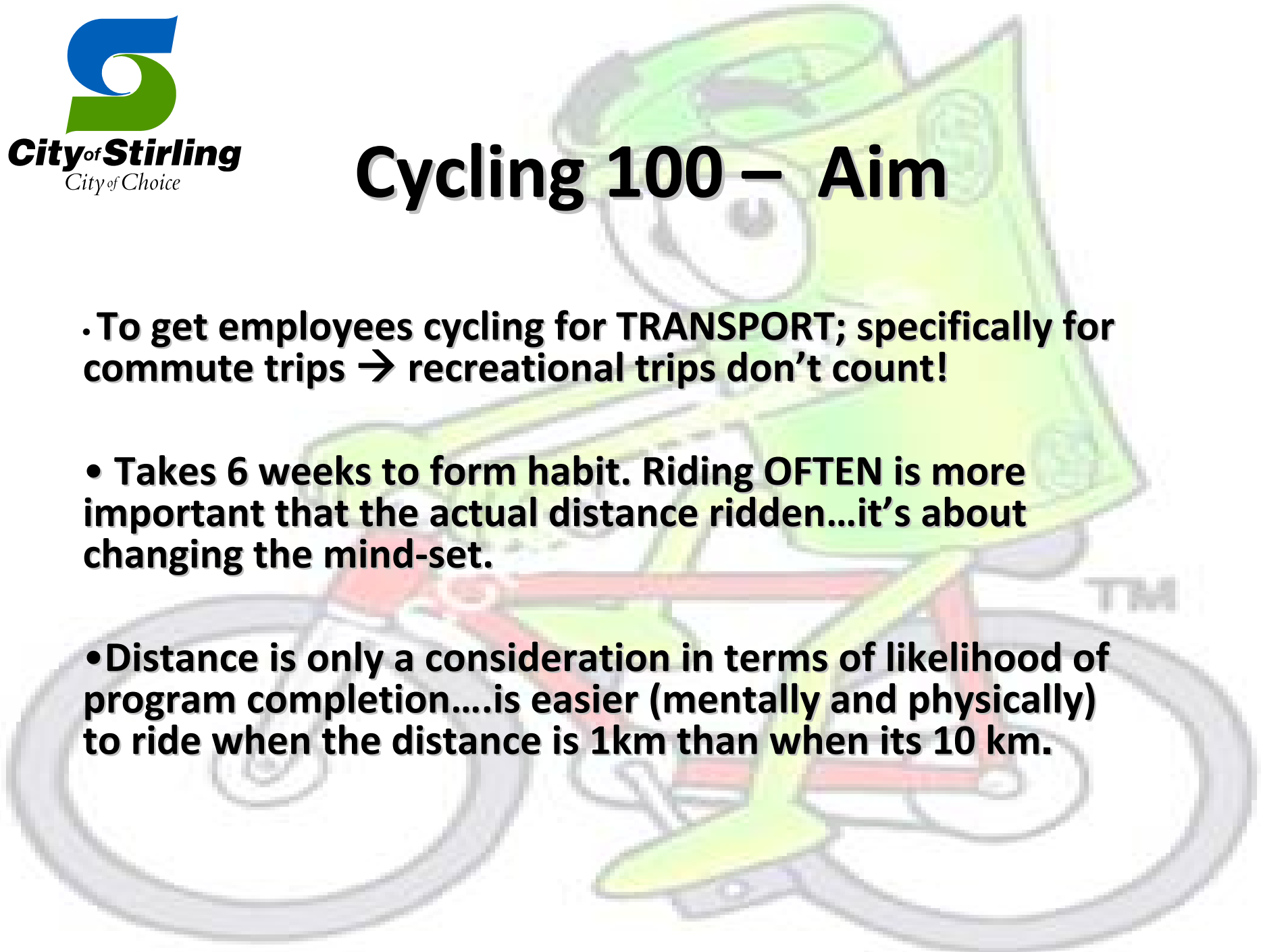
Cycling 100 – History

- Originally developed by Department of Environmental Protection and BikeWest (1999)
- Commuters willing to change some car trips to cycling trips loaned bikes for 1 year
- 100 participants – guess where the name came from !
- Subsequently taken up by local govts & other organisations and adapted to suit their needs.



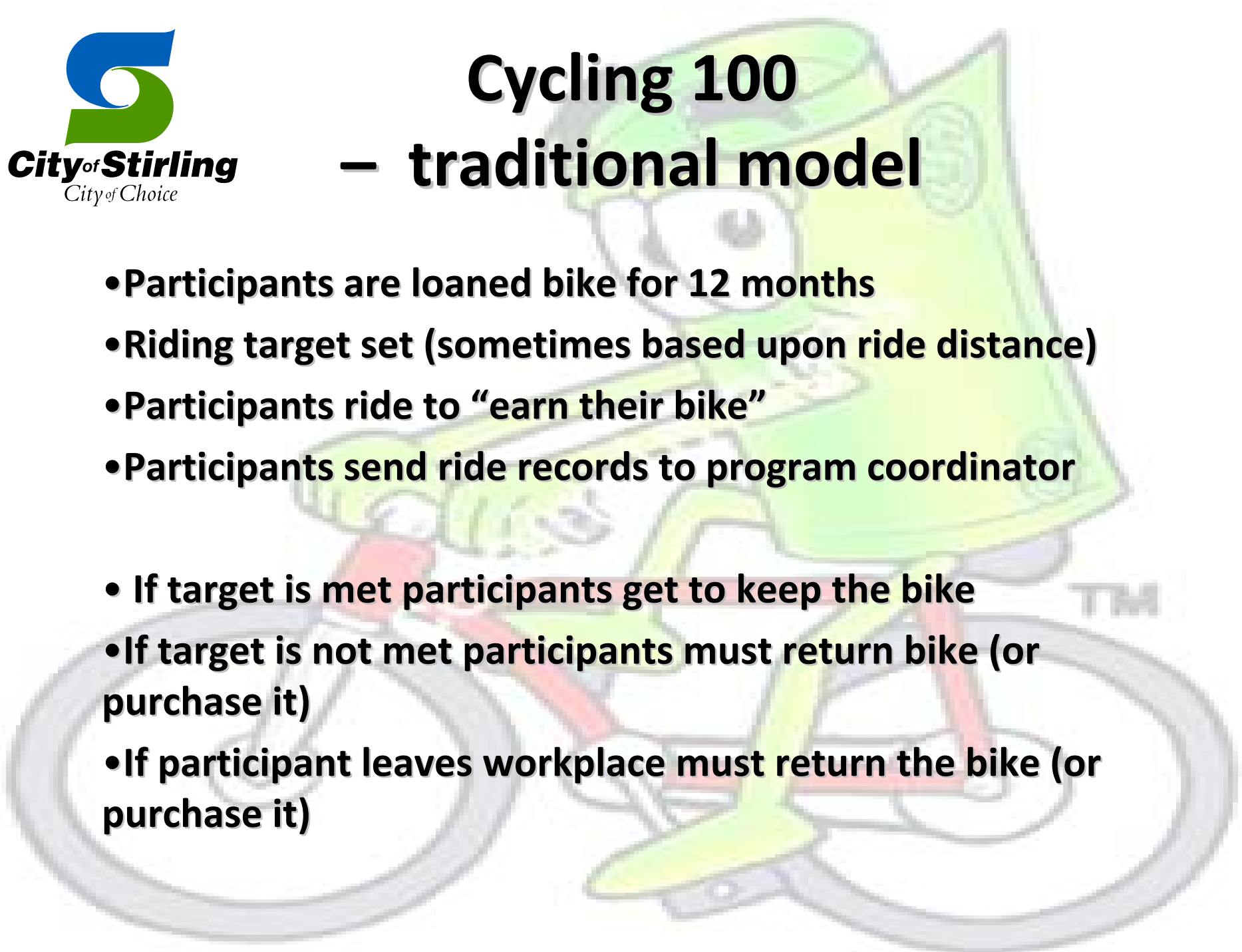
Cycling 100 – Aim

- **To get employees cycling for TRANSPORT; specifically for commute trips → recreational trips don't count!**
- **Takes 6 weeks to form habit. Riding OFTEN is more important than the actual distance ridden...it's about changing the mind-set.**
- **Distance is only a consideration in terms of likelihood of program completion....is easier (mentally and physically) to ride when the distance is 1km than when its 10 km.**



Cycling 100 – traditional model

- Participants are loaned bike for 12 months
- Riding target set (sometimes based upon ride distance)
- Participants ride to “earn their bike”
- Participants send ride records to program coordinator
- If target is met participants get to keep the bike
- If target is not met participants must return bike (or purchase it)
- If participant leaves workplace must return the bike (or purchase it)



Cycling 100

– What can go wrong

- Participants lose motivation as already 'own' bike
- Participants don't complete riding records
- Participants don't meet target bike is not suitable for re-use
 - 'forget' to return bike
 - don't want to purchase bike
 - coordinator feels mean asking for bike back
- Participants leave the workplace and take the bike with them!
- Bike gets stolen – is employers property and so must replace



Cycling 100 – New model

- Participants buy bike from City
- Purchase price depends upon anticipated commute use – 3 choices available
- Pay through automatic fortnightly post-tax salary deductions
- Participants responsible for providing cycling records (coordinator does not chase them)
- **Participants ride to earn their money back**, not the bike (\$2.50 /trip)
- Reimbursement calculated and paid after 12 months. Is based upon completed cycling records – if data not recorded trips do not exist and are not reimbursed.

Cycling 100

– avoiding problems

- **Participants give permission to Payroll to make salary deductions & for deductions to be increased as per program conditions if necessary.**
- **Agree to purchase bike at full price if they leave workplace or fail to meet target – permission to take payment already provided to Payroll.**
- **Choice of 3 targets provides flexibility if participants cant meet initial target**
- **No record = no reimbursement means records are always filled in with no chasing needed!**
- **Participant owns bike from start – if stolen or lost is their responsibility**

Cycling 100 – avoiding Tax!

- \$300 of benefits per person allowed each year before Fringe Benefit Tax incurred
- \$300 threshold applicable each year
- Loaned bike is seen as benefit and FBT due on full bike cost

So...

- Initial purchase price \$300 less than retail price (no FBT) – only get \$300 of benefit
- Maximum reimbursement / reward available is \$300 & in next financial year = no FBT.



Cycling 100

– costs and payments

- City buys bike & accessories @ \$650 / person
- Participant buys bike for \$350 by post-tax fortnightly deduction
26 x \$13 & \$25 final payment
- Receive cash 'reward' after 12 months according to number of commute trips made:
 - 240+ trips (50% of annual commute trips) = \$300 reward
 - 160-239 trips (33% of annual commute trips) = \$150 reward
 - 80-159 trips = (16% of annual commute trips) \$0 reward (cheap bike)
 - Less than 80 trips = participant pays \$300 by one-off salary deduction

Cycling 100 – costs continued

Final costs:

- **240+ trips: City pays \$600, participant pays \$50**
- **160-239 trips: City pays \$450, participant pays \$200**
- **80-159 trips: City pays \$300, participant pays \$350**
- **Less than 80 trips: City pays \$0 , participant pays \$650**

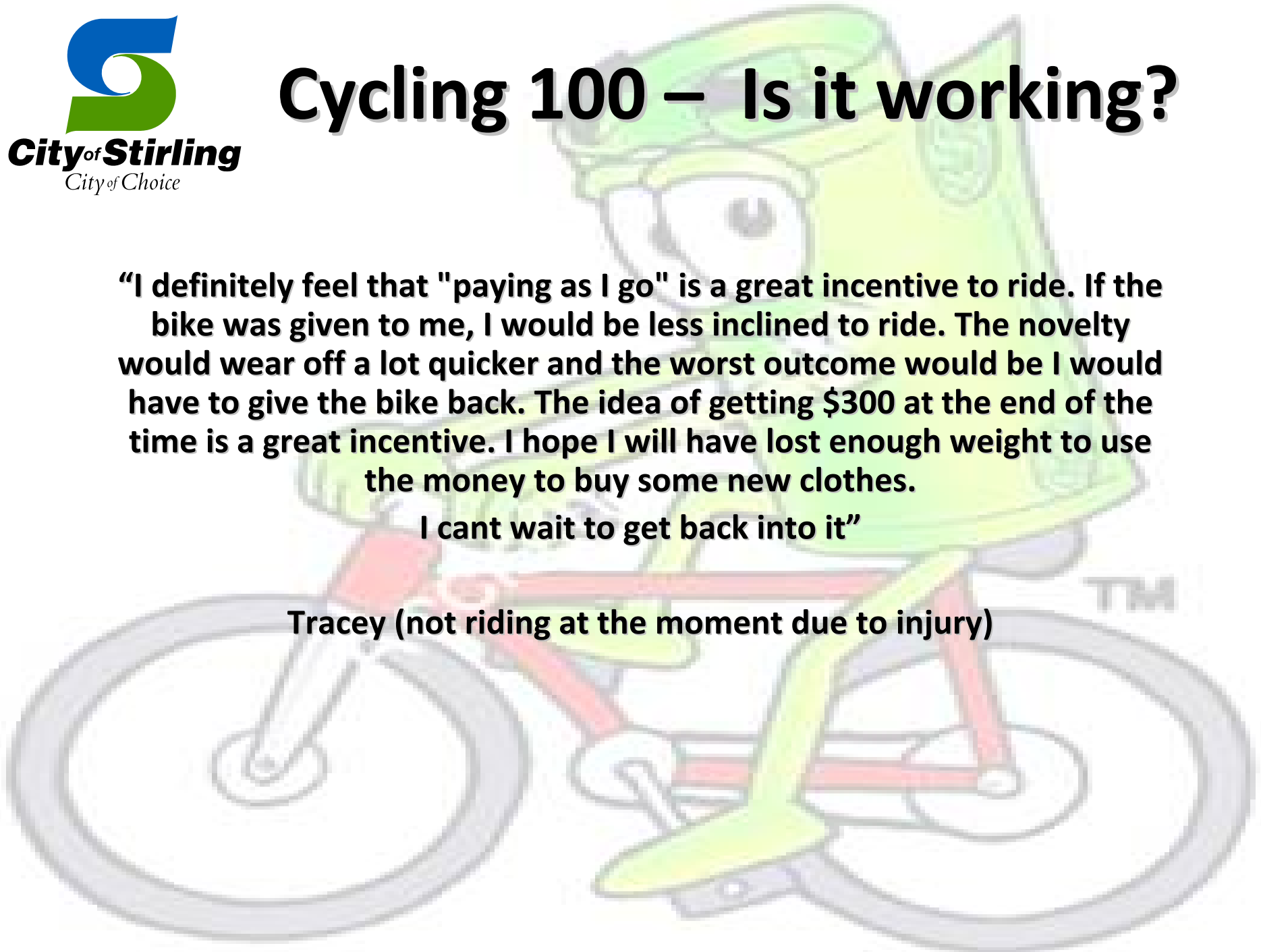


Cycling 100 – Is it working?

“I definitely feel that "paying as I go" is a great incentive to ride. If the bike was given to me, I would be less inclined to ride. The novelty would wear off a lot quicker and the worst outcome would be I would have to give the bike back. The idea of getting \$300 at the end of the time is a great incentive. I hope I will have lost enough weight to use the money to buy some new clothes.

I cant wait to get back into it”

Tracey (not riding at the moment due to injury)



Cycling 100 – Is it working?

“I think that the ‘earn your \$ back” has definitely motivated me to ride more frequently (especially when I didn’t feel like riding on a particular day). I use my bike on the weekends (and my days off) heaps so I think that could be factored into the ‘earn back’ as well (as I still am not using my car and thus the programme is still effective, probably more effective than what your figures show!!). ”

Kelly

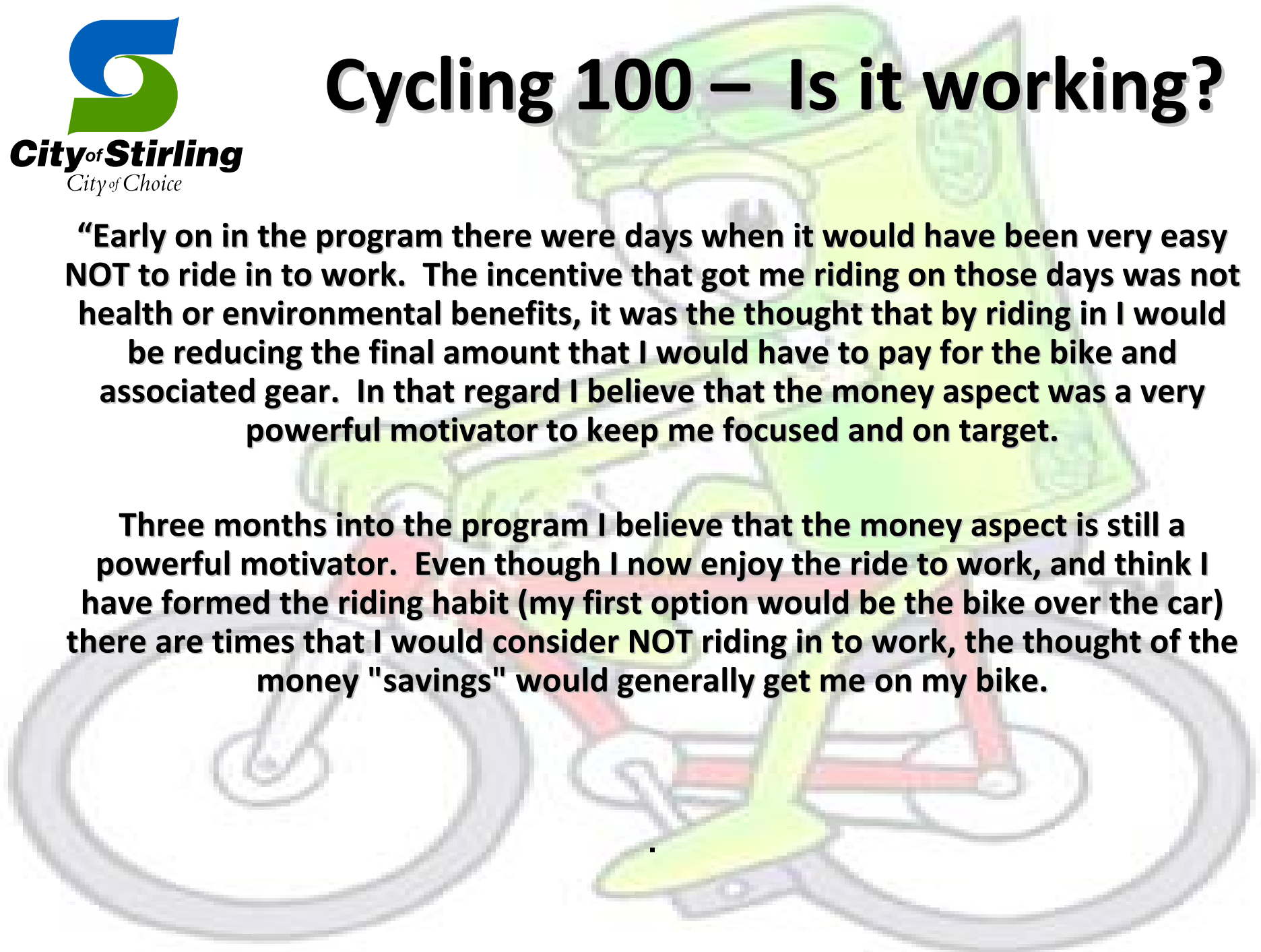
TM



Cycling 100 – Is it working?

“Early on in the program there were days when it would have been very easy NOT to ride in to work. The incentive that got me riding on those days was not health or environmental benefits, it was the thought that by riding in I would be reducing the final amount that I would have to pay for the bike and associated gear. In that regard I believe that the money aspect was a very powerful motivator to keep me focused and on target.

Three months into the program I believe that the money aspect is still a powerful motivator. Even though I now enjoy the ride to work, and think I have formed the riding habit (my first option would be the bike over the car) there are times that I would consider NOT riding in to work, the thought of the money "savings" would generally get me on my bike.



Cycling 100 – Is it working?

“I don't think I would have done as much cycling under the traditional system, at the end of the program what have you got to lose if you don't meet your target ?? - a bike that you haven't used anyway!!!

Under the CoS system if you don't meet your target it is going to cost financially, and for a little bit of effort and riding in more frequently that cost can be reduced.

The spreadsheet that you have set up is also very good for keeping me on track and tracking progress. It allows you to see how your are going in terms of your target, as well as how the others are going and where you sit within the group (great for slightly competitive people - not me of course!!)..

Neil

Cycling 100 – Is it working?

“Having arthritis, I knew that cycling would be a way of getting fitter and losing weight that would not put undue load on my left hip, and losing some weight would help ease the pressure on it as well. However, purchasing a bike has always been a substantial initial outlay for something that I wasn’t sure I would take to easily, or maintain. The cycling 100 program seemed ideal, in that I could get a good quality bike (plus extras) for less money than it would cost, and it would only cost me \$13 a fortnight. The added incentive of reimbursement if the bike was used sufficiently sealed the deal, because I knew it would cost me if I didn’t use it. Consequently, I have actually been cycling almost every day, and the cycling has become easier over time. I am cycling more than the required 3 days a week (for maximum financial benefit), in case something happens towards the end of the year – I have now cycled a third of the required trips in less than a quarter of the allotted time.

Lee