

Introduction

The bicycle industry in Australia is diverse and ever-changing.

This report provides a snapshot of the cycling sector in Australia, an overview of the trends and developments of the last year and an outline of the initiatives, programs and services provided by the industry associations and the Cycling Promotion Fund.

Australia has two distinct bicycle-industry-member associations:

Bicycle Industries Australia Ltd (BIA Ltd), which represents the wholesaler supply companies; and the:
Retail Cycle Traders Australia Inc (RCTA), which supports and represents the independent bicycle shops.

In addition there is the Cycling Promotion Fund (CPF), a not-for-profit initiative formed in 1999 to help the bicycle industry take action to increase bicycle use, which works in partnership with these associations. The CPF provides the sector with a collective voice to promote cycling and to work for improved conditions for bicycle riders.

In an environment of constant change and uncertainty it has been essential that these groups work together to optimise outcomes for their members and the sector as a whole.

This is complicated by the fact that decisions that impact on the bicycle industry are made across a broad spectrum of policy areas and at a range of government levels. Decisions about economic and trade policies; industrial relations; taxation; urban planning and design; transport policy and resource allocation; road safety; the environment; tourism; sport and recreation all affect the industry. Operating within such complex external environments remains the biggest challenge for the industry associations.

Partnerships are vital and critical to our success. We must nurture relationships with government ministers and government departments and build alliances and partnerships with lobby groups with similar aims (the Asthma Foundation and the Heart Foundation, for example) to ensure that the sector is well placed to respond to the challenges of the future.

As an industry we need to be able to take advantage of new opportunities and markets, be responsive to change, and able to deliver outstanding customer service.

This financial year the industry has seen another record level of bicycle sales. More people are cycling, especially in the older age group, and an infrastructure to support this is emerging.

Head counts on popular cycling routes, increasing numbers of cycling events and high participation levels confirm that cycling continues to increase in popularity. Fitness, fun and flexibility remain key motivators for people to ride bikes. However, factors such as high petrol prices, traffic congestion and limited parking in urban centres are also beginning to lead people to rediscover the bike as a cheap, convenient and healthy form of transport. Another emerging trend is the ageing population: Australian Bureau of Statistics population projections show that the percentage of people over 50 will continue to grow, with the number of younger seniors (55–64 year olds) increasing by 44% by 2011. This market segment will become a dominant influence in Australian society in the future.

Each of these trends provides clear challenges and opportunities for the bike industry.

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Industry Overview

The past year has been one of consolidation rather than revolution in the wholesale sector of the Australian bicycle industry. Bike sales continued at a level of approximately 1.2 million bikes sold per year. This is the third successive year at over 1 million. With economic conditions relatively constant and no great changes in fashion in cycling the industry has gone through a period of steady trade. Interest rates have remained essentially constant, the value of the Australian dollar has remained much the same over the past twelve months, labour conditions and wages have been unchanging and the taxation and regulation environment is much as it was at the start of the financial year. The talk of a component shortage a year ago turned out to be a storm in a teacup. There were small delays in one or two product ranges but on the whole it was just a tiny blip, not a major speed hump.

Turbulence Ahead?

Unfortunately the outlook for the next year or two is not nearly so certain. The major change in the general economic environment which is likely to affect trade has been the dramatic rise in the price of petrol during the last quarter of last financial year, and continuing into the first quarter of the new financial year.

The overall effect of the petrol price rise is impossible to predict. The ramifications of a prolonged period of prices over \$1.25 per litre in metropolitan areas and higher

There is speculation in the financial papers that the price rise will only be short term, but it is highly unlikely that prices will drop back below \$1.00 per litre ever again.

That the bicycle has an important place in our future is assured. The challenge for Australian bicycle businesses is to make sure they embrace the opportunity this presents

elsewhere are many and complex. Freight prices for road transport from warehouse to retailer are rising and will continue to do so for some time yet. The cost of air freight and sea freight is also rising, driving up the landed cost of goods. Consumers are using a greater proportion of their discretionary spending to put petrol in the family car. This will lead to a downturn in retailing in general. Offsetting this will be rising rates of cycling for shorter trips, particularly in metropolitan areas which will translate in the short term into rising demand for mechanical servicing of bikes and then in the medium term into rising accessory sales and eventually into rising bike sales. Country areas and regional cities are likely to feel the impact of the petrol price rises harder and not gain as much in rising bike usage. This does not bode so well for bike retailers and retail in general outside the metropolitan areas. The general effect on the rate of inflation will almost certainly be to push it up. We can only hope that this does not flow on into higher interest rates. If it does there is a faint possibility that we will see a return of the 'stagflation' of the early seventies.

Just to be clear that it is not all doom and gloom in the outlook for the bicycle industry we should also bear in mind that the growing demand for raw materials and energy in China and India will act to drive economic growth against the drag of high oil prices. As a major supplier of these raw materials and energy to the Chinese market, Australia may well be cushioned against the shock of the oil price rises. Even if the demand in America and Europe for manufactured products out of China slows down, the domestic growth in China will still drive its economy, although at a reduced rate. The drop in the price of consumer goods which has followed from the increased use of Chinese sources for everything from car parts to wide screen televisions will continue to protect the consumer from the worst inflationary impacts.

At this stage it is difficult to know whether the oil price rise will have an overall negative effect due to a general depression of the economy or an overall positive effect due to the increase in bike usage as people become more reluctant to drive. Some retailers are reporting dramatic rises in workshop demand over winter and early signs are that bike and accessory sales are already following but it is still too early to say whether or not this is consistent across the industry.

Industry Overview

Diversification

On a more specific bicycle industry note, the last year has been most noticeable as one of a general fragmentation of the market. In the adult market mountain bike sales have remained strong but no longer dominate as they did five and ten years ago. Road bike sales have also remained buoyant but hybrids and 'flat bar' road bikes have taken a bigger share of sales. Cyclo-cross, trials, tandems and touring bikes have remained small niche markets.

Within the broad sections of the market there has been continued diversification of products. Mountain bikes once came in rigid or suspension flavours only. Now the consumer must choose between hardtail or dual suspension, disc or V-brake, downhill, cross country or free-riding, aluminium or carbon fibre, hydraulic or cable operated brakes, knobby tyres or slick, performance or comfort, not to mention price and quality. Similar things are happening in road bikes, with flat handlebars and triple cranksets widening the range of options beyond price and colour. The lines between all these bikes are now quite blurred. The flat bar road bikes are like lightweight hybrids, which are like touring bikes with mountain bike bars. The light mountain bikes with slick tyres are like hybrids with 26 inch wheels. The hybrids with suspension forks are like mountain bikes with 700c wheels. And there are road bikes with disc brakes.

In the children's market, BMX bikes and, to a lesser extent, freestyle bikes continue to sell at similar rates to previous years. The competition from electronic games and other diversions for kids is still strong and will continue but there is no reason to believe that the bottom is about to drop out of the market. Scooters

have run their course; they are still selling but only slowly. There are no hot new products in the wings at this stage waiting to blitz the children's market at Christmas.

Choice and More Choice

What is also apparent is that no single style of bike is enjoying fad status. As a consequence, the market is less vulnerable to the whims of fashion, a circumstance welcomed by all. For the consumer this means that the choice of bike styles has never been wider. It could be said that for every rider there is a bike specifically designed to meet their desires and needs.

Wholesalers in Australia see a continuance of the slow trend towards mass merchant outlets and away from the independent bicycle dealers (IBDs). The features of this over the past year have been a rise in the quality of the products in the chain stores and a lifting in the standard of the IBDs. A number of wholesalers have commented during the year on the gratifying level of professionalism in Australian bicycle retailers. This has the potential to slow the drift to the chain stores even more. For wholesalers, as always, one challenge is to continue to maintain those good relationships with their dealers.

The Challenges

The potentially turbulent times ahead present two other challenges to the bicycle industry as a whole. One is to ensure that our businesses are strong enough and financially sound enough to weather any difficult times. The second is to take a very long-term outlook and see that the end of the era of cheap oil is looming in the distance. That the world has a finite supply of oil is without question, as demand outstrips supply we will see the current concerns become the norm; as motor vehicle transport grows progressively dearer, the role of the bicycle will grow as well. That the bicycle has an important place in the future of our cities and towns is assured. The challenge for Australian bicycle businesses is to make sure that the opportunity this presents is embraced.

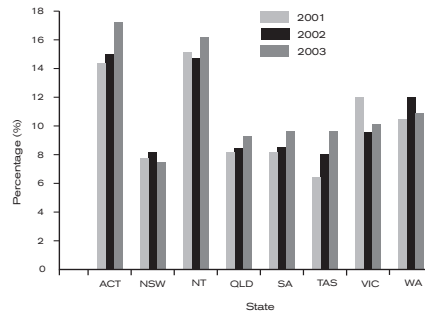
Trends in Australian Cycling

The trends in bicycle use are constantly changing. Cycling was once a means of transport for millions of people around the world. The development of the motor car and then its increased affordability resulted in a decline in sales and production of bicycles in the Western world. However, over the last few decades the bicycle has seen a revival as people look for ways to become more physically active, beat congestion in cities and fulfil a personal physical challenge.

In Australia the popularity of cycling has been increasing steadily – it is now the fourth most popular physical activity: more popular than fishing and golf (Exercise, Recreation and Sport Survey 2004, Standing Committee for Recreation and Sport). Cycling for exercise, recreation and sport is most popular in the Northern Territory (NT) and the Australian Capital Territory (ACT). Key factors which influence the number of people who cycle include climate, topography, level of traffic, road rules and regulations, infrastructure provision, community attitude and government policy.

People are more likely to ride bicycles more frequently when they are provided with safe and accessible facilities and infrastructure and have access to information and programs that encourage and promote cycling.

Cycling Participation by State

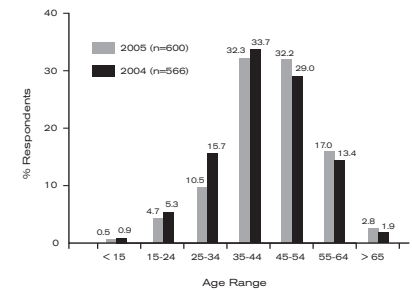


Not surprisingly, New South Wales (NSW) has the lowest number of people participating in cycling and has even seen a decline against the national trend. Anyone riding bicycles in the Sydney metropolitan area would agree that to turn around this trend will require considerable commitment and vision. Western Australia (WA), in contrast, has seen considerable government investment in creating more liveable, sustainable and healthy communities: it has the highest per-capita spending on cycling infrastructure and promotion in Australia. This has resulted in a considerable increase in cycling, particularly in metropolitan areas, resulting in WA overtaking Victoria, the traditional cycling hub, to have the third-highest cycling participation levels in Australia.

Cycling participation levels are the highest among 25 to 50 year-olds, the generation also most conscious of the need for healthy lifestyles.

Given that Australia has an ageing population, and that people aged over 55 now constitute 21% of the population, there is considerable potential for the bicycle industry to ensure that those people already

Cycling by Age 2004 / 2005

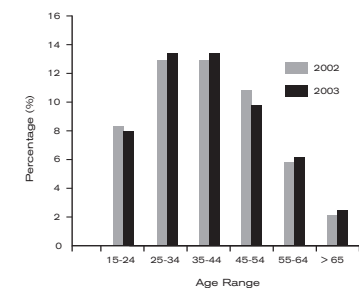


cycling maintain their interest beyond the age of 55 and that new people in this demographic begin cycling. As one seniors agency says, those born between 1946 and 1964 are 'at the top of the hill, not over it'.

This age group in particular prefers riding on off-road cycleways such as rail trails, coastal cycleways and off-road trails in parks.

A survey undertaken over the 2005 Easter Weekend on the popular Murray to the Mountains Rail Trail in Victoria highlighted the route's popularity, with more than 2,500 cyclists counted. Although the cyclists ranged from five to 72 years old most were in the 40 to 50 year age bracket.

Cycling by Age 2002 / 2003



Source: ERASS 2004, Standing Committee for Recreation and Sport

Trends in Australian Cycling

As one seniors' agency says: those born between 1946 and 1964 are 'at the top of the hill, not over it'

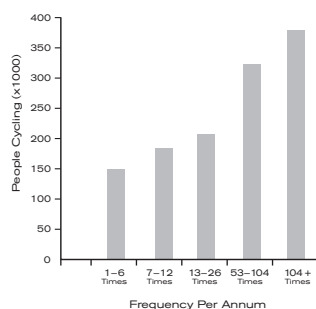
Cycling is an activity that people undertake regularly, with a large percentage of bike riders cycling at least once a month and many riding at least once a week. From a health promotion perspective this is a very positive feature of cycling with considerable potential to ensure people do the minimal physical activity required to maintain their health and wellbeing.

Motivation for Cycling

In Australia cycling is still mostly undertaken as a leisure, recreation or sport activity rather than as form of transport, even though cycle commuting has grown considerably in some urban areas. For example, more than 4% of trips to work are now made by bike in the City of Yarra in Melbourne.

In February 2004 a Newspoll Omnibus telephone survey of people aged 18 years and over in the

Frequency of Cycling



Melbourne Statistical Division (undertaken for Bicycle Victoria (BV)) found:

- 86% of cyclists ride for fun/leisure,
- 24% of cyclists ride for transport, and
- 13% of cyclists ride for sport/training.

This breakdown is similar to the findings of surveys undertaken for the Cycling Promotion Fund.

Competitive Cycling

Australia is becoming one of the world's top competitive cycling nations. Cycling Australia is the peak body for the sport of cycling and its mission is to develop and promote competitive cycling in this country.

Some of the highlights of this year's racing season include:

- The Sir Hubert Opperman Trophy for Australian Cyclist of the year was won by Ryan Bayley;
- Oenone Wood successfully defended her World Cup crown to claim the prestigious series for the second year running;
- Ten Australians raced in the Tour de France;
- Australia ended the 2005 Road Cycling World Championships in Madrid on top of the medal table; and
- The Australian Downhill Mountain Bike Team achieved a clean sweep of medals at the Downhill Mountain Bike World Cup in Schladming, Austria, with Sam Hill claiming victory and Chris Kovarik and Nathan Rennie finishing second and third respectively.

The Commonwealth Games in Melbourne in 2006 will provide a wonderful opportunity for Australians to experience the excitement of cycling events across the disciplines of track, road and mountain biking. At the 2002 Commonwealth Games Australia won 10 gold, seven silver and six bronze medals in cycling; with a home-ground advantage Australian crowds may witness a new medal record.

Another wonderful spectator event is South Australia's Tour Down Under, which has become the largest cycling event in the southern hemisphere with more than 500,000 spectators lining the streets in the third week of January.

SBS Television is becoming the home of cycling with some excellent coverage for both national and international cycling events. This year's Tour de France coverage included nightly live stages as well as a daily highlights package, making SBS the only free-to-air station in the English-speaking world to show the Tour in its entirety and rewarding it with a growing audience.

Cycling Australia has strengthened its relationship with SBS. The cycling magazine-style program Cycling Central, which was screened in December-January of this year for the second time, will be expanded in 2005-06, providing a valuable opportunity to inform, educate and inspire viewers.

Trends in Australian Cycling

Cycling Challenge Events

Our research confirms that the desire for challenges or achievements are among the main motivators for a considerable number of people taking up cycling. Bicycle sales in high-end road bikes are thriving and challenge events around Australia have seen huge increases in participation numbers.

Bicycle Victoria's popular one-day ride, Around the Bay in a Day, now attracts more than 8,000 riders, making it one of Australia's largest mass participation cycling events. BV aims to further increase participation by offering 50km and 100km options for people who don't want to tackle the whole 210km circumnavigation of Melbourne's Port Phillip Bay.

Other popular challenge events:

- **Be Active Tour** (SA)
2,000 riders,
- **Fitz's Challenge** (ACT)
350 riders, and
- **Sydney to the 'Gong** (NSW)
6,000 riders.



A paceline on the Jacobs Creek Tour Down Under

Around Australia we have seen considerable growth in the popularity of regular weekend morning rides, particularly in urban centres where some attract hundreds of riders.

These rides are not formally organised and welcome anyone on two wheels. Some of the reasons people join these bunches is to be outdoors, improve fitness and socialise with like-minded people.

In Melbourne on most weekend mornings there are more cyclists than cars on Beach Road, the main road through the beachside suburbs. A BV survey indicates that 7,000 cycle trips are made each weekend on this popular cycling boulevard.

Unfortunately the downside has been increased conflict between cyclists and motorists. A self-regulated code of conduct has been established to minimise disagreements between bicycle riders and other road users. The police have played an active role in promoting the code and participating in morning rides and other events. Currently riders, the police and VicRoads are discussing ways to improve safety on Beach Road, such as creating morning clearways to minimise bottlenecks that cause accidents and bunching. Discussions are being held about having weekend road closures for a few hours on some of the popular cycling routes, which would be a great initiative.

Mountain Biking

A major step forward for mountain biking in Australia has been the affiliation of the sport's key representative body, Mountain Bike Australia (MTBA), with Cycling Australia. The two groups aim to cooperate to develop mutually beneficial programs, projects and cycling activities at local, state and national levels, and members of either organisation will gain concessions on membership of the other group.

Trends in Australian Cycling

Mountain biking has a passionate following in this country and MTBA and its member clubs play an instrumental role in organising and running excellent events, catering for riders at all levels. MTBA membership has again increased significantly and has reached a milestone of 3,000 members which has enabled the organisation to employ its first full-time coordinator. This will be instrumental in enabling MTBA to grow and to broaden the services it offers.



In addition thousands of riders enjoy the pleasures and challenges of mountain biking independently. There is a fine balance between protecting the environment and enabling people to use and enjoy their natural surroundings. MTBA is doing some excellent work in ensuring that trails are used and built in a way that minimises environmental impact and that allows trails to remain sustainable. The organisation has formed excellent relationships with the International Mountain Bicycling Association (IMBA), which sent representatives to Australia to assess the country's mountain-bike resources and to work with groups to build momentum and better mountain-bike opportunities. An

IMBA member will run workshops at the Bicycling Australia Show in Sydney in October to help foster links between industry groups, bicycle riders and MTBA.

In Victoria the state government will invest \$3 million in upgrading and expanding mountain-bike facilities at Melbourne's Lysterfield Park to provide state-of-the-art mountain bike facilities for the Commonwealth Games. This facility will become an excellent community asset for recreational mountain bikers of all abilities.

In NSW Sydney Olympic Park has built a dedicated mountain-bike facility, which is a great asset to Sydney residents and provides excellent opportunities to promote and encourage the sport.

In Tasmania the Glenorchy City Council has provided funding and supported the development of an international-standard mountain-bike park. The park includes downhill, cross-country and mountain-cross trails as well as dirt jumps and has been hailed as one of Australia's best mountain-bike facilities. In October 2005 the Australian National Mountain Bike series will be held there, providing a wonderful opportunity to promote cycling as well as boosting the local economy.

In South Australia progress is being made on establishing a dedicated mountain-bike park at the former Eagle Quarry in the Mount Lofty Ranges. As well as providing legal trails for mountain bikers it is envisioned that the Eagle Quarry Mountain Bike Park will function as an education facility, adventure-tourism destination and event venue.

Touring & Holiday Cycling

Cycle touring is becoming more popular in Australia thanks to new recreational cycling trails being established, more cycle-tour operators setting up and more cycling events being held. Touring cyclists belong to a diverse market segment: some people love to travel by themselves or in small groups, deciding their own route, carrying all their gear and camping; while others want the comfort and convenience of hotel accommodation and restaurant meals or an organised tour with baggage transport and catered meals.

Around the states multi-day fully supported rides have seen a considerable increase in participation:

- Great Victorian Bike Ride
8,000 riders,
- Cycle Queensland
1,000 riders, and
- NSW Big Ride
1,000 riders.

Trends in Australian Cycling

This year the 'Where to Ride' section of the Bicycling Australia Show has seen a huge boost in the number of exhibitors. The exhibitors are showcasing a diverse range of products, including tourist authorities promoting their region as a cycling destination, small private tour operators and not-for-profit cycling organisations aiming to inspire visitors to enjoy a holiday on two wheels.

Australia now has a new Where to Ride magazine, which provides readers with information on great places to explore by bicycle. The magazine's extensive listing of tour operators and businesses highlights the commercial infrastructure that has emerged to cater for touring and recreational cyclists. Long-term prospects for this segment look promising, with demand from seniors in particular expected to grow.

The challenge for the bicycle industry is to provide suitable touring bicycles for a diverse market. In some European countries touring and trekking bicycles have overtaken mountain and road bicycles in popularity and potentially Australia will follow this trend.

Commuting Cycling

The bicycle is being rediscovered as a convenient form of transport in urban areas. State and local governments have developed a range of innovative programs to promote cycling as a healthy form of transport for short trips and to encourage people to ride to work.



Some of the programs include 'Ride to Work and Beyond!', funded by the Victorian Department of Infrastructure and the Australian Greenhouse office, which aims to evaluate how effective events such as Ride to Work Day are in changing people's behaviour. Some of the interim findings are encouraging. In 2004 5,577 participants registered for Ride to Work Day in Victoria, with 22% indicating it was the first time they'd ridden to work. Of those surveyed 27% of the first-timers were still riding to work five months later. There are plans to make Ride to Work Day a national event, providing greater opportunity for marketing and promotion.

Another innovative program, supported by the Cycling Promotion Fund, was Active Adelaide. The trial program targeted people who were inactive, worked in the Adelaide CBD, and wanted to change their behaviour. Participants were given access to subsidised bicycles and accessories, free cycle-safe training and workshops and access to free parking and showers.

The program evaluation showed that it was effective in encouraging people to become more active by riding regularly to work: once people discovered how easy it was they continued.

As Australia no longer has a culture in which bicycles are used for transport, intervention programs and initiatives are vital in encouraging people to try riding to work, school or the shops. Given that more than 25% of all trips in urban areas are less than 5km in length there is considerable potential to increase the number of trips made by bicycle.

The bicycle industry must work in partnership with like-minded organisations and government departments to implement such programs and must also provide information and tips to consumers about making cycling part of their daily life. Bike shops can help normalise cycle commuting by prominently displaying bicycles set up for everyday riding.

BMX

Extreme sports such as BMX are popular and are great ways to get younger people into cycling. There are BMX clubs in every state, in both rural and metropolitan areas. These clubs run a range of BMX bike-skills courses, including Track Active, which aims to get young people interested in the sport and to encourage them to be active.

Australia's top BMX riders have been very successful and are positioning themselves for the 2008 Olympic Games in Beijing, where BMX will be an Olympic discipline for the first time. This will have far-reaching effects in legitimising the code among the media and the general public.

Trends in Australian Cycling

Recreational Cycling

The fitness industry is booming, with millions of people searching for ways to become more active and improve their health and wellbeing.

Research is clearly demonstrating that improving their fitness is the main motivator for people taking up cycling. Cycling has become the fourth most popular physical activity in Australia with only walking, aerobics and swimming ahead of it.

In WA the Asthma Foundation organised the inaugural 'Freeway Bike Hike' in March to promote active and healthy lifestyles and raise funds for asthma research. The ride attracted 7,000 participants, an amazing achievement that is a real credit to the team at the Asthma Foundation, and also highlights how popular cycling is.

Given increasing obesity and decreasing physical activity in the community, governments are searching for strategies to encourage people to become more active. Cycling can provide an excellent solution.

In Victoria the government has launched the exciting 'Go for Your Life' campaign, which encourages people to be active and have fun. The campaign includes advertisements on radio, television and on prominently placed billboards, with many of the promotional materials including cycling images. The campaign also provides funding for grassroots programs to encourage people to try different activities. A number of cycling programs have been funded and it will be interesting to measure how effective they are in changing behaviour.



Riders on the Freeway Bike Hike, WA

The upward trend in bicycle sales indicates that people are aware that cycling is fun, healthy and a great way to integrate physical activity into busy lifestyles. However, cycling participation rates haven't kept pace with bicycle sales, showing that these new bicycles aren't being used to their full potential. Unfortunately the greatest barrier to cycling is still the lack of safe and accessible facilities.

People will only maintain a behaviour if it is easy, safe and enjoyable to do so. There are still too many barriers which can make cycling hazardous: cycle routes which end suddenly or don't link into population centres, hazards on routes and lack of driver education all deter people from cycling.

Police on Bikes

It is excellent to see that the police force has rediscovered the bike as an excellent tool for preventing crime and strengthening community relations. Patrolling on bicycles increases police visibility, improves access to some areas, provides the ability to operate with surprise and stealth, and is environmentally friendly.

The NSW Police Bicycle Patrol Training Facility in Goulburn is the first full-time dedicated police bicycle-training facility in Australia. The committed work of the Bicycle Patrol Coordinator in developing training, risk-management strategies and other relevant policies means that the program is recognised as 'best practice' both here and overseas.

The NSW police force has invested more than \$1 million in buying 600 customised mountain bikes and specially designed uniforms and accessories to use across the state. As well as helping prevent crime, increased numbers of police bicycle patrols has the potential to lift the community profile of cycling and to foster greater understanding among police of some of the barriers bicycle riders face in traffic.

Australian Exporters:

These Australian companies have a strong common theme - excellence in design as well as leading the world in their fields

In a business environment dominated by importers and distributors it's nice to be able to sing the praises of Australian companies who are having great success as exporters. There are many American, European and even Taiwanese companies whose expertise is design and who are well known in the cycling industry. Specialized and Blackburn Designs are two that spring readily to mind. Now three Australian companies are leading the way with innovative designs, winning awards for their products and carving out niches in the competitive world of the globalised bicycle market. These Australian companies have a strong common theme - excellence in design. As well as selling bicycle products on the world market they are selling intellectual property and leading the world in their fields.

Knog

Like the American companies mentioned Knog is a specialist in design. Their products have a distinctive Knog style, which marks them as different to the rest. Best known for their 'Froglite' light they also have a range of apparel and bags which are sold across the world.

Just 3 years ago Knog found customers in 12 countries. After Eurobike this year that has grown to 30 countries

Knog were exhibitors this year at Eurobike, InterBike and the Taipei Bike Show. At Eurobike they were persuaded to take a larger space than previous years and it paid off. Partner Hugo Davidson described the response to their bigger stand as fantastic and gave this as one of the reasons the company is growing at the phenomenal rate of 366% per annum at the moment.

Beginning with the Taipei show just three years ago Knog found customers in 12 countries. After Eurobike this year that has grown to 30 countries and continues to expand. From a range of just a couple of products the Knog brand has grown to include over 60 different products today. In Australia the Knog range is distributed to the trade by Apollo Bicycles.



Hugo Davidson and Malcolm McKechnie at the ispo Summer05 show

In Munich during July Knog exhibited at the ispo Summer05 sports and outdoor show, the largest of its type in the world. As part of the show ispo present the ispo BrandNew Awards for innovation by young companies. This year Knog took out two prizes. They were voted Overall Winner from 130 companies and their 'Froglite' won silver in the Hardware category. Amongst other things the citation said:-

"Careful attention has been paid to every detail, resulting in products that set themselves apart with their focus on pure function and immaculate design."

Knog is the joint brainchild of Malcolm McKechnie and Hugo Davidson. Both partners have a strong background in design. They have experience in designing for a wide range of industries in Australia, Asia, the US and Europe. In the Knog product range they have a forum which displays their expertise to perfection.

knog.

Australian Exporters:

Greenspeed

Greenspeed

In the Melbourne suburb of Ferntree Gully there is family designing and building recumbent trikes and shipping them out to the world.

Greenspeed has been a family business ever since it started in 1990. Originally conceived by Ian Sims and started in the shed in his backyard, Greenspeed has expanded to occupy a complex of three factory units and employs ten staff including four family members.

From one trike per month it has grown to sales of over one million dollars per year. Three-quarters of these sales come from overseas, mostly from North America.

Greenspeed has always been aimed at the high quality end of the recumbent market with, until recently, all production here in Australia. Now they have been able to reach a broader audience with a cheaper trike by out sourcing some manufacturing to Taiwan; but they have been able to do this without relaxing their standards in the slightest.



Greenspeed GTR-E Trike



From one trike per month it has grown to sales of over \$1,000,000 p.a.

Greenspeed has a well deserved reputation for excellence in trike design and construction. Beginning as a custom builder supplying to order meant an attention to detail and finish at every step until delivery of the trike to its new owner. This high standard has been carried over into the production of their off-the-shelf machines and has also been built into the machines that are made offshore.

An American reviewer said:-

"The trike is beautiful. The design of your trike is the best I've seen. ... The steering/front end geometry is fantastic, the best I've tried. ... the craftsmanship of the trike is overall the best I've seen on any trike."

- Robert J. Bryant
Recumbent Cyclist News, USA

Like our other two successful exporters, Greenspeed has built a business based first and foremost on design. It has been a finalist in the Australian Commonwealth Government Product Development and Export Initiatives Award.

Greenspeed is a member of the Cycling Promotion Fund.

Australian Exporters:

Like the designers at Knog, Grant Smith and Tom Black have built a business around their design skills, but unlike Knog they have also designed the manufacturing tools to create their rims and accessories. Tom Black had the vision to see the opportunity to manufacture bicycle parts and accessories and designed the original clamped (not welded) Velocage. Grant Smith provided the tool making and tool designing skills. Grant's ability as a problem solver is peerless along with his attention to the detail of the manufacturing process.



Now Velocity have a new rim, the Zvino, which may revolutionise the world industry. Zvino is Greek for Eliminator and the name was adopted because the new rim eliminates manufacturing processes necessary to make conventional bicycle rims.

Velocity

As tubeless tyres become more common, the need for a rim which has only a valve hole and no spoke holes has grown. As wheels with fewer and fewer spokes have become popular the need for a rim which can stand the higher stresses of the small number of spokes has also grown. The Zvino meets both these needs but at the same time is simpler, lighter and cheaper to produce than other tubeless rims.

Velocity make about 80,000 wheel rims each year with 80 per cent of these exported to overseas markets

The Zvino's superior strength and reliability derives from the Sliding Nipple Seat system. Stainless steel nipple inserts are designed in such a way that their load is distributed over a much broader area than on a normal drilled rim, while still allowing perfect alignment.

This is a design so simple and elegant that many will say, "Why didn't I think of that?" That is a measure of the high quality of the design, completely original and yet seemingly obvious.

The Zvino is the first rim that doesn't have to be drilled and it enables the rider to change the number and arrangement of spokes to suit their preferences or make patterns. It was featured on ABC television's "The New Inventors" in the middle of this year.



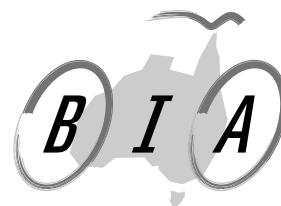
Velocity Deep-V Roadwheels

Gavin Smith and Tom Black formed Velocity Bicycle Accessories 16 years ago. Now they make about 80,000 wheel rims each year and export over 80 per cent of that production to markets all around the world. They still make the Velocage.

Bicycle Industries Australia Limited

Bicycle Industries Australia Ltd is a not-for-profit member organisation for bicycle product importers, wholesalers and manufacturers, and suppliers of services to the retail sector of the bicycle industry

BICYCLE INDUSTRIES AUSTRALIA LTD



Goals of BIA Ltd

To assist in making the bicycle industry stronger through a cooperative approach to opportunities; and to expand market demand for bicycle products through promotion by every available means.

To deliver the object elements of its constitution, BIA Ltd engages in two broad areas of activity.

The first is to provide benefits and services to member companies such as:

- An information and update service on matters affecting the industry
- The Cycling Australia Show (incorporating the Bicycle Industry Trade Show)
- Advice on consumer and trade practices matters
- Representation on Standards Australia committees
- A website to assist with new information technologies and related issues
- Member meetings including expert briefings on topical issues
- Encouragement of improved quality of services provided by the industry
- Networking with national and international bicycle industry associations
- Support and responsibility for the Cycling Promotion Fund.

The second is to provide a point of contact with the wider community:

- Representation of the industry to governments, relevant agencies and organisations
- Participation in national, State, and Territory bicycle advisory councils
- Support for selected campaigns and advocacy actions through the Cycling Promotion Fund
- Make submissions to governments, inquiries, the media and other bodies on matters concerning bicycle related issues including standards, promotion, facilities and cycling culture
- Provision of a point of referral and information for the general public



BIA Ltd Board of Directors

Ms Felicity Dales	Body Torque Pty Ltd
Mr Noel McFarlane	Gemini Bicycle Centres Pty Ltd
Mr Geoff Ward	The Bicycle Corporation Pty Ltd
Mr Graeme West	Giant Bicycle Co Pty Ltd
Mr Phil Latz	Lake Wangary Publishing Co Pty Ltd

BIA Ltd Members

Advance Traders (Mayfairs)	Elite Cycle Import	Netti
Aktiv8	Everest Films	PGF International
Apollo Bicycle Company	Excel Pro	Pursuit Performance
Avanti	Flite Helmets	Scody
Bike Corp	Gemini	Shimano
Birdy Bicycles	Giant Bicycle	Southcott
Body Torque	GPI Sports & Fitness	Sportz Australasia (Norco)
Buff Downunder	Greenspeed	The Bicycle Authority
Cannondale	Holstar	Trek
Cassons	Incline Sports	Triplex Distribution
Classic Bicycles QLD	Lake Wangary Pub.	Velocity Bicycle
Corndog MTB	Lear Enterprise	Venom Cycles
Charles Purton Imports	Leggera Bikes International	Xero
Cyclecover	Mountain Bike Australia	
DA Designa Acc.	MyBike	

Report from the BIA Ltd Chairman

During the 2004-5 year the major activities of Bicycle Industries Australia Ltd (BIA) have been through the CPF and the Bike Alliance, which connects industry with Cycling Australia, the Bicycle Federation of Australia and other cycling organisations. BIA also focused on Standards issues and the further development of a data collection system for bike sales in Australia.

Bikes in the Community

Bike use certainly appears to be growing and there is increased interest in cycling as a sport with TV coverage attracting millions of viewers. Cycling participation events also attract thousands of cyclists. The bike paths in the cities have been busy right through the winter months, but support from the Federal Government remains limited. During the year the Federal Government's lack of commitment and leadership became clear as we debated the renewal of the National Cycling Strategy. The Alliance worked hard and long but the time is not right for the Federal Government to take the issue seriously.

With petrol prices rising there are many who think that this is the dawn of a new era in which bicycle use in the Australian community will grow significantly and sustainably. Perhaps so, but what the petrol price issue amounts to is a relatively small increase in the overall cost of motoring. The excise imposed is not proportional but a flat amount and currently the cost to the community of motorised traffic is far greater than the revenue generated. At state government level there is a greater awareness and a commitment to take advantage of the opportunities cycling has to offer. Unfortunately, demand for investment to make communities more bicycle friendly far outstrips the availability of

funding; Western Australia is a standout performer in bike funding and has seen the greatest increases in bicycle use. NSW this year slashed funding for RTA-provided bike facilities; unfortunately NSW also has the lowest level of cycling participation in Australia.

A great concern to cyclists is the attitude of some motorists towards them. This issue is in the minds of cyclists a lot of the time and until governments come out and say "cycling is good and almost everyone should be doing it" then we will tend to see only the stronger and more experienced riders on the roads. Some motorists are in such a hurry that they even accelerate towards red lights; any thing or person that delays them could be in trouble. The public perception of cycling is one of danger on the roads and research keeps showing this to be the barrier to increased cycling participation.

The industry, through the Cycling Promotion Fund, has made a donation to the Amy Gillett Safe Cycling Foundation and public support so far indicates that the Foundation will be able to provide a leading role in changing the culture on our roads.

Evidence shows that there is much greater safety on the road if there are a lot more cyclists there. Safety in numbers works, as motorists end up expecting bikes to be there. With this in mind we are looking for the 'tipping point' or the thing that gets the bikes that are in the garages of the nation out onto the roads. Obviously we are hoping that the oil price rise will provide that impetus, but the fact is that even now, fuel in Australia is much cheaper than in almost all other Western countries.

Another view is that our Federal Government will soon have to break

its isolationism on global warming. Outside of Australia there is growing resentment that Australia does not participate in the process of addressing greenhouse gas emissions. It is now more likely that we will be forced into the process and then it will be a push for the Federal Government to turn away from or moderate Australia's high-energy-consumption economy.

Standards

BIA has been participating in the beginning of what might turn into a wider review of the bicycle standards. It is a fairly slow process and given that bicycle design has changed considerably since the last review, the focus so far has been to establish what changes are required.

Sales Statistics

We are in the later stage of compiling sales data at a State level. Numbers are broken down into six types of bikes (e.g. juvenile) and parts and accessories. It is envisaged that an ongoing scheme will grow out of the trial; BIA is funding the trial but we do not have the financial resources to handle it on an ongoing basis. The only way this scheme will be able to continue will be for wholesalers to find sufficient value in the data for them to be willing to pay for reports. For this reason the reports would need to be available within the first few days of a month to a contributor. There would then be a time lag before more general data was publicly available on the Informark website. Confidentially is addressed by the use of Informark (www.informark.com), which is an independent data gathering and publishing group.

Noel McFarlane

Report from the BIA Ltd Project Manager

After just over a year in the position of Project Manager, I have come to see the Australian bicycle industry in a new light. As a retailer in my former life I saw the day to day relationship with the individual customer as the paramount force in the industry. It is still the single most important relationship but now I have seen a different side of the intricate (some might say tangled) web of connections that provide the underlying structure which supports that relationship. I have seen the political manoeuvres which go on between advocacy groups and all levels of government, the battles and co-operation between the industry and the public service, the good natured rivalry between the competitive sport and the recreational side of cycling and I have experienced the trials and tribulations of trying to move a diverse group of businesses towards a common end.

Statistics Project

At this time last year the industry was on the point of establishing a pilot statistics gathering project. It was my expectation that this would be run before the end of the financial year, and would then be followed by an on-going project which would begin at the start of the current financial year. The pilot project has indeed gone ahead, albeit at a later date than I anticipated. The companies involved in this pilot scheme are to be commended for making the commitment to providing the data which will give us and them a much firmer grasp on the state of the industry as a whole. Those companies which did not join the pilot are strongly encouraged to become involved in the on-going project. There is a great need for Australian companies to raise their eyes from their day-to-day business

and take a longer term view. Just occasionally Australian managers should step back from their businesses and look around at the wider world of cycling, see the work being done by cycling advocates, catch a glimpse of the opportunities appearing on the horizon and see if there is a way that they can add their weight to a common effort to advance our industry. Joining the statistics scheme is a small way in which they can help all of us as they help themselves.

Australian Standard

A completely unexpected task which came my way during this past year was a review of the Australian Standard for bicycles, AS/NZS 1927:1998. In May of this year a revival of the committee that oversees this standard was mooted. It subsequently met and a full review of the standard was begun. This will take place over the next six to twelve months. BIA and the RCTA will be heavily involved in this, being the major source of technical expertise on the committee.

The review of the standard was prompted by a range of matters, the major one being the recall in NZ of some 'retro' style bikes. This has become an issue in Australia with the Australian Competition and Consumer Commission taking a close interest in the matter. Graham Bradshaw (RCTA Executive Officer) and I met with representatives of the ACCC to discuss this.

The ACCC has been involved in discussions with individual Australian distributors to ensure compliance with the standard; BIA and the RCTA fully support the policing of the standard by the ACCC and state government departments such as the various Offices of Fair Trading. As well as the issue of retro style bikes there are a number of other matters being worked through. One of the intentions of the review is to simplify matters for Australian importers by making the standard, where appropriate, more closely match the CPSC rules in the US.

This is something that will occupy a significant amount of my attention over the next year.

The BikeOz website is currently under reconstruction, the new version will be a more dynamic site with clear sections on trade shows, legislation, standards, industry news, membership, links to the Cycling Promotion Fund, the RCTA, cycling advocacy groups and anything else which may be of use for the industry. For those of a technical bent we are moving to the open source content management system Mambo which will give us greater flexibility in managing the site. The new site is planned to be up and running by the Bicycling Australia Bike Show in Sydney in October.



Report from the BIA Ltd Project Manager

Just occasionally Australian managers should step back from their businesses and look around at the wider world of cycling and see if there is a way that they can add their weight to a common effort to advance our industry

Power Assisted Bikes

In early 2005 New Zealand moved to increase the maximum permitted power of power assisted bikes from 200 Watts to 300 Watts. BIA has been lobbying for some years to achieve a similar increase in Australia, so far to no avail. With the NZ move the pressure is now on the industry here to make some headway on this. BIA and the CPF are trying new avenues to find a way around the stumbling blocks that have impeded our path so far. The complexity of State and Commonwealth regulatory arrangements has been the sticking point. There is a labyrinthine web of committees and authorities to be negotiated. BIA's current strategy is to try to find a way to cut through this and get a change to at least match the NZ level. If we can succeed in this the range and quality of power assisted bikes on the Australian market should increase along with their usefulness.

The Year Ahead

The next year will be one of settling down the statistics project and working through the Standard. The statistics project will require a decision on the role that BIA should play and a major effort to engage all of the bicycle importers in this scheme. The usefulness of this information to the industry as a whole cannot be stressed too much. BIA receives a constant stream of requests for data from government agencies and from the media. We are always having to apologise for the limited information we can supply. The recent petrol price rises brought a rain of enquiries asking if we had data showing the effect of these rises on bike sales. Our inability to supply the information resulted in many lost opportunities for good publicity for the industry.

Reviewing the Australian Standard will be a major task. Work has already begun and information is being collected on technical matters related to current designs and future trends. Creating a standard which does not unduly restrict market innovation but maintains safety levels is the challenge. In the long run bike distributors and retailers in Australia and New Zealand may notice that complying with the standard is simpler, that some of the compliance issues are eliminated and that the standard of bikes improves slightly as things such as braking performance requirements are increased to reflect improvements in brake design.

I would like to thank our office staff Kathy Brunning and Melissa Forbes for their sterling work during the past year and look forward to working with them through the next. I would also like to acknowledge the champion efforts of Cycling Promotion Fund Programme Director Rosemarie Speidel. As in previous years Rosemarie has achieved brilliant results with the resources of the Fund and has been a pleasure to work with.

The next few years will be challenging ones for the industry and BIA will rise to meet its share of that challenge.

Ian Christie

Cycling Promotion Fund

The aims and objectives of the Cycling Promotion Fund are:

- Increase the Fund's membership and attract other relevant funding to enhance the effectiveness and scope of the activities and strategies of the Fund
- Broaden the image of cycling in the community and the professions
- Build strategic partnerships to enhance the success of strategies which will maximise participation in cycling
- Provide funding to projects and programs which are innovative and which can achieve measurable outcomes
- Make decisions based on up-to-date and relevant information about best practice approaches to cycling development and promotion
- Undertake research to help the industry to be responsive to consumer needs and demands

Cycling Promotion Fund Committee

Committee Members:	Noel McFarlane	Gemini Bicycle Co P/L
	Felicity Dales	Body Torque P/L
	John Bazzano	Shimano Australia P/L
	Ian Sims	Greenspeed Recumbents
	Tony Cook	Trek Bicycles Australia
Retail Representatives:	Josh Blake	Renegade Cycles
	Warren Cay	Bike Now
Advisor:	Graham Bradshaw	Retail Cycle Traders Australia



Cycling Promotion Fund Members

Avanti Bicycle Company Limited	Dirt Works	Shimano Australia Pty. Ltd.
Cycle Cover	Gemini Bicycle Centres P/L	Southcott Cycle Division
Bicycling Australia	Giant Bicycle Co P/L	The Bicycle Corporation P/L
Birdy Imports	Greenspeed Recumbents	Trek Bicycles Australia
Body Torque P/L	Moruya Bicycles	

Cycling Promotion Fund Supporting Members

Abbotsford Cycles	Canberra Bicycle Museum and Resource Centre	Maroubra Cycles
About Bike Hire, Perth	Cairns City Council	Renegade Cycles
Bicycle Federation of Australia	Clarence Street Cyclery	Riders Cyclery
Bicycle NSW	MB Coaching QLD	Woolys Wheels
Bicycle SA	Mountain Bike Australia	
Brisbane City Council		

Report from the CPF Program Director

The Cycling Promotion Fund has again been instrumental in enabling the bicycle industry to more actively represent its interests, build partnerships with key players, broaden the image of cycling and fund initiatives that support and promote cycling.

During the 2004–05 year the Fund has continued to strengthen its work in increasing the level of cycling by working in partnership with other organisations to improve conditions for bicycle riders and attract greater government investment in infrastructure and promotion.

Australia has ideal conditions for cycling; it has a moderate climate and is one of the world's most urbanised countries and its citizens love the outdoors, spend a considerable proportion of their disposable income on leisure and recreation, and value open spaces and parks. However, cycling participation is still lower than that of many northern European countries and Canada, where the climate and often the topography is less conducive to bike riding.

Although bicycle sales in Australia have increased over the last few years, and look likely to continue increasing, this has not been matched by an increased level of bicycle use. It is vital for the industry that more people spend more time on bikes to maintain and increase demand for after-sales services and products.

Fortunately, many other lobby groups would like to see more people cycling. The interests of the bicycle industry are aligned with bicycle riders, cycling organisations, health promotion bodies, environmental organisations and the new smart-growth movement (which aims to concentrate urban development to

achieve sustainable growth and maintain green spaces). This provides tremendous potential synergies and opportunities for the industry.

Key Achievements of the CPF in 2004 – 2005

It is impossible to discuss the achievements of the Fund without acknowledging the hard work of countless other groups and individuals. The cycling sector is lucky to attract passionate supporters who have worked tirelessly at a number of levels for more than a decade to get a better deal for bicycle riders. These supporters include bicycle user groups, state cycling organisations and the Bicycle Federation of Australia, among others.

The cycling sector has benefited from a more professional approach over the last few years, which has resulted in better communication and cooperation between stakeholders and has made campaigns more effective.

Improving Infrastructure

Australia has seen increased investment in cycling infrastructure and programs in most states, and some local governments have started to recognise how popular and cost-effective it can be to invest in making their communities more bicycle friendly.

Two councils in particular are leading the way in building cycling infrastructure:

The Mornington Peninsula Shire (Victoria) has committed to spending \$10 million between 2004 and 2006 to provide critical links in its shared-trail network. Their vision is to make the shire more liveable and accessible for the existing and anticipated population.

Brisbane City Council, one of Australia's most cycle-friendly councils, has an extensive investment program (more than \$10 million a year) to encourage cycling as a viable transport and recreation option for residents and visitors.

The Queensland Government has increased its annual investment in cycling infrastructure from \$3 million to \$10 million to create vital links between cycle routes and make cycling safer and more convenient. The Gateway Upgrade Project will include a shared pedestrian and cycle path along the eastern side of the new bridge at an approximate cost of \$30 million.

This supportive environment has led to considerable growth in the number of bicycle retailers in Brisbane's inner city, better conditions for bicycle riders mean more business for the industry.

In Victoria a cycleway will be built along the full length of Melbourne's EastLink tollway, linking the Eastern Freeway bikepath with the one along the beach in Seaford. Of the 25 places the shared path crosses roads, 19 will be grade separated (using overpasses or underpasses). The Dandenong Southern Bypass will also incorporate a new shared path along its full length.

New South Wales (NSW), which has the lowest level of cycling in Australia, has cut its cycling budget by two thirds to \$5.6 million – equal to just 0.17% of its road-building budget. The position of General Manager, Bicycles and Pedestrians was also axed. This follows the dumping of the Active Transport Planner position, which was jointly funded by the RTA and the former DIPNR (Department of Planning, Infrastructure and Natural Resources).

Report from the CPF Program Director

The bicycle industry needs to do a lot of work to remind the government that there is considerable community support for investment in cycling and that such investment has great potential to encourage and promote active transport and recreation in NSW.

In South Australia the government responded to lobbying by cyclists and allocated \$800,000 to improve safety for bicycle riders and \$200,000 for a Share the Road campaign on top of their 2005–06 budget.

The CPF has been actively encouraging local governments to spend some of their Federal Roads to Recovery Funding (R2R) on cycling infrastructure. A comprehensive study undertaken for the CPF showed that local governments have currently spent around \$18 million dollars of R2R funding on cycling infrastructure or on investments that improve safety for bicycle riders.

Infrastructure

Simply creating good cycling infrastructure doesn't guarantee people will use it, however. They need to know it exists; many people don't cycle because they don't know of safe places to cycle. The CPF has been able to help redress this by encouraging authorities to improve the quality and availability of maps and promotional material.

The Fund has provided advice, feedback and sponsorship for the creation of a number of maps and websites. One project that stands out is the series of cycling maps created by Victoria's Travel Smart program, which show cycling routes on detailed street grids.

Better marketing and promotion over the last few years has had results; government statistics and cycling counts show that more people are riding their bicycles more often, and

that the most popular facilities are seeing exponential increases in use. These facilities are ones that take people where they want to go and are of high quality, showing that carefully planned infrastructure does increase cycling levels.

Intermodality of Bicycles

Some progress has been made in enabling cyclists to take their bicycles on trains, but there is still a considerable way to go to fully cater for bikes on both urban and regional trains. The Federal government is spending \$2.2 million over the next two years to place bicycle lockers at urban railway stations to encourage people to ride to the train.

Brisbane's trial of bike racks on buses has been extended and the scheme is also going to be tested in Canberra.

More Positive Attitudes

It's vital to promote and market cycling to increase the number of people riding bikes and to gain greater investment in the sector. The CPF has been successful in increasing positive media coverage of cycling, achieving free editorial worth tens of thousand of dollars in advertising terms.

The Fund uses AAP MediaNet to send regular media releases on topical issues to newspaper, radio and television journalists and to members of parliament. This has gained considerable exposure of key issues, raising awareness of these issues among decision makers and in the wider community.

Print and broadcast media are increasingly interested in leisure and lifestyle information as well as hard news. The CPF provides regular information and images to the media and to the publicity arms of other stakeholders (such as health

promotion bodies) to promote cycling as a healthy activity for people of all ages and fitness levels. The Fund has also engaged media professionals to write articles for magazines such as Ultra Fit, which ran a successful series of articles on cycling in late 2004–early 2005.

Consumer Information

Although bicycle retailers are best positioned to provide expert advice to consumers, these days most people want to do their own research before making a major purchase. Therefore, the CPF has developed a range of publications and fact sheets targeted at people considering taking up cycling. These explain the basics of subjects such as buying a bike or accessories, shopping by bike, or cycling for seniors and then direct the reader to an independent retailer for more information.

These publications are distributed through a range of channels including bicycle user groups, local governments, state governments, TravelSmart programs, health centres, bicycle retailers, festivals and public information displays. They are proving to be hugely popular, more than 20,000 of each title are distributed each year.

Research & Development

The CPF supports and commissions research to enable the industry to monitor trends and better understand different market segments.

Collaboration with universities has resulted in greater investment in cycling research. Knowledge gained from these research projects will help improve conditions for bicycle riders and will enhance the industry's understanding of what motivates people to ride, allowing them to target products in a better way.

Report from the CPF Program Director

Women & Cycling

In Australia women are under-represented at all levels of cycling. The CPF has played an instrumental role in supporting research and developing initiatives to encourage and promote cycling among women.

Anecdotal evidence confirms that the tide is turning and more women are purchasing bicycles and participating in events. Initiatives such as the Cogs Girls road-cycling support group in Melbourne, cycling classes in NSW and Victoria, and a new Bicycle Victoria program in Geelong demonstrate that there is a demand for female-specific initiatives.

Bicycle Victoria has been able to attract government funding to develop a dedicated website for women and cycling. The site will be a great resource for women interested in taking up cycling or wanting to get more out of bike riding. The CPF has been on the project's advisory committee and will sponsor and organise the launch of the website in November.

Cycling to School

The number of children riding to school is still declining. Although a range of programs are being implemented around Australia to encourage and promote cycling to school most are ad-hoc and attract limited funding and support, jeopardising their effectiveness.

The potential is there; in March 2005 the WA Government organised their most successful Cycle To School Day ever, with more than 10,000 kids riding to school on the nominated day. The infrastructure needs to exist to ensure that the momentum created by such events changed children's behaviour year-round.

It is the responsibility of governments, the community, parents and schools



to create environments that allow children to cycle or walk to school in safety. Governments in particular are failing to look after the health of children by helping them ride to school. The CPF supports the campaign to ensure Australia has a nationally coordinated and funded Safe Routes to School program.

Competency

It once used to be a rite of passage to learn to ride a bike. However, increasingly sedentary lifestyles and the belief that cycling is dangerous means that many children no longer learn to ride. This has resulted in an increasing number of people who lack basic cycling experience, making it vital that programs are developed to help beginner riders build confidence and skills.

The CPF has supported innovative programs providing training for people lacking the confidence to take up cycling and CPF facts sheets and brochures are available to hand out at such programs.

Improving Safety

A range of strategies is needed to improve safety for bicycle riders, including improving infrastructure, changing traffic management, and ensuring cyclists adhere to the road rules. The Public Inquiry into Violence Associated with Motor Vehicle Use in Victoria acknowledged that the incidence of hostility, selfish drivers, the attitude to speed, and the premium placed on rapid and easy

mobility puts vulnerable road users such as bicycle riders at great risk. It makes a range of recommendations which, if implemented, could improve safety for bicycle riders and ensure that unacceptable behaviour on our roads would be more strictly enforced.

Over the last year a range of incidents in which bicycle riders have been killed or injured have reinforced the need for urgent action. As an industry we can no longer be complacent when bicycle riders' safety is put at risk. The CPF strongly believes that it is time to work on strategies that will legitimise cyclists' road use and change the culture among drivers that bicycle riders are a nuisance.

The tragedy in Germany in July in which national cycling champion Amy Gillett was killed and five other Australian elite cyclists were injured during a training ride has shocked and touched not only the cycling sector but also the entire community. The Amy Gillett Safe Cycling Foundation has been set up in memory of Amy; one of its aims is to raise road-safety awareness among cyclists and motorists. The Foundation raised \$144,000 in just two months, including a \$5,000 donation from the CPF and a \$50,000 donation from the South Australian Government.

Strategic Alliances & Partnerships

The Fund has established good working relationships with all state cycling organisations and has supported a range of their initiatives and programs.

The CPF played an instrumental role in establishing the Cycling Promotion Alliance, which brings together all key national cycling bodies to achieve better outcomes for bicycle riders at the national level.

Report from the CPF Program Director

Currently the CPF provides funding and administrative support to the Alliance. A position statement has been developed and distributed to every Federal Member of Parliament.

The Alliance coordinated a national campaign to provide input into the renewal of the National Cycling Strategy. Among other things, the Alliance gained the support of key national health organisations which signed a joint letter to the main strategy decision makers.

The Alliance meets regularly in Canberra with key Federal government ministers and advisors. The group uses many different strategies to ensure government support for cycling, including drawing on the profile and enthusiasm of our elite bicycle riders. The Alliance is now working on building strong ties with other consumer groups such as the health promotion lobby.

It is envisaged that in the coming year the Alliance structure will be formalised to increase its scope and effectiveness in making a real difference to cycling.

Promoting Cycling to Government & Business

The CPF's regular Business of Cycling Breakfasts have been very successful in raising awareness among business people and government representatives of the scope of the cycling sector and its potential for business opportunities. These events have provided excellent networking opportunities and have resulted in new partnerships. Sydney Olympic Park's decision to host this year's Bicycling Australia Show came as a direct result of a cycling breakfast.

Business of Cycling Breakfasts have been held around Australia, with

excellent attendance and inspiring keynote speakers:

WA Minister for Planning & Infrastructure
Alannah McTiernan

SA Minister for Tourism
Jane Lomax Smith

NSW Minister for Tourism and Sport & Recreation
Sandra Nori

Sydney's Business of Cycling Breakfast attracted television coverage on Channel Seven and SBS, providing valuable exposure for the industry and for cycling in general.

The CPF has played an instrumental role in promoting the benefits of cycle tourism to state and local governments, resulting in greater public and private investment in infrastructure and services. The Fund is on the interim board of Cycle Tourism Australia and is providing an office space, supervision and support for the project officer, who is located in Victoria. Cycle Tourism Australia will play an important role in ensuring that this country is well positioned to take advantage of emerging opportunities and that private and public sector investments are well targeted.

The Fund also represents the bicycle industry on a number of advisory and steering committees to ensure it has input into policies that will shape the future of cycling in Australia. Regular submissions to government inquiries have resulted in cycling being considered in health, environment, transport and education policies and has led to increased investment in the sector.

Encouraging Best Practice

The Bicycling Achievement Awards, established by the CPF in 2002,

continue to foster and acknowledge innovation and achievement. This year the Fund attracted sponsorship for the awards, enabling it to broaden their scope and raise greater awareness of innovation and achievements.

Award recipients gain mainstream media exposure and earn recognition within the cycling industry and broader community. Their names are listed in a special awards booklet and feedback shows that the awards have been successful in raising the profile of the achievements.

Conclusion

The investment by the industry in the Cycling Promotion Fund will be crucial in enabling the cycling sector to maintain and strengthen its campaigns and to take advantage of emerging opportunities.

The majority of the larger wholesalers are now CPF members but the challenge remains for the Fund to gain wider industry support to allow it to broaden its scope and become more effective in increasing cycling and making Australia more bicycle friendly.

The CPF has adopted a campaign to encourage consumers to shop with companies which support cycling by investing a portion of their profits into the Fund. Only by joining forces can we truly prosper and create a sustainable and thriving future for the industry.

Thank you to the CPF members for their vision, commitment and trust. I look forward to maintaining my work with the industry to increase cycling levels in Australia, benefiting individuals, businesses and the community.

Rosemarie Speidel

The Retail Cycle Traders Australia (Inc)

The Retail Cycle Traders Australia (Inc) is the national association for independent specialist bicycle retailers. The Association aims to help shops do better business and to help them do business better.

Customer Charter

The RCTA has a Customer Charter that each member shop follows where possible. The Charter guides shops in dealings with customers, and encourages confidence in the sale process from both sides of the counter.

Benefits of Membership

- A general information service for members
 - Lower rates for banking services through Westpac Bank
 - Specialised insurance advice referral
 - Workshop Repair Cards – efficient and effective repair handling
 - Workshop Rates Chart - an effective guide to repair pricing
 - Cycle Trader News - the really informative quarterly newsletter
 - Cycle Trader eNews - by email, keeping you up to date with changes
 - Current wage rates and awards information
 - Guidelines on consumer and retailing regulations
 - Information sheets on a wide range of retailing matters
 - Representation on Standards Australia committees
 - Australian Bicycle Council representation
- and much more to help member shops gain the edge in bicycle retailing



**RETAIL CYCLE TRADERS
AUSTRALIA**



RCTA Supporters

Bicycling Australia
BMX International Pty Ltd
Cyclecover
Giant Bicycle Co Pty Ltd
Greenspeed Recumbents
Shimano Australia Pty Ltd

RCTA Life Members

Mr Mel Ashley	Mr Les O'Mara
Mr Rocky Barrese	Mr Bob Peters
Mr Ken Emery	Mr Gerald Tate
Mr Tom Finnigan	Mr Jack Walsh
Mr Bill Long	Mr Slim Ward

RCTA Council

President	Dean Miller	Bike Life	Hawthorn	VIC
Vice President	Christine Porter	Winning Edge Cycles	Bathurst	NSW
Treasurer	Peter Warren	Warren's Sports & Recreation	Emerald	VIC
Committee Members	Ray Thompson	Burwood Bicycles	Burwood	VIC
	Rocky Barrese	Penny Farthing Cycle Shop	Middle Park	VIC
	Josh Blake	Renegade Cycles	Lane Cove	NSW
	Nigel Hayes	The Bike Shop	Katherine	NT
	Clive Mercer	Mercer Cycles	Fremantle	WA



Report from the RCTA President

Another year has gone by and what has been achieved? Summarising last year's report, three main points stand out. Aussie riders were doing well at Olympics and Tour de France and other competition – leading to more motivation for Joe and Jill Average to have a go at cycling. Bicycle Victoria (BV) gave away free bikes as an incentive to riders to sign up early for their rides, and this created anger in many retailers. The need to join with other retailers and improve our relationships with wholesalers was an ongoing one, and something that would take a lot of effort, or an outside event. I am happy to say that the past year has seen steady progress on all fronts.

Australian successes on the world stages of road, track, and mountain bike racing have helped keep cycling on the up in terms of participation and newsworthiness. Hopefully the higher exposure means that more business filters into each and every one of our shops. Sadly, some of the highest publicity that cycling received this year was due to the tragedy of Amy Gillett's death in Germany, and the trauma for the women's cycling team. However, due to the strength of her husband and strong support from the community, even this terrible event has created an opportunity for cycling to benefit.

Bicycle Victoria have continued with their free bike giveaway for early Great Victorian and Western Australian Bike Ride entrants, and whilst that may sound like a poor result, the tide is turning.

Retailers in Victoria have been dumping BV publicity straight into the bin and some have stopped promoting membership and ride participation. Their argument is 'why should we support a competitor?'

Now is a great time to establish cycling as a viable alternative to motorised vehicle transport

Many in the bike riding community have begun to see the ludicrousness of these bike giveaways also. Too many riders make the enjoyment of big bike rides harder to find. Too many awful experiences with these bikes have reminded people (and BV) that you can't get something for nothing. There is also a cost to the community and the environment in terms of waste and disposal of low quality bikes.

On a positive note, this has created a catalyst for retailers to get together with BV and begin building bridges to allow each of us to prosper. Both groups realise that it is better to be friends than foes, and it has been inspiring to see the co-ordinated voice of the retailers coming together and creating a united front.

The retailer meetings that have occurred in September this year have started a couple of wonderful things. Firstly, we got to meet each other - how simple. Christine Porter from Winning Edge Cycles in Bathurst inspired me based on a get-together she had with her nearby cycling retailers. This hadn't happened in Victoria for years and it should be something we all do in every state. As soon as we distance ourselves from our fellow retailers we give too much power to wholesalers and customers; we are left fighting every issue as an individual and this is a waste of our time and resources.

As soon as we get together we understand that we all have the same problems!

We have started to create a code of practice, or charter, for all retailers to utilise in basic day-to-day relationships with wholesalers, this will be available via the RCTA shortly.

From this we can begin to improve our position with wholesalers. They are our supply and need to be paid promptly for their businesses to be profitable; we are their customers and we need respect in regard to accuracy of delivery, quality of product, and inventory time requirements to sell their products profitably.

There is now another opportunity for our industry ... petrol prices have skyrocketed thanks to some freaky world occurrences and it doesn't look like it is going back down in the near future. This is a great chance to establish cycling as a viable alternative to motorised vehicle transport. Every day it seems there is another news article about the increased costs to the average family. Let's make a positive out of a negative and get our financially pressured, over-weight communities to get back on the bike and have a win on two counts.

Dean Miller

Report from the RCTA Executive Officer

The RCTA profile has been raised during the past year, with newspaper and radio interviews about cycling issues, and work with other groups. We have been involved with assessment of the Road Management Act in Victoria, and had input to the Pedestrian and Cycling Conflict study being undertaken by ARRB's Ian Ker. The Share the Road initiative in Victoria has had input from retailers as well as the RCTA. I have been a speaker at a variety of conferences during which I have been able to discuss cycling with the audience, as a by-product of the subject at hand, and the subsequent network opportunities have helped to spread the word about riding bikes.

Our business partners, Westpac Banking Corporation, Cyclecover Insurance and Best Western Australia have continued their support of the RCTA, and have been able to help members with their various needs. The work with the Australian Bicycle Council continues, the revised national strategy taking up much of the time; the ABC travels have enabled me to meet with members and non-members alike, and to see what each state does to provide for cycling. Standards Australia committees covering helmets, bicycles and hopefully soon, bicycle lighting, also increase our recognition, as well as the workload.

The declaration of a common rule retail award covering Victorian shops has meant that considerable time has been expended on understanding and advising on the implications. We are fortunate to have access to help from the Australian Retailers Association, who have fought to soften the effects of the new award on previously award free retailers.

Whilst most States and Territories have had one award covering retail for many years, Victoria has been unique in that the Kennett Government handed the Victoria's industrial relations powers to the Commonwealth, laying the groundwork for some confusion, and a period of effectively award free employment. The recent changes bring an added layer of complexity, and the coming Federal government changes will further muddy the waters of IR in Australia, at least for the time being.

The Australian Standard for bicycles is now under review, and the RCTA, along with BIA Ltd and BIANZ will be providing much of the input to a draft new standard. Compliance with the standard has always been a patchy affair, with the majority of wholesalers at least providing the necessary items such as bells and reflectors, but many retailers have been remiss in not ensuring that a bike that leaves their shop is fully compliant with the standard. Many riders remove bells, etc once they have the bike in their possession, despite the legal requirements in each state. The different layers of the standard, mandatory standard and road rules can be confusing; compliance has been rising in recent times, and the coming review may make that task easier.

Bicycle shops have for some years been able to access training for their mechanics, although the availability varies from region to region, and may not be as convenient as many would like. The past year have seen a couple of changes, in NSW training is now all conducted through the Motor Traders Association, and there have been some great success stories

along the way. In Victoria, the originator of it all, Kangan TaFE, has dropped bicycle mechanic training from its programmes, but SouthWest TaFE, based in Warrnambool has taken up the challenge of covering (most of) Victoria. Other states have fortunately had stability with their service deliverers. Retail training has always been available, and some stores have taken it up, but a course in general retail would be of value to many shops.

Bicycle Victoria's actions in giving away a free bike with early entries to the 2004 Great Victorian Bike Ride created a lot of anger amongst Victorian bicycle retailers, reviving memories of previous ventures by BV that blurred the lines and trod on the toes of those who had helped them achieve their success. While they are continuing to promote the 'free' concept, retailers have come together to talk about co-operation and to encourage BV to act with retailers to increase the market overall. There is no doubt that Bicycle Victoria has done great work in raising awareness of cycling in the southern capital, but they may have fractured relationships along the way. The challenge now is to work together and get more people riding bikes, more often.

On a personal level I have been involved with professional development and training within the association management industry for some years, and this has resulted in my becoming an Associate Fellow within the Australian Society of Association Executives. This is a recognition of professionalism and further strengthens the RCTA.

Graham Bradshaw

RCTA Members

ACT

Bike Culture O'Connor
Hammer 'N' Cycle Queanbeyan
The Bike Shed Braddon
The Bike Shed Phillip

NSW

Active Cycles Raymond Terrace
B C Cycles Casino
Belrose Bicycles Belrose
Bike Addiction North Manly
Bike Shop of Castle Hill Castle Hill
Bob Wallis Cycles Coffs Harbour
Bomaderry Cycles Bomaderry
Bourke's Bicycles Taree
Brookvale Bike Factory Brookvale
Centennial Park Cycles Randwick
Citilink Cycles Haberfield
Clarence St. Cyclery Sydney
Concord Sports Store Concord
Cooma Sports Store Cooma
Crank's Bike Store North Sydney
Crescent Head Cycles South Kempsey
Cycle & Sports Singleton Singleton
Cycology Sydney Gladesville
Darrell Wheeler Cycles Dubbo
Dee Why Beach Cycle Shop Dee Why
Drift Bike Style Newcastle
Durban Cycles Sutherland
Engadine Cycles Engadine
Erina Bikeworx Erina
Eurell's of Leeton Leeton
Fraser's Cycles, Sports and Toys Taren Point
Griffith Motorcycle Centre Griffith
Hadley Cycles Belmont
Hadley Cycles Lambton
Hadley Cycles Maitland
Harris Cycle Co Lismore
Innovative Cycles & Accessories Mudgee
Insane Cycles Lithgow
Kidson's Cycles Wagga Wagga
Kincumber Bike 'n' Skate Kincumber
King Street Cyclery Newtown

Kingscliff Cycle Centre Kingscliff
Lavington Cycles Lavington
Le Spit Cyclery Mosman
Legend Cycles & Sport Moss Vale
Lifecycles Penrith Penrith
Maclean Bicycle Centre Maclean
Manly Cycles Manly
Maroubra Cycles Maroubra
Merimbula Cycle 'n' Surf Merimbula
Mudgee Cycles Mudgee
Narooma Squash & Fitness Centre Narooma
Pat Kinsela Motorcycles Parkes
Port Push Bikes Port Macquarie
Renegade Cycles Lane Cove
Roundabout Cycles Erina
Sth Tweed Bicycle Centre Tweed Heads Sth
Stanmore Cycles Stanmore
Tamworth Bicycle Co. Tamworth
The Bicycle Shop Roseville Chase
True Wheel Cycles Mullumbimby
Wilson's Bikes Albion Park Rail
Wilson's Bikes Warrawang
Windsor Cycles Windsor
Winning Edge Cycles Bathurst
Woolys Wheels Paddington

NT

Bikes To Fit Coconut Grove
The Bike Shop Katherine
The Broken Spoke Alice Springs
The Penny Farthing Bike Shop Alice Springs
Wheelman Cycle Stores Darwin

QLD

Balmoral Bike Shop Hawthorne
Bicycle World Southport
Bikeworx Sandgate
Brian Page Cycles Toowoomba
Bullet Bicycles Mackay
Burkes Currumbin Bikes Currumbin
Carindale Cycle World Mt Gravatt
Cooroy Sports & Leisure Cooroy
Cycle Scene Victoria Point

Cycleworld Maroochydore
Discovery Cycles Smithfield
Epic Cycles Paddington
Federal Cycle Works Bundaberg
Ferry Rode Cycles Southport
Gap Cycles Alderley
Gladstone Bicycle Centre Gladstone
Gold Coast Cycles & Hobbies Mermaid Waters
Hoffy Cycles Sandgate
John's Cyclesport Nobby Beach
Lifecycle Brisbane
Morayfield Road Supercycles Morayfield
New Farm Bikes New Farm
ProAm Cyclery Albany Creek
Pump 'N' Pedals Cairns
Riders Cyclery Macgregor
Riders Cyclery Hamilton
Riders Cyclery Morningside
Riders Cyclery SouthBank
Spin City Cycles Mooloolaba
The Gap Bike Shop The Gap

SA

Brooks Cycle Depot Murray Bridge
Clarks Cycles Kensington Park
Flinders Firearms and Cycles Port Augusta
Trak Cycles Marion
Trak Cycles Modbury
Trak Cycles Norwood

TAS

Leicester Cycles Burnie
McBain Cycles Hobart
Noel von Bibra Cycles Devonport



RCTA Members

VIC

Abbotsford Cycles Richmond
 Access Sports and Cycles Mansfield
 Beach Road Cycles Brighton
 Beekers Bikes Tatura
 Bike Life Hawthorn
 Bike Power Belmont
 Borsari Cycles Carlton
 Campione Cycles Newtown
 CBD Cycles Melbourne
 Cecil Walker Cycles Melbourne
 Croydon Cycleworks Croydon
 Davey's West End Cycles Wangaratta
 De Grandi Sportsgoods Warrnambool
 Dean Woods Direct Wangaratta
 Don Ash Cycles Shepparton
 Geelong & Bellarine Mopeds Point Lonsdale
 Goldcross Cycles Narre Warren
 Gove Cycles Ballarat
 Harding's Cycles Bendigo
 Hendry Cycles Ocean Grove
 Hillman Cycles West Brunswick
 Ivanhoe Cycle Works Ivanhoe
 Lawrencina Cycles Hawthorn

Lilydale Cycles Lilydale
 Lygon Cycles East Brunswick
 Malvern Bicycles Plus Malvern
 Marshall's Cycles North Geelong
 Melbourne Bicycle Centre Clifton Hill
 Moroni's Bike Shop Bendigo
 Navajo Everything Bicycles Ballarat
 Niddrie Cycles North Essendon
 Plenty Cycles Preston
 Rawson's Bikes Bairnsdale
 Ray's Bicycle Centre Brunswick Brunswick
 Ride On Bikes Cowes
 Salter Cycles Altona Meadows
 Seymour Cycles Seymour
 St Kilda Cycles St Kilda
 Stan Apostola's Sports Store Lalor
 The Bicycle Factory Newtown
 The Freedom Machine Port Melbourne
 The Hub Cycle Centre Wonthaggi
 The Pegasus Crew Brighton East
 Top Gear Bicycles Doncaster East
 Trak Cycles Cheltenham
 Warren's Sport & Recreation Emerald

WA

Attadale Cycles Attadale
 Churchill Cycles Booragoon
 Cycletrek Bunbury
 Hannans Cycles Boulder
 Margaret River Cycles & Repairs Margaret River
 Mercer Cycles International Fremantle
 Port Kennedy Cycles Port Kennedy
 Push 'N' Pedal Cycles Mandurah
 Runner's World Perth
 Scarborough Beach Cycles Scarborough
 Scott Cycles Karratha
 Southwest Cycles Busselton
 The Bicycle Entrepreneur Geraldton