HUON VALLEY MOUNTAIN BIKE DESTINATION
FEASIBILITY STUDY

JANUARY 2020

WORLDTRAIL

MCa

Planning group

AGENDA

1. Process
2. Market Research Outcomes
3. MTB Proposal Objective
4. Site Investigation
5. Site Assessment
6. MTB Proposal Opportunity
7. Economic Benefit
8. Business Opportunities
9. Recommendations

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PROCESS

Review strategies and research
Demographic impacts review
Participation and facility trends analysis
Benchmarking analysis

Site inspection and review
Stakeholder Workshops and Interviews
Prepare and Issues and Options Report

Develop vision and strategic directions
Site audit of investigation areas
Concept development
Cost plan
Social and economic benefits analysis

Prepare Draft Feasibility Study Report
Council engagement
Stakeholder and public review
Prepare Final Report

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MARKET RESEARCH OUTCOMES

Strategic support for an MTB destination within Local and State Government

Growing national and international MTB tourism and cycle touring demand

Huon Valley is already a popular riding destination for Huon Valley and Greater Hobart residents

The MTB tourism visitors is now a competitive market and high quality destinations are needed

Hosting MTB events boosts awareness and market share, but it is a challenge to secure events.

Local stakeholders support a MTB destination in the Huon Valley

MTB destinations deliver economic impacts to regions

Governance structure needs to consider the interests and requirements of landowners and managers

Sustainable Timbers and Parks and Wildlife Services are key partners critical to delivery

MTB PROPOSAL OBJECTIVE

Create a **world class** mountain bike trail destination of **100+ km of trails** extending across a **diverse mix of landscapes** and across **all trail disciplines** including cross country trails, gravity enduro flow trails, downhill trails, trail/freeride trails, pump tracks and dirt jumps.

The trails would offer routes for **beginners to advanced** level riders, **trail heads** at key locations that could be **serviced by shuttle services** and multi-use on road and off-road trail routes that **connect townships** to trail heads.

SITE INVESTIGATION AREAS

SITE ASSESSMENT OUTCOMES

	AMBTG CRITERIA	WORLD TRAIL CONSTRANTS AND OPPORTUNITY CRITERIA	COMMENTS
DOVER	Potential National Significance	Potential for trail development however has access and tenure constraints that limit scope of trail network	Available land for MTB is likely to be insufficient for 100+ trails 80km of trail possible Dislocation from township but opportunities for connection to Foreshore Trail to Forest Areas, within reasonable proximity Forest Production Areas – Partnership required with Sustainable Timbers Regional to National Significance
SNUG TIER FOREST RESERVE	Potential National Significance	Potential for trail development however has access, tenure and proximity constraints that limit scope of trail network	Size insufficient for 100+ trails Freehold land surround reserve that makes it very difficult to connect to townships Benefits would likely flow to Kingsborough Council with main access point on that side of reserve Regional Significance
SHERWOOD HILL CONSERVATION AREA	Potential Regional Significance	Potential for trail development however has access, tenure and suitable terrain constraints that limit scope of trail network	Size insufficient for 100+ trails Freehold land surround reserve that makes it very difficult to connect to townships Local terrain is aggressive, which limits the trail product Local to Regional Significance
TAHUNE AIRWALK AND WEST WELLINGTON RANGES	Potential Regional Significance	Potential for trail development however has access, tenure and safety constraints following fire event that limit scope of trail network	Available land for MTB is likely to be insufficient for 100+ trails Dislocation from township Forest Production Areas Site likely to be unsafe for MTB for years to come Terrain and soil type required further investigation to confirm suitability for trail building Local to Regional Significance

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SITE ASSESSMENT OUTCOMES

World Trail's site assessment shows **Dover** as having the greatest potential for attracting mountain bike rider visitation.

However, due to the **access and tenure** constraints of the site, the assessment shows a potential trail network adjacent to Dover would most likely **fall short** of the desired 100+km of MTB trails to become an international destination.

The site would support a strong regional trail product, provided that tenure, access and planning issues can be agreed.

MTB PROPOSAL

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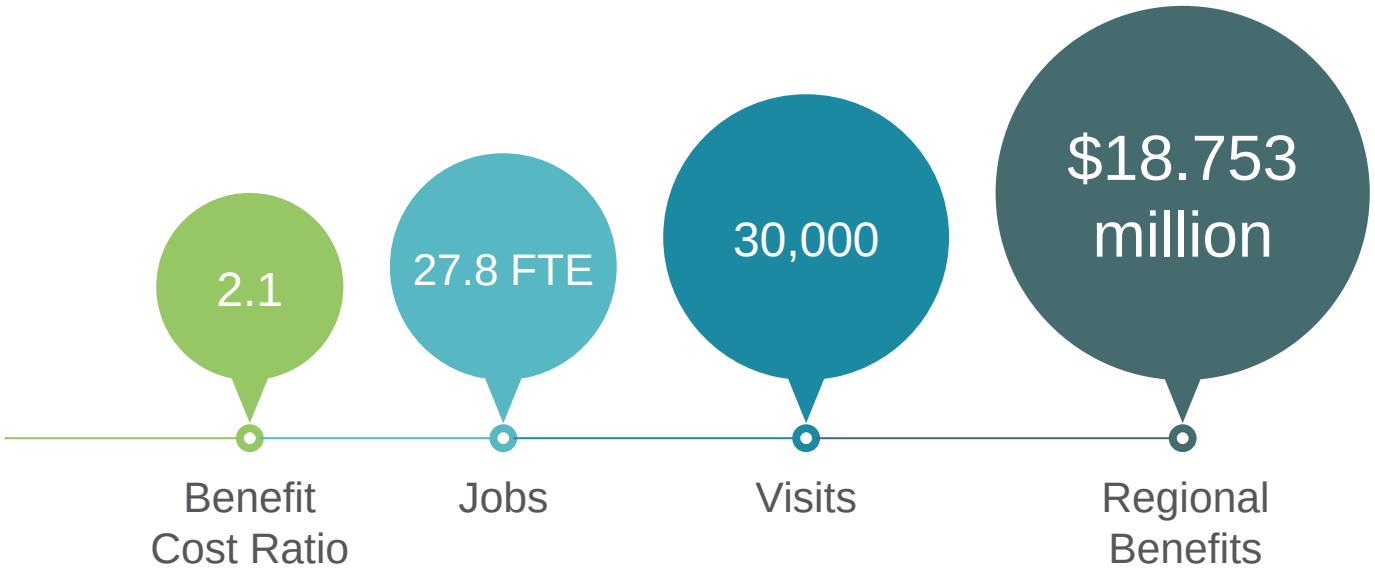
ECONOMIC BENEFIT



BUSINESS OPPORTUNITIES

A key benefit of developing such a product is that it can **link the fragmented business community** in Huon Valley

FAR SOUTH ADVENTURE TRAILS DESTINATION

An emerging **opportunity** for the region may be to leverage a range of land and water trail networks catering for low intensity recreation use and more intensive multi-day adventure trail development.

This suggests the potential is to develop a mountain bike trail as part of a broader **Far South Adventure Trail Destination** strategy

FAR SOUTH ADVENTURE TRAILS DESTINATION

HUON VALLEY MOUNTAIN BIKE PARK

(at Dover as identified in this strategy).

CAVE TO COAST MULTI DAY WALK

This proposal invites visitors on a 45km journey through history and across spectacular and diverse landscapes from Hastings Caves to South Cape Bay in Far South Tasmania. The proposed 4-day, 3-night journey features dolomite caves and thermal springs, beautiful and largely undisturbed landscapes and seascapes, unique Aboriginal and European cultural heritage and a visit to Australia's south-ernmost cardinal point (South East Cape). Three accommodation sites are proposed and a new jetty at Leprena. The project is estimated to cost $21 million.

HUONVILLE TO FRANKLIN FORESHORE SHARED PATHWAY

The proposal is for a shared pathway for cyclists and pedestrians will follow the western bank of the beautiful Huon River and will commence from Coolstore Rd at Huonville and end at Franklin village. The trail experiences will include for walkers, cyclists and kayakers along the Franklin River. The project is estimated to cost $23.5 million.

DOVER TO SOUTHPORT TRACK

The proposed track would link Dover Bay to Southport Bay. The track will connect existing trails and take advantage of spectacular coastal views whilst avoiding the Raptor habitat and areas with significant native vegetation. The project is estimated to cost $250,000.

PULAWA LUGGANAH TRACK

The proposed new 150km cycling and walking track will connect the towns of Huonville, Geeveston, Dover and Southport, through river, forest, coast and lagoon landscapes, meeting locals and enjoying regional food and hospitality. The track will tell the story of the lyluequonny & melukerdee people and 45,000 years of continued connection to land and sea. It will explore how culture contains us through many generations and shed light on a future path. The project is estimated to cost $20 million.

IDA BAY RAIL TRAIL

The proposal would transform the heritage railway link into a rail trail.

RECOMMENDATIONS

1. That **Dover** be identified as the preferred destination for development of a Regional Mountain Bike Park.
2. That Council consider the development of a new overarching strategy for Huon Valley to be positioned as an **Adventure Trails Destination**.
3. **Assess the priority** of the Regional Mountain Bike Park in the context of the other proposed projects. If identified as the preferred catalyst project then move to next planning stage.
4. Prepare a full Trails Concept Master Plan, Implementation Strategy and Business Case for the Regional Mountain Bike Park.

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Planning group

DISCUSSION

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HUON VALLEY MOUNTAIN BIKE DESTINATION FEASIBLITY STUDY

SITE INVESTIGATION REPORT

Prepared by World Trail Pty Ltd for

Otium Planning Group

Disclaimer:
This document, *Huon Valley Mountain Bike Destination Feasibility Study – Site Investigation Report*, has been prepared by World Trail Pty Ltd for the Otium Planning Group. This document is the work of World Trail and does not necessarily reflect the final views or opinions of all of stakeholders.

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Document Name: Huon Valley Mountain Bike Study
Document Version: Draft
Release Date: 13st January 2020

Front Cover Images: Huon Valley

1 CONTENTS

2 INTRODUCTION

In late 2019 World Trail (WT) was commissioned by Otium Planning Group (OPG), and the Huon Valley Regional Council to evaluate and understand the scope of potential developments of mountain bike (MTB) trails in the Huon Valley as part of the Huon Valley Mountain Bike Feasibility Study.

OPG conducted the background research and engagement stages of the project and prepared an Issues and Options Report. The Report summarises the key findings of these initial stages. These were:

- There is strategic support for a MTB destination in Huon Valley;
- There is a growing MTB and cycling touring participation demand;
- Huon Valley is already being used as a popular riding destination from Hobart and within Huon Valley;
- Attracting MTB visitors is now a competitive market plan;
- Competitive MTB event market;
- Stakeholders support a MTB destination in the Huon Valley;
- MTB destinations deliver economic impacts to regions;
- Governance structure needs to consider the interests and requirements of landowners and managers.

The Report found that the Huon Valley is well located and has the unique character traits of a successful MTB destination.

The project objective was to create a MTB destination that is unique and promotes the region as an adventure destination for families and thrill seekers. The MTB destination would add to the attractive and diverse mix of tourism offerings in the region including world-renowned food, wine and beverage experiences.

WT was set the task to evaluate whether a high quality and extensive MTB trail network of 100+ km and across all trail disciplines was possible that leveraged of Huon Valley's spectacular landscapes and undulating geography and bushland and water way environments.

To achieve this, WT conducted an extensive site visit of the four identified site investigation areas:

- West Wellington Range National Park;
- Sherwood Forest and Snug Teirs Nature Recreation Reserve, and connection to Huonville;
- Tahune Airwalk Adventure and Forestry Area, and connection to Geeveston;
- Franklin Foreshore to Cockles Creek, that connects Huonville, Geeveston and Dover.

Further engagement of land managers, including Sustainable Timbers and Parks and Wildlife Services helped inform WT site investigations.

This report covers leading MTB destination examples and best practice principles, a MTB trail inventory within the region together with a detailed site assessment.

3 LEADING DESTINATIONS

There are many destinations around the world that provide best practice examples of MTB destinations. The list typically includes:

- Whistler, Coast Gravity Park, Vancouver in Canada;
- Moab, Crested Butte, Park City, Fruita, Bend in USA;
- The Seven Stanes in Scotland;
- Morzine, Les Gets in France;
- Rotorua, Nelson, Queenstown in New Zealand; Derby (TAS) in Australia.

The European, Canadian and US examples have all been in operation for many years and are acknowledged success stories. Many papers and reports have been produced citing the economic benefits of these destinations and quantifying visitation and other metrics, however, the value of applying these to the Australian context is questionable. Rather, it is more valuable to consider examples closer to home. Table 2 below reviews Australian examples:

Table 1 - Leading MTB Destinations in Australia

Destination	Location	Trail Style & difficulty	Trail Network Size	Visitation	Other Measures of success
Forrest, Victoria	1.5- 2.0 hrs drive from Melbourne	Cross Country Mostly Beginner Intermediate	Approx. 65km	Approx. 22,000 in 2013/2016	Substantial increase in the number of MTB specific accommodation offerings available Very successful micro-brewery commenced operation after the trails were established, largely based around the patronage of MTB riders, business still in operation, and continuing to grow.
Smithfield, Queensland	15 – 20 minutes' drive from Cairns	Cross – country and downhill Intermediate to advanced. Very little beginner trails.	Approx. 25km	Approx. 33,600 from April 2017 to April 2018 Average of 85 riders a day	While only small, the Smithfield trail network has hosted the highest level of competition

					possible since the 1990's it has played host to 4 rounds of the UCI World Championships
Derby, Tasmania	1.5 hrs 'drive from Launceston	Primarily cross country, some gravity endure/gravity flow trails All difficulty ratings.	Approx. 100km	30,000 in 2017	Coverage in many mainstream media programs and publications. Numerous tourism award Hosted a round of the Euduro World Series (ESW) in 2017 and 2019 One of the trails (Detonate) named '2017' Best Trail in the World' by the Enduro World Series Athletes. Real estate prices have doubled since the trails opened. Volume of real estate sales has doubled or tripled in that time Net movement of people (including families) into the town. Substantial increase in number of businesses in operation, with more applications for new businesses. Estimated to have an annual net impact of 15 – 18M annually to the local economy.

3.1 BEST PRACTICE PRINCIPLES

In 2008 Tourism British Columbia Released a publication called 'Mountain Bike Tourism' which came up with the following formula for success:

"Success = Great Trails + Bike Infrastructure + Service/Hospitality"

Whilst simplistic in its message, it got one thing absolutely 100% correct: Great trails are essential – in fact they are the core product. Best practice MTB destinations are exceptionally good at:

1. **Attracting significant MTB visitation;**
2. **Capturing economic benefits from the MTB visitation.**

Visitation is influenced by many variables. These are detailed in the following pages.

A. Quality of the Trail Network

While ultimately a riders' perception and enjoyment of a trail is a matter of opinion, the quality of the construction of a trail is not.

- *Does the trail have proper drainage in place? If not, it will become boggy and degraded in short time, damaging the trail but also impacting on the experience.*
- *Is there adequate and sufficient signage in place? If not, riders will struggle to navigate their way throughout the trails and may become lost or confused.*
- *Do the trails match their difficulty ratings? In some ways, the easiest trails are the hardest to construct as they require attention to detail, removal of obstacles, careful adherence to low trail gradients etc.*
- *Are the trails spectacular?*

Do the trails facilitate easy enjoyment of the scenery? This means making sure that the trails reach all the landmarks and features within the landscape. It also means going above and beyond to construct lookouts and rest spots, with accessories like handrails, bike stands, seating, etc.

- *Are the trails landscaped?*

This might include rock walls, retaining walls, trail surfacing, rock armouring and rock features like jumps, chokes and corrals. Many of these features have important roles in trail sustainability, but also create a sense of high-quality trail construction.

Figure 1 – Considerations when constructing a quality trail

An example of a 'World Class' quality trail is the Derby MTB Trails shown on the following pages.

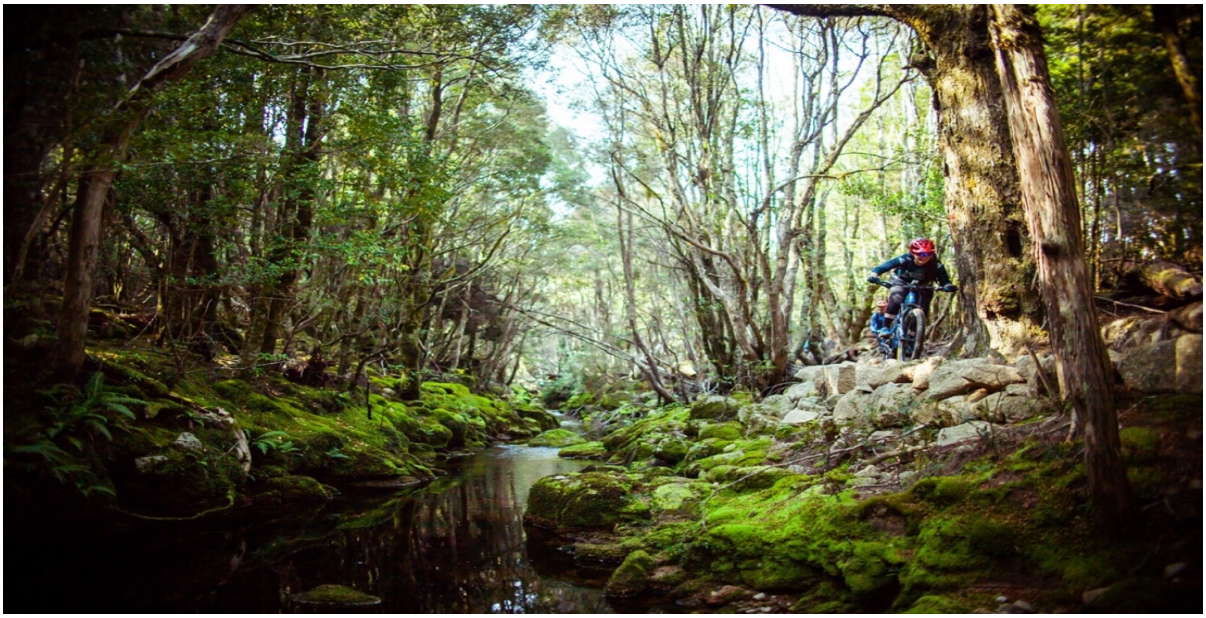


Figure 2 - Derby Trails – photo credit (World trail)

B. **Extent of the Trail Network**

The size of the trail network is an important consideration. The ideal goal is to create a trail network that can't be ridden easily in one day's visit, encouraging riders to make a return trip or to stay overnight. This is referred to as the 'Tipping Point' – i.e. the length of trail that can't be easily ridden in one day. The tipping point is generally somewhere in the order of 85 km of trail, but is influenced by topography, terrain, soils, style of trails and difficulty rating of trails.

Figure 3 – Derby Trails – photo credit (World trail)

C. Variety Offered by the Trail Network

The best trail destinations offer a variety of trails to ensure they cater to the widest possible market of MTB riders. This means offering a variety of trail types/styles (including cross-country, gravity flow, DH etc.) and also a variety of trail difficulty ratings within each of these different trail types/ styles. The wider the offering, the bigger the potential market of trail users.

D. Location of the Trail Network

The most popular trail destinations in Australia are within around 3-5 hours driving time from major capital cities and 1-3 hours driving time from large regional towns.

E. Marketing of the Trail Network

Being a non-traditional and still maturing sport in Australia, MTB has always occupied a low-key position in the mainstream sporting world. As such, most marketing of MTB destinations has been aimed at the dedicated enthusiasts and through dedicated MTB media such as magazines, websites and social media. However, marketing is becoming more commonplace with all the leading Australian MTB destinations recognizing the value of marketing and engaging in some degree of marketing, albeit still largely targeted at the dedicated enthusiasts.

Figure 4 - Stonefly advertising Mt Buller - photo credit (World Trail)

F. Supporting Services and Infrastructure

Supporting services and infrastructure includes accommodation, food and beverage, bike hire, shuttle services, visitor information centers etc. While these don't generally influence riders to travel to a destination, if they aren't in place, they can be a deterrent to travel. Furthermore, exceptional businesses in this area can be an attraction in their own right – micro-breweries, unique accommodation offerings, the ability to hire and trial high end mountain bikes etc.

G. Provision of Information About the Trail Network

High quality information about the trail network (and supporting services and infrastructure) needs to be available and easily accessible to rider's pre-visit. This is typically done through websites, but some destinations (like Blue Derby, TAS) are even developing their own smartphone apps with interactive trail maps that could be used to provide detailed information pre-visit.

Figure 5 - Derby Trail Head - photo credit (World trail)

H. MTB Events

MTB events are an important motivator for many visitors and can often be the way that many riders visit a destination for the first time. This includes both elite (for example, the Enduro World Series held in Derby in 2017 and again in 2019, which is an elite level event, but attracts many, many spectators) and mass-participation events (for example, 24-hour cross-country enduro style events).

Figure 6 - Enduro World Series Derby - photo credit (World Trail)

I. Availability of Non-MTB Tourism Product

Having non-MTB tourism products available also adds to the attractiveness of a destination and broadens the market base. It increases the appeal of a destination particularly for the family/leisure segment, who may not want to ride every single day of their visit. It also means that there are other activities for non-riding members of the travel group, again making the destination more attractive for families or groups.

J. Maintenance and Ongoing Investment in the Trail Network

This variable is linked to quality – if a high-quality trail network isn't maintained, it won't stay that way for long. Well maintained trails always feel fresh, new and looked after and invite repeat visitation, contributing to the overall experience of visitors.

Trail destinations need to keep investing in their trail network to ensure they remain current and progressive, providing reasons for people to return time and time again. This doesn't necessarily mean constantly expanding and adding new trails. Instead it might mean a rebuild of an existing trail, the addition of some optional ABC lines or jumps, the refurbishment of bridge or boardwalk and so on.

Figure 7 – Derby Trail maintenance – photo credit (world trail)

4 MTB TRAIL INVENTORY FOR THE HUON REGION

World Trail during their desktop analysis, subsequent site investigation and consultation identified a number of sites in Southern Tasmania where MTB trails have been constructed and are currently being used by MTB riders on a regular basis.

Table 2 below outlines the location of these sites, the travel time from Hobart, the length of the trail network and the number and difficulty rating of trails at each location. Due to the large number of sites, WT were not able to visit each of these locations and cannot confirm the accuracy of the figures stated below. This would require a trail audit of all identified sites to confirm trail lengths and trail ratings. This auditing was not identified in the scope of works for this investigation.

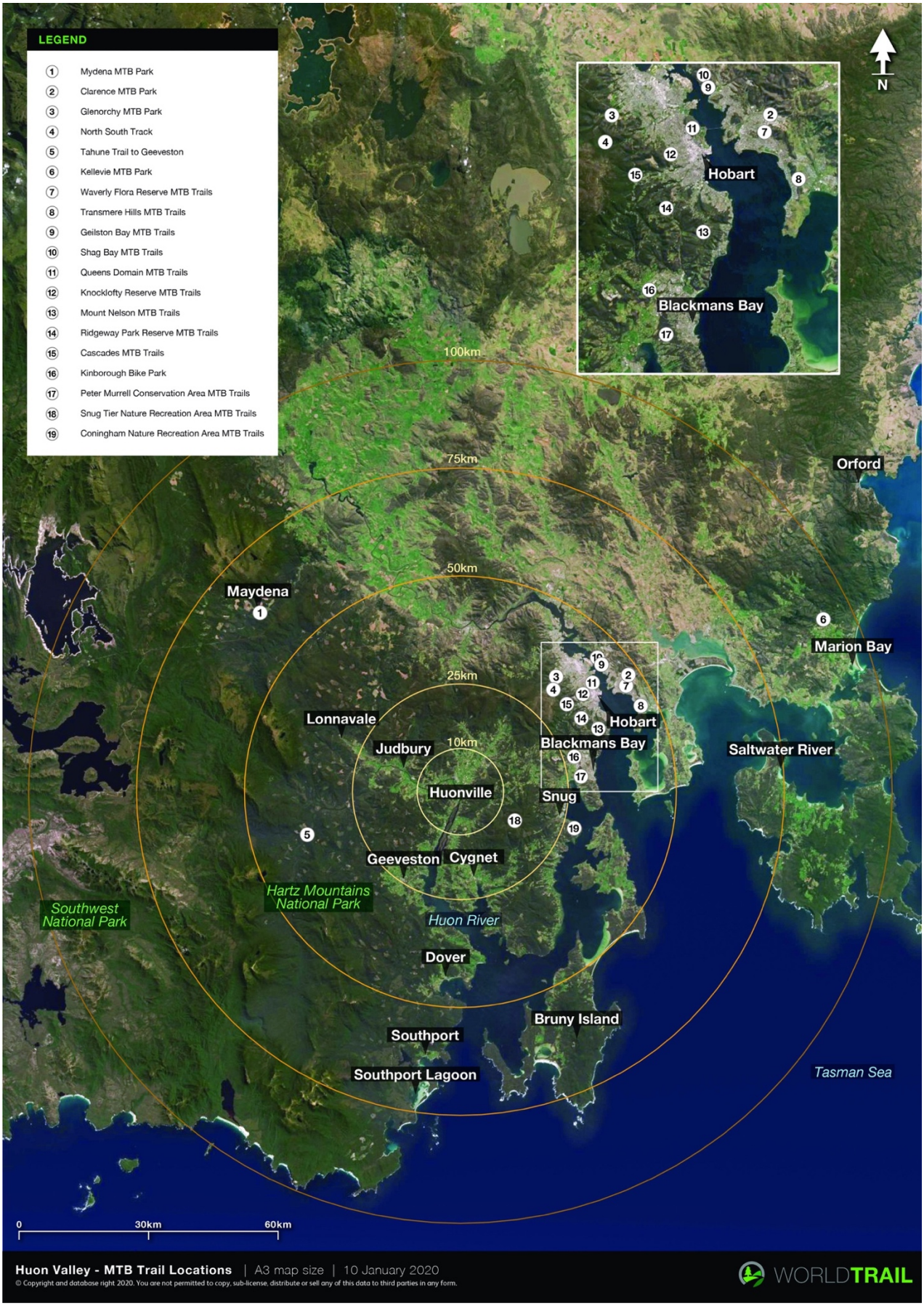
The intent of the identification of the current inventory of MTB trails in Southern Tasmania was to provide an overview of the current trail inventory and identify any competition a new MTB trail destination may face.

Table 2 - Current MTB Riding Options in Southern Tasmania

Location	Travel Time from Hobart	Trail Network Length	Trail Ratings and number
Maydena Bike Park	1.5 Hours	120 Km	Green Trails 10, Blue Trails 21, Black Trails 27.
Clarence and Meehan Ranges MTB Park	15 Min	47 Km	Access Fire Trails 5, Green Trails 19, Blue Trails 29, Black Trails 3.
Glenorchy MTB Park	20 Min	10 Km	Green Trail 4, Blue Trails 2, Black Trails 7.
North South Track	20 Min	23 Km	Dual directional multi-use trail.
Tahune Airwalk to Geeveston Trail	1.5 Hours	49 Km	Gravel Roads
Kellevie MTB Park	1 Hour	30 Km	Green Trails 3, Blue Trails 6.
Waverly Flora Reserve MTB Trails	Central Hobart	8 Km	Access Fire trails 5, Green Trails 4, Blue Trails 2.
Tranmere Hills MTB Trails	20 Min	13 Km	Access Fire Trails 2, Green Trails 6, Blue Trails 4, Black Trails 2.
Geilston Bay MTB Trails	10 Min	14 Km	Access Fire Trails 6, Green Trails 5, Blue Trails 7, Black Trails 2.
Shag Bay MTB Trails	20 Min	13 Km	Access Fire Trails 2, Green Trails 7, Blue Trails 6, Black Trails 1.
Queens Domain MTB Trails	5 Min	10 Km	Dual Use trail 1, Green Trail 7, Blue Trails 6.
Knocklofty Reserve MTB Trails	10 Min	20 Km	Access Fire trails 7, Green Trails 10, Blue Trails 16, Black Trails 1.
Mount Nelson MTB Trails	15 Min	30 Km	Access Fire Trails 7, Green Trails 15, Blue Trails 12, Black Trails 3.
Ridgeway Park Reserve MTB Trails	15 Min	24 Km	Access Trails 4, Dual use trail 1, Green Trail 15, Blue Trail 13.
Cascades MTB Trails	10 Min	32 Km	Access Fire Trails 3, Dual Use Trail 1, Green Trail 5, Blue Trail 19, Black Trails 19.
Kinborough Bike Park	30 Min	1.2 Km	1.2km dirt jump trails, Green Trails 2, Blue Trails 1.

Peter Murrell Conservation Area	20 Min	34 Km	Access Fire Trails 1, Green Trails 31, Blue Trails 6, Black Trails 1.
Snug Tier Forest Reserve	30 Min	17 Km	Green Trails 1, Blue Trails 4 Black Trails 1.
Coningham Nature Recreation Area	30 Min	46 Km	Access Fire Trails 14, Green Trails 25, Blue Trails 18.

As evidenced in **Table 2** above, Southern Tasmania has WT identified nineteen MTB riding options within 2 hours' drive of the Huon Valley. The large number of MTB riding options in the region may have an impact on the success of any future proposal for MTB trails in the Huon Valley.



Map 1 – Southern Tasmania Trail Locations

4.1 ASSESSMENT OF CURRENT MTB RIDING OPTIONS

In order to identify current MTB riding trends in Southern Tasmania, and particularly in the Huon Valley, WT have utilised a site visit, social media platforms and current literature to identify the significance of the identified MTB riding locations based on the (Australian Mountain Bike Trail Guidelines[1] 'AMBTG'), Significance Hierarchy and Trail Models 2019.

MTB facilities are assessed on their significance to the region, and are classified as having either Local, Regional or National significance based on the criteria in the tables below:

Table 3 - Local Significance Criteria

Criteria	Metric	Minimum infrastructure required
Length of trails	Up to 20km	• Car Park • Toilets • Trail Head Signage • Trail Markers
Number of loops	2 +	
Proportion of single track	>80%	
Minimum area of site	>250ha	
Location	Selected Areas	
Road access	Must have clear public road access	
Trail classification range	IMBA Green to Double Black Diamond	

Table 4 – Regional Significance Criteria

Criteria	Metric	Minimum infrastructure requirements
Length of trails	20km – 80km	• Car Park • Toilets • Trail Head Signage • Trail Markers
Number of loops	2 +	
Proportion of single track	>50%	
Minimum area of site	>500ha	
Location	<40km from 15,000 population	
Road access	<10km from highways and primary roads.	
Trail classification range	Mixture of trail classifications, IMBA Green and Blue required as a minimum.	

[1] Australian Mountain Bike Trail Guidelines 2019, 'AMBTG'

Table 5 – National Significance Criteria

Criteria	Metric	Minimum infrastructure requirements
Length of trails	>80km	• Car Park • Toilets • Trail Head Signage • Trail Markers • Accommodation • Bike hire • Café • Event hosting capabilities
Number of loops	2 +	
Proportion of single track	>50%	
Minimum area of site	>1500ha	
Location	<180km from airport/major transport links.	
Road access	<20km from major highways	
Exclusion zones	>90km from another national scale centre	
Other	Must be within 1km of a national or state road	
Trail Classification range	Mixture of trail classifications, IMBA Green and Blue required as a minimum.	

Table 6 below applies the above significance criteria to define the significance of the nineteen currently identified locations. The purpose of this evaluation is to highlight the current supply of MTB facilities in Southern Tasmania and their significance in order to advise on any potential opportunities in the regions MTB trail inventory.

In line with the initial project brief, this report aims to identify a future location for a Regional or National Significance MTB destination, with the aim of stimulating the local economy through MTB tourism.

Table 6 - Location Significance Evaluation

Location	Length of trails	Metrics	Minimum Infrastructure Requirements	Overall Significance Model	Comments
Maydena Bike Park	National	National	National	National	Nationally significant facility with all criteria met.
Clarence and Meehan Ranges MTB Park	Regional	Regional	Local	Regional	Regionally significant facility with most criteria met. Requires more trail development and infrastructure.
Glenorchy MTB Park	Local	Regional	Regional	Regional	Regionally significant facility requiring more development of the trail network.

North South Track	Local	Local	Regional	Local	Locally significant track.
Tahune Airwalk to Geeveston Trail	Local	Local	Local	Local	Locally significant track which may offer limited connection from the Tahune Airwalk to connect with Geeveston.
Kellevie MTB Park	Regional	Local	Regional	Regional	Regionally significant facility as there is no opportunity to expand the trail network unless it extends into state forest.
Waverly Flora Reserve MTB Trails	Local	Local	Local	Local	Locally significant facility due to limited infrastructure and room for expansion.
Tranmere Hills MTB Trails	Local	Local	Local	Local	Locally Significant facility due to limited infrastructure and room for expansion.
Geilston Bay MTB Trails	Local	Local	Local	Local	Locally Significant facility due to limited infrastructure and room for expansion.
Shag Bay MTB Trails	Local	Local	Local	Local	Locally Significant facility due to limited infrastructure and room for expansion.
Queens Domain MTB Trails	Local	Local	Regional	Local	Locally Significant facility due to limited infrastructure and room for expansion.
Knocklofty Reserve MTB Trails	Local	Local	Local	Local	Locally Significant facility due to limited infrastructure and room for expansion.
Mount Nelson MTB Trails	Regional	Local	Regional	Regional	Regional Significant facility due to length of the trail network.
Ridgeway Park Reserve MTB Trails	Regional	Regional	Regional	Regional	Regional Significant facility due to length of the trail network.
Cascades MTB Trails	Regional	Regional	Regional	Regional	Regional Significant facility due to length of the trail network.
Kinborough Bike Park	Local	Local	Local	Local	Local Significance facility offering dirt jumps.
Peter Murrell Conservation Area	Regional	Regional	Regional	Regional	Regional Significant facility due to length of the trail network.
Snug Tier Forest Reserve	Local	National	Local	Local	Locally significant site requiring development of the trail network.

Coningham Nature Recreation Area	Regional	Regional	Regional	Regional	Regionally significant facility requiring more development of the trail network.

4.2 HUON VALLEY IDENTIFIED SITES

Through desk top analysis, engagement with stakeholders and site visits to the Huon Valley, OPG and WT identified four sites which warrant further investigation. In the identification of locations which could be considered for the development of MTB trail networks in the Huon Valley, an initial assessment was based on the MTBA significance criteria as outlined in the tables 3,4 and 5 above, enabling sites to be excluded from further investigation if they do not meet the criteria to be classified as a Regionally or Nationally significant MTB trail destination.

Table 7 below outlines the results of the assessment.

Table 7 - Site Selection Matrix

Site	Length of trails	Area in ha	Location	Road access	Exclusion zones	Other	Trail Classification range	Infrastructure	Rating
Snug Tier Forest Reserve	- 17km trails currently constructed. - Could be increased to >80km. - Meets National Significance Criteria.	- >1500ha Approx. 5,575ha. - Meets National Significance Criteria.	- 40min from Huonville and 40min to Hobart. - <180km from airport/ major transport links. - Meets National Significance Criteria.	- Clear public road access. - <20km from major highways. - Meets National Significance Criteria.	- Maydena is more than 90km from Snug Tier Forest Reserve. - >90km from another national scale centre. - Meets National Significance Criteria.	- Snug Tier is 5km from a national or state road. - Must be within 1km of a national or state road. - Meets Regional Significance Criteria.	- Suitable for IMBA Green – Double Black Diamond Trails. - Meets National Significance Criteria.	- No connection to a town or associated infrastructure. - Meets Local Significance Criteria	- National Significance. - Requires infrastructure development.
Sherwood Hill Conservation Area	- No existing trail network	- >500ha Approx. 868ha.	- 5 min from Huonville and 40min	- Clear public road access. - <20km	- Maydena is more than 90km	- Sherwood Hill Conservation Area is	- Suitable for IMBA Green – Double Black	- Meets National Significance due to the connecti	- Regional Significance due to the

	identified - 20km – 80km - Meets Regional Significance Criteria	- Meets Regional Significance Criteria.	to Hobart. - <180km from airport/ major transport links. - Meets National Significance Criteria.	from major highways. - Meets National Significance Criteria.	from Sherwood Hill Conservation Area. - >90km from another national scale centre. - Meets National Significance Criteria.	within 1km of a national or state road. - Must be within 1km of a national or state road. - Meets National Significance Criteria.	Diamond Trails. - Meets National Significance Criteria.	on to Huonville and associated infrastructure.	land area available to develop a trail network beyond 80km.
Tahune Airwalk	- Some existing trail network identified. - >80km. - Meets National Significance Criteria.	- >1500ha Approx. 65,459 ha. - Meets National Significance Criteria.	- 1hr from Huonville and 1hr 30min to Hobart. - <180km from airport/ major transport links. - Meets National Significance Criteria.	- Clear public road access. - <20km from major highways. - Meets National Significance.	- Maydena is more than 90km from Tahune Airwalk to Geeveston Trail. - >90km from another national scale centre. - Meets National Significance Criteria.	- Tahune Airwalk is within 1km of a national or state road. - Must be within 1km of a national or state road. - Meets Regional Significance Criteria.	- Suitable for IMBA Green – Double Black Diamond Trails. - Meets National Significance Criteria.	- Meets Local Significance Criteria as there is no connection to a town or associated infrastructure.	- Regional Significance due to the location's remoteness from a town and lack of an events area.
Dover	- No existing trail networks. - >80km. - Meets National Significance Criteria.	- >1500ha Approx. 65,459 ha. - Meets National Significance Criteria.	- 40min from Huonville and 1hr 10min to Hobart. - <180km from airport/ major transport links.	- Clear public road access. - <20km from major highways. - Meets National Signific	- Maydena is more than 90km from Dover. - >90km from another national scale centre.	- Dover is located on a state road. - Must be within 1km of a national or state road.	- Suitable for IMBA Green – Double Black Diamond Trails. - Meets National Significance Criteria.	- Meets National Significance due to the connection to the Township and associated infrastructure.	-Meets National significance as the site generally meets all the criteria.

			- Meets National Significance Criteria.	ance Criteria.	- Meets National Significance Criteria.	- Meets National Significance Criteria.			

As evidenced in **Table 7** above the identified sites meet the criteria for regional and national significance. This assessment has been based on the 'AMBTG' Significance and Hierarchy criteria.

4.3 CONSTRAINTS AND OPPORTUNITIES OF IDENTIFIED SITES

Further to the 'AMBTG' criteria WT has developed additional criteria which looks at a number of additional variables in line with Australia's successful MTB destinations. Below we have elected to apply these criteria to all four sites identified in the Huon Valley as a means of locating the best fit location for MTB tourism in the Huon Valley.

When considering a location for a Locally, Regionally or Nationally significant MTB trail model, the following questions could be asked:

- Significance of the trail development to the local and wider community in terms of both economic and social impacts;
- Significance of the trail development in terms of wider recreation and access issues;
- Impact the development may have nationally, regionally or locally;
- Effects on the local community.
- Current supply of MTB Trails in the regional area.

Huon Valley Council, and other stakeholders will need to consider these questions in analysing the results of the site selection matrix, to ensure the selected site fits into the overall planning strategies for the region.

World Trail considers the thirteen criteria below when assessing the feasibility of potential mountain bike destinations. The criteria highlight the constraints and opportunities of a proposed location with the aim of identifying a suitable trail model.

The **thirteen criteria** identified by WT are outlined below:

1. **National and International Connectivity.**

   The potential to access both local, domestic and international travellers strengthens the viability of a region as a potential location for MTB tourism. Access to a region by established travel routes strengthens the regions potential as a major mountain bike tourism destination. This level of access would support potential opportunities for a destination to offer premium international events, such as World Cups, World Championships, and other Domestic and Regional mountain bike events. Hosting of events is seen as an opportunity to showcase the trail product to the broadest market.

2. Proximity to regional population centre

Proximity to regional population centres provides a ready market for MTB tourism. This may have a flow on effect by encouraging more local riders to participate in the sport, while providing additional regional economic stimulus.

3. Connectivity of the Township to the Trail Head

When analysing a regions potential as a mountain bike destination, World Trail consider the opportunity to ride in-ride out of a commercial centre to the trail network, less than a few hundred metres from the commercial centre to be the ideal scenario.

4. Accommodation

The ability to offer accommodation in close proximity to any potential trail network is a key criteria World Trail uses to evaluate a regions potential. This is based on the current availability of accommodation and the opportunity to develop future accommodation options as demand facilitates.

5. Hospitality option

Hospitality options provide facility for MTB riders who regularly frequent café's and other hospitality services when out riding. This provides a great opportunity to stimulate local economies.

6. Natural Attributes

MTB riders are seeking outdoor experiences, a picturesque environment will help to promote a potential trail network.

7. Tenure

Availability of suitable land parcels for development of a trail head, competitive overlay and trail network are key criteria to the successful development of a mountain bike destination. The tenure of the land parcels that facilitate this must be public property, be lease hold with the opportunity to lease, or be free hold which can be purchased. The land parcel must be able to accommodate a trail network of up to approximately 85km, with the opportunity to extend this network as demand increases.

8. Events

The opportunity for a mountain bike trail destination to host events is considered highly desirable when identifying a suitable location for a trail town. MTB events are an important motivator for many visitors and can often be the way that many riders visit a destination for the first time. Events include elite (for example, the Enduro World Series held in Derby in 2017 and again in 2019, which is an elite level event, but attracts many spectators) and mass-participation events (for example, 24-hour cross-country and Enduro style events).
The venue may also host National and Regional events such as the Australian MTB marathon championships and local club events which encourage participation in the sport.

9. Trail Products

Provision of a range of mountain bike riding products enhances the opportunities for visitation to a region by a diverse clientele. This is a key consideration when identifying a suitable location, ensuring trail products can be developed to offer a number of MTB experiences, catering for all levels of rider ability and fitness levels.

10. Retail Services

Proximity to regional business centres provides access to shopping centres, bicycle shops, tour operators, medical services and all other services MTB riders may require.

11. Emergency Services

Proximity to emergency services is considered desirable for a mountain bike trail destination. Ideally services would generally lie within 100km of any response location in the trail network.

12. Existing Outdoor Adventure Culture

An active outdoor culture will provide additional outdoor experiences for mountain bike tourists wishing to combine mountain biking with other outdoor activities. This provides opportunity for economic stimulus to existing and new tourism operators.

13. Communications

Communications play an important role in developing a region's development by providing connectivity for emergency services, media events, social media and general communications for visitors.

5 SITE SELECTION MATRIX SUMMARY

Below in **Table 8** an assessment of each of the selected sites will be undertaken to further understand the constraints and opportunities of the sites identified in the Huon Valley.

Table 8 - Site Selection Matrix

SITES	1	2	3	4
CRITERIA	**SNUG TIER FOREST RESERVE**	**SHERWOOD HILL CONSERVATION AREA**	**TAHUNE AIRWALK**	**DOVER**
NATIONAL AND INTERNATIONAL CONNECTIVITY	Hobart Airport has direct flights to the Gold Coast, Brisbane, Sydney, Melbourne opening potential MTB destinations to a large National and International Market. The 1hr travelling time is considered ideal.	Hobart Airport has direct flights to the Gold Coast, Brisbane, Sydney, Melbourne opening potential MTB destinations to a large National and International Market. The 1hr travelling time is considered ideal.	Hobart Airport has direct flights to the Gold Coast, Brisbane, Sydney, Melbourne opening potential MTB destinations to a large National and International Market. The 1hr 20min travelling time is considered ideal.	Hobart Airport has direct flights to the Gold Coast, Brisbane, Sydney, Melbourne opening potential MTB destinations to a large National and International Market. The 1hr 30min travelling time is considered ideal.
PROXIMITY TO REGIONAL POPULATION CENTRE	Hobart and South East 271,214.	Hobart and South East 271,214.	Hobart and South East 271,214.	Hobart and South East 271,214.
CONNECTIVITY OF THE TOWNSHIP TO THE TRAIL HEAD	The Snug Tier Forest Reserve has no opportunity to connect the township to the trail head.	The Sherwood Hill Conservation Area could be connected to Huonville with the utilisation of Local Government Authority GTH64 and the acquisition of Freehold Lot FFZ60 and Freehold Lot GTU 96. This provides direct access to Huonville enabling the township to be connected to a trail head on the acquired lots. This is considered to be ideal due to the opportunity to ride in and out of the township.	Connection of the township of Geeveston to a trail network seems unlikely due to the continuous freehold lots separating the township from Crown Land Lot GSV56 as an entry point into Permanent Timber Production Zone Land.	Connection of the township of Dover to a trail network appears to have merit. The proposed option would not be seen as the ideal situation, though still has merit. Connection of the Trailhead on Crown Land Lot GYY02 via Dover Rivulet and an unspecified road reserve give access to Crown Land Lots GZA 79 where a town trail network could be developed. Further to this the Trailhead location can be

				connected via Crown Land Lot GYX93 and Francistown and Hopetoun Roads to Crown Land Lot GSV 58. Crown Land Lot GSV 58 is the proposed location for a major trail network. Dover is not considered ideal as you cannot ride from the trail hub and town centre to the major trail network. The ability to directly access the town trail network does improve the sites prospects somewhat.
ACCOMODATION	Snug, 7km from the proposed site has multiple accommodation options. The region has an existing supply of accommodation options which could organically expand with increased demand.	Huonsville has an existing supply of accommodation options which could organically expand with increased demand.	Geeveston has a limited existing supply of accommodation options which could organically expand with increased demand.	Dover is well placed with current accommodation. The regions existing supply of accommodation options could organically expand with increased demand.
HOSPITALITY OPTIONS	Snug is well placed with multiple hospitality. There are numerous well-established cafés, restaurants and pubs. There may not be significant benefit to these businesses as the trail head would not be situated in the township.	There currently are multiple hospitality options available in Huonville. The township of Huonville is well placed to benefit from MTB tourism due the connectivity of the proposed trail network to the township's current hospitality options. Huonville currently has a number of cafes, pubs and restaurants with	There is currently a number of hospitality options located in Geeveston. There may not be significant benefit to these businesses due to the lack of connectivity between the township and a proposed trail head. Tahune Airwalk has an existing visitor centre and café which would	Dover has a number of well-established hospitality options. There is an RSL, cafes, and a restaurant. The township of Dover is well placed to benefit from MTB tourism due the connectivity of the proposed trail network to the township's current hospitality options.

		ample retail space to allow for growth.	benefit from MTB tourism if the trail head was located at Tahune.	
NATURAL ATTRIBUTES	Snug Tier Forest Reserve is a eucalypt forested basaltic mountain close to the coast with waterfalls providing a stunning natural setting for visitors. The Snug Tier Forest Reserve rises to 690m from 20m making the site quite vertically aggressive. This site is large enough to allow well graded purpose-built MTB trails to be constructed.	Sherwood Hill Conservation Area is a eucalypt forested basaltic mountain close to Huonville with a view of the Egg Islands in the Huon River. The Sherwood Hill Conservation Area rises to 630m from 10m making the site quite vertically aggressive. This site is quite restricted which would increase the difficulty of constructing well graded purpose-built MTB trails.	Tahune Airwalk is situated on the Huon River. This Forestry Reserve is covered in Eucalypt Forest on Basaltic formations close to Geeveston. This region adjoins the Hartz Mountains National Park In the Hartz Mountains National Park, there are numerous waterfalls flowing into glacial lakes on the alpine plateau and make this a wonderfully dramatic place to visit, year-round. Tahune Airwalk lies at 50m with peaks adjacent rising to 530m. Due to the size of the site, it is conducive to the construction of well graded purpose-built MTB trails.	Sitting on the shore of Port Esperance Dover's natural attributes range from coastal views across the bay to the hot springs and caves to be found at Hastings Caves 30min drive away. The surrounding Forest is Eucalypt forest on Basaltic formations. Currently this area is under forest production.
TENURE	Snug Tier Forest Reserve is a Nature Recreation Area surrounded by Freehold Property. The 5,575Ha of this lot make it suitable to develop in excess of 85km of purpose-built MTB trails, allowing for some level of trail network expansion. There is no opportunity to readily connect the trail network to Snug.	Sherwood Hill Conservation Area is adjoined by Crown Land making up 868Ha. This land parcel is suitable to develop approximately 30km of purpose-built MTB trails, though due to the land parcels being surrounded by Freehold property's there is no room for trail network expansion. The network could be	Tahune Airwalk sits in the Permanent Timber Production Zone Land. This 65,459ha land parcel is suitable to develop in excess of 85km of purpose-built MTB trails. There is no opportunity to readily connect the trail network to Geeveston.	Dover connects to Crown Land under forest production with a land area of 2,727ha for the land parcel identified for the major trail network. This land parcel is suitable to develop in excess of 85km of purpose-built MYB trail, and the surrounding tenure would

		connected to Huonville with the purchase of freehold properties.		allow for future expansion. The Crown Land identified for the town trail network is 156ha and would be suitable for approximately 5-10km of purpose-built MTB trails with no opportunity for expansion.
EVENTS	There is limited opportunity to develop an event staging area for this site though it would be possible though remote from any township reducing the economic benefit to the local economy.	There is opportunity to stage an event directly connected to Huonville resulting in an event which supports spectator participation and would provide direct economic benefit to the local economy.	There is limited opportunity to develop an event for this site. The distance between the trail network and Geeveston makes developing an event staging area difficult. One option could be events staged from the Tahune Airwalk site though this would provide economic benefit to the Tahune Airwalk predominately.	There is opportunity to stage an event directly connected to Dover with some limited connectivity to the township. This site would suit Cross Country events where a finish line would be located at the trail head, or in the township. The site would not be suitable for Downhill events as the finish line cannot be reached while still on the course.
TRAIL PRODUCTS	Snug Tier Forest Reserve is suitable for IMBA Green – Double Black Diamond Difficulty Classification Trails offering a broad range of trail options to suit all riders' skills and abilities ensuring the site would achieve maximum visitation. Due to the significant elevation of the site, it would particularly suit gravity trails with vehicle shuttle options which are	Sherwood Hill Conservation Area is suitable for IMBA Green – Double Black Diamond Difficulty Classification Trails. Due to the aggressiveness of the site, trail options would predominately suit more experienced riders with some level of beginner trails to help riders develop their skills and abilities. Due to the significant elevation of the site, it would	Tahune Airwalk is suitable for IMBA Green – Double Black Diamond Difficulty Classification Trails offering a broad range of trail options to suit all riders' skills and abilities ensuring the site would achieve maximum visitation. Due to the significant elevation of the site, it would particularly suit gravity trails with vehicle shuttle	Dover is suitable for IMBA Green – Double Black Diamond Difficulty Classification Trails offering a broad range of trail options to suit all riders' skills and abilities ensuring the site would achieve maximum visitation. Due to the significant elevation of the site, it would particularly suit gravity trails with vehicle shuttle

	in high demand in the current MTB trail market. This product relies on locating suitable existing fire access roads as access to shuttle drop off points. his mix of trail styles would encourage visitation by riders who like to ride cross country, enduro and downhill options.	particularly suit gravity trails with vehicle shuttle options which are in high demand in the current MTB trail market. This mix of trail styles would encourage visitation by riders who like to enduro and downhill options. The site is not conducive to cross country riding.	options which are in high demand in the current MTB trail market. This product relies on locating suitable existing fire access roads as access to shuttle drop off points. This mix of trail styles would encourage visitation by riders who like to ride cross country, enduro and options.	options which are in high demand in the current MTB trail market. This product relies on locating suitable existing fire access roads as access to shuttle drop off points. This mix of trail styles would encourage visitation by riders who like to ride cross country, enduro and options.
RETAIL SERVICES	Snug is serviced by basic retail services, with Huonville and Hobart nearby visitors are well placed with access to retail services.	Huonville is well serviced with retail services as it is the regional business centre for the Huon Valley. With Hobart close by the region is well serviced.	Tahune Airwalk has very limited retail services with only the visitors centre to provide services. Geeveston is close by with limited retail services on offer. Visitors would need to access services available in Huonville and Hobart.	Dover is serviced by basic retail services, with Huonville and Hobart within reasonable travel distance to access retail services.
EMERGENCY SERVICES	Snug is serviced by a fire station, and medical centre.	Huonville in 1km from the proposed site and has an ambulance station, fire station and government health care facility.	Tahune Airwalk is 20km Geeveston which has a fire station. The nearest health services would be in Dover 15min drive away.	Dover has an ambulance station, fire station and government health care facility.
EXISTING OUTDOOR ADVENTURE CULTURE	Snug has limited existing outdoor culture. There is the opportunity for fishing kayaking, jet boat rides, rock climbing and bush walking. There are many MTB riding options in the region with MTB tours based out of Hobart.	Huonville has limited existing outdoor culture. There is the opportunity for fishing kayaking, jet boat rides, rock climbing and bush walking. There are many MTB riding options in the region with MTB tours based out of Hobart.	Tahune has existing outdoor adventure options focused around the Airwalk facility which until recent fires had attracted large numbers of visitors to the site. There is the opportunity for fishing, kayaking, jet boat rides, rock climbing and	Dover has limited existing outdoor culture. There is the opportunity for fishing kayaking, jet boat rides, rock climbing and bush walking. There are many MTB riding options in the region with MTB tours based out of Hobart.

			bush walking. There are many MTB riding options in the region with MTB tours based out of Hobart.	
COMMUNICATIONS	Snug has a 4G mobile network with reasonable coverage.	Huonville has a 4G mobile network with good coverage.	Tahune has limited mobile coverage.	Dover has a 4G mobile network with good coverage.

Please note this is purely the work of WT and has not been written in consultation with local and national stakeholders.

Table 9 - Site Assessment Outcomes

LOCATION	MTBA CRITERIA	WT CRITERIA	SIGNIFICANCE	COMMENTS
SNUG TIER FOREST RESERVE	- Identified as having national significance.	- Has potential for trail development which may attract significant numbers of riders to the region.	- Identified in this report as of regional significance. This site should be considered moving forward, and would require further investigation to confirm the findings of this report.	- Snug Tier forest reserve is isolated from the township of Snug by freehold property thereby providing no connectivity of the township to the trail head. - The trail head does not directly connect with the township. The ability of riders to ride in ride out of the trail head into the township is seen as being highly desirable when the purpose of the project is to ignite the local business community. With the forest reserve being over 5 km from any proposed trail head location, MTB trail users have already disengaged by packing up, or have made their way to local accommodation. The opportunity to ride directly out of the trail head encourages riders to gather together at local cafes to talk over the ride and creating a MTB culture in the township. - The staging of events can stimulate MTB tourism. With any staging area dislocated from the trail head, opportunities for spectators and competitors to congregate in the township is diminished. - The benefits of this project would be shared by Huon Valley Council and Kingborough Council. - Consultation with stakeholders is required to confirm if the proposed trails fit within current land use agreements.

SHERWOOD HILL CONSERVATION AREA	- Identified as having regional significance	- Has potential for trail development which may attract significant numbers of riders to the region.	- Identified in this report as of Regional Significance. This site may be considered moving forward, though the sites terrain and soil type would require further investigation to confirm the suitability for trail building.	- Sherwood Hill Conservation Area is surrounded by Freehold Properties limiting any future trail network expansion. - The available land parcels would allow for less than 80km of trails to be constructed. - The nature of the local terrain is quite aggressive which limits the trail products which can be developed.
TAHUNE AIRWALK	- Identified as having regional significance.	- Has potential for trail development which may attract significant numbers of riders to the region.	- Identified in this report as of Regional Significance. This site may be considered moving forward, though the sites current condition subsequent to the recent fires, and the terrain and soil type would require further investigation to confirm the suitability for trail building.	- Tahune Airwalk is isolated from the township of Geeveston by freehold property thereby providing no connectivity of the township to the trail head. - A trail head at the Tahune Visitors centre offers limited accommodation and hospitality options. - The ability of riders to ride in ride out of the trail head into the trail network is seen as positive, though the benefit would only support the Tahune Airwalk Visitors Centre. This is not seen as being highly desirable when the purpose of the project is to ignite the local business community. - With the Tahune Airwalk being over 20 km from any Township access to additional hospitality and accommodation is restricted. Riders may have become disengaged after packing up and make their way out of the region - This does not support development of MTB culture in the local township. - The staging of events can stimulate MTB tourism. With any staging area dislocated from the township of Geeveston, benefits of the visitation may not flow onto the township. - Consultation with stakeholders is required to confirm if the proposed trails fit within current land use agreements.
DOVER	- Identified as National Significance.	- Has potential for trail development	- Identified in this report as of national significance.	- There is a level of dislocation between the land parcel identified for the major trail network from the township.

		which may attract significant numbers of riders to the region.	This site should be considered moving forward, and would require further investigation to confirm the findings of this report.	- Utilising the existing foreshore trail from the proposed trail head to connect to Francistown and Hopetoun Roads to Crown Land Lot GSV 58 requires riders to travel approximately 4.5km from the trail head to the major trail network. - Approximately 2.5km of Francistown and Hopetoun Rd would require the construction of a dual directional trail in the road easement to separate riders from local traffic. - Events would be staged from the trail head in dover which would limit the events the site would be suitable for. This site may be suitable for cross country events which could finish at the trail head. These events are not generating as much interest as in previous years. - The land parcel identified for the development of a town trail network is not ideal as it is constricted by freehold land surrounding it. - WT have concern weather it would be appropriate to connect the town trails with a dual use trail along the Dover Rivulet. We were not able to fully assess this during our site visit as it is adjoined by freehold properties. This would require further investigation. - Crown Land Lot GSV 58 is currently under forest production, the constraints of MTB trail development in this Lot would need to be ascertained through liaison with Sustainable Timbers. - Consultation with stakeholders is required to confirm if the proposed trails fit within current land use agreements.

In line with the findings in **Table 9**, Dover stands out as having the greatest potential for attracting MTB visitation. Snug Tier Forest Reserve may also warrant further investigation.

Due to the constraints of the site, it is unlikely Dover would rival destinations such as Derby in Tasmania as the premier MTB trail destination. However, it would provide a nationally significant MTB destination that could complement other adventure trail experiences in the Huon Valley region.

Both Dover and Snug Tier Forest Reserve locations require a partnership with land managers (Sustainable Timbers and Parks and Wildlife Services), and in the case of Snug Tier Forest Reserve, with Kingborough Council.

6 RECOMMENDATIONS

The township of Dover has many of the attributes to provide enjoyable experiences for mountain bikers due to the scenic natural setting and has the potential to become a regional/nationally significant mountain bike destination generating a number of social and economic outcomes which would provide positive outcomes for the region.

Please see World Trails Recommendations below:

Recommendation 1:

WT recommends Huon Valley Council partner with Sustainable Timber and undertake consultation with all potentially affected stakeholders at the Dover site to ascertain the appetite for a MTB destination.

Recommendation 2:

Huon Valley Council engage a suitably qualified consultant to manage this process and prepare a MTB trail concept plan. This plan may include the following:

- Identify constraints and opportunities to construct a trail network including cultural heritage and environmental considerations on the proposed site;
- Identification of a suitably located trail head;
- Plan outlining the infrastructure required at the trail head;
- Identify a suitable trail network model based on the criteria derived from the criteria derived from 'AMBTG' general trail planning, design and construction principles.
- Develop a concept trail network plan with reference to the IMBA trail difficulty rating system. Refer to **Appendix**.

7 APPENDIX

7.1 IMBA TRAIL DIFFICULTY RATING SYSTEM

Rating	Easiest	Easy	More Difficult	Very Difficult	Extremely Difficult
Symbol					
Description	Likely to be a fire road or wide single track with a gentle gradient, smooth surface and free of obstacles. Frequent encounters are likely with other cyclists, walkers, runners and horse riders.	Likely to be a combination of fire road or wide single track with a gentle gradient, smooth surface and relatively free of obstacles. Short sections may exceed these criteria. Frequent encounters are	Likely to be a single trail with moderate gradients, variable surface and obstacles. Dual use or preferred use Optional lines desirable	Likely to be a challenging single trail with steep gradients, variable surface and many obstacles. Single use and direction Optional lines XC, DH or trials	Extremely difficult trails will incorporate very steep gradients, highly variable surface and unavoidable, severe obstacles. Single use and direction Optional lines XC, DH or trials
Trail Width	2100mm plus, or minus 900mm	900mm plus, or minus 300mm for tread or bridges.	600mm plus, or minus 300mm for tread or bridges.	300mm plus, or minus 150mm for tread and bridges.	150mm plus, or minus 100mm for tread or bridges.
Trail Surface	Hardened or smooth.	Mostly firm and stable.	Possible sections of rocky or loose tread.	Variable and challenging.	Widely variable and unpredictable.
Average Trail Grade	Climbs and descents are mostly shallow. Less than 5% average.	Climbs and descents are mostly shallow, but may include some moderately steep sections. 7% or less average.	Mostly moderate gradients but may include steep sections. 10% or less average.	Contains steeper descents or climbs. 20% or less average.	Expect prolonged steep, loose and rocky descents or climbs. 20% or greater average.
Maximum Trail Grade	Max 10%	Max 15%	Max 20% or greater	Max 20% or greater	Max 40% or greater

Level of Trail Exposure	Firm and level fall zone to either side of trail corridor	Exposure to either side of trail corridor includes downward slopes of up to 10%	Exposure to either side of trail corridor includes downward slopes of up to 20%	Exposure to either side of trail corridor includes steep downward slopes or free-fall	Exposure to either side of trail corridor includes steep downward slopes or free-fall
Natural Obstacles and Technical Trail Features (TTFs)	No obstacles.	Unavoidable obstacles to 50mm (2”) high, such as logs, roots and rocks. Avoidable, rollable obstacles may be present. Unavoidable bridges 900mm wide. Short sections may exceed criteria.	Unavoidable, rollable obstacles to 200mm (8”) high, such as logs, roots and rocks. Avoidable obstacles to 600mm may be present. Unavoidable bridges 600mm wide. Width of deck is half the height. Short sections may exceed criteria.	Unavoidable obstacles to 380mm (15”) high, such as logs, roots, rocks, drop-offs or constructed obstacles. Avoidable obstacles to 1200mm may be present. Unavoidable bridges 600mm wide. Width of deck is half the height. Short sections may exceed criteria.	Large, committing and unavoidable obstacles to 380mm (15”) high. Avoidable obstacles to 1200mm may be present. Unavoidable bridges 600mm or narrower. Width of bridges is unpredictable. Short sections may exceed criteria.

Part A: Huon Mountain Bike Destination Product

Economic Impact Assessment Report

MCa <Michael Connell & Assocs.>

December 2019

Table of Contents

Executive Summary

This report provides an economic impact assessment of the proposed Huon Valley Mountain Bike (MTB) Trail development. It is designed to show the scope and potential size of the benefits to the region, which could be realised with the development of the MTB trail.

The MTB trail will be used by MTB riders and these will mostly be locals and day visitors from the Huon Valley LGA Greater Hobart Region. There will be limited use by persons staying overnight (domestic and international visitors). The economic modelling in this report is based on estimates of annual users of the MTB trail and other assumptions that are utilised in quantifying spending in the region.

The MTB Trail development will generate positive economic benefits for the Huon Valley region during the construction phase and in the operations phase.

Construction Phase Jobs

A total of 24.6 FTE jobs (20.5 direct jobs and 4.1 indirect/induced jobs) would be generated during the construction period. The direct jobs comprise 17.5 jobs in on-site construction and 3 jobs in materials/equipment supply.[1]

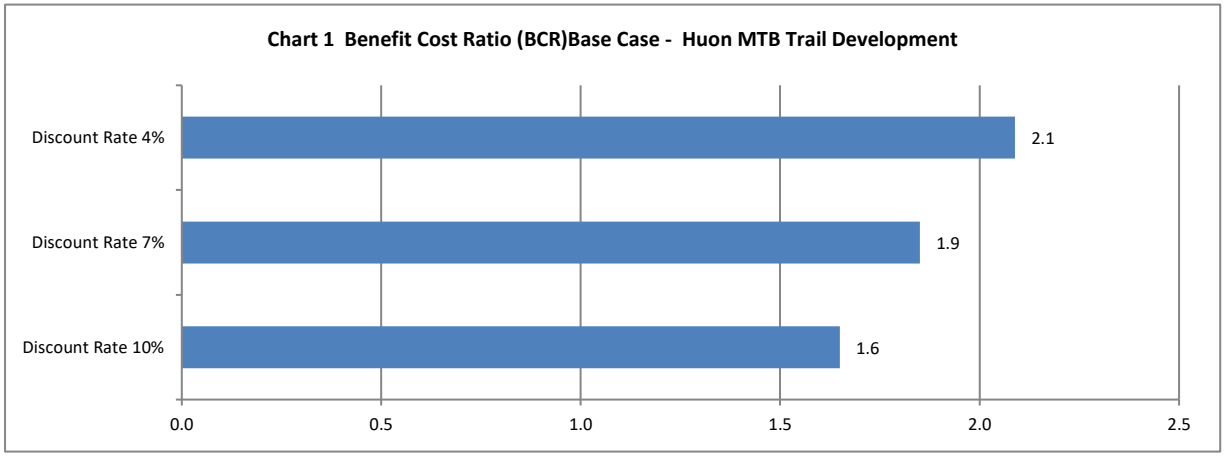
Operations Phase Jobs

The ongoing growth in user numbers will support an increasing number of jobs in the region.

- The operation of the trail would generate a total of 16.6 full time equivalent jobs in year 1 (13.8 direct jobs and 2.8 indirect/induced jobs), increasing to 23.1 FTE jobs in Year 10 (19.0 direct jobs and 4.1 indirect/induced jobs).
- Of the total 23.1 jobs (direct & indirect/induced) in year 10 – day users (local /regional/day visitors) account for 18.2 FTE jobs and overnight visitors for 4.1 FTE jobs.
- On a sector basis, the jobs (FTE-direct and indirect) generated by trail users are mainly concentrated in: recreational services and other visitor services; accommodation; food service; and other retail.

Benefit/Cost Analysis

The development generates combined benefits that are substantially above the full costs (construction, maintenance and depreciation) over a 10 year period. For a trail project a 4% discount rate is appropriate and the project yields a positive BCR of 2.1 (1.9 for a 7% discount rate). The present value of total benefits ($17.753 million) generated by the investment exceeds the total costs of the project ($8.500 million) over a 10 year period and is 2.1 times the total cost.



Source: MCa modelling and estimates, December 2019

1 Note there may be some differences due to rounding.

1. Introduction

This report provides an economic impact assessment of the proposed Huon MTB Trail development. It is designed to show the scope and size of the benefits to the region, which could be realised with the development of the trail.

The MTB trail will be used by MTB riders and these will mostly be locals and day visitors from the Greater Hobart Region. There will be limited use by persons staying overnight (domestic and international visitors). The economic modelling in this report is based on estimates of annual users of the trail and other assumptions that are utilised in quantifying spending in the region.

For operations, several types of users are identified: locals from Huon Valley LGA and the Greater Hobart Region; other day visitors from outside the region; and some overnight visitors (domestic and international trail users who stay overnight in the region). The economic impacts of the MTB trail arise from spending by these users/visitors in the townships adjacent to the MTB trails and other spending in the broader region.

MTB trail users generate significant expenditure covering food and beverage, accommodation (for overnight stayers), and recreation and other services.

The economic impact analysis has been undertaken by MCa <Michael Connell & Assocs.> - economic consultants.

2. Trail Users & Spending

2.1 Trail Users/ Visitors

There is limited information on the potential users of the MTB trail. MTB trail user numbers have been estimated for a 10-year period of operations for several user categories. The estimates cover MTB riders and are based on the current and future MTB market in Tasmania and benchmark MTB parks of a similar scope and size of market. These estimates are designed to be indicative of MTB trail use and by necessity have to be based on available data and assumptions.

The user groups include: local users from Huon Valley LGA; regional users from Greater Hobart; other day visitors, domestic overnight visitors, and international overnight visitors. The assumptions used in the modelling of user numbers and spending patterns are outlined in the tables below. Generally conservative assumptions have been used.

Table 1 Assumptions: MTB Trail Users

MTB Trail Users	Data Source	% Using Trail	No of Rides	
Local & Regional Users				
Huon Valley Users (Y1-10)	Tasmanian population projections for LGA - 10 years 2021-30	4 % of projected population in each year	4	ave. per year
Greater Hobart Users (Y1-10)	Tasmanian population projections for Greater Hobart LGAs - 10 years 2021-30	3% of projected population in each year	3	ave. per year
Tourist Visitors	**Estimating Year 5 Users**			
International Visitors	Local Government Visitor Profile 2018, Huon Valley LGA Tourism Research Australia	10 % of visitors to Huon Valley LGA	1	ave. per visit
Domestic Overnight Visitors	Local Government Visitor Profile 2018, Huon Valley LGA Tourism Research Australia	2 % of visitors to Huon Valley LGA	1	ave. per visit
Domestic Day Users	Local Government Visitor Profile 2018, Huon Valley LGA Tourism Research Australia	3% of visitors to Huon Valley LGA	1	ave. per visit
Years 1-5 Visitors/users				
Year 1	60% of Year 5 users			
Year 2	70% of Year 5 users			
Year 3	80% of Year 5 users			
Year 4	90% of Year 5 users			
Years 6-10	Increase visitor/users by 2% per year			
Other Cases				
Optimistic Case	Base Case plus 10% increase in trail users			
Conservative Case	Base Case with 10% reduction in trail users			

Source: MCa modelling and estimates, December 2019

The 10 year modelling was based on: calculating a base estimate of trail users based on the data and assumptions above, which was assumed to apply in year 5 of the MTB trail's operations; allowing for establishment of the trail in the market and initial growth in users (60% of base number in year 1,70%

in year 2; 80% in year 3, 90% in year 4; and subsequent increases based on a growth rate of 2% per year from year 6-10. The number of rides (MTB trail uses) on the MTB trails is based on the estimated number of rides per user category.

Three cases were examined: Base Case (most likely outcome); Optimistic Case (Base Case plus 10%); and Conservative Case (Base Case minus 10%). The detailed analysis is for the Base Case, however comparisons are made with the other two cases for some of the estimates.

MTB trail use is estimated to increase from 25,189 in year 1 to 32,890 in year 10. For the Base Case the year 5 uses total 30,852.

Table 2 Base Case: MTB Trail Use Estimates Years 1-10 (no.)

Trail Use										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
User Estimates (annual)	60%	70 %	80%	90%	Estimate	2% annual growth				
Locals	3,561	3,598	3,634	3,668	3,702	3,734	3,766	3,796	3,825	3,853
Regionals	14,059	14,180	14,299	14,418	14,537	14,655	14,771	14,887	15,000	15,112
Total Local & Regional	**17,621**	**17,778**	**17,933**	**18,087**	**18,239**	**18,389**	**18,537**	**18,683**	**18,825**	**18,965**
Domestic Day	6,293	7,342	8,391	9,440	10,488	10,698	10,912	11,130	11,353	11,580
Total Day Users	**23,914**	**25,120**	**26,324**	**27,527**	**28,727**	**29,087**	**29,449**	**29,813**	**30,178**	**30,545**
Overnight Visitors										
International O/Night	372	434	496	557	619	632	644	657	670	684
Domestic O/Night	903	1,054	1,204	1,355	1,505	1,535	1,566	1,597	1,629	1,662
Total Overnights	**1,275**	**1,487**	**1,700**	**1,912**	**2,125**	**2,167**	**2,210**	**2,255**	**2,300**	**2,346**
Total Trail Uses	**25,189**	**26,607**	**28,024**	**29,439**	**30,852**	**31,254**	**31,660**	**32,068**	**32,478**	**32,890**

Source: MCa modelling and estimates, December 2019

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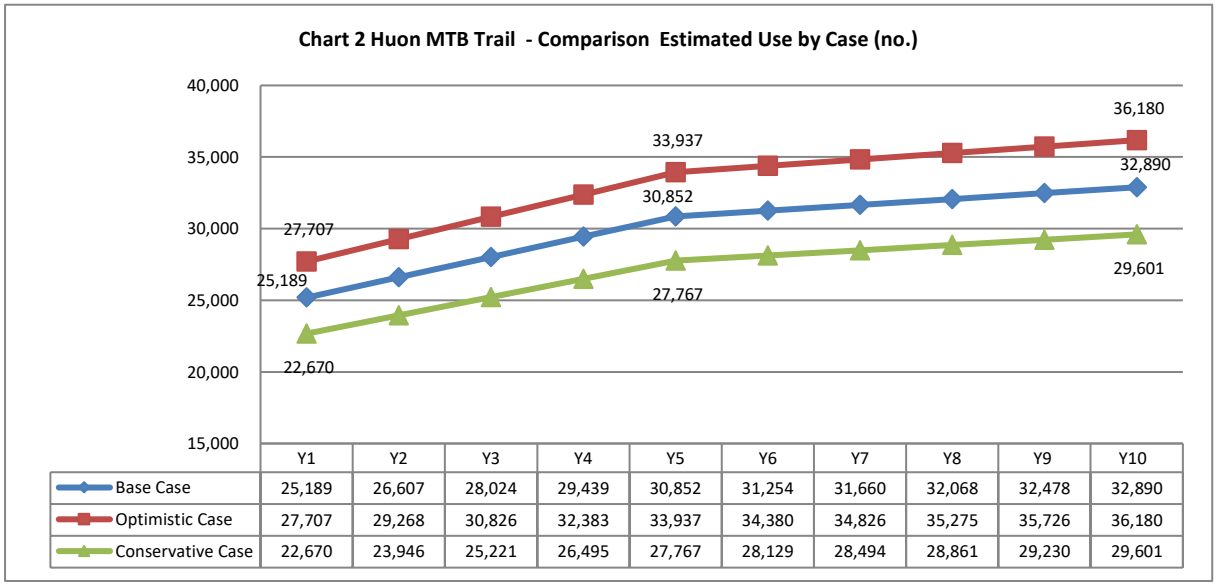
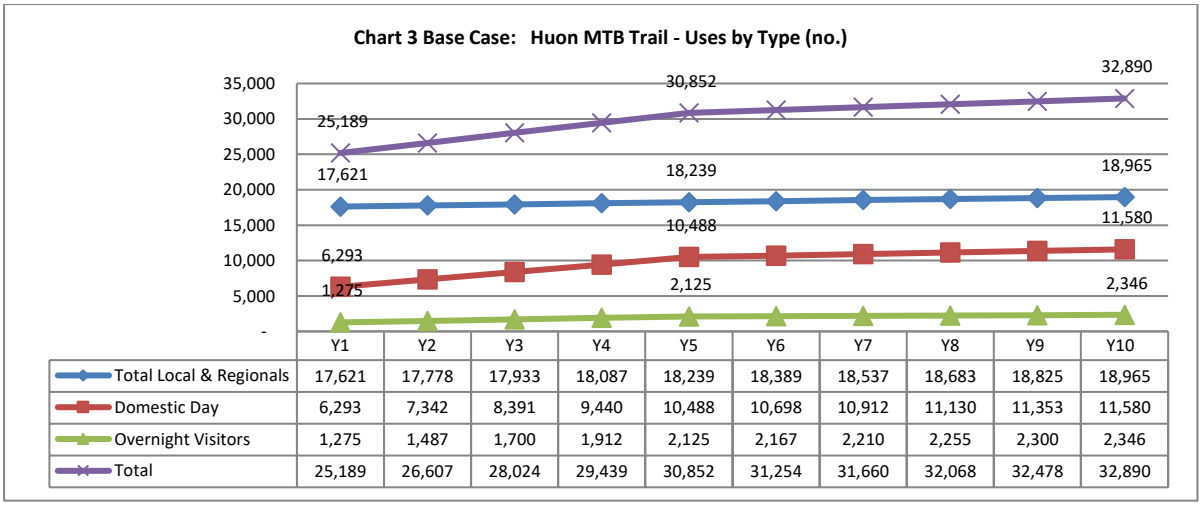


Source: MCa modelling and estimates, December 2019



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Total Local & Regionals	17,621	17,778	17,933	18,087	18,239	18,389	18,537	18,683	18,825	18,965
Domestic Day	6,293	7,342	8,391	9,440	10,488	10,698	10,912	11,130	11,353	11,580
Overnight Visitors	1,275	1,487	1,700	1,912	2,125	2,167	2,210	2,255	2,300	2,346
Total	25,189	26,607	28,024	29,439	30,852	31,254	31,660	32,068	32,478	32,890

Source: MCa modelling and estimates, December 2019

2.2 Spending in the Region

Spending in the region was estimated based on a range of information and assumptions and the recent Tourism Research Australia (TRA) Local Government Profile for Huon Valley LGA.[2] The small number of international visitors using the trail are assumed to have the same length of stay as domestic overnight visitors (average 2 nights).

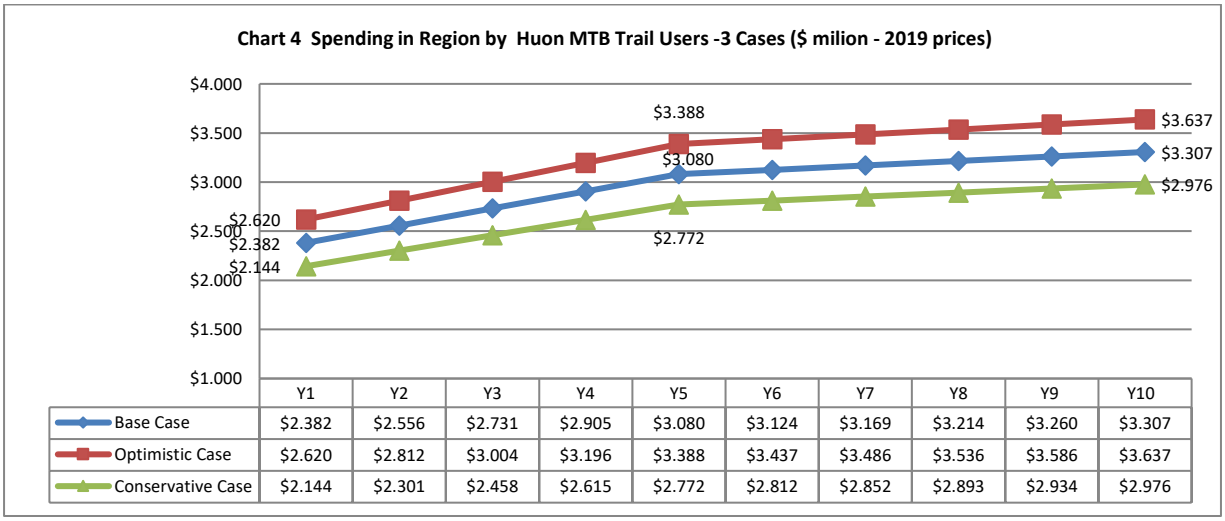
Table 3 Assumptions - Modelling of Trail User Spending in Region

Spending Assumptions			
User Category	Spending Per day	Type of Spending	Nights Stay
Locals	$40	Food & Beverage	0
Regionals (Greater Hobart)	$90	Food & Beverage & MTB related	0
Domestic Day Visitors	$90	Food & Beverage & MTB related	0
International Overnight Visitors	$160	Accommod/F&B/MTB Related	2
Domestic Overnight Visitors	$160	Accommod/F&B/MTB Related	2

Source: MCa modelling and estimates, December 2019

The combination of user numbers by type, average spending, number of rides, average length of stay (for overnights) is used to estimate annual spending (in constant 2019 dollars) in the region. The following chart shows annual spending for each of the user types.

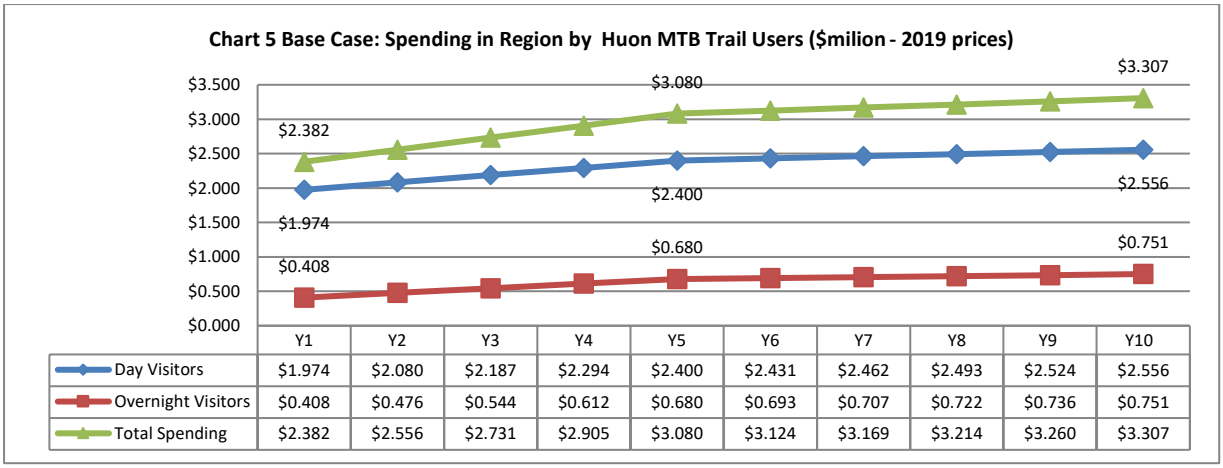
For the Base Case (chart 4), total annual spending increases from $2.382 million in year 1 to $3.307 million in year 10. Day users (locals, regionals and other day visitors) account for the bulk of the spending (chart 5).



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Base Case	$2.382	$2.556	$2.731	$2.905	$3.080	$3.124	$3.169	$3.214	$3.260	$3.307
Optimistic Case	$2.620	$2.812	$3.004	$3.196	$3.388	$3.437	$3.486	$3.536	$3.586	$3.637
Conservative Case	$2.144	$2.301	$2.458	$2.615	$2.772	$2.812	$2.852	$2.893	$2.934	$2.976

Source: MCa modelling and estimates, December 2019

2 Local Government Area Profiles, 2018, Huon Valley LGA, Tourism Research Australia



Source: MCa modelling and estimates, December 2019

The following table shows estimates of spending by category for day visitors (local, regional and other users from outside the region) and for overnight visitors (domestic and international).

Table 4 Base Case: Spending by MTB Trail Users in Region Year 1-10 (estimate constant prices $2019)

Spending	Year									
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Locals	$142,453	$143,927	$145,355	$146,738	$148,076	$149,371	$150,626	$151,838	$153,002	$154,117
Regionals	$1,265,110	$1,275,925	$1,286,697	$1,297,417	$1,308,077	$1,318,665	$1,329,166	$1,339,562	$1,349,772	$1,359,793
Domestic Day	$566,267	$660,645	$755,023	$849,401	$943,779	$962,654	$981,907	$1,001,545	$1,021,576	$1,042,008
Total Day Visitors/Users	**$1,973,830**	**$2,080,497**	**$2,187,075**	**$2,293,556**	**$2,399,931**	**$2,430,690**	**$2,461,699**	**$2,492,945**	**$2,524,350**	**$2,555,919**
Internationals O/n	$118,931	$138,752	$158,574	$178,396	$198,218	$202,182	$206,226	$210,350	$214,557	$218,848
Domestic O/n	$289,004	$337,172	$385,339	$433,507	$481,674	$491,307	$501,134	$511,156	$521,379	$531,807
Total Overnight Visitors	**$407,935**	**$475,924**	**$543,913**	**$611,902**	**$679,892**	**$693,489**	**$707,359**	**$721,506**	**$735,937**	**$750,655**
Total Spending	**$2,381,765**	**$2,556,421**	**$2,730,988**	**$2,905,458**	**$3,079,823**	**$3,124,180**	**$3,169,058**	**$3,214,452**	**$3,260,286**	**$3,306,574**

Source: MCa modelling and estimates, December 2019

Total expenditure comprise of: spending on MTB trail-linked activities (including spending on bike related expenses and other spending - food and beverage etc.) in proximity to the MTB trails; spending on accommodation (for overnight stayers) and meals during their stay; and spending on other recreational and tourism services; and other retail expenditure.

Table 5 Base Case: Spending by MTB Trail Users in Region- Year 1-10 (estimate constant prices $2019)

Spending by Trail Users in Region	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
(Constant Prices $ 2019)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Shares
Total Day Visitors											
Food etc.	$1,381,681	$1,456,348	$1,530,952	$1,605,489	$1,679,952	$1,701,483	$1,723,189	$1,745,062	$1,767,045	$1,789,143	0.70
Bike Hire	$296,075	$312,075	$328,061	$344,033	$359,990	$364,604	$369,255	$373,942	$378,652	$383,388	0.15
Guides/Shuttles	$296,075	$312,075	$328,061	$344,033	$359,990	$364,604	$369,255	$373,942	$378,652	$383,388	0.15
Total Spending - Day Visitors	**$1,973,830**	**$2,080,497**	**$2,187,075**	**$2,293,556**	**$2,399,931**	**$2,430,690**	**$2,461,699**	**$2,492,945**	**$2,524,350**	**$2,555,919**	
Total Overnight Visitors											
Food & Accommodation etc.	$326,348	$380,739	$435,131	$489,522	$543,913	$554,792	$565,887	$577,205	$588,749	$600,524	0.80
Bike Hire	$40,793	$47,592	$54,391	$61,190	$67,989	$69,349	$70,736	$72,151	$73,594	$75,066	0.10
Guides/Shuttles	$40,793	$47,592	$54,391	$61,190	$67,989	$69,349	$70,736	$72,151	$73,594	$75,066	0.10
Total Spending Overnight Visitors	**$407,935**	**$475,924**	**$543,913**	**$611,902**	**$679,892**	**$693,489**	**$707,359**	**$721,506**	**$735,937**	**$750,655**	
Total Spending Day & Overnights	**$2,381,765**	**$2,556,420**	**$2,730,988**	**$2,905,458**	**$3,079,823**	**$3,124,179**	**$3,169,057**	**$3,214,451**	**$3,260,286**	**$3,306,574**	

Source: MCa modelling and estimates, December 2019

3. Economic Impacts of Huon MTB Trail

The economic impacts of the Huon MTB Trail development are modelled for both the construction phase and the operations phase. The impacts are measured in terms of: full time equivalent jobs (FTE); and the increase in regional income that is generated by trail users and their spending in the region.[3]

3.1 Construction Phase

Local jobs and an increase in regional income will be generated during the construction phase of the project.

3.1.1 Construction Costs

Trail construction and other infrastructure costs are estimated at $5.0 million. The capital and operational costs for is based on recent MTB park development projects of similar scope and size developed by the World Trail, MTB design and construction company.

Table 6 Construction Costs – Huon MTB Trail Project ($ 2019)

Trail Construction	Costs ($2019)
Total Construction Cost	$5,000,000

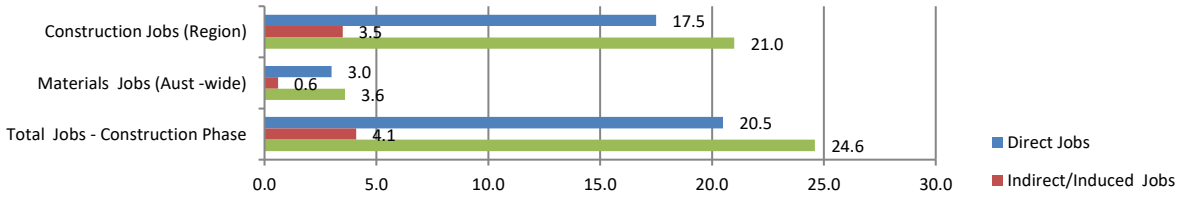
Source: Otium Planning Group Costings, December 2019

3.1.2 Economic Impacts - Construction Phase

Trail Development

A total of 24.6 FTE jobs (20.5 direct jobs and 4.1 indirect/induced jobs) would be generated during the construction period. The direct jobs comprise 17.5 jobs in on-site construction and 3.5 jobs in materials/equipment supply.

Chart 6 Construction Phase - Huon MTB Trail FTE Jobs (no.)



	Total Jobs - Construction Phase	Materials Jobs (Aust -wide)	Construction Jobs (Region)
Direct Jobs	20.5	3.0	17.5
Indirect/Induced Jobs	4.1	0.6	3.5
Total Jobs	24.6	3.6	21.0

Source: MCa modelling and estimates, December 2019. Note any differences due to rounding.

Table 6 Construction Phase – Huon MTB Trail FTE Jobs Generated (no.)

Construction Phase FTE Jobs	Direct Jobs	Indirect/ Induced Jobs	Total Jobs
Construction Jobs (Region)	17.5	3.5	21.0
Materials Jobs (state -wide)	3.0	0.6	3.6
Total Jobs - Construction Phase	**20.5**	**4.1**	**24.6**

Source: MCa modelling and estimates, December 2019. Note any differences due to rounding.

During construction a total of $3.600 million in regional income would be generated ($3.000 million direct income and $0.600 million indirect/induced).[4]

3 Regional income is the total net income generated from the activity and covers wages and salaries of employees and profits of businesses within the region. It includes income generated directly within the business and indirect income, which is generated in other regional businesses (wages and profits) from the multiplier impacts of employee spending on the region. In the modelling of income generated, income tax and GST on spending, are both treated as leakages from the region.

4 This assumes the construction workforce would come from Huon Valley LGA and adjacent areas.

Table 7 Construction Phase – Huon MTB Trail Regional Income Generated (no.)

Huon MTB Trail	Direct Regional Income	Indirect/Induced Income	Total Regional Income
Construction Phase – Increase Regional Income	$3,000,000	$600,000	$3,600,000

Source: MCa modelling and estimates, July 2019.

3.2 Operations Phase

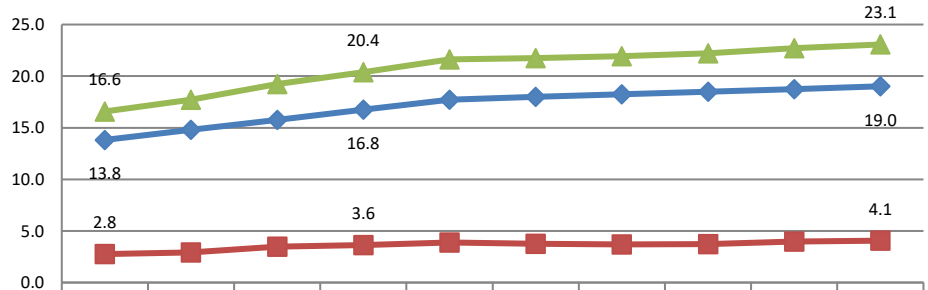
The operations phase economic impacts of the MTB trail are driven by the expenditure of visitors/users in towns adjacent to the MTB trail and in the broader Huon LGA. MCa's regional economic model is used to estimate the employment and income impacts of the MTB trail. The model allocates spending across relevant industry sectors and takes account of the significant shares of the gross spending by visitors/ MTB trail users, which leaks out of the region.[5]

3.2.1 Employment Impacts

The charts below show the increase in regional jobs (annual) generated by each of the user/visitor groups for the Base Case. The ongoing growth in user numbers will support an increasing number of jobs in the region.

- The operation of the MTB trail would generate a total of 16.6 full time equivalent jobs in year 1 (13.8 direct jobs and 2.8 indirect/induced jobs), increasing to 23.1 FTE jobs in Year 10 (19.0 direct jobs and 4.1 indirect/induced jobs).
- Of the total 23.1 jobs (direct & indirect/induced) in year 10 – day users (local /regional/day visitors) for 18.2 FTE jobs and overnight visitors for 4.1 FTE jobs.
- On a sector basis, the jobs (FTE-direct and indirect) generated by MTB trail users are mainly concentrated in: recreational services and other visitor services; accommodation; food service; and other retail.

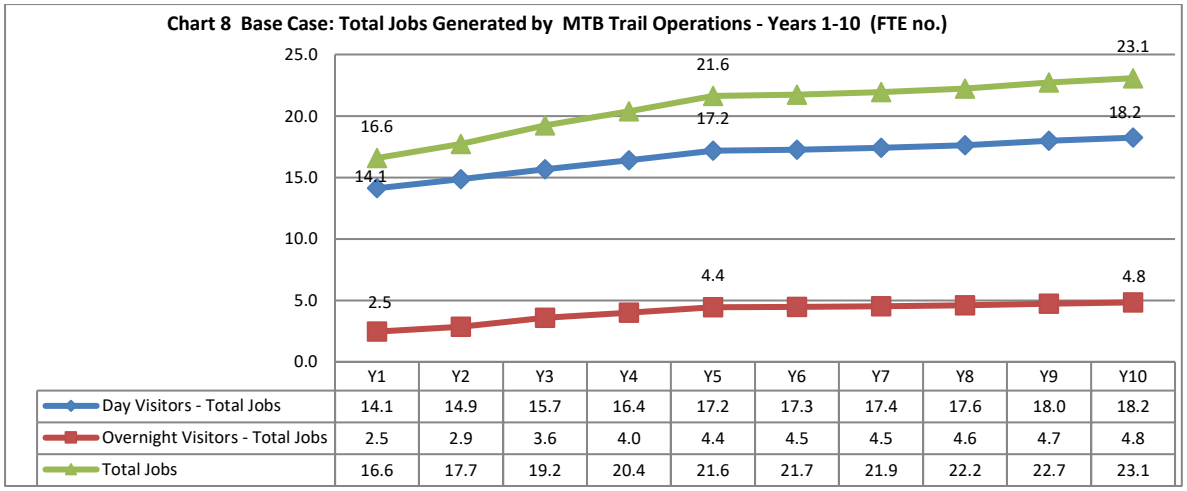
Chart 7 Base Case: Jobs Generated by MTB Trail Operations - Years 1-10 (FTE no.)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Direct Jobs	13.8	14.8	15.8	16.8	17.7	18.0	18.2	18.5	18.8	19.0
Indirect /Induced Jobs	2.8	2.9	3.5	3.6	3.9	3.8	3.7	3.7	4.0	4.1
Total Jobs	16.6	17.7	19.2	20.4	21.6	21.7	21.9	22.2	22.7	23.1

Source: MCa modelling and estimates, December 2019. Note any differences due to rounding.

5 The spending by trail users is not the economic impact and does not represent the increase in in regional income. There is a major leakage of this spending out of the region due to : the GST (10%); and a significant component of the value of services and products purchased by visitors comes from outside the region (eg. food ingredients, soft drinks, beer , consumer products bought etc.). The model takes account of these leakages and estimates employment impacts and the increase in regional income.



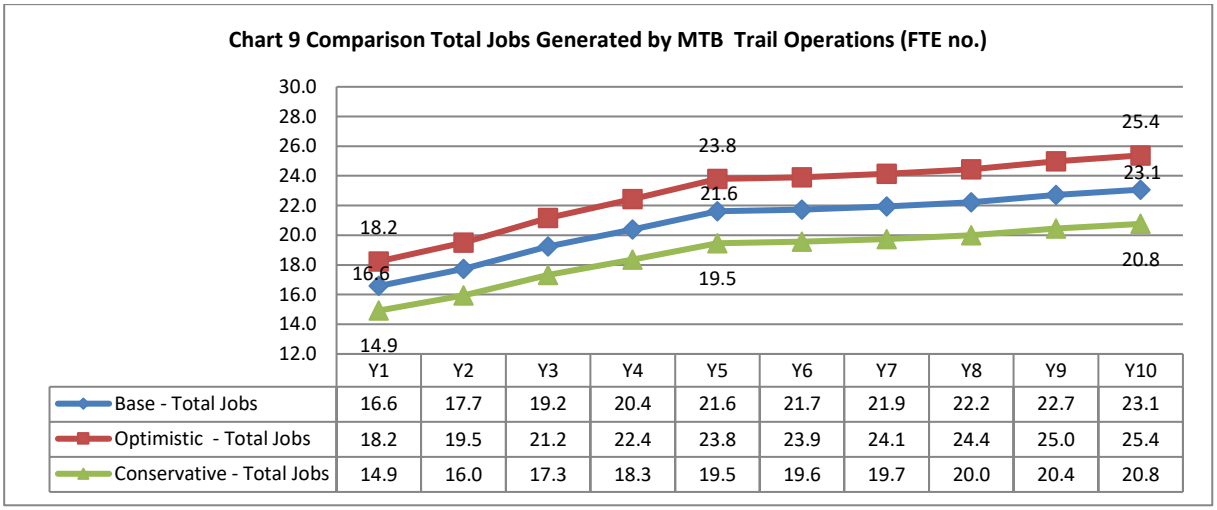
Source: MCa modelling and estimates, December 2019. Any differences due to rounding

Table 8 Base Case: Total Jobs Generated by MTB Trail Operations Years 1-10 (FTE no.)

Operations: Jobs Generated by Trail Users Base Case	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Day Users Local/Regional /Day Visitors										
Direct Jobs	11.8	12.4	13.0	13.7	14.3	14.5	14.7	14.9	15.1	15.2
Indirect/Induced Jobs	2.3	2.5	2.6	2.7	2.9	2.8	2.7	2.8	2.9	3.0
Total Jobs	**14.1**	**14.9**	**15.7**	**16.4**	**17.2**	**17.3**	**17.4**	**17.6**	**18.0**	**18.2**
Overnight Users/Visitors										
Direct Jobs	2.1	2.4	2.7	3.1	3.4	3.5	3.6	3.6	3.7	3.8
Indirect/Induced Jobs	0.4	0.5	0.9	0.9	1.0	1.0	1.0	1.0	1.0	1.1
Total Jobs	**2.5**	**2.9**	**3.6**	**4.0**	**4.4**	**4.5**	**4.5**	**4.6**	**4.7**	**4.8**
Total All Users										
Direct Jobs	13.8	14.8	15.8	16.8	17.7	18.0	18.2	18.5	18.8	19.0
Indirect/Induced Jobs	2.8	2.9	3.5	3.6	3.9	3.8	3.7	3.7	4.0	4.1
Total Jobs	**16.6**	**17.7**	**19.2**	**20.4**	**21.6**	**21.7**	**21.9**	**22.2**	**22.7**	**23.1**

Source: MCa modelling and estimates, December 2019. Any differences due to rounding

Chart 9 compares the total jobs generated for each of the 3 cases examined. The alternate cases are +or – 10% of the Base Case.



Source: MCa modelling and estimates, December 2019. Any differences due to rounding..

The development of the MTB trail is likely to see the development of some local bike and recreational services businesses. The industry analysis highlights that jobs generated by trail users will be in a number of sectors. In year 10 industry jobs are estimated at: recreation services/other services (bike hire, guides, equipment, other services) 9.9 jobs; transport 2.4 jobs; accommodation 1.2 jobs; and food and beverage 5.9 jobs.

Table 9 Base Case: Jobs Generated by MTB Trail Users by Industry Years 1 -10 (FTE no.)

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Total All Jobs	**2022**	**2023**	**2024**	**2025**	**2026**	2027	2028	2029	2030	2031
Day Visitors & Local /Regional Users										
Accommodation	0	0	0	0	0	0	0	0	0	0
Food & Beverage	3.7	3.9	4.1	4.3	4.6	4.6	4.6	4.7	4.8	4.8
Recreation Services/Other Services	6.7	7.1	7.4	7.8	8.1	8.2	8.3	8.4	8.6	8.7
Other Retail	1.6	1.6	1.7	1.8	1.9	1.9	1.9	1.9	2.0	2.0
Health	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.2	0.3	0.3
Transportation	1.4	1.5	1.6	1.7	1.7	1.7	1.7	1.8	1.8	1.8
Communication	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Education	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Miscellaneous Services	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Total	**14.1**	**14.9**	**15.7**	**16.4**	**17.2**	**17.3**	**17.4**	**17.6**	**18.0**	**18.2**
Overnight Visitors/Users										
Accommodation	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.1	1.1	1.2
Food & Beverage	0.6	0.7	0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.1
Recreation Services/Other Services	0.6	0.7	0.9	1.0	1.1	1.1	1.2	1.2	1.2	1.2
Other Retail	0.2	0.3	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Health	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Transportation	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.6
Communication	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
Miscellaneous Services	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total	**2.5**	**2.9**	**3.6**	**4.0**	**4.4**	**4.5**	**4.5**	**4.6**	**4.7**	**4.8**
Total All Users										
Accommodation	0.6	0.7	0.8	0.9	1.0	1.1	1.1	1.1	1.1	1.2
Food & Beverage	4.3	4.6	4.9	5.2	5.5	5.6	5.6	5.7	5.8	5.9
Recreation Services/Other Services	**7.3**	**7.8**	**8.3**	**8.8**	**9.3**	**9.4**	**9.5**	**9.6**	**9.8**	**9.9**
Other Retail	1.8	1.9	2.1	2.2	2.4	2.4	2.4	2.4	2.5	2.5
Health	0.2	0.3	0.3	0.3	0.4	0.3	0.3	0.3	0.4	0.4
Transportation	1.7	1.8	2.0	2.1	2.3	2.3	2.3	2.3	2.4	2.4
Communication	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Education	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Miscellaneous Services	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	**16.6**	**17.7**	**19.2**	**20.4**	**21.6**	**21.7**	**21.9**	**22.2**	**22.7**	**23.1**

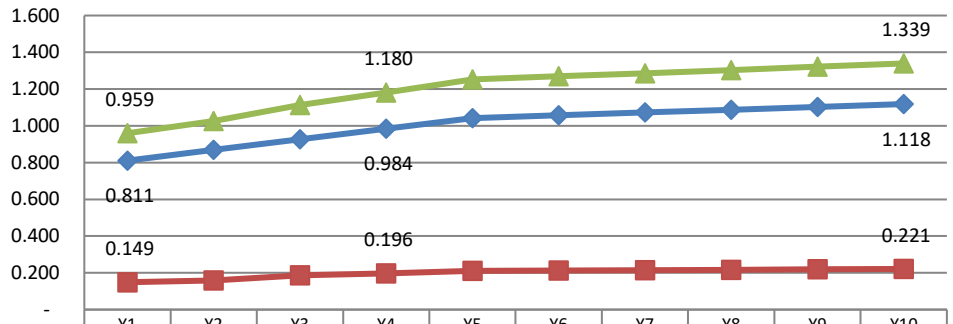
Source: MCa modelling and estimates, December 2019. Any differences due to rounding..

3.2.2 Regional Income Impacts

The total increase in regional income generated annually by the operation of the MTB trail and visitor/user spending totals $0.959 million in year 1, increasing to $1.339 million in year 10.[6] The increase in income (direct and indirect/induced) generated by day visitors/users (includes locals/regionals and day visitors) is $0.812 million in year 1 and $1.050 million in year 10. Overnight users/visitors boost total regional income by $0.148 million in year 1 and $0.289 million in year 10.

6 Regional income is the total net income generated from the activity and covers wages and salaries of employees and profits of businesses within the region. It includes income generated directly within the business and indirect income, which is generated in other regional businesses (wages and profits) from the multiplier impacts of employee spending on the region. In the modelling of income generated income tax and GST on spending, are both treated as leakages from the region.

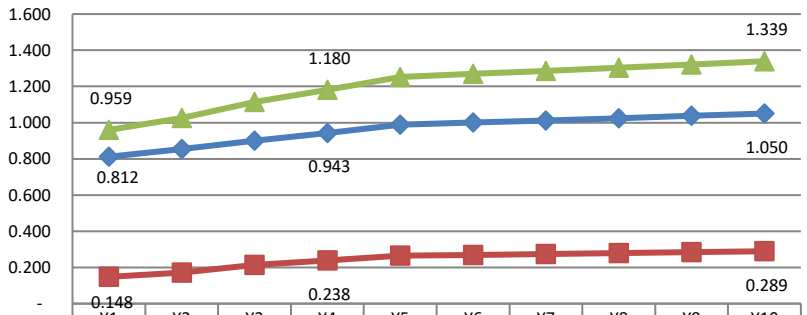
Chart 10 Base Case : Increase in Regional Income Generated - All Trail Users
($ million - constant prices $2019)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Direct Income	0.811	0.869	0.926	0.984	1.042	1.057	1.072	1.087	1.103	1.118
Indirect/Induced Income	0.149	0.158	0.187	0.196	0.210	0.213	0.214	0.216	0.219	0.221
Total Income	0.959	1.026	1.114	1.180	1.253	1.270	1.286	1.304	1.321	1.339

Source: MCa modelling and estimates, December 2019. Any differences due to rounding..

Chart 11 Base Case: Increase in Regional Income Generated by Trail Users
($ million - constant prices $2019)

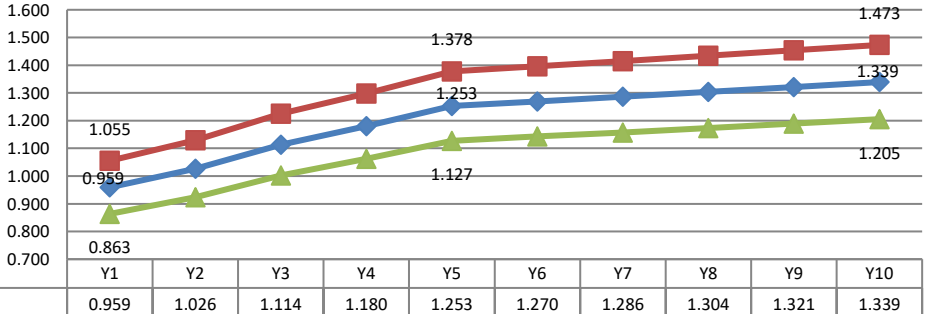


	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Regional Income - Day Visitors/Users	0.812	0.854	0.900	0.943	0.988	1.000	1.012	1.025	1.037	1.050
Regional Income - Overnight Visitors/Users	0.148	0.172	0.214	0.238	0.265	0.269	0.274	0.279	0.284	0.289
Total Regional Income	0.959	1.026	1.114	1.180	1.253	1.270	1.286	1.304	1.321	1.339

Source: MCa modelling and estimates, December 2019. Any differences due to rounding.

Chart 12 compares the total increase in regional income for each of the cases.

Chart 12 Comparison Cases - Total Regional Income Generated by MTB Trail Operations
($ milllion Constant $2019)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Base - Total Income	0.959	1.026	1.114	1.180	1.253	1.270	1.286	1.304	1.321	1.339
Optimistic - Total Income	1.055	1.129	1.225	1.299	1.378	1.397	1.415	1.434	1.453	1.473
Conservative - Total Income	0.863	0.924	1.002	1.062	1.127	1.143	1.157	1.173	1.189	1.205

Source: MCa modelling and estimates, December 2019. Any differences due to rounding..

4. Trail Benefits and Costs

The benefits and costs of are analysed for a 10 year period for the Base Case.

4.1 Trail Costs - 10 Years

The estimated construction cost of the MTB trail project is $5.0 million and the 10 year maintenance costs are $2.0 million (assumed to be $200,000 per year), depreciation is assumed to be 3% per year ($1.5 million over 10 years) for a total 10 year cost of $8.5 million.

Table 10 Total Costs of Huon MTB Trail Project - 10 Years ($2019 Prices)

Summary	Trail Development <$ 2019 Prices>
Construction Cost	
MTB Trail (includes 40% cost contingency)	$5,000,000
Maintenance Costs	
Annual Maintenance Cost	$200,000
Total Maintenance (10 Years)	$2,000,000
Depreciation	
Depreciation (10 years) 3%	$1,500,000
Total Costs 10 Years	
Total Construction / Maintenance	**$8,500,000**

Source: Otium Planning Group Costings, December 2019

4.2 Measuring Benefits – 10 Years

The measured benefits of the MTB trail comprise the increase in regional income generated; health and welfare benefits of MTB activities; and an estimate of the consumer value of trail use.

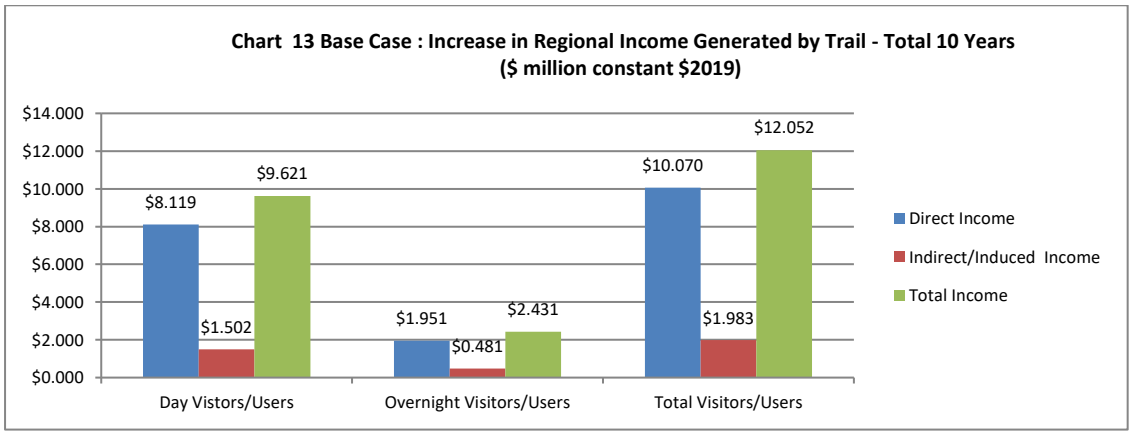
Increase in Regional income

The increase in regional income generated by MTB trail users spending over a 10-year period totals $12.052 million (in constant $2019 prices).

Table 11 Base Case: Increases in Regional Income Generated by MTB Trail Users (constant prices $2019)

Increase in Regional Income -10 Years	Day Visitors $	Overnight Visitors $	Total Regional Income $
Direct Income	$8,118,801	$1,950,764	$10,069,565
Indirect/Induced Income	$1,502,141	$480,631	$1,982,771
Total Income	**$9,620,941**	**$2,431,395**	**$12,052,336**

Source: MCa modelling and estimates, December 2019.



Source: MCa modelling and estimates, December 2019. Any differences due to rounding.

Health Benefits

There is limited research available, which quantifies the health benefits of exercise activity on MTB trails. A study was commission by Parks Victoria in 2016 to measure the benefits of activities undertaken in Victorian National Parks. The report by Marsden Jacobs Associates included exercise associated with cycling/active walking as one of the activities. The study estimated net healthcare benefits (in terms of avoided future health costs) at $15 per hour (of exercise). These are based on a reduction of in all lifetime health costs (adjusted for injury) incurred by individuals (private spending and public spending on health).[7] This research has been applied in the analysis of this MTB Trail project. For this project and the likely mix of users, we have used a reduced figure of an average of $10 per hour of exercise.[8]

- Healthcare benefits are measured as the net (adjusted for injury) avoided costs to the healthcare system. These cover private medical costs incurred by individuals and government contributions, including Medicare rebates and other health care subsidies) attributable to nature-based outdoor activity.
- For the analysis of the trails and precinct, we have assumed an average cycle period of 3 hours per MTB trail use.
- This indirect health benefit is estimated at $5.492 million over the 10 year period (in constant $2019 prices) for local/regional users of the trail only.

Table 12 Base Case: Estimated Health Benefits – Local & Regional Users (Constant Prices $2019)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	
Health Benefits (Local & Regional Users)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total 10 Years
Health Benefits (estimate)	$528,623	$533,334	$537,997	$542,608	$547,165	$551,667	$556,109	$560,484	$564,761	$568,939	$5,491,686

Source: MCa modelling and estimates, December 2019.

Consumer Surplus

There are no charges for the use of the trail. However a valuation can be placed on the experience based on a shadow price (what a person may be willing to pay). For the trail we have assumed it to be $20 per use.

Table 13 Base Case: Estimated Consumer Value – Day Users, Locals & Regionals (Constant Prices $2019)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Consumer value	$352,415	$355,556	$358,665	$361,739	$364,777	$367,778	$370,739	$373,656	$376,507	$379,292	$3,661,124

Source: MCa modelling and estimates, December 2019.

7 Victoria's Nature-Based Outdoor Economy- Key Estimates and Recommendations, Marsden Jacobs Associates, January 2016 P10 & 21.

8 This reduction is because the trail use is likely to be a mix of active exercise users and more leisurely use.

4.3 Benefit Cost Analysis

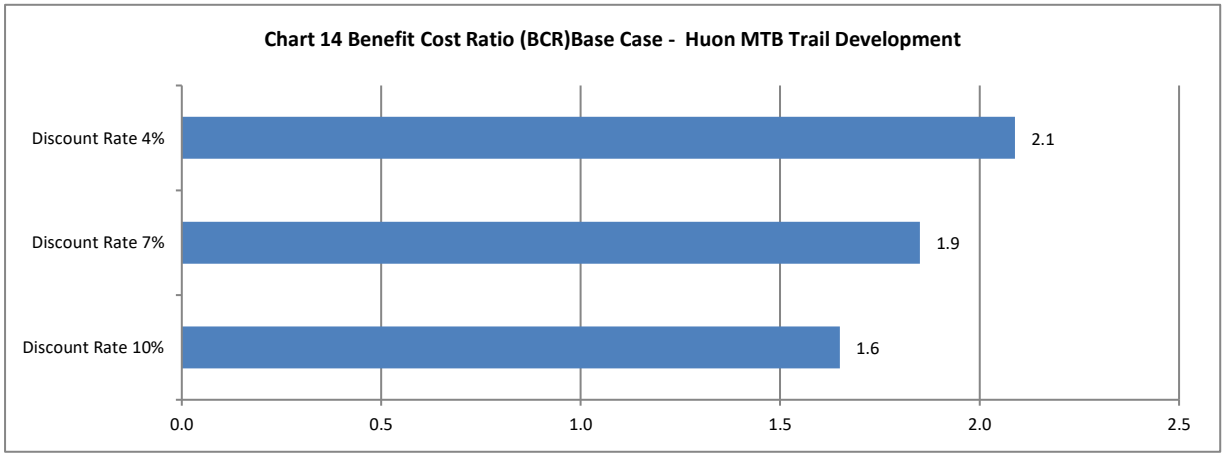
The following table and chart show the benefits and costs of the operations of the MTB Trail and precinct over a 10-year period. The benefits are measured by the increase in regional income generated by trail users and by the estimated health benefits (over a 10 year period). The costs include construction costs, asset maintenance costs and depreciation. For the comparison, the present value of the benefits is calculated using 3 discount rates (4%, 7% and 10%).

Table 14 Base Case: Benefits and Cost Analysis MTB Trail Development - 10 Year Period

Trail Development: 10 Year Operations Period	Discount Rate 4%	Discount Rate 7%	Discount Rate 10%
Costs (10 Years)			
Capital Costs 2019 ($)	$5,000,000	$5,000,000	$5,000,000
Costs - Maintenance (10 years)	$2,000,000	$2,000,000	$2,000,000
Depreciation (10 years) 3%	$1,500,000	$1,500,000	$1,500,000
Total Costs	**$8,500,000**	**$8,500,000**	**$8,500,000**
Benefits to Region (10 Years)			
Direct Benefits - users (shadow price)	$3,661,124	$3,661,124	$ 3,661,124
Regional Benefits (increase in regional income generated)	$12,052,336	$12,052,336	$12,052,336
Indirect Benefits (health benefits)	$5,491,686	$5,491,686	$5,491,686
Total Benefits (2019 Prices)	**$21,205,146**	**$21,205,146**	**$21,205,146**
Present Value of Benefits			
Total Benefits ($) Present Value	**$17,753,388**	**$15,729,413**	**$14,020,092**
Net Present Value ($)	$9,253,388	$7,229,413	$5,520,092
NPV/ Costs	1.1	0.9	0.6
Benefit Cost Ratio (BCR) <Total Benefits: Present Value/Total Capital Costs>	**2.1**	**1.9**	**1.6**

Source: MCa modelling and estimates, December 2019. Note: Direct benefits are the value to users of a facility; usually this is measure by user payments/fees. In this case it is assumed that there are no user charges for the trail, therefore benefits are the increase in regional income generated by visitor spending and the health benefits of exercise activity.

The chart below compares Benefit Cost Ratios (BCR) for the 3 discount rates. For a trail project a 4% discount rate is appropriate and the project yields a positive BCR of 2.1. The present value of total benefits ($17.753 million) generated by the investment exceeds the total costs of the project ($8.500 million) over a 10-year period and is 2.1 times the total cost.



Source: MCa modelling and estimates, December 2019

References

Local Government Area Profiles, 2017, Huon Valley LGA, Tourism Research Australia

Victoria's Nature-Based Outdoor Economy- Key Estimates and Recommendations, Marsden Jacobs Associates, January 2016.

Part B: Far South Adventure Trails

Economic Impact Assessment Report

MCa <Michael Connell & Assocs.>

January 2020

Table of Contents

Executive Summary

This report provides an economic impact assessment of the proposed Far South Adventure Trails development. It is designed to show the scope and size of the benefits to the region, which could be realised with the development of this network of adventure trails. These include mountain bike trails, bushwalking trails, cycle touring trails including river and rail trails and paddle trails. This analysis assumes that all of the adventure trails are built and are operational. The assessment is designed to be indicative only of the potential regional impacts of the adventure trails, it all segments were constructed. A full assessment would require detailed analysis of each adventure trail proposal and separate economic impact assessments for each trail segment.

The trails network will be used by walkers and bike riders. The economic modelling in this report is based on estimates of annual users of the trail and other assumptions that are utilised in quantifying spending in the region. Estimates are also made of the health benefits and the consumer value placed on adventure trails use by the trails users.[1]

The Adventure Trail development will generate substantial positive economic benefits for the Huon Valley region during the construction phase and in the operations phase.

Construction Phase Jobs
For all of the projects combined (Proposals 2-6), a total of 285.5 FTE jobs (233.1 direct jobs and 52.4 indirect/induced jobs) would be generated during the construction period. The direct jobs (238 FTE) comprise 194.3 jobs in on-site construction and 43.7 jobs in materials/equipment supply. [2]

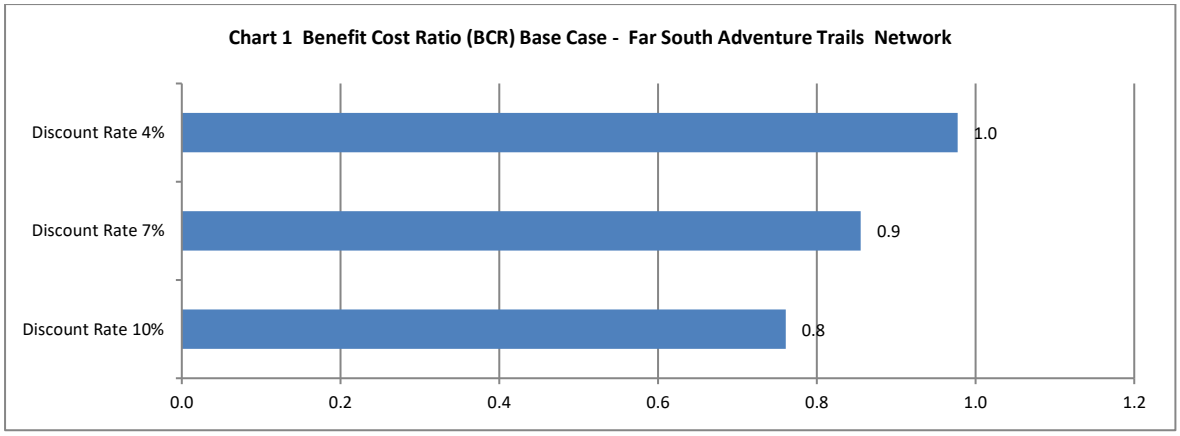
Operations Phase Jobs
The ongoing growth in user numbers will support an increasing number of jobs in the region. For the Base Case:

- The operation of the adventure trails network would generate a total of 75.6 full time equivalent jobs in year 1 (63.0 direct jobs and 12.6 indirect/induced jobs), increasing to 137.1 FTE jobs in Year 10 (116.0 direct jobs and 21.1 indirect/induced jobs).
- Of the total 137.1 jobs (direct & indirect/induced) in year 10 – day users (local /regional/day visitors) for 32.5 FTE jobs and overnight visitors for 104.6 FTE jobs.
- On a sector basis, the jobs (FTE-direct and indirect) generated by trail users are mainly concentrated in: recreational services and other visitor services; accommodation; food service; and other retail.

Increase in Regional Income
The total increase in regional income generated annually by the operation of the adventure trails network and visitor/user spending totals $4.497 million in year 1, increasing to $8.173 million in year 10.[3]
The increase in income (direct and indirect/induced) generated by day visitors/users (includes locals/regionals and day visitors) is $1.018 million in year 1 and $1.870 million in year 10. Overnight users/visitors boost total regional income by $3.479 million in year 1 and $6.303 million in year 10.

Benefit/Cost Analysis
The chart below compares Benefit Cost Ratios (BCR) for the 3 discount rates. For a trail project a 4% discount rate is appropriate and the project yields a positive BCR of 1.0. The present value of total benefits ($75.9 million) generated over 10 years approximates the total 10-year costs of the adventure trail network development ($77.7 million) over a 10-year period.

1 This valuation of the trail to users is based on an assumed shadow price ($35 per user) as there will not be user charges.
2 Note there may be some differences due to rounding.
3 Regional income is the total net income generated from the activity and covers wages and salaries of employees and profits of businesses within the region. It includes income generated directly within the business and indirect income, which is generated in other regional businesses (wages and profits) from the multiplier impacts of employee spending on the region. In the modelling of income generated income tax and GST on spending, are both treated as leakages from the region.



Source: MCa modelling and estimates, December 2019

1. Introduction

This report provides an economic impact assessment of the proposed Far South Adventure Trail development. It is designed to show the scope and size of the benefits to the region, which could be realised with the development of this network of adventure trails. The assessment is designed to be indicative only of the potential regional impacts of the adventure trails.

The adventure trail network will be used by MTB riders, cyclists, walkers, runners, horse riders and paddlers. The economic modelling is based on a Base Case estimate of 100,000 annual users of the adventure trails network and other assumptions in relation to the mix of users.[4] This was used to quantifying spending in the region by trail users and other benefits of the trails.

Several types of users are identified: locals from Huon Valley LGA, visitors from Greater Hobart Region; other day visitors from outside the region; and some overnight visitors (domestic and international trail users who stay overnight in the region).

The economic impacts of the trails network arise from spending by these users/visitors in the townships adjacent to the trails and other spending in the broader region. Trail users generate significant expenditure covering food and beverage, accommodation (for overnight stayers), and recreation and other services. Health benefits and consumer benefits are also estimated and quantified.

It needs to be noted that the regional expenditure estimates, other benefits and the economic impact analysis is for the whole region covered by trails network and do not relate to individual trail segments.

A full assessment would require detailed analysis of each trail proposal and separate economic impact assessments for each trail segment. This type of analysis was done for Proposal 1 Mountain Bike Destination Product in a separate report (see also Appendix A). [5]

The economic impact analysis has been undertaken by MCa <Michael Connell & Assocs.>- economic consultants.

2. Far South Adventure Trail Destination

2.1 Trail Components

The following are the components of the Far South Adventure Trail destination. They constitute a network of connected trails for walking and cycling in the southern area of Tasmania.

Table 1 Far South Adventure Trail Destination

Far South Adventure Trail Network	Description
Part A: MTB Track	
Proposal 1 Mountain Bike Destination Product	50-80 km MTB single track trail. Covered in a separate report
Part B: Far South Adventure Trail Network	
Proposal 2 Cave to Coast Multi Day Walk	45km journey from Hastings Caves to South Cape Bay. proposed 4-day, 3 night journey
Proposal 3 Huonville to Franklin Foreshore Shared Pathway	Shared pathway for cyclists and pedestrians will follow the western bank of the Franklin River plus a paddling track
Proposal 4 Dover to Southport Track	Track would link Dover Bay to Southport Bay. The track will connect existing trails and take advantage of spectacular coastal views
Proposal 5 Pulawa Lugganah	New 150km cycling and walking track connecting the towns of Huonville, Geeveston, Dover and Southport, through river, forest, coast and lagoon landscapes.
Proposal 6 Ida Bay Rail Trail	The project would transform the heritage railway link into a rail trail.

2.2 Trail Users/ Visitors

There is limited information on the potential users of the adventure trail network. The economic modelling is based on a Base Case estimate of 100,000 annual users of the trail network and other assumptions in relation to the mix of users.[6] The estimates are based on the Victorian High Country

4 This number of users was assumed to be reached in year 5 of the trail network's operations.

5 Part A: Huon Mountain Bike Destination Product - Economic Impact Assessment Report, MCa December 2019

6 This number of users was assumed to be reached in year 5 of the trail network's operations.

Cycle Destination benchmark example. This number of users was assumed to be reached in year 5 of the adventure trail network's operations.

The modelling of users for a 10 year period is based on the following assumptions. The estimates are designed to be indicative of adventure trail network use.

The user groups include: local users from Huon Valley LGA; regional users from Greater Hobart; other day visitors, domestic overnight visitors, and international overnight visitors. An assumption was made on the percentage that each group represents of trail users.

Table 2 Modelling Assumptions – Users

Far South Adventure Trail Destination	Assumptions
Base Case	
Total Users	Year 5 = 100,000 annual users
Years 1-4	Year 1 = 60%; Year 2=70%; Year 3=80%; Year 4=90% (of Year 5 users)
Years 6-10	2% annual growth in users
Other Cases	
Optimistic Case	Base Case visitors increased by 10%
Conservative Case	Base Case visitors reduced by 10%
Mix of Users	
Locals - Huon Valley LGA	7.5%
Greater Hobart -Day Visitors	30%
Other Day Visitors	12.5%
Domestic Overnight Visitors	40%
International Visitors	10%
Total	**100%**

Source: MCa modelling and estimates, December 2019

The 10 year modelling was based on: calculating a base estimate of adventure trails users based on the data and assumptions above, which was assumed to apply in year 5 of the adventure trails operations; allowing for establishment of the adventure trails in the market and initial growth in users (60% of base number in year 1;70% in year 2; 80% in year 3; and 90% in year 4); and subsequent increases based on a growth rate of 2% per year from year 6-10.

Three cases were examined: Base Case (most likely outcome); Optimistic Case (Base Case plus 10%); and Conservative Case (Base Case minus 10%). The detailed analysis is for the Base Case, however comparisons are made with the other two cases for some of the estimates.

For the Base Case it was assumed that in year 5, 100,000 persons are using the trail.

In the modelling, annual users of the trails network are estimated to increase from 60,000 in year 1, reach 100,000 in year 5 and around 110,000 in year 10.

Table 3 Base Case: Far South Adventure Trail Estimates Years 1-10 (no.)

Base Case	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Trail Users	60%	70 %	80%	90%	Base Estimate	2% annual growth				
Locals - Huon Valley LGA	4500	5250	6000	6750	7500	7650	7803	7959	8118	8281
Greater Hobart -Day Visitors	18,000	21,000	24,000	27,000	30,000	30,600	31,212	31,836	32,473	33,122
Other Day Visitors	7,500	8,750	10,000	11,250	12,500	12,750	13,005	13,265	13,530	13,801
Domestic Overnight Visitors	24,000	28,000	32,000	36,000	40,000	40,800	41,616	42,448	43,297	44,163
International Visitors	6,000	7,000	8,000	9,000	10,000	10,200	10,404	10,612	10,824	11,041
Total Trail Users	**60,000**	**70,000**	**80,000**	**90,000**	**100,000**	**102,000**	**104,040**	**106,121**	**108,243**	**110,408**

Source: MCa modelling and estimates, December 2019

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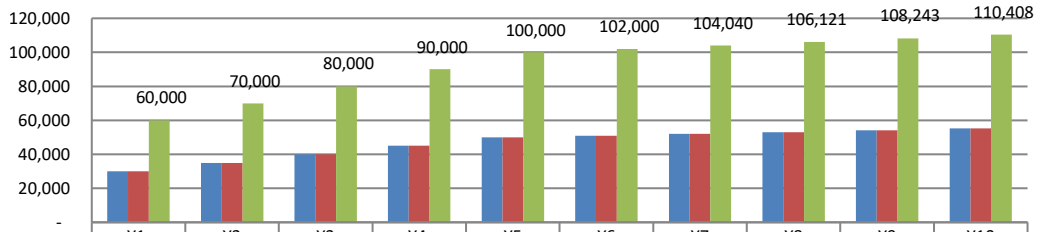
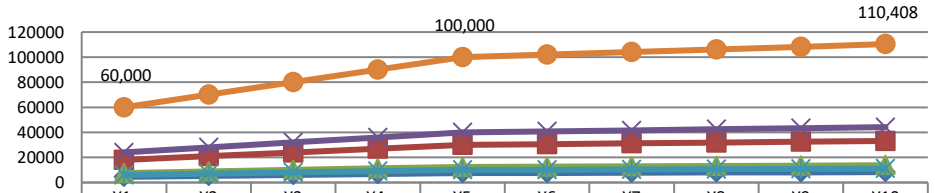
Chart 2 Base Case: Far South Adventure Trail - Estimated Day & Overnight Users (annual no.)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Total Day Users	30,000	35,000	40,000	45,000	50,000	51,000	52,020	53,060	54,122	55,204
Total Overnight Users	30,000	35,000	40,000	45,000	50,000	51,000	52,020	53,060	54,122	55,204
Total Trail Users	60,000	70,000	80,000	90,000	100,000	102,000	104,040	106,121	108,243	110,408

Source: MCa modelling and estimates, December 2019

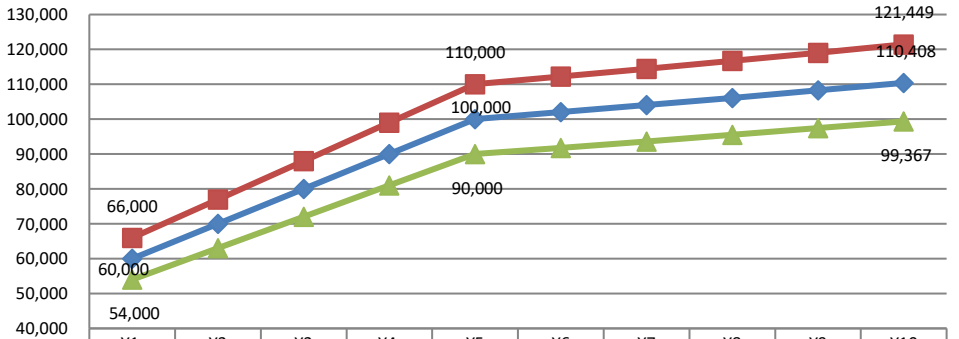
Chart 3 Base Case : Far South Adventure Trail - Estimated Users by Type (annual no.)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Locals - Huon Valley LGA	4500	5250	6000	6750	7500	7650	7803	7959	8118	8281
Greater Hobart -Day Visitors	18,000	21,000	24,000	27,000	30,000	30,600	31,212	31,836	32,473	33,122
Other Day Visitors	7,500	8,750	10,000	11,250	12,500	12,750	13,005	13,265	13,530	13,801
Domestic Overnight Visitors	24,000	28,000	32,000	36,000	40,000	40,800	41,616	42,448	43,297	44,163
International Visitors	6,000	7,000	8,000	9,000	10,000	10,200	10,404	10,612	10,824	11,041
Total Trail Users	60,000	70,000	80,000	90,000	100,000	102,000	104,040	106,121	108,243	110,408

Source: MCa modelling and estimates, December 2019

Chart 4 Comparisons of Cases - Estimated Far South Adventure Trail Users (no.)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Base Case - Users	60,000	70,000	80,000	90,000	100,000	102,000	104,040	106,121	108,243	110,408
Optimistic Case - Users	66,000	77,000	88,000	99,000	110,000	112,200	114,444	116,733	119,068	121,449
Conservative Case - Users	54,000	63,000	72,000	81,000	90,000	91,800	93,636	95,509	97,419	99,367

Source: MCa modelling and estimates, December 2019

2.3 Spending in the Region

Spending in the region by adventure trails users was estimated based on a range of assumptions. The international visitors using the adventure trails are assumed to have the same length of stay as domestic overnight visitors (average 2 nights).

Table 4 Assumptions - Modelling of Far South Adventure Trails Network User Spending in Region

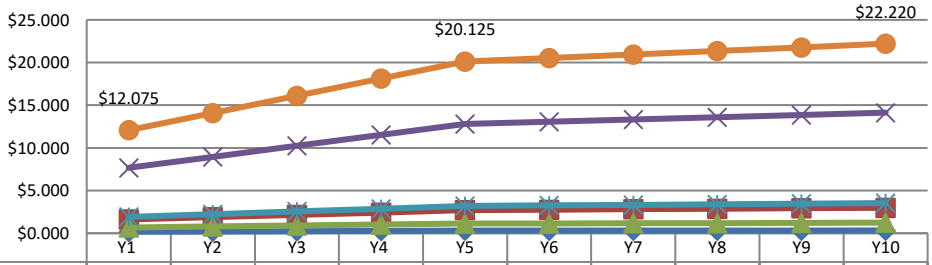
Spending Assumptions			
User Category	Ave. Spending Per Day	Type of Spending	Nights Stay
Locals	$40	Food & Beverage	Day Visit
Regionals (Greater Hobart)	$90	Food & Beverage & trail related	Day Visit
Domestic Day Visitors	$90	Food & Beverage & trail related	Day Visit
International Overnight Visitors	$160	Accommod/F&B/supplies	2
Domestic Overnight Visitors	$160	Accommod/F&B/supplies	2

Source: MCa modelling and estimates, December 2019 < Average spending per person/per day>.

The combination of user numbers by type, average spending, average length of stay (for overnights) is used to estimate annual spending (in constant 2019 dollars) in the region. The following charts show annual spending for each of the user types for the Base Case.

For the Base Case, total annual spending increases from $12.075 million in year 1 to $22.220 million in year 10. Overnight users (domestic and international) account for the bulk of the spending .

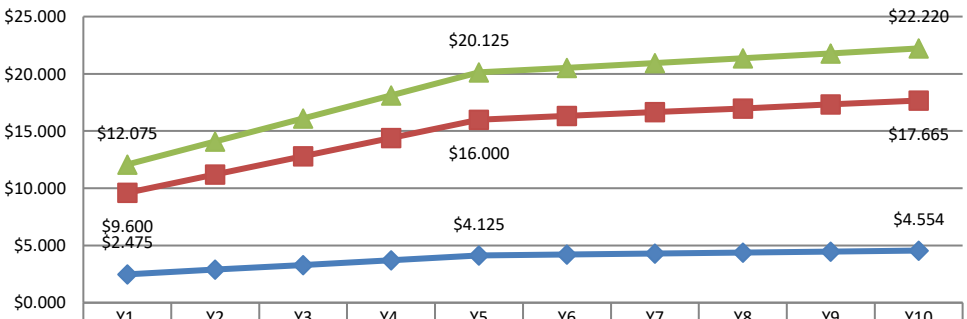
Chart 5 Base Case : Far South Adventure Trail - Estimated Annual Spending by User Type ($million - constant 2019 prices)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Locals - Huon Valley LGS	$0.180	$0.210	$0.240	$0.270	$0.300	$0.306	$0.312	$0.318	$0.325	$0.331
Greater Hobart -Day Visitors	$1.620	$1.890	$2.160	$2.430	$2.700	$2.754	$2.809	$2.865	$2.923	$2.981
Other Day Visitors	$0.675	$0.788	$0.900	$1.013	$1.125	$1.148	$1.170	$1.194	$1.218	$1.242
Domestic Overnight Visitors	$7.680	$8.960	$10.240	$11.520	$12.800	$13.056	$13.317	$13.583	$13.855	$14.132
International Visitors	$1.920	$2.240	$2.560	$2.880	$3.200	$3.264	$3.329	$3.396	$3.464	$3.533
Total Trail Users/Spend	$12.075	$14.088	$16.100	$18.113	$20.125	$20.528	$20.938	$21.357	$21.784	$22.220

Source: MCa modelling and estimates, December 2019

Chart 6 Base Case : Far South Adventure Trail Network - Estimated Annual Spending by Users ($million - constant 2019 prices)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Total Day Users	$2.475	$2.888	$3.300	$3.713	$4.125	$4.208	$4.292	$4.377	$4.465	$4.554
Total Overnight Users	$9.600	$11.200	$12.800	$14.400	$16.000	$16.320	$16.646	$16.979	$17.319	$17.665
Total Trail Users/Spend	$12.075	$14.088	$16.100	$18.113	$20.125	$20.528	$20.938	$21.357	$21.784	$22.220

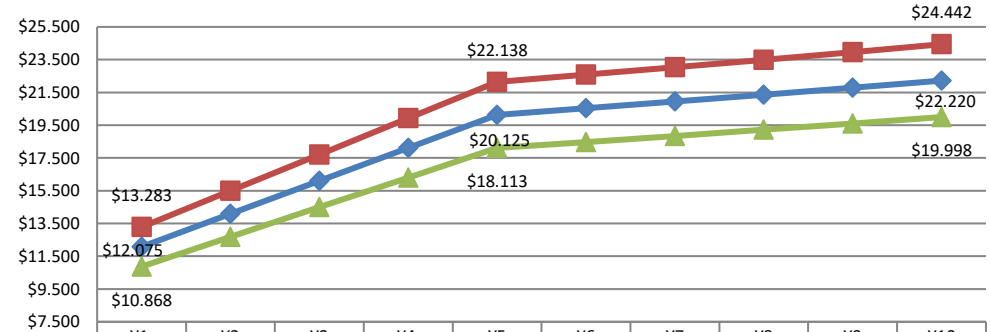
Source: MCa modelling and estimates, December 2019

Table 5 Base Case: Annual Spending in Region by Far South Adventure Trails Users (estimate constant prices $2019)

Base Case : Annual Spending	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Type of User										
Locals - Huon Valley LGA	$0.180	$0.210	$0.240	$0.270	$0.300	$0.306	$0.312	$0.318	$0.325	$0.331
Greater Hobart -Day Visitors	$1.620	$1.890	$2.160	$2.430	$2.700	$2.754	$2.809	$2.865	$2.923	$2.981
Other Day Visitors	$0.675	$0.788	$0.900	$1.013	$1.125	$1.148	$1.170	$1.194	$1.218	$1.242
Domestic Overnight Visitors	$7.680	$8.960	$10.240	$11.520	$12.800	$13.056	$13.317	$13.583	$13.855	$14.132
International Visitors	$1.920	$2.240	$2.560	$2.880	$3.200	$3.264	$3.329	$3.396	$3.464	$3.533
Total Trail Users/Spending	**$12.075**	**$14.088**	**$16.100**	**$18.113**	**$20.125**	**$20.528**	**$20.938**	**$21.357**	**$21.784**	**$22.220**
User Groups										
Total Day Users	$2.475	$2.888	$3.300	$3.713	$4.125	$4.208	$4.292	$4.377	$4.465	$4.554
Total Overnight Users	$9.600	$11.200	$12.800	$14.400	$16.000	$16.320	$16.646	$16.979	$17.319	$17.665
Total Trail Users/Spending	**$12.075**	**$14.088**	**$16.100**	**$18.113**	**$20.125**	**$20.528**	**$20.938**	**$21.357**	**$21.784**	**$22.220**

Source: MCa modelling and estimates, December 2019

Chart 7 Comparisons of Cases - Far South Adventure Trails User Spending in Region ($ million - 2019 prices)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Base Case - Spending	$12.075	$14.088	$16.100	$18.113	$20.125	$20.528	$20.938	$21.357	$21.784	$22.220
Optimistic Case - Spending	$13.283	$15.496	$17.710	$19.924	$22.138	$22.580	$23.032	$23.492	$23.962	$24.442
Conservative Case - Spending	$10.868	$12.679	$14.490	$16.301	$18.113	$18.475	$18.844	$19.221	$19.606	$19.998

Source: MCa modelling and estimates, December 2019

3. Economic Impacts of Far South Adventure Trails

The economic impacts of the Far South Adventure Trails development are modelled for both the construction phase and the operations phase. The impacts are measured in terms of: full time equivalent jobs (FTE); and the increase in regional income that is generated by trail users and their spending in the region.[7]

3.1 Construction Phase

Local jobs and an increase in regional income will be generated during the construction phase of the project.

3.1.1 Construction Costs

Total adventure trail construction costs for the Part B projects are estimated at $64.750 million. The capital and operational costs are based on feasibility studies prepared for each adventure Trail proposal.

Table 6 Construction Costs – Far South Adventure Trails Project ($ 2019)

Proposals	Capital Costs $
Part A Project	
Proposal 1 Mountain Bike Destination Product	$5,0000,000
Part B Projects	
Proposal 2 Cave to Coast Multi Day Walk	$21,000,000
Proposal 3 Huonville to Franklin Foreshore Shared Pathway	$23,500,000
Proposal 4 Dover to Southport Track	$250,000
Proposal 5 Pulawa Lugganah	$20,000,000
Proposal 6 Ida Bay Rail Trail	na
Total Part B Projects	**$64,750,000**

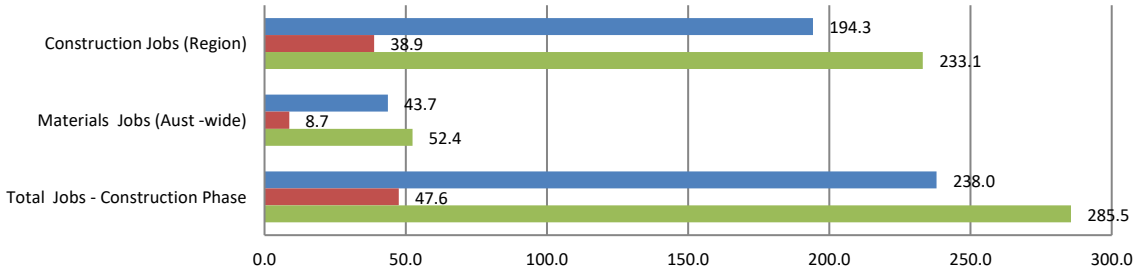
Source: Otium Planning Group Indicative Costings, December 2019

3.1.2 Economic Impacts - Construction Phase

Far South Adventure Trails Development

For all of the projects combined (Proposals 2-6), a total of 285.5 FTE jobs (233.1 direct jobs and 52.4 indirect/induced jobs) would be generated during the construction period. The direct jobs (238 FTE) comprise 194.3 jobs in on-site construction and 43.7 jobs in materials/equipment supply.

Chart 8 Construction Phase - Far South Adventure Trails Network - Jobs FTE (no.)



	Total Jobs - Construction Phase	Materials Jobs (Aust -wide)	Construction Jobs (Region)
Direct Jobs	238.0	43.7	194.3
Indirect/Induced Jobs	47.6	8.7	38.9
Total Jobs	285.5	52.4	233.1

Source: MCa modelling and estimates, December 2019. Note any differences due to rounding.

7 Regional income is the total net income generated from the activity and covers wages and salaries of employees and profits of businesses within the region. It includes income generated directly within the business and indirect income, which is generated in other regional businesses (wages and profits) from the multiplier impacts of employee spending on the region. In the modelling of income generated, income tax and GST on spending, are both treated as leakages from the region.

Table 7 Construction Phase – Far South Adventure Trails Network – Jobs Generated FTE (no)

Construction Phase FTE Jobs (All Trails – Part B)	Direct Jobs	Indirect/ Induced Jobs	Total Jobs
Construction Jobs (Region)	194.3	38.9	233.1
Materials Jobs (state -wide)	43.7	8.7	52.4
Total Jobs - Construction Phase	**238.0**	**47.6**	**285.5**

Source: MCa modelling and estimates, December 2019. Note any differences due to rounding.

During construction a total of $42.7 million in regional income would be generated ($35.6 million direct income and $7.1 million indirect/induced).[8]

Table 8 Construction Phase – Far South Adventure Trails Network Regional Income ($ million)

Construction Phase Regional Income All Trails – Part B)	Direct Regional Income $m	Indirect/Induced Income $m	Total Regional Income $m
Construction Phase – Increase Regional Income	$35.613	$7.123	$42.735

Source: MCa modelling and estimates, December 2019

3.2 Operations Phase

The operations phase economic impacts of the adventure trails network are driven by the expenditure of visitors/users in towns adjacent to the adventure trails and in the broader Huon Valley region. This analysis assumes that all of the trails are built and are operational. The analysis is designed to show the potential impacts if all adventure trail segments are constructed.

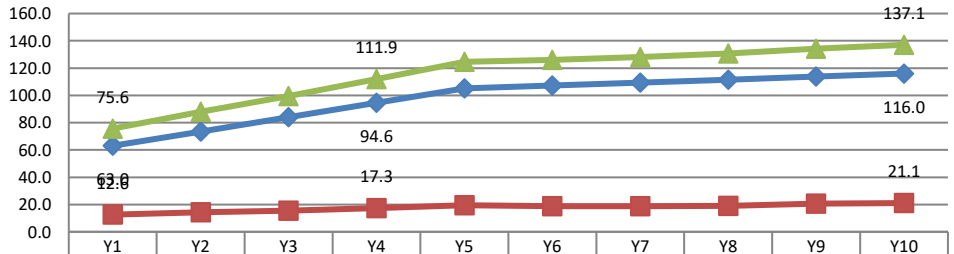
MCa's regional economic model is used to estimate the employment and income impacts of the adventure trails. The model allocates spending across relevant industry sectors and takes account of the significant shares of the gross spending by visitors/ adventure trail users, which leaks out of the region.[9]

3.2.1 Employment Impacts

The charts below show the increase in regional jobs (annual) generated by each of the user/visitor groups for the Base Case. The ongoing growth in user numbers will support an increasing number of jobs in the region.

- The operation of the adventure trails network would generate a total of 75.6 full time equivalent jobs in year 1 (63.0 direct jobs and 12.6 indirect/induced jobs), increasing to 137.1 FTE jobs in Year 10 (116.0 direct jobs and 21.1 indirect/induced jobs).
- Of the total 137.1 jobs (direct & indirect/induced) in year 10 – day users (local /regional/day visitors) for 32.5 FTE jobs and overnight visitors for 104.6 FTE jobs.
- On a sector basis, the jobs (FTE-direct and indirect) generated by adventure trails users are mainly concentrated in: recreational services and other visitor services; accommodation; food service; and other retail.

Chart 9 Base Case : Jobs Generated by Far South Adventure Trail Operations (FTE no.)

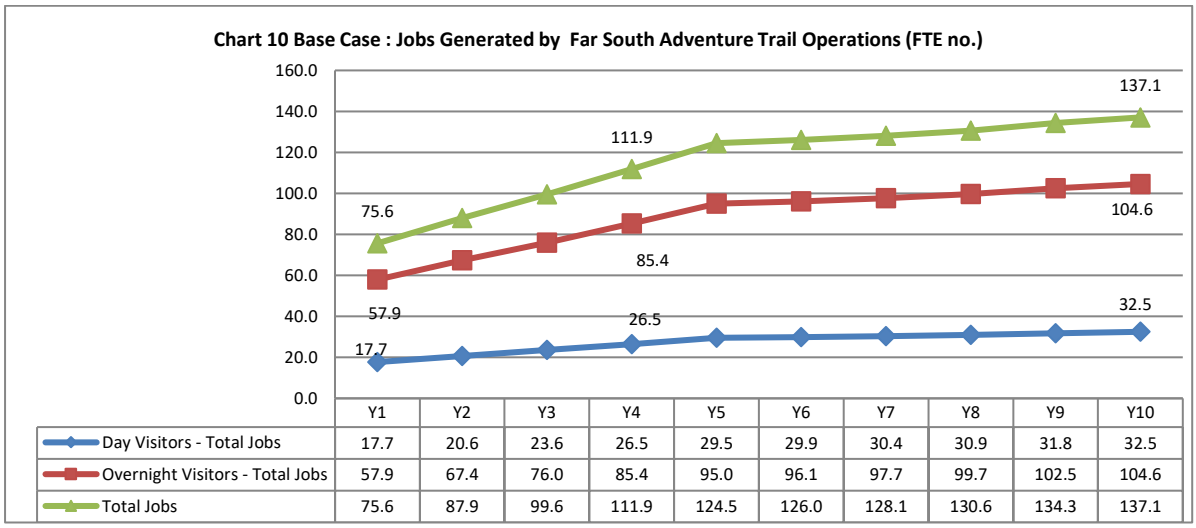


	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Direct Jobs	63.0	73.6	84.1	94.6	105.1	107.2	109.3	111.5	113.7	116.0
Indirect /Induced Jobs	12.6	14.4	15.5	17.3	19.4	18.8	18.8	19.1	20.6	21.1
Total Jobs	75.6	87.9	99.6	111.9	124.5	126.0	128.1	130.6	134.3	137.1

Source: MCa modelling and estimates, December 2019. Note any differences due to rounding.

8 This assumes the construction workforce would come from Huon Valley LGA and adjacent areas.

9 The spending by trail users is not the economic impact and does not represent the increase in in regional income. There is a major leakage of this spending out of the region due to : the GST (10%); and a significant component of the value of services and products purchased by visitors comes from outside the region (eg. food ingredients, soft drinks, beer , consumer products bought etc.). The model takes account of these leakages and estimates employment impacts and the increase in regional income.



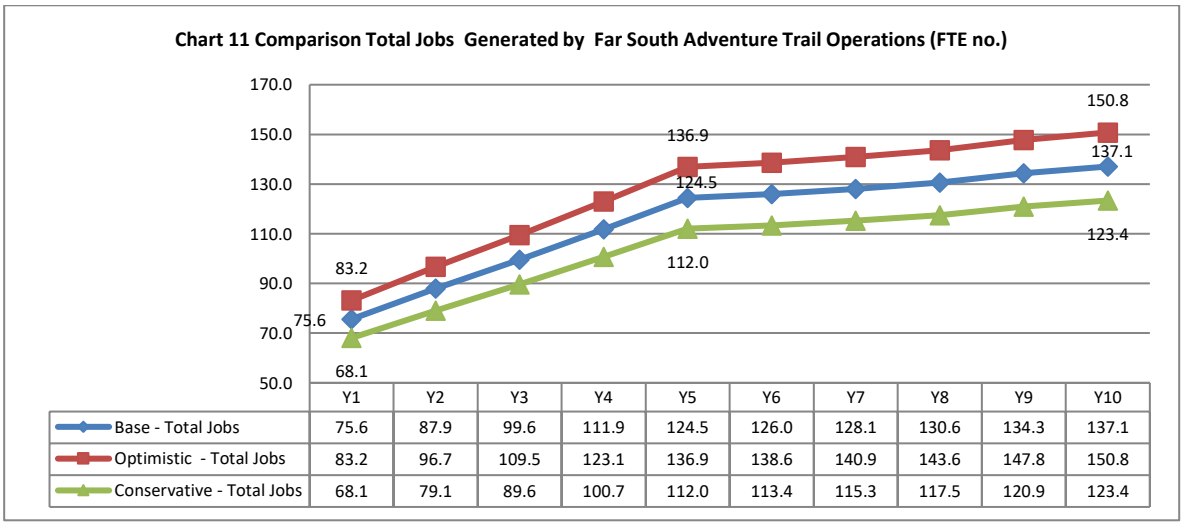
Source: MCa modelling and estimates, December 2019. Note any differences due to rounding.

Table 9 Base Case: Total Jobs Generated by Far South Adventure Trails Network Operations Years 1-10 (FTE no.)

Operations: Jobs Generated by Trail Users Base Case	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Day Users Local/Regional /Day Visitors										
Direct Jobs	14.8	17.2	19.7	22.1	24.6	25.1	25.6	26.1	26.6	27.2
Indirect/Induced Jobs	2.9	3.4	3.9	4.4	4.9	4.8	4.8	4.8	5.2	5.3
Total Jobs	**17.7**	**20.6**	**23.6**	**26.5**	**29.5**	**29.9**	**30.4**	**30.9**	**31.8**	**32.5**
Overnight Users/Visitors										
Direct Jobs	48.3	56.3	64.4	72.4	80.5	82.1	83.7	85.4	87.1	88.9
Indirect/Induced Jobs	9.6	11.0	11.6	12.9	14.5	14.0	14.0	14.2	15.4	15.7
Total Jobs	**57.9**	**67.4**	**76.0**	**85.4**	**95.0**	**96.1**	**97.7**	**99.7**	**102.5**	**104.6**
Total All Users										
Direct Jobs	63.0	73.6	84.1	94.6	105.1	107.2	109.3	111.5	113.7	116.0
Indirect/Induced Jobs	12.6	14.4	15.5	17.3	19.4	18.8	18.8	19.1	20.6	21.1
Total Jobs	**75.6**	**87.9**	**99.6**	**111.9**	**124.5**	**126.0**	**128.1**	**130.6**	**134.3**	**137.1**

Source: MCa modelling and estimates, December 2019. Any differences due to rounding

The chart below compares the total jobs generated for each of the 3 cases examined. The alternate cases are +or – 10% of the Base Case.



Source: MCa modelling and estimates, December 2019. Any differences due to rounding.

The development of the adventure trail network is likely to see the development of some local bike, paddle sports and other recreational services businesses. The industry analysis highlights that jobs generated by

adventure trails users will be in a number of sectors. In year 10 industry jobs are estimated at: recreation services/other services (bike and paddle hire, guides, equipment, other services) 42.5 jobs; transport (including shuttles and other transport) 15.2 jobs; accommodation 27.3 jobs; food and beverage 32.6 jobs; and other retail 13.3 jobs.

Table 10 Base Case: Jobs Generated by Far South Adventure Trails Network Users by Industry Years 1 -10 (FTE no.)

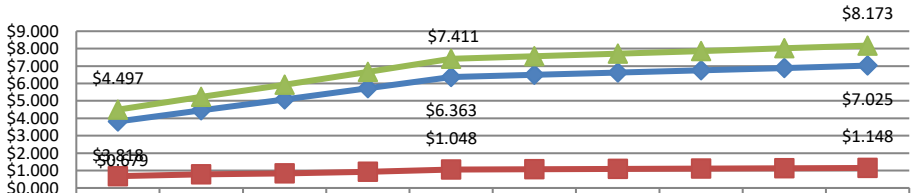
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Total All Jobs	**2022**	**2023**	**2024**	**2025**	**2026**	2027	2028	2029	2030	2031
Day Visitors & Local /Regional Users										
Accommodation	0	0	0	0	0	0	0	0	0	0
Food & Beverage	4.7	5.5	6.3	7.0	7.8	7.9	8.1	8.2	8.4	8.6
Recreation Services/Other Services	8.4	9.8	11.2	12.6	14.0	14.2	14.5	14.8	15.1	15.4
Other Retail	2.0	2.3	2.6	2.9	3.3	3.3	3.3	3.4	3.5	3.6
Health	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Transportation	1.8	2.1	2.4	2.7	3.0	3.0	3.0	3.1	3.2	3.3
Communication	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Education	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Miscellaneous Services	0.4	0.5	0.5	0.6	0.7	0.6	0.6	0.7	0.7	0.7
Total	**17.7**	**20.6**	**23.6**	**26.5**	**29.5**	**29.9**	**30.4**	**30.9**	**31.8**	**32.5**
Overnight Visitors/Users										
Accommodation	14.8	17.3	19.7	22.2	24.7	25.2	25.7	26.2	26.7	27.3
Food & Beverage	13.2	15.4	17.4	19.6	21.8	22.1	22.5	23.0	23.5	24.0
Recreation Services/Other Services	14.9	17.4	19.6	22.1	24.6	24.9	25.3	25.8	26.5	27.1
Other Retail	5.5	6.4	7.1	7.9	8.8	8.9	9.0	9.1	9.5	9.7
Health	0.9	1.0	1.0	1.2	1.3	1.3	1.3	1.3	1.4	1.4
Transportation	6.6	7.7	8.7	9.7	10.8	10.9	11.1	11.3	11.7	11.9
Communication	0.2	0.2	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Education	0.5	0.5	0.5	0.6	0.7	0.7	0.7	0.7	0.7	0.7
Miscellaneous Services	1.3	1.5	1.6	1.7	1.9	1.9	1.9	1.9	2.1	2.1
Total	**57.9**	**67.4**	**76.0**	**85.4**	**95.0**	**96.1**	**97.7**	**99.7**	**102.5**	**104.6**
Total All Users										
Accommodation	14.8	17.3	19.7	22.2	24.7	25.2	25.7	26.2	26.7	27.3
Food & Beverage	17.9	20.8	23.7	26.6	29.6	30.1	30.6	31.2	32.0	32.6
Recreation Services/Other Services	23.3	27.2	30.8	34.7	38.6	39.1	39.8	40.6	41.7	42.5
Other Retail	7.5	8.7	9.7	10.9	12.1	12.2	12.3	12.5	13.0	13.3
Health	1.1	1.3	1.4	1.6	1.8	1.7	1.7	1.7	1.9	1.9
Transportation	8.4	9.8	11.0	12.4	13.8	13.9	14.2	14.4	14.9	15.2
Communication	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Education	0.6	0.7	0.7	0.8	0.9	0.9	0.9	0.9	1.0	1.0
Miscellaneous Services	1.7	1.9	2.1	2.3	2.6	2.5	2.5	2.6	2.8	2.8
Total	**75.6**	**87.9**	**99.6**	**111.9**	**124.5**	**126.0**	**128.1**	**130.6**	**134.3**	**137.1**

Source: MCa modelling and estimates, December 2019. Any differences due to rounding.

3.2.2 Regional Income Impacts

The total increase in regional income generated annually by the operation of the adventure trails network and visitor/user spending totals $4.497 million in year 1, increasing to $8.173 million in year 10.[10] The increase in income (direct and indirect/induced) generated by day visitors/users (includes locals/regionals and day visitors) is $1.018 million in year 1 and $1.870 million in year 10. Overnight users/visitors boost total regional income by $3.479 million in year 1 and $6.303 million in year 10.

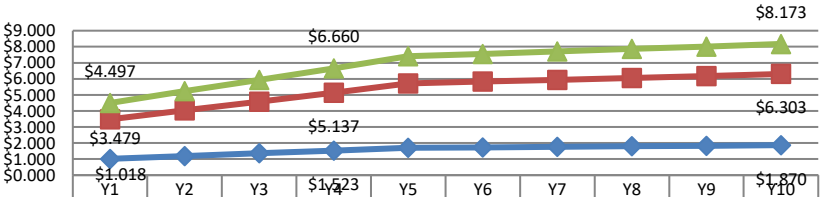
Chart 12 Base Case: Far South Adventure Trail -Increase in Regional Income ($ million - 2019)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Direct Income	$3.818	$4.454	$5.091	$5.727	$6.363	$6.490	$6.620	$6.753	$6.888	$7.025
Indirect/Induced Income	$0.679	$0.776	$0.837	$0.934	$1.048	$1.067	$1.086	$1.106	$1.127	$1.148
Total Income	$4.497	$5.230	$5.927	$6.660	$7.411	$7.558	$7.707	$7.859	$8.015	$8.173

Source: MCa modelling and estimates, December 2019. Any differences due to rounding.

Chart 13 Base Case: Far South Adventure Trail -Increase in Regional Income ($ million - 2019 Prices)

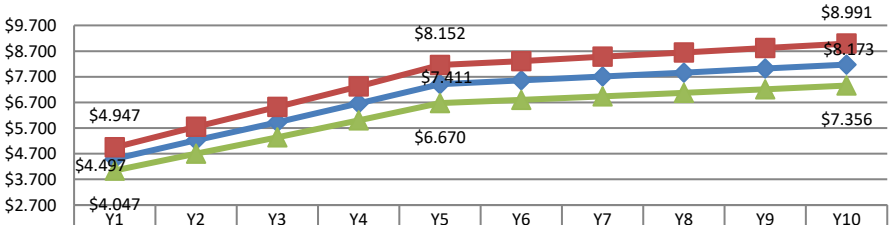


	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Regional Income - Day Visitors/Users	$1.018	$1.183	$1.358	$1.523	$1.698	$1.731	$1.765	$1.799	$1.834	$1.870
Regional Income - Overnight Visitors/Users	$3.479	$4.047	$4.570	$5.137	$5.713	$5.827	$5.942	$6.060	$6.180	$6.303
Total Regional Income	$4.497	$5.230	$5.927	$6.660	$7.411	$7.558	$7.707	$7.859	$8.015	$8.173

Source: MCa modelling and estimates, December 2019. Any differences due to rounding.

Chart 14 compares the total increase in regional income for each of the 3 cases.

Chart 14 Comparison Total Regional Income Generated by Far South Adventure Trail Operations ($ milllion Constant $2019)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Base - Total Income	$4.497	$5.230	$5.927	$6.660	$7.411	$7.558	$7.707	$7.859	$8.015	$8.173
Optimistic - Total Income	$4.947	$5.753	$6.520	$7.326	$8.152	$8.314	$8.477	$8.645	$8.816	$8.991
Conservative - Total Income	$4.047	$4.707	$5.335	$5.994	$6.670	$6.802	$6.936	$7.073	$7.213	$7.356

Source: MCa modelling and estimates, December 2019. Any differences due to rounding.

10 Regional income is the total net income generated from the activity and covers wages and salaries of employees and profits of businesses within the region. It includes income generated directly within the business and indirect income, which is generated in other regional businesses (wages and profits) from the multiplier impacts of employee spending on the region. In the modelling of income generated income tax and GST on spending, are both treated as leakages from the region.

4. Trail Benefits and Costs

The benefits and costs of are analysed for a 10 year period for the Base Case.

4.1 Trail Costs - 10 Years

The estimated total construction cost of the adventure trails network project is $64.750 million, and the 10-year maintenance costs are $12.950 million (assumed to be $1.295 million per year), depreciation is not included, for a total 10-year cost of $77.700 million.

Table 11 Total Costs of Far South Adventure Trails Project - 10 Years ($2019 Prices)

Summary	Trail Network Development <$ 2019 Prices>
Construction Cost	
Total Costs Part B South Adventure Trails Network	$64,750,000
Maintenance Costs	
Annual Maintenance Cost (2%)	$1,295,000
Total Maintenance (10 Years)	$12,950,000
Depreciation	
Depreciation (10 years) [11]	Not Included
Total Costs 10 Years	
Total Construction / Maintenance	**$77,700,000**

Source: Otium Planning Group Costings, December 2019

4.2 Measuring Benefits – 10 Years

The measured benefits of the adventure trails comprise the increase in regional income generated; health and welfare benefits of MTB activities; and an estimate of the consumer value of trail use.

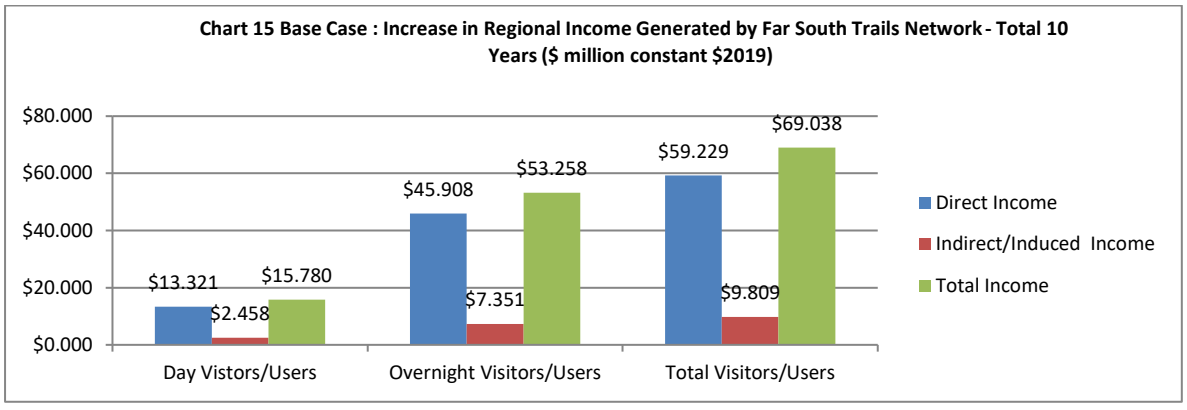
Increase in Regional income

The increase in regional income generated by adventure trails users spending over a 10-year period totals $69.037 million (in constant $2019 prices).

Table 12 Base Case: Increases in Regional Income Generated by Far South Adventure Trails Network Users (constant prices $2019)

Increase in Regional Income -10 Years	Day Visitors $	Overnight Visitors $	Total Regional Income $
Direct Income	$13,321,492	$45,907,653	$59,229,144
Indirect/Induced Income	$2,458,041	$7,350,698	$9,808,739
Total Income	$15,779,533	$53,258,350	$69,037,883

Source: MCa modelling and estimates, December 2019.



Source: MCa modelling and estimates, December 2019. Any differences due to rounding.

Health Benefits

There is limited research available, which quantifies the health benefits of exercise activity on adventure trails. A study was commission by Parks Victoria in 2016 to measure the benefits of activities undertaken in Victorian National Parks. The report by Marsden Jacobs Associates included exercise associated with cycling/active walking as one of the activities. The study estimated net healthcare benefits (in terms of avoided future health costs) at $15 per hour (of exercise). These are based on a reduction of in all lifetime health costs (adjusted for injury) incurred by individuals (private spending and public spending

11 Because of the lack of detail on the assets to be constructed in each trail segment, depreciation has not been included in this analysis.

on health).[12] This research has been applied in the analysis of this Adventure Trails project. For this project and the likely mix of users, we have used a reduced figure of an average of $10 per hour of exercise.[13]

- Healthcare benefits are measured as the net (adjusted for injury) avoided costs to the healthcare system. These cover private medical costs incurred by individuals and government contributions, including Medicare rebates and other health care subsidies) attributable to nature-based outdoor activity.
- For the analysis of the adventure trails and precinct, we have assumed an average cycle period of 3 hours per trail use.
- This indirect health benefit is estimated at $10.471 million over the 10 year period (in constant $2019 prices) for local/regional users of the trail only.

Table 13 Base Case: Estimated Health Benefits – Local & Regional Users (Constant Prices $2019)

Far South Adventure Trails	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total 10 Years
Health Benefits (Local & Regional Users)											
Health Benefits (estimate)	$675,000	$787,500	$900,000	$1,012,500	$1,125,000	$1,147,500	$1,170,450	$1,193,859	$1,217,736	$1,242,091	$10,471,636

Source: MCa modelling and estimates, December 2019.

Consumer Surplus

There are no charges for the use of the trail. However a valuation can be placed on the experience based on a shadow price (what a person may be willing to pay). For the trail we have assumed it to be $35 per user. Based on this figure, the total value that the users place on the experience of the trails over the 10 year period is $12.217 million.

Table 14 Base Case: Estimated Consumer Value – Day Users, Locals & Regionals (Constant Prices $2019)

Far South Adventure Trails	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total
Consumer value	$787,500	$918,750	$1,050,000	$1,181,250	$1,312,500	$1,338,750	$1,365,525	$1,392,836	$1,420,692	$1,449,106	$12,216,909

Source: MCa modelling and estimates, December 2019.

12 Victoria's Nature-Based Outdoor Economy- Key Estimates and Recommendations, Marsden Jacobs Associates, January 2016 P10 & 21.

13 This reduction is because the trail use is likely to be a mix of active exercise users and more leisurely use.

4.3 Benefit Cost Analysis

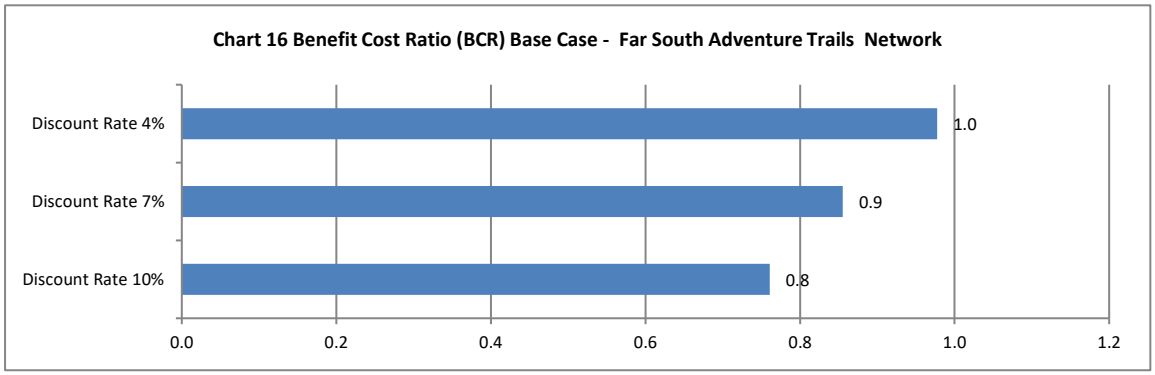
The following table and chart show the benefits and costs of the operations of the trails network over a 10 year period. The benefits are measured by: the increase in regional income generated by trail users and their spending; the estimated health benefits (over a 10 year period); and a value that users put on trail use. The costs include construction costs and asset maintenance costs. For the comparison, the present value of the benefits is calculated using 3 discount rates (4%, 7% and 10%).

Table 15 Base Case: Benefits and Cost Analysis Far South Adventure Trails Development - 10 Year Period

Trail Development: 10 Year Operations Period	Discount Rate 4%	Discount Rate 7%	Discount Rate 10%
Costs (10 Years)			
Capital Costs 2019 ($)	$64,750,000	$64,750,000	$64,750,000
Costs - Maintenance (10 years)	$12,950,000	$12,950,000	$12,950,000
Depreciation	Not included	Not included	Not included
Total Costs	**$77,700,000**	**$77,700,000**	**$77,700,000**
Benefits to Region (10 Years)			
Direct Benefits - users (shadow price)	$12,216,909	$ 12,216,909	$ 12,216,909
Regional Benefits (increase in regional income generated)	$69,037,883	$69,037,883	$69,037,883
Indirect Benefits (health benefits)	$10,471,636	$10,471,636	$10,471,636
Total Benefits (2019 Prices)	**$91,726,428**	**$91,726,428**	**$91,726,428**
Present Value of Benefits			
Total Benefits ($) Present Value	**$75,938,067**	**$66,467,061**	**$59,110,674**
Net Present Value ($)	**-$1,761,933**	**-$11,232,939**	**-$18,589,326**
NPV/ Costs	0.0	-0.1	-0.2
Benefit Cost Ratio (BCR) <Total Benefits: Present Value/Total Capital Costs>	**1.0**	**0.9**	**0.8**

Source: MCa modelling and estimates, December 2019. Note: Direct benefits are the value to users of a facility; usually this is measure by user payments/fees. In this case it is assumed that there are no user charges for the trail, therefore benefits are the increase in regional income generated by visitor spending and the health benefits of exercise activity.

The chart below compares Benefit Cost Ratios (BCR) for the 3 discount rates. For a trail project a 4% discount rate is appropriate and the project yields a positive BCR of 1.0. The present value of total benefits ($75.9 million) generated over 10 years approximates the total 10 year costs of the trail network development. ($77.7 million) over a 10 year period.



Source: MCa modelling and estimates, December 2019

Appendix A: Summary of Huon MTB Trail Economic Assessment

Huon MTB Trail Economic Assessment

The MTB Trail report provides an economic impact assessment of the proposed Huon Valley MTB Trail development.[14] It is designed to show the scope and potential size of the benefits to the region, which could be realised with the development of the trail.

Huon Valley MTB Trail development will generate positive economic benefits for the Huon Valley region during the construction phase and in the operations phase.

A.1 Trail Users

MTB Trail use is estimated to increase from 25,189 in year 1 to 32,890 in year 10. For the Base Case the year 5 users total 30,852.

Table A.1 Base Case: MTB Trail Use Estimates Years 1-10 (no.)

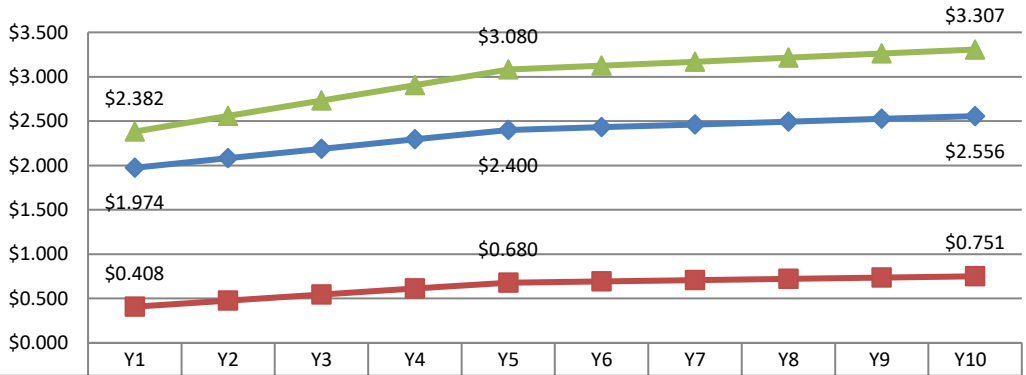
Trail Use										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
User Estimates (annual)	60%	70 %	80%	90%	Estimate	2% annual growth				
Locals	3,561	3,598	3,634	3,668	3,702	3,734	3,766	3,796	3,825	3,853
Regionals	14,059	14,180	14,299	14,418	14,537	14,655	14,771	14,887	15,000	15,112
Total Local & Regional	**17,621**	**17,778**	**17,933**	**18,087**	**18,239**	**18,389**	**18,537**	**18,683**	**18,825**	**18,965**
Domestic Day	6,293	7,342	8,391	9,440	10,488	10,698	10,912	11,130	11,353	11,580
Total Day Users	**23,914**	**25,120**	**26,324**	**27,527**	**28,727**	**29,087**	**29,449**	**29,813**	**30,178**	**30,545**
Overnight Visitors										
International O/Night	372	434	496	557	619	632	644	657	670	684
Domestic O/Night	903	1,054	1,204	1,355	1,505	1,535	1,566	1,597	1,629	1,662
Total Overnights	**1,275**	**1,487**	**1,700**	**1,912**	**2,125**	**2,167**	**2,210**	**2,255**	**2,300**	**2,346**
Total Trail Uses	**25,189**	**26,607**	**28,024**	**29,439**	**30,852**	**31,254**	**31,660**	**32,068**	**32,478**	**32,890**

Source: MCa modelling and estimates, December 2019

A.2 Spending in the Region

For the Base Case total annual spending increases from $2.382 million in year 1 to $3.307 million in year 10. Day users (locals, regionals and other day visitors) account for the bulk of the spending.

Chart A.1 Base Case: Spending in Region by Huon MTB Trail Users ($milion - 2019 prices)



	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10
Day Visitors	$1.974	$2.080	$2.187	$2.294	$2.400	$2.431	$2.462	$2.493	$2.524	$2.556
Overnight Visitors	$0.408	$0.476	$0.544	$0.612	$0.680	$0.693	$0.707	$0.722	$0.736	$0.751
Total Spending	$2.382	$2.556	$2.731	$2.905	$3.080	$3.124	$3.169	$3.214	$3.260	$3.307

Source: MCa modelling and estimates, December 2019

14 Part A: Huon Mountain Bike Destination Product - Economic Impact Assessment Report, MCa December 2019

A.3 Construction Phase Jobs

A total of 24.6 FTE jobs (20.5 direct jobs and 4.1 indirect/induced jobs) would be generated during the construction period. The direct jobs comprise 17.5 jobs in on-site construction and 3 jobs in materials/equipment supply.[15]

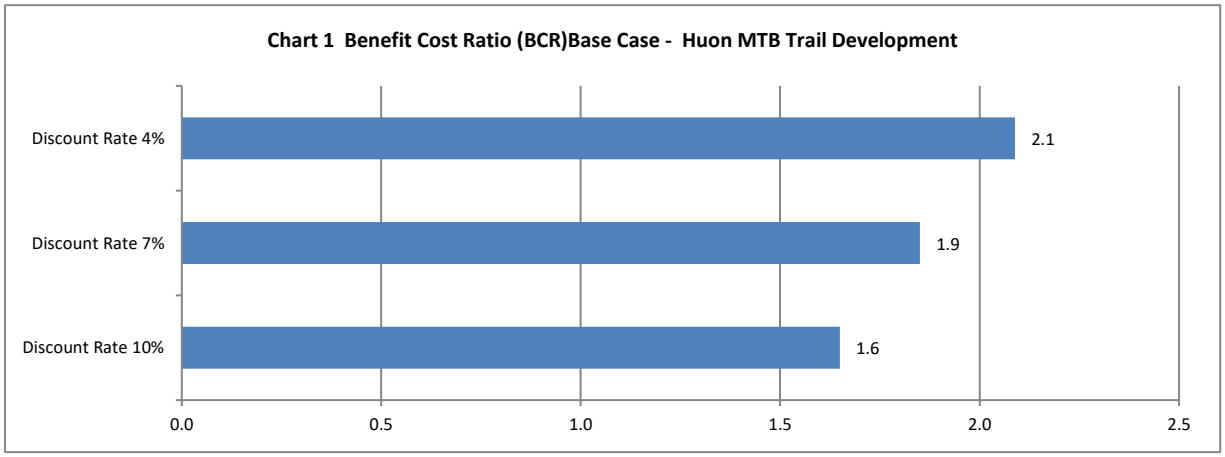
A.4 Operations Phase Jobs

The ongoing growth in user numbers will support an increasing number of jobs in the region.

- The operation of the trail would generate a total of 16.6 full time equivalent jobs in year 1 (13.8 direct jobs and 2.8 indirect/induced jobs), increasing to 23.1 FTE jobs in Year 10 (19.0 direct jobs and 4.1 indirect/induced jobs).
- Of the total 23.1 jobs (direct & indirect/induced) in year 10 – day users (local /regional/day visitors) for 18.2 FTE jobs and overnight visitors for 4.1 FTE jobs.
- On a sector basis, the jobs (FTE-direct and indirect) generated by trail users are mainly concentrated in: recreational services and other visitor services; accommodation; food service; and other retail.

A.5 Benefit/Cost Analysis

The MTB Trail development generates combined benefits that are substantially above the full costs (construction, maintenance and depreciation) over a 10-year period. For a trail project a 4% discount rate is appropriate and the project yields a positive BCR of 2.1 (1.9 for a 7% discount rate). The present value of total benefits ($17.753 million) generated by the investment exceeds the total costs of the project ($8.500 million) over a 10 year period and is 2.1 times the total cost.



Source: MCa modelling and estimates, December 2019

15 Note there may be some differences due to rounding.

References

Local Government Area Profiles, 2017, Huon Valley LGA, Tourism Research Australia

Victoria's Nature-Based Outdoor Economy- Key Estimates and Recommendations, Marsden Jacobs Associates, January 2016.