NSW Road Classification Review and Transfer Information Paper 2020.pdf

Angry Bull Mountain Bike Trails - Business Case October 2020 - Regional Development Australia Northern Inland NSW.pdf

Independent Panel

Road Classification Review and Transfer Information Paper

June 2020

Contents

1. Introduction

In February 2019, the Deputy Premier and Minister for Roads, Maritime and Freight announced the initiation of a Road Classification Review and the transfer of up to 15,000 kilometres of council owned and managed roads to State management. These commitments are now being carried forward as the Road Classification Review and Transfer project, led by an Independent Panel.

This project combines a comprehensive review of road classifications around NSW with broader considerations around how we think about our road network and its capacity to meet the needs of industry and the community. To make informed and meaningful recommendations to government, the Independent Panel is entering into a conversation with our biggest road managers – local councils – and other stakeholders and road users to find out how we can best manage our roads, sustain healthy communities, promote their economies and work together to support a cohesive, well run road network.

This background paper sets out the division between Local, Regional and State Roads and describes the features of each category. All of this information – how our road network is managed, maintained, funded and categorised – is being opened to consultation. At the same time, a priority round of submissions for reclassification and transfer will run as the first phase of the project.

The scale of this project is significant. All interested parties are asked to critically assess the content of this document and engage with the Independent Panel through the consultation process to inform the review and make the changes that will improve the ongoing management of the road network.
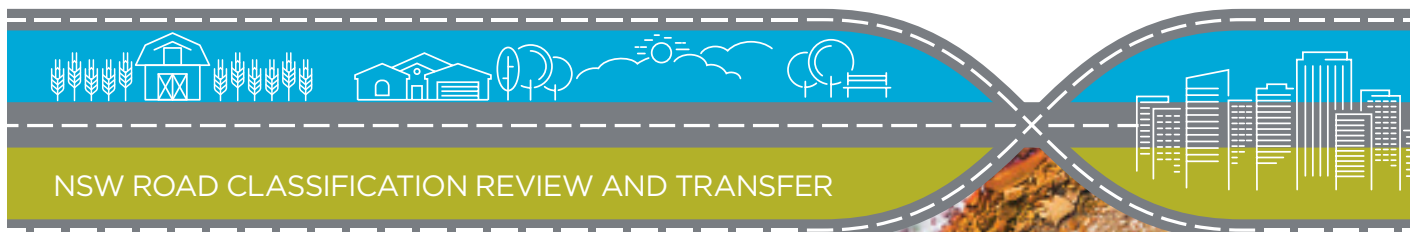
2. Purpose

Future Transport 2056 and its supporting plans require a regular review of the policy principles that underpin the road classification framework to ensure that they align with its six core outcomes.

1. Customer focused

2. Successful places

6. Sustainable

The future of transport in NSW

3. A strong economy

5. Accessible services

4. Safety and performance
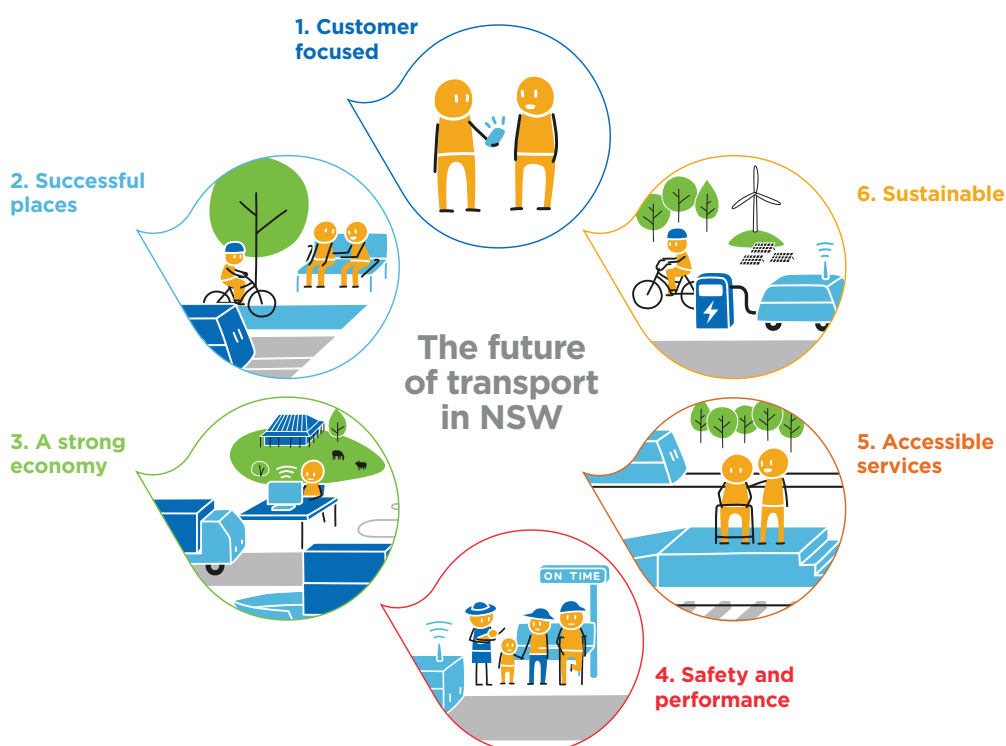
The Road Classification Review has been initiated because:

a) A review of existing road classifications should occur on a regular basis to maintain the integrity of the road network to support planning, policy making and the equitable distribution of resources.

b) An issue has been identified in some council areas with the cost of maintaining regional roads, or with the standard of maintenance of some regional roads.

c) There is an opportunity to make adjustments to individual road classifications and to re-examine the current classification framework to better align with current and developing State and national frameworks.

The Independent Panel has been established to consider a broad range of issues to:

• Lighten the load on councils by identifying which roads are appropriately managed by the State Government, and which are of sufficient significance to receive State funding

• Consider larger-scale changes to the management of the road network such as levels of service, design standards, the collection and validation of data and reporting

• Consider how technologies of the future can be accommodated on the NSW road network.

Clear and logical road classification matters. Apart from assigning management responsibility between jurisdictions and directing funding, classifications matter fundamentally to the experience of the road user. Even where the technical aspects of classification may be unknown to an average driver, cyclist or pedestrian, its effects will be communicated through the design and usage of the road. These elements are known to influence road user behaviour. A clear and strategic set of principles, consistently applied, is foundational to improving customer experience and safety on the network.

2. Purpose

2.1 A 20-Year Economic Vision for Regional NSW

A 20-Year Economic Vision for Regional NSW is a comprehensive vision for the future of regional NSW. It lays out a priority pathway to support the acceleration of regional growth and the long-term health and prosperity of the State.

The 20-year vision sets out the interaction of regional plans and strategies as follows:

Portfolio policies — Our Statewide priorities by portfolio

NSW State Infrastructure Strategy
Statewide infrastructure needs and priorities

Future Transport
Statewide transport strategies and plans to 2056

Jobs for the Future
Securing job opportunities across the State

Growing the First Economy
Promoting Aboriginal economic prosperity in NSW

Greater Sydney plans, regional plans
Land planning for future needs across NSW

Regional NSW policies — What we will achieve in regional NSW

Regional Development Framework
The framework for achieving amenity, growth and potential

Regional vision — How we envisage future regional growth

Regional Vision
The vision and principles for future regional growth

Regional economic strategies — How we will deliver economic growth locally

Regional Economic Development Strategies (REDS)

The vision recognises several key principles aligned with the economic enablers that support the review of regional roads and networks, including:

INFRASTRUCTURE

1. Improved travel between regional centres and from cities and international gateways
Better transport infrastructure and services enable increased business activity, a wider labour market and better lifestyles.

2. Freight networks that will increase the competitiveness of key regional sectors
Efficient freight transportation underpins the viability and competitiveness of key and emerging sectors. High-performing freight networks are essential for regional NSW to compete in the global marketplace.

3. Key terms

3.1 Road classification

The process of classifying roads is a mechanism used by the State government to assist in the effective allocation of State government road funds, and the allocation of road management responsibility between State and Local Government jurisdictions.

The *Roads Act 1993* provides for roads to be classified as Freeways, Controlled Access Roads, Tollways, State Highways, Main Roads, Secondary Roads, Tourist Roads, Transitways and State Works. These classified roads include all State Roads and some Regional Roads.

To simplify the administration of the various legal road classes, roads in NSW are also grouped into a three-tier administrative classification of State, Regional and Local Roads. These are not statutory categories but are agreed between levels of government and used to determine who is responsible for the management of a road and what type of funding it can receive.

3.2 Functional classification

This is the most common type of classification system. Road function is an element of any system that considers either how roads behave or how they would desirably behave as part of the network to define a classification framework.

In theory, the purpose of a functional classification is that traffic should flow in a logical way through road networks within the same functional category. This drives customer expectations and behaviour, and influences place-making and road safety.

A potential limitation of functional classification is that it may fail to reflect newer thinking about movement and place. Many roads have a mixed character, and a functional classification may need a degree of flexibility to be able to reflect both a road's form, or structural characteristics (which may indicate a variety of functions), as well as its place in the broader road network.

3. Key terms

3.3 Administrative classification

This classification assigns a category to roads on the basis of who is responsible for its management.

There is a view that the functional and administrative classifications should exactly align, and that functional hierarchy is able to also determine management arrangements for each road type. As classification systems are not an exact science, how far this is true will vary between policy makers and according to circumstances. However, neither can they be entirely separated. The State, Regional and Local road categories are primarily administrative as they are assigned to indicate who is responsible for the management of a road and reflect the funding arrangements for that road. However, the categories are also broadly applied to describe the role the road plays in the network.
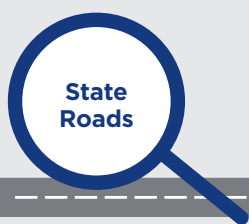
State Roads are major arterial links throughout the State and within major urban areas which are the responsibility of the State government to fund and prioritise, due to their significance in the network.

State Roads include roads classified under the *Roads Act 1993* as Freeways, State Highways and Important Main Roads.

Regional Roads are routes of secondary importance between State Roads and Local Roads. Some Regional-classified roads are located within metropolitan areas. They are designated Regional based on their significance rather than their geographical location.

Regional Roads include roads classified under the Act as Secondary Roads and the less significant Main Roads. They also include some roads not classified under the Act.

It is the responsibility of councils to fund, prioritise and carry out works on Regional Roads. They are eligible for funding assistance from the State government in recognition of their importance to the network.

Local Roads are the remaining council-controlled roads which provide for local circulation and access. It is the responsibility of councils to fund, prioritise and carry out works on Local Roads.

Local Roads are eligible for State government grant funding to support maintenance through the $500m Fixing Local Roads program as well as Financial Assistance Grant funding through the Federal Government.

3.4 Joint Organisations

In NSW, Joint Organisations (JOs) are a legislated network of council groups designed to strengthen regional collaboration.

JOs are voluntary groupings of non-metropolitan councils. There are currently 13 JOs across the State, which work to:

- Establish strategic priorities for the region and plans for the delivery of priorities
- Advocate for regional priorities
- Provide region-wide leadership
- Identify opportunities for inter-government cooperation.

Bodies such as JOs may be engaged in the development of reclassification and transfer submissions. Roads of any class may cross local government boundaries, and roads of the Regional class are likely to cross multiple Local Government Areas.

Councils choosing not to become part of a JO may lodge an individual submission or collaborate with other Local Government Areas to develop their submissions.

3.5 Functional Economic Region

Functional Economic Regions (FERs) are groupings of regional communities with strong economic links, which are thought of as creating smaller economies within the Statewide economy. Regional NSW is divided into 37 FERs, with groupings based on economic data from the Australian Bureau of Statistics.

A map of the NSW FERs can be found at **https://www.nsw.gov.au/improving-nsw/regional-nsw/a-20-year-economic-vision-for-regional-nsw/regional-nsw-today/**.

3.6 Regional Economic Development Strategies

Regional Economic Development Strategies (REDS) are developed in line with the FERs, in that they are strategies which apply to the groupings of Local Government Areas known as FERs. REDS are strategies that can guide the economic development activity of councils and businesses in a FER. They may help the Local Government Areas in a particular FER to access State funding, comply with State legislation governing infrastructure investment, and support grant applications to State and Federal Government.

A REDS may also apply to a single Local Government Area, where it is based on a FER comprising only one Local Government Area, although this is rare.

4. Scope

4.1 Within scope

- **For classification review:** All Local Government Areas Statewide may submit any road for reclassification as part of the review. Submissions should align as far as possible with the criteria and principles to be released by the Independent Panel.

- **For transfer:** Regional Councils, which are consistent with the regional boundaries under Restart NSW, may submit council owned regional roads for transfer.

Where a road that is the subject of a submission crosses Local Government Area boundaries, every attempt should be made to present a joint submission to the Panel. If a submission is made to transfer or reclassify part of a road, the Panel may be unable to conduct a satisfactory assessment.

The Panel may look favourably on joint submissions, including those supported by Joint Organisations or other collaborative groupings or bodies, or with an awareness of the significance, operation and promotion of Functional Economic Regions (FERs) and Regional Economic Development Strategies (REDS).

4.2 Out of scope

The Panel will not consider:

- Proposals to **transfer** council owned regional roads located in Greater Sydney, Wollongong or Newcastle. A list of eligible councils is attached to this document.

If councils are unsure whether their application for reclassification or transfer is eligible for consideration, they are advised to contact the Secretariat in the first instance.

5. Principles

5.1 Strategic principles

These strategic principles will inform the high-level decision-making of the Panel.

That the submission:

- Aligns with the Movement and Place, Hub and Spoke and 30-Minute City frameworks underpinning Future Transport 2056

- Aligns with the six outcomes for NSW identified in Future Transport 2056

- Aligns with *A 20-Year Economic Vision for Regional NSW* and related regional plans and strategies

- Aligns with freight policy

- Supports and promotes the economic productivity of the region

- Supports or enhances the resilience of the network

- Aligns with emergency management planning

- Enhances road safety outcomes.

5.2 Road Classification Review

5.2.1 Current classification framework

The *Roads Act 1993* sets out a seven-tier framework for classified roads in NSW. These categories are:

- Main roads

- Highways

- Freeways

- Controlled access roads

- Secondary roads

- Tourist roads

- Tollways/Transitways.

In NSW, a simplified three-tier administrative classification framework is used to define management and funding categories, as well as to cover types of roads which are not described in the Roads Act (the Act does not apply to unclassified roads, which include Local Roads and some Regional Roads).

5. Principles

The classifications are:

- **State Roads:** freeways and primary arterials managed by the State

- **Regional Roads:** secondary or sub-arterials managed by Local Government, for which councils receive financial assistance from the State, reflecting their importance in the road network

- **Local Roads:** collector and local access roads, managed and funded by Local Government.

These definitions are a guideline only, to which there are exceptions. For example, the State government has responsibility for some roads with a special purpose or function, such as major tourist roads.

These administrative categories have been in place since 1995. They do not exist in the legislation but by agreement between the levels of government.

5.2.2 Classification criteria

State Road

General principles:

- Form a critical network link – closure to through traffic is not an option

- Priority to safety and efficiency of through traffic movement

- High flows of general traffic over long distances and high capacity relative to surrounding roads

- Continuous and regularly spaced in relation to traffic generating density

- Access to property and on street parking restricted as far as practicable

- Access available to all general access vehicle types as far as practicable

- Generally prioritises 'movement' over 'place'

- Provides for mass transit, smart motorways and high-volume freight where applicable

- Likely to form a major 'spoke' between regional centres or between regional and metropolitan centres

- Provides safe and efficient movement of high-volume freight

- Provides access for significant freight vehicles to major rural intermodal interchanges and urban distribution areas

- Support regional or State-significant economic activity

- Support 30-minute cities, where applicable

- May form a future autonomous vehicle/truck platooning route

- Perform city-shaping corridor or city-serving corridor functions (metropolitan areas).

Definition

The State Road network (including the National Highways) is formed by the primary network of principal traffic carrying and linking routes for the movement of people and goods within the urban centres of Sydney, Newcastle, Wollongong and Central Coast, and throughout the State.

Criteria

A road may be a State Road if its primary function meets at least one of the following criteria:

1. **Links major commercial, industrial and residential areas and distribution centres and ports within the Sydney, Newcastle, Wollongong and Central Coast urban centres**

   - Urban centres as defined by the Australian Bureau of Statistics, and

   - Primary through traffic route carrying significant volumes of traffic, or

   - Major public transport corridor, or

   - Major freight corridors, or

   - Connection between major rural arterials and major ports, freight terminals and distribution centres, or

   - Significant and essential supplementary route for through traffic parallel to a primary route as defined by the above, in critical strategic locations only.

2(a) **Links major NSW towns with the Sydney, Newcastle, Central Coast and Wollongong urban centres**

2(b) **Links these major NSW towns with each other where there is significant interaction**

   - Major towns population generally in the range 10,000 to 100,000 but may include slightly smaller centres which provide a wide range of commercial, community and administrative functions to an extensive hinterland, and

   - Primary route exhibiting best operational features and an intention to manage as the major route, and

   - Significant economic and social interaction exhibited, and

- Generally carry a minimum Annual Average Daily Traffic (AADT) greater than 1,000, or at least greater than 500 and growing at a faster rate than on surrounding roads, and
- May include cross border links to interState major centres.

3. **Links major regions throughout the State with each other**

   - Provides a long distance connection between regions not already provided for in the network defined by the above criteria or 'missing links' that complete long distance connections between the network already defined by the above, and
   - Sustains a high flow of general traffic (generally AADT greater than 500) over long distances (100km), or
   - Significant long distance freight or coach route.

Regional Road

General principles

- Likely to prioritise 'movement' over 'place'
- May form a 'spoke' road depending on road's location and function.

Definition

Regional Roads comprise the secondary network which, together with State Roads, provide for travel between smaller towns and districts and perform a sub-arterial function within major urban centres.

Criteria

A road may be a regional road if its primary function meets at least one of the following criteria:

1. **Links** smaller towns within the State Road network

2. **Connects** smaller towns with each other

3. **Performs** a sub-arterial function in major urban centres by:

   – **Supplementing** the State Road network for significant intra-urban flows

   – **Providing** access for significant flows to other commercial and industrial centres

4. **Provides access from the State Road network to major recreation and tourist areas of State significance**

5. **Provides a town or suburban centre relief route for significant flows through traffic, especially freight vehicles**

6. **Provides access for significant flows of freight vehicles to major rural intermodal interchanges and urban distribution areas.**

Additional tests for regional roads

A road is potentially a Regional Road if it meets one or more of the following criteria:

- Forms the main regional link between population centres either directly or as part of the main route joining such centres
- Forms the main regional link between secondary suburban centres either directly or as part of the main route joining such centres
- Provides necessary connectivity between State Roads in urban areas
- Joins smaller service towns to their higher order economic and social regional centre
- Has significance for more than one Local Government Area
- If not otherwise connecting centres, functions as a collector road to a service town serving an extensive catchment area
- Carries a steady to increasing traffic volume with some potential for future growth
- Is an important route for significant flows of freight vehicles especially relative short haul farm to market/transport intermodal interchanges
- Provides access for secondary flows of urban public transport to major transport interchanges
- Carries a minimum AADT that is similar to surrounding main roads
- Is a main route performing the functions of closed railway line
- Provides a relief route for significant flows of through traffic, especially for heavy vehicles wishing to bypass a busy town or suburban centre.

A road is potentially NOT a Regional Road if it meets one or more of the following criteria:

- Closely parallels a State Road or another Regional Road which performs a similar function. Thus in rural areas where capacity is not a problem, arguments that a road relieves an existing declared road normally are not valid
- Carries a non-substantial, steady to declining traffic volume with little prospect for future growth
- Is a short spur road wholly within one LGA
- Is a short spur road to a local tourist feature (as distinct from a tourist area of regional significance)

5. Principles

- Is a short spur road to a low throughput wharf, railway or other facility which is of local rather than regional significance
- Functions more as a local access road and acts as a minor collector serving a small catchment area with volumes steadily decreasing along the length of the road
- Overservices an area where land use has become less intensive and products have reduced time sensitivity (e.g. dairying) and rural populations have fallen
- Has no significant development requirements in the foreseeable future.

Local Roads

Local Roads support local access and circulation. Local Roads do not meet the criteria for either Regional or State classification. Local Roads:

- Have the primary function of supporting local access and circulation
- Are likely to prioritise 'place' and 'local streets' over 'movement'
- Provide access to and from properties
- Provide key first and last mile connections to key freight sites as part of a road freight network involving Regional and State roads.

5.2.3 Other conditions

The Panel will evaluate all submissions independently against the published criteria. Councils will have the opportunity to review the outcome of their reclassification submission with the Panel.

5.3 Regional Road Transfer

5.3.1 Transfer criteria

The Regional Road Transfer initiative will consider the transfer of responsibility for the management of council owned regional roads from Local to State government.

All submissions will be weighed to determine the issues, risks and benefits of any recommendation for transfer, and whether transfer is the most appropriate response likely to achieve the best outcome for the network.

Roads submitted for consideration under the Regional Road Transfer initiative must meet the following criterion for eligibility:

- The road is a council owned regional road located outside Greater Sydney, Newcastle and Wollongong.

5.3.2 Other conditions

Councils should note that the selection of priority submissions is at the discretion of the Panel and that alignment with conditions and principles will not automatically lead to the transfer of any Regional-classified road, priority or otherwise. This will be an assessment exercise whereby the rationale, benefits, risks, cost and timing of the submission will be evaluated by the Panel.

If a council is unsuccessful in the priority round of submissions, they are encouraged to submit an application in future rounds.

5.4 Priority consideration

Some roads may be selected by the Panel for priority consideration and recommended for reclassification or transfer in an early tranche of recommendations to government.

Criteria for priority consideration include, but are not limited to, a road which is:

- Subject to a government commitment; or
- council is able to demonstrate past or current difficulty in meeting the demands associated with maintaining the road in the short, medium and/or long term to the standard which allows the road to perform as intended as part of the broader network.

It is also desirable that priority submissions be uncontested by other councils, road users or any government department.

The assignment of priority status does not guarantee that any or all rehabilitation works will be undertaken within a specified time frame or that the standard of the road, where relevant, will be increased within a specified time frame.

Where the Panel's recommendations are accepted by government, the reclassification and transfer of roads will be staged according to a timeline to be developed by government.

6. Frequently asked questions

1. What is the purpose of the Road Classification Review and Transfer?

The Road Classification Review and Transfer is made up of two initiatives being delivered as one project:

• Road Classification Review
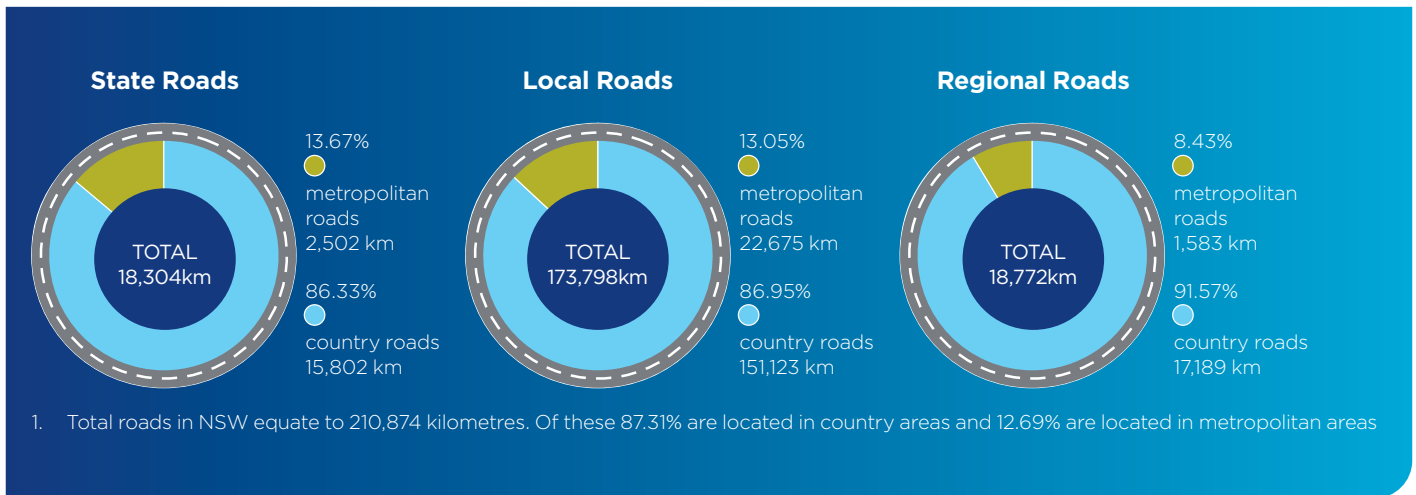
• Regional Road Transfer.

As part of business as usual activities, road classifications across the State need to be evaluated on a regular basis. Road managers periodically need the opportunity to seek reclassification where the function or usage pattern of a road has changed, perhaps due to the construction of new transport infrastructure or changes in population density. This process will ensure that roads are being appropriately managed and funded, in line with the role they play in the network.

The transfer of up to 15,000 kilometres of regional roads to State management aims to lighten the load on regional and rural councils who are finding the maintenance of their council owned regional roads difficult or even unmanageable. This class of road has broader significance for the State, which is reflected in the financial assistance provided by government to councils for their maintenance. However, councils have made representations to government over a number of years to ask for further relief with some of these roads. The return of certain Regional Roads to State management will ensure they are able to be maintained in line with their significance to the broader network, and in a way that supports the social and economic health of communities across the State.

The overall purpose of the project is to contribute to a better managed, contemporary road network for NSW, with benefits that include supporting regional growth, ensuring the funding available to maintain our roads is appropriately distributed, and promoting healthy communities through place-making and engaging with other forms of transport.

6. Frequently asked questions

The current breakdown of Regional and Local roads in metropolitan and country NSW is as follows:

State Roads

TOTAL 18,304km

13.67%
metropolitan roads 2,502 km

86.33%
country roads 15,802 km

Local Roads

TOTAL 173,798km

13.05%
metropolitan roads 22,675 km

86.95%
country roads 151,123 km

Regional Roads

TOTAL 18,772km

8.43%
metropolitan roads 1,583 km

91.57%
country roads 17,189 km

1. Total roads in NSW equate to 210,874 kilometres. Of these 87.31% are located in country areas and 12.69% are located in metropolitan areas

2. Which councils are eligible to make submissions for road reclassification?

All councils across NSW are invited to participate in the Road Classification Review. This means providing feedback on the policy principles that decide how roads are classified as State, Regional or Local. It also means that every council in NSW will have the opportunity to submit individual roads to be reclassified between any of these categories.

Submissions may also be made by Transport for NSW. These submissions will be evaluated against the published criteria by the Independent Panel.

3. Which councils are eligible to make submissions for Regional Road transfer?

Eligibility has been determined based on Restart NSW boundaries. A list of councils eligible to submit their council owned regional roads for transfer is Appendix 1 to this paper. It includes all councils outside Greater Sydney, Newcastle and Wollongong.

The majority of NSW's regional roads are located outside metropolitan areas, although a small number are located within metropolitan areas. Where metropolitan councils believe their council owned regional roads are no longer performing as Regional Roads, and are therefore receiving inadequate funding, they will be able to submit to have them reclassified, but cannot be considered for transfer.

Submissions may also be made by Transport for NSW. These submissions will be evaluated by the Independent Panel against the published criteria and taking into consideration the views of stakeholders affected by the proposal, as with all other submissions.

4. How will the project be impacted by COVID-19?

All parties – including the Independent Panel and the Minister – are acutely aware of the unprecedented circumstances now faced Australia-wide due to the impacts of the coronavirus pandemic. This will impact the planned consultation activities of the Panel.

With that said, there is determination to continue to drive this important project forward and obtain results for road managers and road users across NSW.

The Independent Panel, supported by an interdepartmental advisory group, is now considering options to adjust the consultation schedule/plan to reflect these new circumstances, while still giving all councils an opportunity to put their views in full. This may include video conferencing and webinars, plus the existing channels of phone and email. Measures will be based on the best advice from our communications specialists.

Information will be distributed directly to councils wherever possible, as well as through bodies such as Office of Local Government and Local Government NSW, and will be made available on the website.

5. What assistance is available for bushfire, drought or flood-affected councils?

The Independent Panel and NSW government acknowledge that many council areas have experienced and may currently be experiencing hardship associated with drought or bushfires.

The goal of the project is to improve conditions for councils and road users around the State. For this reason, care will be taken not to unduly increase workloads in affected areas.

Councils who expect to have difficulty meeting submission timelines or drafting submissions are encouraged to contact the Panel Secretariat at their earliest convenience.

6. Will existing arrangements under Road Maintenance Council Contracts (RMCCs) be maintained?

The Panel is not currently tasked with reviewing contractual maintenance arrangements on the road network. Its focus will be road classifications, management responsibilities and funding allocations.

The recommendations of the Independent Panel will be based on sound research and consultation. They will aim to promote the values and priorities of the *Future Transport 2056 Strategy*, including a commitment to a strong economy and successful places.

The Panel acknowledges that the RMCCs are important to local councils, to ensure strong economies, local employment and capable local road maintenance crews. The Panel will ensure consideration is given to maintaining local employment in roads maintenance works, such as through RMCC and direct employment by councils, and supporting economic growth in the regions.

7. What are the economic and planning principles of the *Future Transport 2056 Strategy*?

The *Future Transport 2056 Strategy* is a 40-year vision for NSW's transport system. The six outcomes underpinning the strategy are:

1. Customer focused
2. Successful places
3. A strong economy
4. Safety and performance
5. Accessible services
6. Sustainability.

Future Transport 2056 Strategy can be downloaded **here**.

The work of the Independent Panel will also align with other government policies and plans, including the Heavy Freight Vehicle Access Policy Framework, the Road Safety Plan and other State and national frameworks either existing or in development.

8. What impact will the review and transfer have on State and Federal Government funding sources for councils?

The Independent Panel does not have any authority to make recommendations about Federal Government funding allocations.

Transfer of a council owned regional road to State management may result in a commensurate reduction in Block Grant funding or any other funding attached to that road which correctly sits with the road manager.

Reclassification may also lead to reallocation of funds in cases where a road attracts different funding streams based on its classification, or where the road manager changes through classification, or both.

However, the overall level of funding is outside the Terms of Reference for the Independent Panel and will be a matter for the government.

6. Frequently asked questions

9. Will roads being reclassified or transferred be brought up to standard before they are reclassified or in a specified timeframe after transfer?

The implementation process is a matter for government. The Independent Panel will identify individual roads to recommend for reclassification or transfer; make recommendations for a suitable timeline to implement changes; and estimate the financial impact to councils of its recommendations.

The condition of roads returning to State management will be assessed in terms of the standard required for the road to play its role in the network.

Where the cost to the State government of rehabilitation is significant, a prioritisation process will take place to ensure works are carried out where they are most needed as a first order.

Where repairs or increases in the standard of a road by the State government are deemed necessary, it may not be possible to carry out repairs immediately.

It is expected that councils will continue current maintenance standards on all roads for which they are currently the road manager, including roads that are submitted for reclassification or transfer, and until a subject road is formally transferred to the responsibility of another party. This includes the continuation of current funding arrangements, such as the Block Grant. There is no requirement for councils to increase their standard of maintenance on any road prior to or subsequent to its reclassification or transfer.

10. What opportunity will councils and other stakeholders have to provide input into the project?

The Independent Panel values input from all customers and stakeholders, including all types of road users, councils and industry.

As has been outlined above, the mode of consultation for the Independent Panel must now be revised to accommodate changed circumstances due to the COVID-19 pandemic. Technology will be utilised as far as possible to facilitate live meetings with the Panel.

Further, the Panel is committed to providing a variety of mechanisms through which feedback can be provided, including via the website, by email, and by phone or video, and will make every effort to accommodate the individual needs of any interested stakeholder. If you would like to discuss any other mode for the submission of feedback, please contact the Secretariat in the first instance.

A consultation schedule is outlined in this paper. Any issues or concerns with this plan or schedule should be raised with the Secretariat.

11. Will the full project be completed by the milestone date of July 2021?

The Independent Panel plans to deliver its final recommendations to the Government by July 2021. The milestone dates are marked indicative and may be subject to change, particularly given the impacts of the COVID-19 pandemic.

Part of the Panel's task is to determine an appropriate timeline for recommended reclassifications and transfers to take place. It is expected that these processes will be undertaken over a period of time, taking into account both administrative processes and economic impacts.

7. Consultation schedule

The schedule for consultation sessions with local councils is below. This does not include briefing sessions with other stakeholders.

These dates may be amended or added to as the scheduling process continues.

Session name	Date and time
Hunter JO	2pm–4pm, 23 June 2020 2pm–4pm, 2 July 2020
Far North West, Brewarrina	2.30pm–4.30pm, 29 June 2020
New England JO	2pm–4pm, 1 July 2020 1.30pm–3.30pm, 3 July 2020
Orana JO, Dubbo, Coonamble	9.30am–11.30am, 3 July 2020 9.30am–11.30am, 9 July 2020
Northern Rivers JO	10am–12pm, 7 July 2020
Canberra Region JO	9.30am–11.30am, 10 July 2020 2pm–4pm, 14 July 2020
Illawarra Shoalhaven JO	9.30am–11.30am, 14 July 2020
Riverina JO, Wagga Wagga	9.30am–11.30am, 15 July 2020 1.30pm–3.30pm, 20 July 2020
Riverina-Murray JO	9.30am–11.30am, 20 July 2020 2pm–4pm, 24 July 2020

Session name	Date and time
Central NSW JO	9.30am–11.30am, 24 July 2020 3pm–5pm, 3 August 2020
Namoi JO	9.30am–11.30am, 31 July 2020
Far South West JO	2.30pm–4.30pm, 27 July 2020
Mid North Coast JO, Clarence Valley, Coffs Harbour, Nambucca	10am–12pm, 5 August 2020
Metro sessions: Inner West, Lower North, Upper North and Central Coast	10am–12pm, 11 August 2020 1.30pm–3.30pm, 14 August 2020
Metro sessions: Greater Western, Southern and Blue Mountains	10am–12pm, 17 August 2020 1.30pm–3.30pm, 20 August 2020
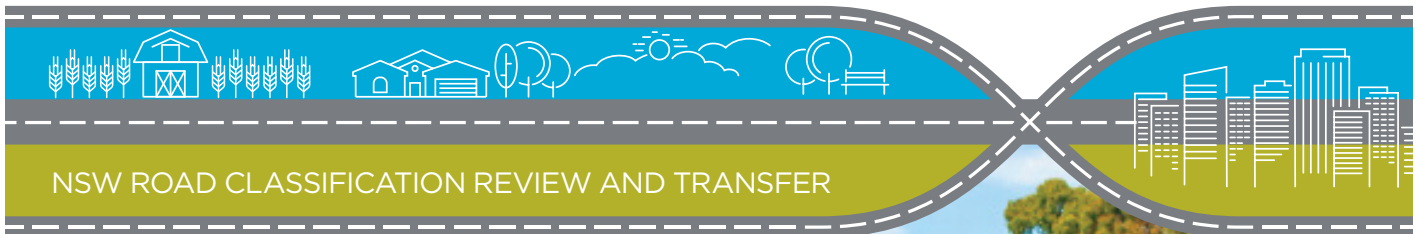
8. Maps

Maps of the NSW road network showing State, Regional and Local classifications are available at the program webpage: **nswroads.work/roadreview**

These maps will be enhanced on a rolling basis to show more data about the State's roads as it becomes available.

Contact us – For more information

@ roadreview@transport.nsw.gov.au

nswroads.work/roadreview

Independent Panel, Road Classification
Review and Transfer
Locked Bag 928 North Sydney NSW 2059

131 450

This document contains important information about road projects in your area. If you require the services of an interpreter, please contact the Translating and Interpreting Service on 131 450 and ask them to call the project team on 1800 413 640. The interpreter will then assist you with translation.

NSW GOVERNMENT

Regional Development
Australia
NORTHERN INLAND NSW

Angry Bull
Mountain Bike Trails

Business Case

October 2020

Executive Summary

The Angry Bull Trails project places Tenterfield on the map as a nationally significant mountain bike (MTB) destination town. The project represents the first year-round MTB destination on this scale in Australia with 150 km of varied trails to suit riders of all abilities, including disabled riders and trails for walkers.

The project is the first step in establishing the Tenterfield Shire as an Adventure Tourism Hub in northern NSW. It is anticipated that the MTB trails will become the impetus for other outdoor adventure businesses to emerge based around pursuits such as hiking, rock climbing, horse riding and fishing.

The project is classified as a social enterprise combining a social mission (building and diversifying the Tenterfield economy) with a business model (developing new commercial enterprises which contribute to and reinvest in the social mission).

At full development by the end of 2024 it is estimated that the trails would attract at least an additional 35,000 visitors annually to the Tenterfield shire – 19,500 new day visits and 15,500 new overnight stays from within a 5 hour drive radius. In addition there are likely to be another 5,000 additional overnight stays from existing visitors who stay longer to use the trails, and from organised MTB events.

ANGRY BULL TRAILS
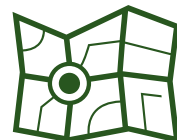
This is the first step to establish Tenterfield Shire as an adventure hub

The project is a social enterprise

The trails will attract at least 35,000 visitors per year

$4.3M of additional tourist expenditure from these visitors alone would generate another 25 jobs for the Tenterfield economy. The majority of this expenditure is made in the food and accommodation sectors (71%).

It is anticipated that local employment would grow even further as ancillary businesses are developed to support the MTB trails (e.g. a shuttle service, cafes, bike repairs) and with the development of other outdoor activities (e.g. guided hiking and horse-riding tours).

With a total capital cost of $7.5M and annual operating costs of $231,000, the project generates a favourable benefit-cost ratio of 4.20, driven by the health benefits from cycling and additional visitor expenditure. Even when the health benefits are excluded from the analysis, the BCR is still 1.76.

For the initial $85,000 investment in the business case, trail mapping and design and media and communications activities, this additional visitor expenditure represents a 224% return on investment.

However, the project will not proceed without external funding of the capital costs. The results of this high-level business case indicate that the project should proceed to the next stage (trail mapping and design, media and communications plans) and then pursue funding for the project capital works.

$4.3 Million of additional tourist expenditure

25 jobs will be created for Tenterfield

Total capital cost is $7.5 Million

The cost-benefit ratio is favourable at 4.20

Visitor expenditure represents a 224% return on investment on project planning costs

Recommendations

1. Proceed to the next stage of the project which includes detailed GIS mapping, surveying, trailhead location and track design – cost $35,000.

2. Proceed to the development of media and communications strategies and commence community and stakeholder engagement early, including securing access to the various land tenures (National Parks, NSW Forests, Crown Land and private property) – cost $25,000.

3. Using the contents of this business case and steps 1 and 2 above, TSC to develop grant funding applications. Two funding opportunities which currently exist are:
    *   Building Better Regions Fund - $100M to boost tourism related infrastructure. This could provide the capital funding.
        See https://www.regional.gov.au/regional/programs/building-better-regions-fund.aspx.
    *   Bushfire Community Fund - $750,000 between three councils including Tenterfield. This could provide funding to progress project planning or help fund some capital costs .
        See www.emergency.nsw.gov.au.

    Note that for many funding streams, private/commercial entities cannot apply, so applications would have to be made by TSC or another not-for-profit entity.

4. Ensure that all 4 trailheads are built – not just trailheads #1 and #3. To meet user expectations and achieve the desired social mission, the project needs to be a complete package to ensure international significance. The facility needs to outcompete other destinations.

5. Start the approvals processes – pursue the required development applications, memorandums of understanding etc. through TSC and state government agencies.

6. Register the Angry Bull Trails Management Team entity and develop a governance framework for the Angry Bull Trails.

7. Engage with the local business community to initiate new adventure tourism business opportunities.

8. Connect educational facilitators with key Angry Bull Trails partners to co-create training and tuition to prepare young locals for the employment opportunities that become available within sectors such as trail construction and maintenance, mountain bike technicians, hospitality, trail tour guides etc.

9. Develop key strategic partnerships with other social enterprises such as:
    *   BackTrack. An organisation committed to providing mentorship, training and job experience for disadvantaged young people.
    *   MinterEllison. A global legal firm that provides a pro-bono service to enterprises that are working on social business models and creating impact.
    *   WhiteBox Enterprises. A firm committed to transforming youth employment systems via social enterprises.
    *   Griffith University Yunus Centre. Providing advice and assistance to equip enterprises with the tools navigate change and create positive societal impact.

Contents

Figures

Tables

Purpose of this Business Case

This business case provides evidence for government funding support for the project. It represents a high-level investigation into whether or not it is worthwhile proceeding to the next stage of the Angry Bull Trails project. It is the first analytical stage in ensuring that a valid and sustainable project actually exists (see Figure 1).

Figure 1. The Project Development Process

High Level Business Case Developed

Using information from other trails etc.

Funded by TSC

↓ If business case is favourable

Trail Design and Mapping

Trail surveying, scoping, design and detailed costing

Funded by Grant Funding & Crowdfunding & supported by TSC

↓ If trail design and mapping is favourable

Stakeholder Support

Agreements reached with private & public landholders, community engagement

↓ Support secured

Funding Applications

Prepare funding applications for government programs to raise capital for the build, partner with groups such as MinterEllison to set up legal entity

Supported by TSC & Crowdfunding

↓ Funding secured

Trail Construction

Seek relevant approvals from council and others where applicable, engage trail construction firm.

Proceed through construction phases

Commence trail marketing

Funded by Govt grant(s)

↓ Governance structure implemented

Marketing & promotion	Development of support businesses	Development of training programs
Trail maintenance program	Other adventure tourism development	Events development

3.1 Issues Addressed

This high-level business case addresses the following key issues:

- The need for the project – what is the case for change?
- What is the driving philosophy behind the project?
- How does the project align with local, state and national plans?
- What options have been considered?
- What are the characteristics of the project end-users?
- What is the unique selling proposition that the Angry Bull Trails project is offering? How will it differentiate itself from other MTB destinations and hence be an attractive offering to potential visitors?
- What is the estimated additional visitation and expenditure generated by the project?
- An Estimate of economic and social impact from this new visitation?
- Project success – how would it be measured?
- Stakeholder support – who and how?
- Regulatory issues – what approvals will be needed to operate on different land tenures, and who will bear liability on each tenure?
- How will the project be funded, including on-going asset maintenance?
- An overview of project risks and risk mitigation strategies.
- Project governance options.
- Preliminary benefit-cost analysis. This will be critical to attract grant funding.

3.2 The Case for Change – Why is this Investment Needed?

This section of the business case provides supporting evidence on why the Angry Bull Mountain Bike Trails are an important project to boost economic and social outcomes in the Tenterfield area and additional economic benefits for New South Wales.

It provides information confirming the need for government intervention to address these issues, including the need for funding assistance if the project is to proceed.

Government assistance is needed to proceed

3.3 Tenterfield and its Economy

Tenterfield is a regional town located in Northern NSW, just 20kms south of the Queensland border on the New England Highway. The population of the Tenterfield local government area (Tenterfield LGA) was 6,594 in 2019 (Profile.id 2020).

As a tourist destination, Tenterfield is within reasonable proximity to the major population centres of Toowoomba (200kms, 2.5 drive with a population of 161,000) and Brisbane (278kms, 3.5 hour drive with a population of 1.13 million).

Historically like most regional centres in Australia, Tenterfield has relied on agriculture as the driver for its economy and this remains the case today with economic output and employment dominated by the agriculture sector, particularly livestock grazing enterprises (Figure 2). There is virtually no local value-adding to these products, so minimal economic capture of the higher returns available further along the supply chain.

Combined with an aging population and loss of youth (Figure 3) and a comparatively high level of youth disengagement (Figure 4), it is precisely this economic structure which illustrates the case for change and the need for investment in new economic activities.

A heavy dependence upon agriculture leaves the local economy vulnerable to the negative effects of climate, internationally determined commodity prices and the political whims of foreign government trade policies. Moreover, agriculture has become increasingly capital-intensive, shedding labour resulting in an ongoing reduction in employment opportunities for locals.

Historically Tenterfield has relied on Agriculture

Youth disengagement is comparatively high

Figure 2. Output and Employment, Tenterfield LGA

Jobs

Industry	Jobs
Agriculture, Forestry & Fishing	~595
Health Care & Social Assistance	~275
Retail Trade	~205
Construction	~175
Accommodation & Food Services	~155
Education & Training	~150
Public Administration & Safety	~125
Transport, Postal & Warehousing	~85
Professional, Scientific & Technical Services	~75
Other Services	~65
Administrative & Support Services	~55
Manufacturing	~35
Financial & Insurance Services	~25
Arts & Recreation Services	~25
Rental, Hiring & Real Estate Services	~20
Wholesale Trade	~20
Information Media & Telecommunications	~10
Mining	~10
Electricity, Gas, Water & Waste Services	~10

$M

Industry	$M
Agriculture, Forestry & Fishing	~210
Construction	~95
Rental, Hiring & Real Estate Services	~80
Health Care & Social Assistance	~40
Transport, Postal & Warehousing	~35
Public Administration & Safety	~35
Accommodation & Food Services	~35
Manufacturing	~30
Retail Trade	~25
Financial & Insurance Services	~25
Professional, Scientific & Technical Services	~20
Education & Training	~20
Administrative & Support Services	~15
Other Services	~10
Electricity, Gas, Water & Waste Services	~10
Information Media & Telecommunications	~10
Wholesale Trade	~8
Mining	~5
Arts & Recreation Services	~5

Source: REMPLAN 2020

Figure 3. Changing Population Structure, Tenterfield LGA
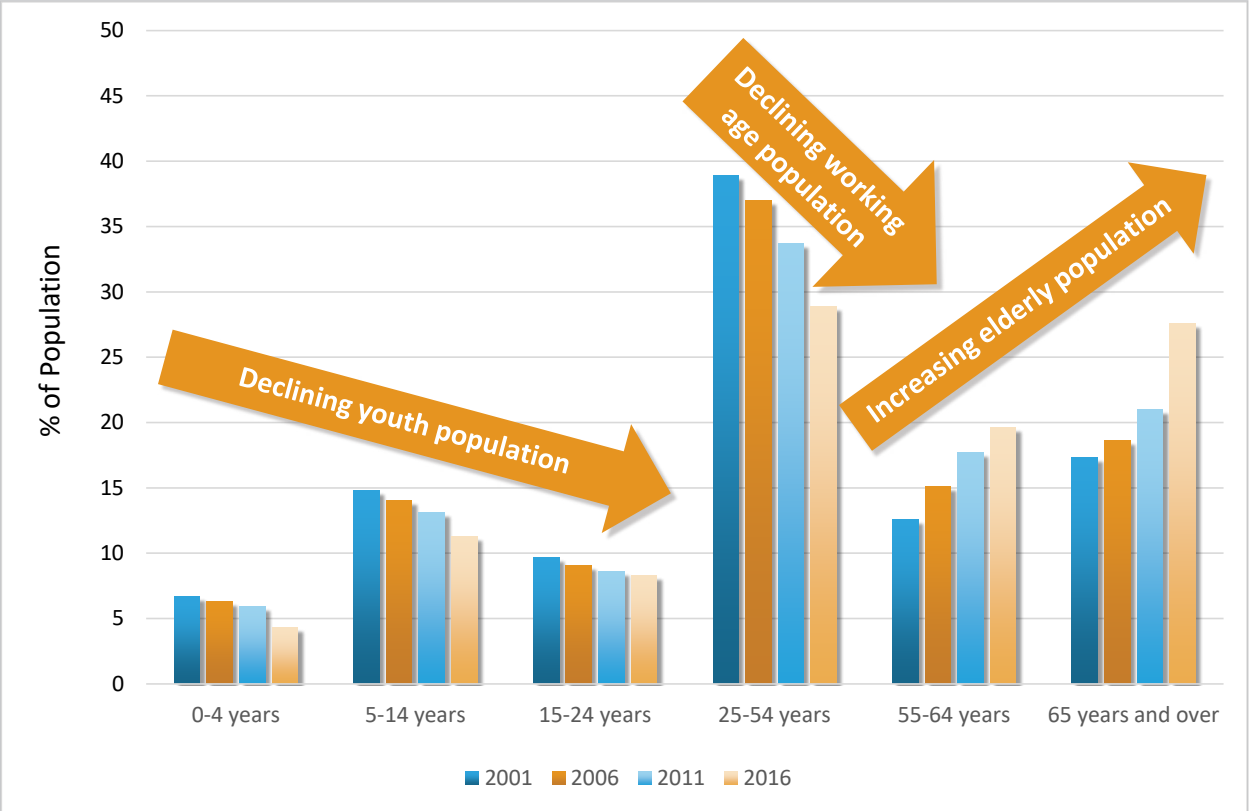
Source: ABS Census 2001–2016

Figure 4. Youth Engagement, Tenterfield LGA
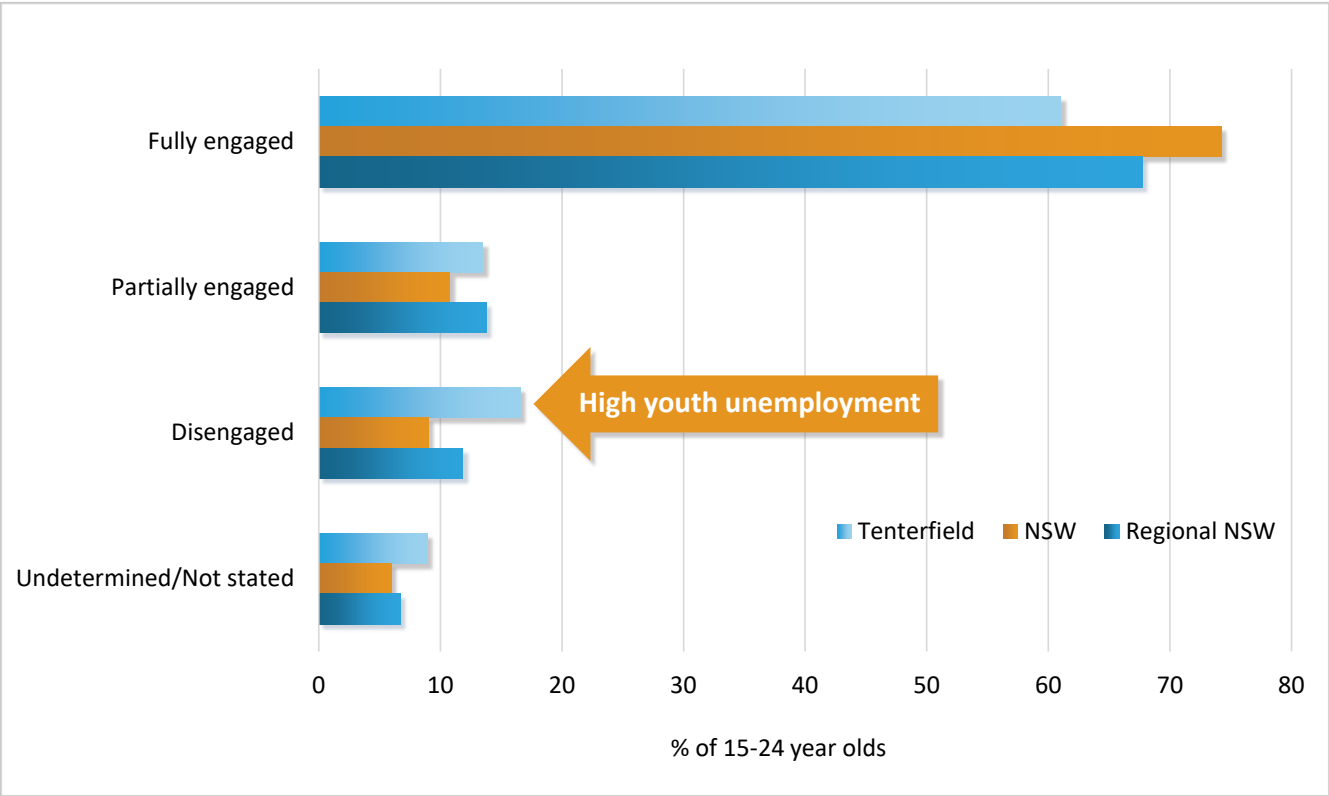
Source: Profile.id (2020) – Disengaged refers to youth neither in education or employment.

Population fell by 2.6% between the 2011 and 2016 Census dates, a reflection of the lack of local employment options.

In terms of socio-economic performance (based on factors such as income, education, employment and housing), the Tenterfield LGA performs very poorly ranking 11th worst out of 130 LGAs in NSW (Figure 5).

Figure 5. Socio-economic Disadvantage Index

Brewarrina = 1 — High socio-economic disadvantage
Tenterfield = 11
Gundagai=35
Griffith=51
Temora=58
Uralla=79
Murray River=88
Ku-ring-gai=130 — Low socio-economic disadvantage
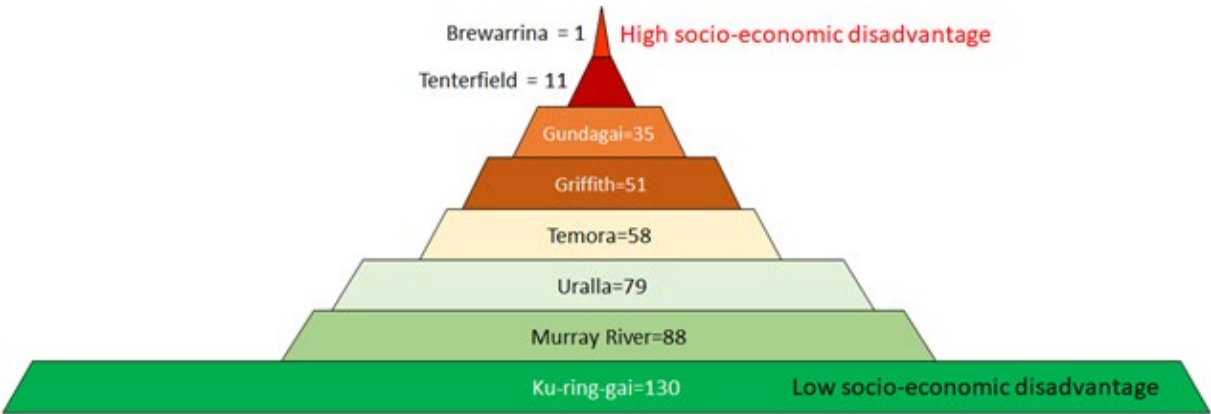
Source: ABS (2020)

Across a range of key economic and demographic measures there is a clear indication that the performance of the LGA is declining. New economic opportunities are required to reverse this trend.

3.4 Tourism in Tenterfield

Tourist visitation to the Tenterfield LGA is dominated by those seeking country, natural environment and heritage experiences. The town is surrounded by several National Parks including:

- Boonoo Boonoo National Park – gorge and bush scenery, camping, swimming
- Basket Swamp National Park – waterfalls, picnicking
- Tooloom National Park – scenic views, World Heritage listed
- Koreelah National Park – remote camping, World Heritage listed, swimming
- Bald Rock National Park – bushwalking, views, rock climb

Other key activities and tourist attractions include:

- Horseriding
- Off-road motorcycling
- Winery tours
- 4 wheel driving
- Fishing
- The National Bicentennial Trail
- Scenic drives
- Farm stays
- Heritage trails and museums
- Boutique accommodation and function centres
- Mountain biking
- Fossicking

Visitors are seeking country, natural environment and heritage experiences

The Tenterfield township is also located on the New England Highway, a major north-south traffic route between Sydney and Brisbane. Many visitors stop while passing through on their way to other destinations. Similarly, the east-west Bruxner Highway links Tenterfield to the north coast of NSW providing further through traffic. Both these key transport routes establish opportunities to have travellers stay in Tenterfield for longer periods.

Current visitation to the Tenterfield LGA is summarised in Figure 6. No recent data is available for day visitors though in 2014 the figure stood at 71,000 day visitors spending $10M. At present, domestic overnight visitors stay an average of 2 nights. International visitation stays are documented at 10 nights, but with an average spend of only $37 per night, this suggests they are staying with friends/relatives rather than in commercial accommodation so the local economic benefits are lower.

A key objective of the Angry Bull Trails project is to extend the number and length of overnight stays and the daily spend for both domestic and international visitors, thus contributing to the social mission of stimulating the local economy and improving socio-economic performance within the Tenterfield LGA.
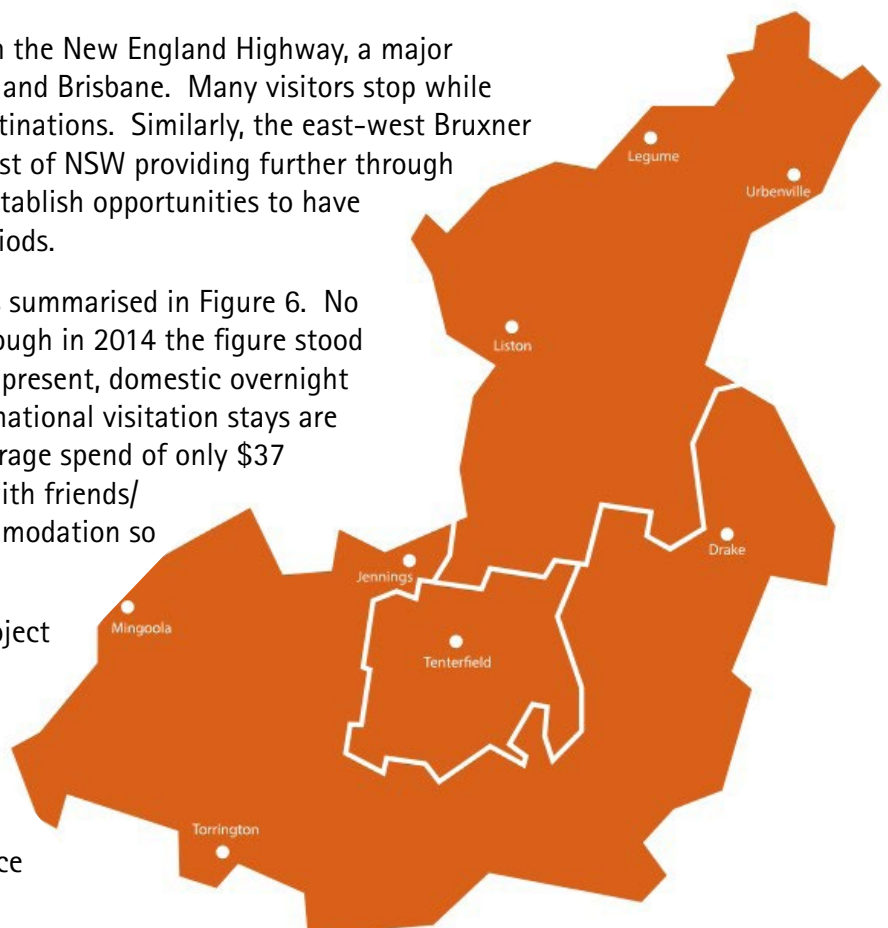
Figure 6. Tenterfield Visitation

270,000 domestic overnight stays

29,000 domestic overnight stays

$115 average overnight spend

Average stay 2 nights domestic

62% of expenditure on food & accommodation

71,000 domestic day trips

Average accommodation occupancy 34.5%

$45 million total visitor spend
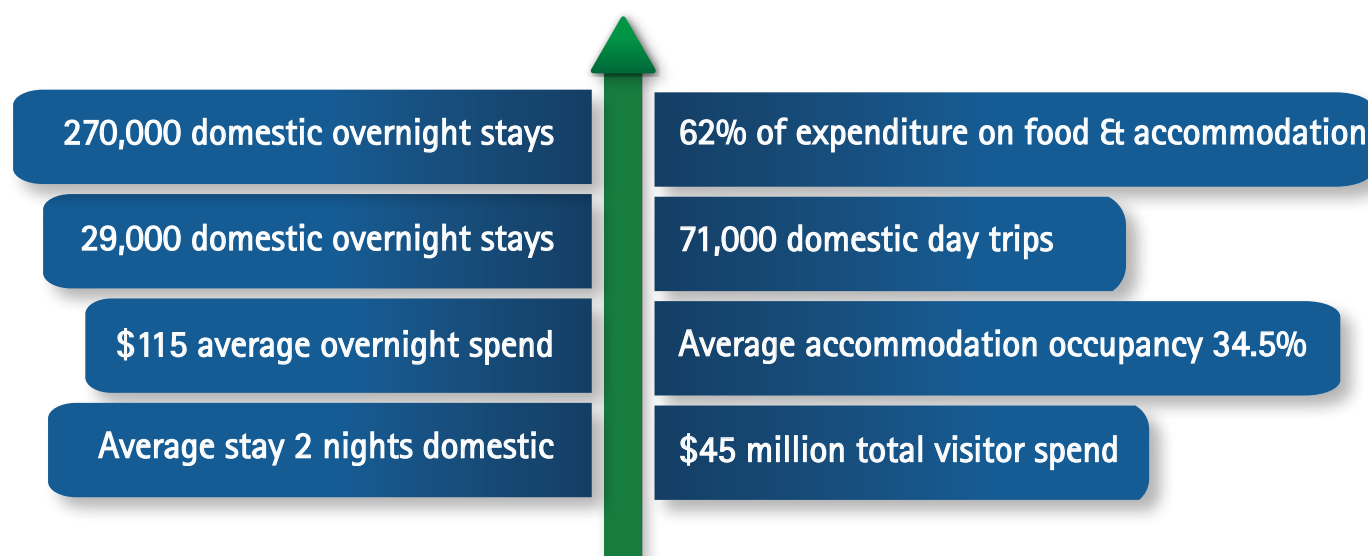
Sources: Tourism Research Australia (2018), REMPLAN (2020), Destination NSW (2014, 2016)

The broader New England-North West tourism region of which Tenterfield is a part reports annual visitation of 4.1 million people, 5.8 million overnight stays, annual visitor expenditure of $1.1 billion and an average spend per night of $152 per person. 38% of these visitors were in the 15-39 years age group, which is a strong demographic for mountain biking (Destination NSW 2019, Georgetown MTB Feasibility Study 2018).

An analysis of on-line sentiment toward tourism in Tenterfield shire (Think! X Innovations 2020) has revealed that there is a high volume of discussion about outdoor activities in the shire, but only average sentiment. Sentiment represents the overall perception about tourism at a destination. There was a low sentiment score for cycling and biking and this should be addressed as the area has great natural assets for off-road biking.

Nature photography, rock climbing, hiking and climbing already score well on the sentiment and discussion volume indexes and so these activities would be an important part of the adventure tourism hub.

Tourism in Tenterfield is dominated by domestic visitation with visitors attracted to the rural outdoor lifestyle, scenery, heritage buildings and urban escape opportunities. Its location on the intersection of important north-south and east-west highways and proximity to high population centres in south-east Queensland provide opportunities to boost visitor numbers if new attractions and amenities are created.

3.5 Strategic Alignment

The Angry Bull Trails project has strong alignment with a number of local, state and national policies as summarised in Table 1. Almost exclusively these policies refer to growing the visitor economy and employment in regional NSW. Improved physical and mental health are also key objectives for governments at all levels.

Table 1. Project Strategic Alignment

Policy	Alignment
Northern New England High Country Regional Economic Development Strategy "A region seeking to encourage economic development should therefore concentrate on factors that enable the growth of endowment-based industries, as well as building local leadership and institutional capacity and capabilities to facilitate businesses and public agencies and services to capitalise on the opportunities that a region's endowments present." "In addition to the climate and location, the Region has other endowments that make it appealing for tourism and lifestyle. These include the natural beauty of the Region, a concentration of World Heritage areas, National and State Parks, State Conservation Areas and Nature Reserves, and a diversity of quality tourist attractions, accommodation and events." "Tourism is another important industry in the Region. Accommodation and Food Services (which is a proxy for tourism) is the 4th largest employer. It is also independent of agricultural industries, helps raise the profile of the Region and plays a part in relocation decisions. There are opportunities to continue to grow the 'short-break' and day visitor markets from south east Queensland and the Northern Rivers area of NSW, as well as the special interest and activity-based markets and the long-haul touring market." "Grow the tourism sector (visitor economy) through product development, improved signage, marketing promotion, and growing the events sector" "Investment in the tourism sector including: • product development – improving existing attractions and facilities and developing new attractions • improved tourism signage • improving the quality and range of event facilities".	• Provides an additional tourism attraction which utilises the natural scenic and infrastructure endowments of the region • Upgrading the visual and recreational amenity opportunities for both visitors and the local community • Providing additional opportunities to boost overnight stays • Drive growth of the local economies and employment opportunities through enriching the visitor experience and complimenting the wider array of New England North West tourism experiences. • Provide further diversification for the NSW regional economy • Provide new tourism job training opportunities
New England North West Regional Plan 2036	• Goal 1 Direction 7: "Build strong economic centres" • Goal 1 Direction 8: "Expand tourism and visitor opportunities" • Goal 4 Direction 17: "Strengthen community resilience," 18: "Provide great places to live," 19: "Support healthy, safe, socially engaged and well-connected communities".

Tenterfield Council Community Strategic Plan 2017–2027 "...effectively market the diverse tourism opportunities available within the New England region and south east Queensland" "...provide new and upgraded infrastructure for events and tourism experience" Economic performance indicator – increase tourism visitor numbers To establish a community spirit which promotes opportunities to participate in sport and recreation, promotes equal access to all services and facilities Provide a wide range of high quality and well maintained recreation facilities	• Diversity local tourism attractions • Would generate further tourism business opportunities • Increase visitation • Increase recreation facilities for locals
Tenterfield Shire Council Delivery Plan 2017–2021 "Tourism is valued, promoted and tourists are welcomed for the positive contribution they make to the community and economy" "Partner with our neighbours and stakeholders to deliver a diverse destination proposition for visitors."	• Diversifies the destination proposition for tourists • Increases tourism spend
Restart NSW/Rebuilding NSW "The Government is committed to supporting the development of strong, diverse and innovative regional communities across New South Wales and making those communities appealing places for people to live, work and invest".	• Providing a high-quality tourist destination for both visitors and the local community • Improving the amenity appeal/opportunities in the region • Diversifying the local economy further
State Infrastructure Strategy "productive regional industries and connected regional communities".	• More opportunity for outdoor recreational activity = fitter community • Working with other community groups to provide the new & upgraded facilities
Jobs for the Future "Open doors for entrepreneurs. Make NSW the place of choice for 'gazelles' to grow and succeed— by building a stronger entrepreneurial culture, ecosystems and skills and stimulating early stage funding".	• Opportunities for new businesses • Education and training in outdoor and adventure tourism to combat local youth unemployment
NSW Visitor Economy Industry Action Plan 2030	• Aligns with all strategic imperatives (1-7) outlined in the final report. This includes increase visitation, grow physical capacity, renew and revitalise a NSW destination, improve the visitor experience, increase visitor spend, make NSW more competitive and change of mindset. • Contributing to the NSW Government's strategic target of doubling overnight visitation by 2020 • Improve the visitor experience through new facilities, diversified offerings through non-water recreation

NSW 2021 Plan. A Plan to Make NSW Number One	• Improve the performance of the NSW economy through development a new tourism asset • Drive regional economic growth through development of a core capability of the Northern Inland. • Increase the competitiveness of doing business in NSW through development of a substantial NSW tourism asset • Enhance sporting and recreation opportunities
Destination Country and Outback NSW Destination Management Plan 2018–2020 "Support regions to leverage and plan for new and potential opportunities, for example the proposal under consideration for a New England Rail Trail from Armidale to Wallangarra in Queensland"	• Boost brand awareness through nature-based tourism for 'visiting friends & family' visitation market segment. • Leverage this segment of the cycling tourism market with the potential New England Rail Trail.

3.6 Anticipated Outcomes

The Angry Bull Trails project has strong alignment with a number of local, state and national policies as summarised in Table 1. Almost exclusively these policies refer to growing the visitor economy and employment in regional NSW. Improved physical and mental health are also key objectives for governments at all levels.

Project outputs and outcomes are summarised in Table 2 along with the inputs required to achieve these results.

Again it is important to state that the project has both social and commercial objectives.

The project has both social and commercial objectives

Social objectives include:

- An economic boost to the Tenterfield economy through increased visitor expenditures
- Local job creation
- Reduced youth unemployment/disengagement
- Augmentation of local education and training facilities – schools and TAFE will be engaged in cooperation with business leaders to co-design curriculum and training pathways for the newly created career opportunities
- Help offset any negative visitation impacts from the planned Tenterfield heavy-vehicle bypass

Commercial objectives include:

- Increased turnover in existing local businesses which support the visitor economy
- New businesses created to support the MTB community
- New adventure tourism enterprises spawned on the back of MTB tourism (e.g. bushwalking/nature tours, rock climbing, horse riding, fishing)
- Tenterfield branded as a national adventure tourism hub

The project is not just designed to assist the Tenterfield CBD economy but also has the potential to scale up with links to other villages in the Tenterfield LGA such as Urbenville, Liston, Drake and Jennings.

Potential future linking of the trails to MTB developments closer to the coast will assist in bringing economic benefits to the smaller outlying communities (e.g. Rover Park, Bluff Rock). Phases 2 and 3 of the project expand the trails beyond a 30km radius of the Tenterfield CBD to link up to trails in outlying areas.

Table 2. Project Output and Outcome Logic

Objective	Inputs	Activities	Outputs	Outcomes	Benefits
Raise funding for Angry Bull Trails project	TSC funding, Crowdfunding, consultants time	Next project phases including track surveying/ design, stakeholders agreements, regulatory approvals, media and communication planning, develop and submit funding applications.	Government funding secured	Trail construction can proceed	Trail construction firm appointed, new economic development project for Tenterfield commences boosting community morale
Build Phase 1 of Angry Bull Trails project (100kms by 2022)	Government funding for capital works, community/ stakeholder support, materials & contractor time, social input (e.g. BackTrack), course development (TAFE)	Continue stakeholder and agency consultation, track building including supporting infrastructure, course development	100kms of purpose-built MTB trails with links to Tenterfield CBD via the 4 trail heads	Phase 1 completed, Tenterfield on the map as a major new nationally recognised MTB Trail Town & destination	Visitation and visitor expenditure increased significantly, new business activity commences, socio-economic indicators such as youth disengagement improved
Build Phase 2 (25kms by 2023)	As above	As above	25kms of purpose-built MTB trails including downhill track	Phase 2 completed with links to outlying areas, popularity of tracks further enhanced	As above, economic benefits also flowing to outlying villages (e.g. Drake, Jennings)
Build Phase 3 (25kms by 2024)	As above	As above	Final 25kms of trails	Phase 3 completed with further links built to outlying areas, capital works finished	As above, economic benefits also flowing to outlying villages (e.g. Drake, Jennings)

3.7 Stakeholder Support

As outlined by the World Tourism Organisation (2014), prior to any tourism development the network of potentially affected stakeholders and communities should be given the opportunity to provide input. This is often referred to as 'social licence'. Destinations should strive for social licence before development occurs.

The project managers have already commenced community and stakeholder consultation activities and an overview of the stakeholder landscape is provided in Figure 7

Figure 7. Project Stakeholders
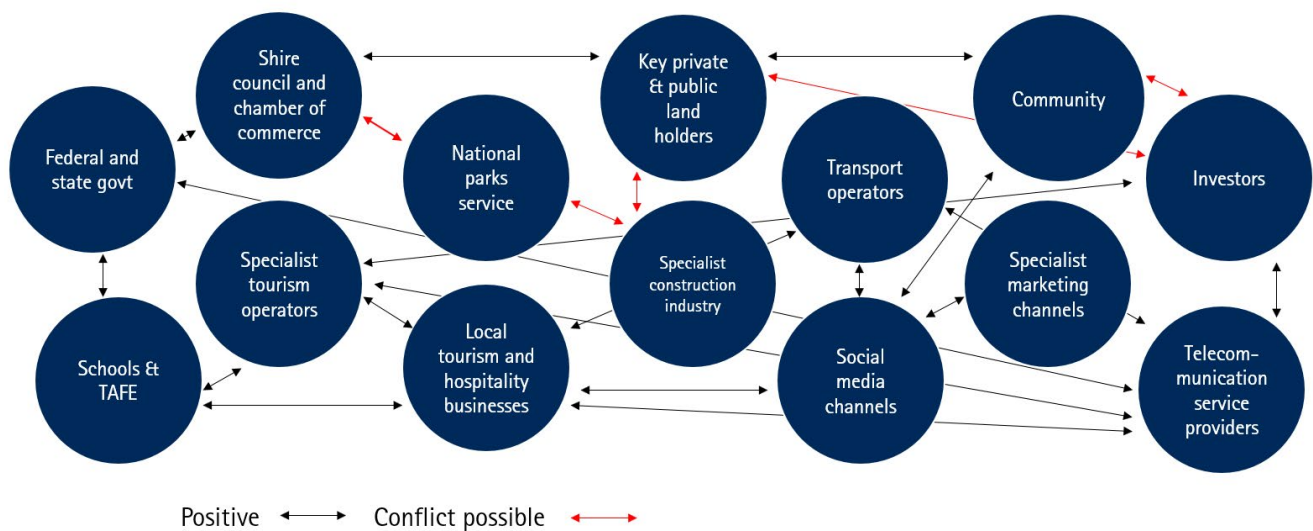
A concept plan that will be completed when further funds are made available will provide more detail on stakeholder engagement and how land tenure will be negotiated and secured.

The Angry Bull Trails Project Management Team (ABT) have had initial discussions with a number of key stakeholders and it is anticipated that future more detailed connections will take place in the concept planning and trail design stages.

Having said this, responses from stakeholders so far have been extremely positive. The ABT have started the process of collaboration with the following agencies:

- Forestry Corporation NSW – Louise Faulkner / Ryan Ellis (Boonoo State Forest)
- Local Land Services – Ross Fuller (Traditional Stock Route – Bald Rock to London Bridge)
- Crown Lands – Warren Martin / Rodney Obrien (Crown Lands)
- NPWS – Michael Lieberman

The survey of potential riders elicited an overwhelmingly positive response (3,000 survey returns) and attracted many expressions of support and offers to assist.

3.8 Project Description

Angry Bull Trails is about creating a new adventure-based tourism industry within the Tenterfield shire commencing with a world class mountain biking facility catering for riders of all levels. This project can provide the impetus for the development of other adventure based businesses to emerge such as bushwalking, rock climbing, wilderness fishing, 4WDing and horse riding.

Adventure Tourism is defined as a trip which includes at least two of the following elements – physical activity, natural environment and cultural immersion (World Tourism Organisation 2014). Key features of the market include:

- Passionate and risk-taking tourists
- Tourists willing to pay a premium for exciting and authentic experiences
- A larger proportion of visitor expenditure stays in the local region – there is less 'leakage' to companies outside the region
- The encouragement of sustainable environmental practices

The facility will consist of a 150km network of mountain bike trails winding through the breathtaking scenery of the New England High Country. If realised, this would be the longest purpose-built MTB trail network in Australia. It would also operate all-year, unlike major competing destinations such as Blue Derby and Thredbo.

The trails will have their hubs close to the Tenterfield CBD with all trail heads starting and finishing in the CBD creating a vibrant location for visitors to enjoy the 'apres- activities' the town has to offer, including bars, cafes, restaurants and boutiques.

The positioning of trail heads within the CBD is essential to the social mission – namely to bring the new adventure tourism activity into the commercial centre of the Tenterfield shire and boost local economic activity, diversification and jobs.

Moreover, discussions have been held with the BackTrack initiative to set up a program in the Tenterfield shire to assist at-risk youth who will be trained in track maintenance and other aspects of the Angry Bull Trails. This successful and innovative program (https://backtrack.org.au/) has gained national attention and working with the program represents another means of fulfilling the projects social mission.

Trails for adaptive riders and walking trail sections will also be established in line with the social objective of making the trails more inclusive of the wider community.

The trails create a new adventure based tourism industry

They will be the longest purpose-built MTB trail network in Austalia and open year-round

Cycling tourism was valued at $2.1 Billion in 2019 nationally

78% of cycling tourism is in regional areas

To understand why this project is regarded as having the potential to fulfil this mission, it is important to understand this segment of the cycling tourism market and what Tenterfield has to offer.

Nationally, cycling tourism is valued at $2.1 Billion in 2019, with visitors undertaking 2.6 Million trips, averaging a 4.4 night stay and spending $189 per night (Austrade 2019).

Other key statistics include:
- 64% of those people lived in capital cities
- 58% were male
- Holiday travel was the largest driver of cycling tourism accounting for 68% of the activity
- 78% of this cycling tourism was conducted in a regional area
- Most trips were in January to April
- Western Australia and Victoria had the highest number of cycling tourists
- Camping and caravan parks were the most popular commercial accommodation option for these tourists (23%)
- 28% stayed with friends or relatives

The Mountain Bike Market

Cycling tourism is on the rise across the world with an increasing number of adventure tourists embarking on both road and mountain biking tours.

"Cycle tourism disperses visitors to areas that traditionally do not attract tourism and supports employment in local economies." (World Tourism Organisation 2014)

Purpose-built mountain bike trails were first constructed in Australia in the early 2000's. Since then there have been significant advances in mountain bike technology which have led to different riding styles and thus different market segments. Moreover, this technology has led riders to seek out different experiences ranging from short circuit tracks in or near urban areas to remote wilderness longer rides.

In recent times, there has been a gravitation toward the destination adventure rides in more remote locations involving long loop or point-to-point trails, but with proximity to urban locations with access to food and accommodation services and other attractions for families (Georgetown Mountain Bike Feasibility Study 2018).

In the broadest terms, the market can be split into two main categories – core and non-core mountain bikers, or sometimes referred to as the enthusiast market and the complimentary market (Figure 8).

Within these two broad categories of the MTB market there are more refined sub-markets with distinctly different characteristics and market potentials (Figure 9).

There is a gravitation toward destination adventure rides

Figure 8. Broad MTB Market Segments

The MTB Market

Core Market (Enthusiasts)

- High expenditure on equipment

- Large amount of time riding MTBs

- Willing to travel for new MTB experiences

- High likelihood of competing in events

- Typically 25-45yo males with high disposable income

- Multi-day stays, higher riding volumes

- Value a diversity of trail experiences in scenic landscapes

Non-Core Market (Complimentary)

- Novice riders

- Road bikers who occasionally ride MTB

- Families seeking safe rides away from cars

- School groups

- Off-road touring cyclists

- Shorter ride volumes

- As skills build, some will transfer to the core market

Figure 9. Refined MTB Market Segments

Key Market Segment	Trail Type(s)	Trail Characteristics	Market Size
Leisure	Easy	• Fire trails • Dirt & sealed roads • Cross country single track • Parks – skills & pump	Significant, also youth market for parks
Enthusiast	Moderate to extreme	• Fire trails • Dirt & sealed roads • Cross country single track • Flow • All mountain • Gravity • Enduro • Downhill • Freeride	Significant, Want long trails with options, scope for multiple night stays & higher spends
Sport	Extreme	• All mountain • Gravity • Enduro • Downhill • Freeride	Small, but influential (e.g. on social media), events
Gravity	Extreme	• Gravity • Downhill	Small, but growing fast

To cater for this growing interest in mountain bike tourism, a number of larger purpose-built facilities have been developed around Australia (Figure 10).

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The Tenterfield Angry Bull Mountain Bike Trail
proposal would deliver the largest purpose-built trail network in
Australia, in a location with no nearby major competing destinations

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Figure 10. Purpose-built Australian MTB Locations
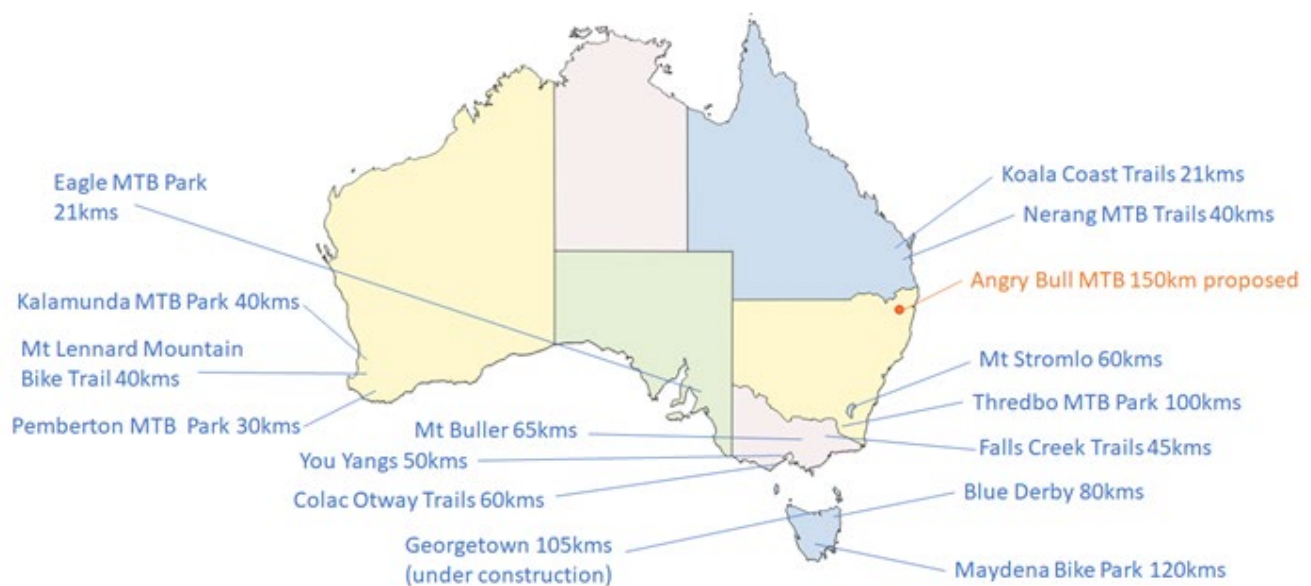
In 2012, the average length of stay for a 'soft' adventure trip was 8.8 days, with visitor expenditure of $2,710 US per person or about $2,605 Aus at the average 2012 exchange rate (World Tourism Organization (2014).

Factors influencing the demand for adventure tourism include:

- Cost of the tour
- Cost of related products (e.g. airline tickets)
- Capacity or income of target markets (mountain bikers often have high disposable income)
- Marketing, which appeals to the preferences or motivations of travellers

The Project Site

Tenterfield is situated in the New England high country (Figure 11). At an elevation of 900 metres, the town is surrounded by peaks of up to 1,300 metres. It has a cool temperate climate with warm days and cool nights in summer and cold frosty nights and cool days in winter.

The region experiences the vivid colours of each of the four seasons. Tenterfield is ideally located 2.5 hours from Byron Bay and 3.5 hours from both Brisbane and the Gold Coast.

Figure 11. Broad Project Location

The specific project location is in an area with multiple National Parks, State Forests and Crown Lands which are highly suitable for this enterprise (Figure 12)

Figure 12. Specific Project Location

Trail Head #4, Basket Swamp Road, access to 4 National Parks and fire trails, access to longest downhill single track in Australia

North West Quadrant

North East Quadrant

Trail Head #3 Tenterfield Common, 250ha public land close to CBD, access from there to State Forests and National Park

Trail Head #2 top of Mt MacKenzie, start of the downhill 'hero' trail

South West Quadrant

South East Quadrant

Trail Head #1 in the CBD, co-located with a pump track, easy access to Mt Dairy & Mt MacKenzie

This location presents access to a range of mountain biking opportunities which would suit various segments of the market including:

- Easier roads and fire trails within national parks and state forests appealing to novice and non-core market riders
- A 400m gravity track for the enthusiast (Mt MacKenzie) generating the need for a new shuttle-bus business in the Tenterfield economy
- The longest downhill single-track in Australia, also generating the need for a new shuttle-bus business in the Tenterfield economy
- Enduro-style loops, some with more challenging climbs and descents for enthusiasts looking for longer rides
- A pump track near the CBD trail head location, serving as a training ground before riders head to the trails. Also a starting point for the 'audio trails' around the CBD which take in heritage points of interest etc.

The other major advantage of the project site is the close proximity to three locations in south east Queensland which were identified in the Queensland MTB Strategy (2018) as high priority MTB opportunity development areas, namely Brisbane, Gold Coast and Southern Queensland County (Toowoomba and surrounds). These areas are also anticipated to experience high population growth, with high recreational demand for activities such as mountain biking. Moreover, these areas have good road and air access.

The project site is close to three high priority MTB locations in South East Queensland

While these areas might be seen as future major competitors to Tenterfield should they be developed further (they are not yet at the scale proposed for the Angry Bull Trails project), in fact their development is likely to drive further MTB tourism south to Tenterfield.

Once riders have experienced those Qld tracks, they will be seeking new opportunities and Tenterfield is in close proximity. Indeed, there is considerable scope for MTB enthusiast synergies between the four locations.

Phases 2 and 3 of the project expand the trails outside a 30km radius of the Tenterfield CBD to link up to trails in outlying areas. This will expand the economic benefits of the project beyond the immediate Tenterfield township.

The economic benefits will reach beyond the immediate Tenterfield township

The site takes advantage of attractive natural areas in nearby parks and forests and has terrain which offers a diversity of riding experiences for different segments of the MTB visitor market.

Unique Selling Proposition

With several other MTB destinations under consideration or development (e.g. Toowoomba/Lockyer Valley), it will be important to distinguish the Angry Bull proposal from competing options.

A number of important 'selling points' have been identified in MTB trail feasibility studies over recent years, most recently in the Toowoomba MTB Master Plan (Dirt Art 2019) and provide an insight into the requirements for establishing a location as a nationally significant location. As illustrated in Figure 13, the Angry Bull Trails have a number of outstanding features.

Figure 13. Angry Bull Selling Propositions

- 150 kms of trails
- Numerous rarer gravity-based options
- Quality natural environments
- Scope for quality trails
- **Tenterfield**
- Numerous elevation opportunities
- Year-round riding
- Proximity to facilities
- Proximity to SE QLD population
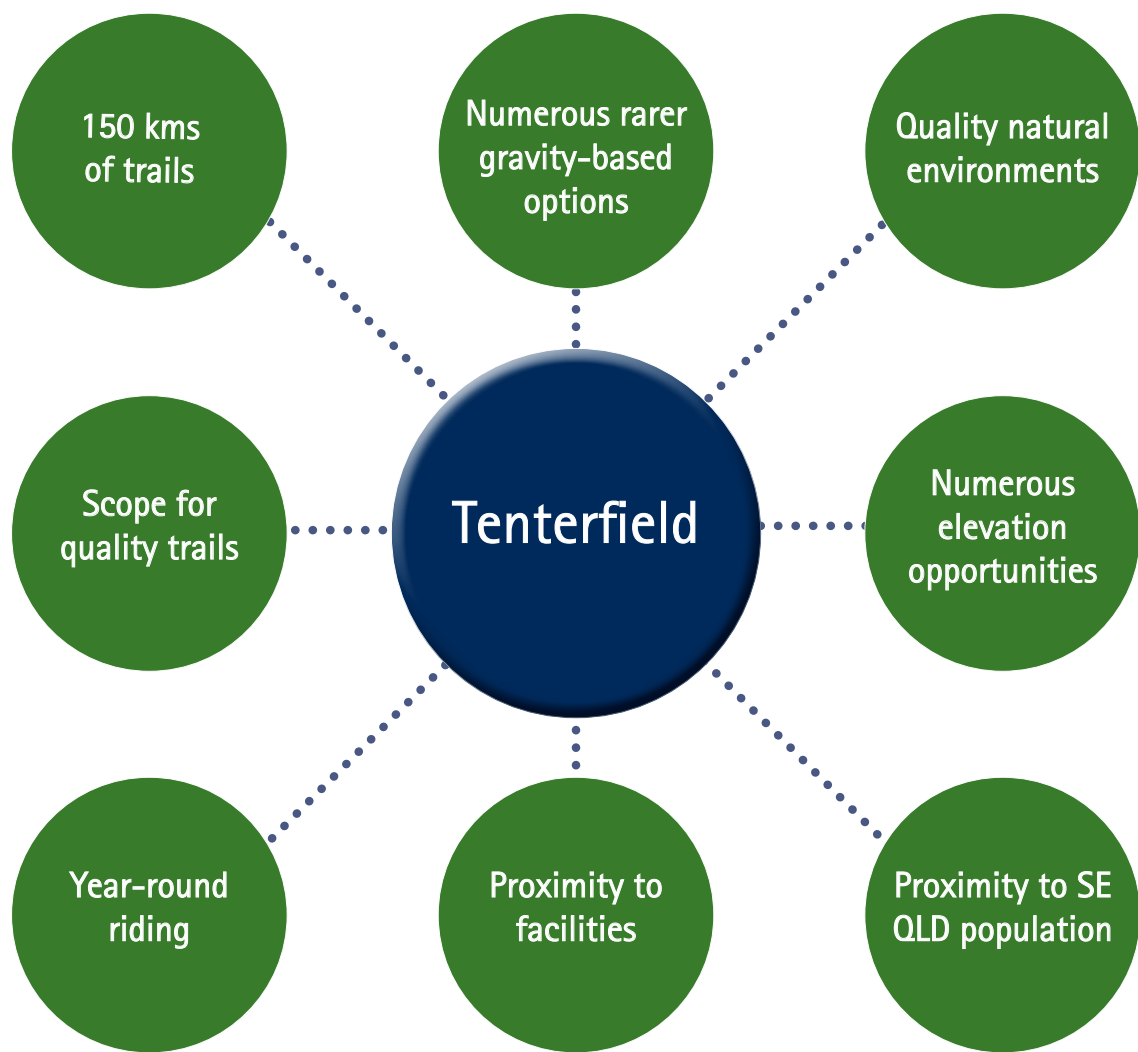
User Survey Results

An online survey was conducted to ascertain the willingness of MTB riders to travel to Tenterfield should Angry Bull Trails be developed, the likely numbers of riders and non-riders in their group and to gain insights into the types of tracks and other facilities that would attract them to the location.

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A very high response level was achieved with 3,289 people completing the survey

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Survey results are summarised below:

Question 1 – Would you be willing to travel to Tenterfield to ride the new trails?

2%

98%

■ Yes ■ No
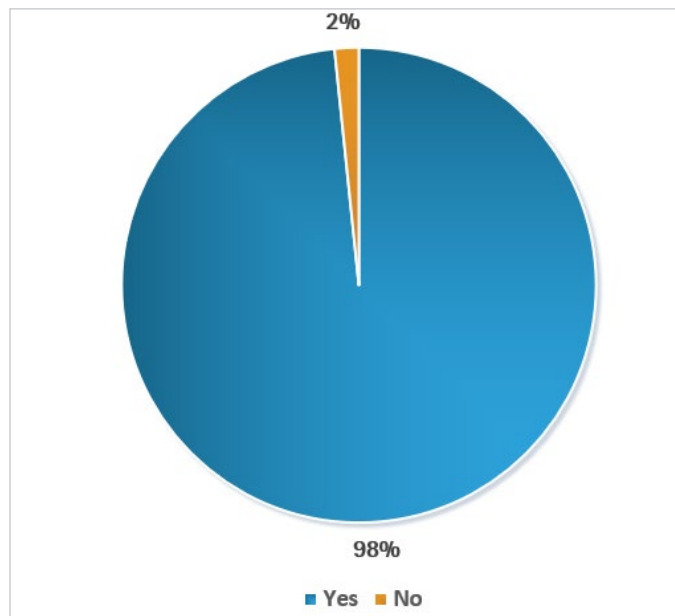
Question 2 – Trail Visitation Data

Non-riders in the group   2.3

Riders in the group   4.6

Average nights stay   3.0
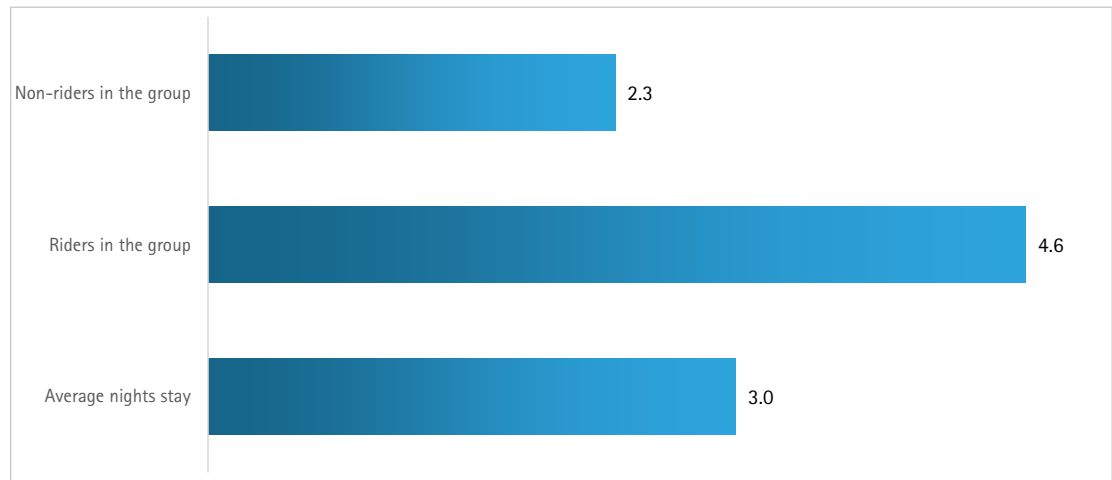
Question 3 – Location of Respondent

Location	Count
Qld	1447
NSW	1425
Vic	120
Other	77
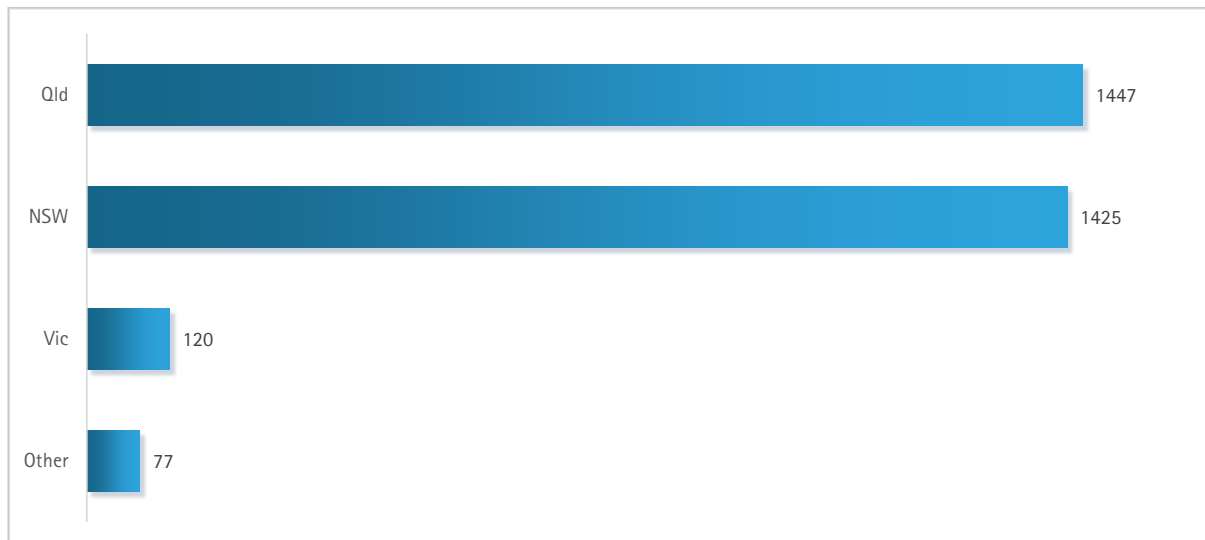
Question 5 – Track Features Sought

- **Variety**
- **Flow Trails**
- **Range of Difficulties**
- **Berms**
- XC trails
- Scenic
- Single Track
- Downhill
- Dropoffs & jumps
- Circuits back to parking area
- Rock features & wooden structures

Question 6 – Other Facilities Sought

- **Toilets**
- **Good signage**
- **Cafes**
- **Camping**
- **Water stops**
- **Parking**
- Shuttles
- Showers
- Skills park/pump track
- Walking & horse riding options
- BBQs
- Bike repair & bike wash station
- Food, wine, craft breweries

The response to the survey indicates that the interest in this project from potential visitors is extremely high.

Of note is that 54% of respondents are from outside of NSW.

Regenerative Tourism

The ABT also have the objective of showcasing the project as an example of regenerative tourism, so attracting a wider audience to Tenterfield over and above those interested in adventure activities.

In contrast to 'sustainable tourism' regenerative tourism is designed in a way that builds capital and 'gives back' to the land and people. This can happen in multiple ways, but system health needs to be the ultimate outcome. Actions take account of feedback loops and the need to avoid eroding the natural capital of the system which supports the tourism activities (Becken 2020).

Rather than simply maintaining the existing outdoor environment in which tourism takes place, regenerative tourism aims to restore that environment where it has been damaged by past activities (e.g. bushfire affected lands, erosion on existing tracks, invasive weeds).

The concept extends traditional tourism thinking beyond a focus on the economic impact of attracting more visitors to a more holistic approach. This philosophy can be built into the training courses to be associated with the project, helping future generations of adventure tourism operators follow the notion of developing a local tourism market which recognises the interconnected nature of all parts of the tourism system.

Proposal Analysis

4.1 Success Indicators

Angry Bull Trails is an enterprise that considers both social and commercial value as being imperative to its success. This does not mean it will be a cost neutral project: on the contrary, it will impact both the social and commercial sectors, creating a sustainable business model.

Angry Bull Trails is adopting a social mission orientated approach in achieving its goals, but one which combines financial returns. The challenge is to affect long term sustainable economic growth for Tenterfield thus achieving the prospects for decent work, particularly youth employment and overall economic sustainability. Table 3 outlines the key measures of project success.

Table 3. Project Success Indicators

Higher Level Goals	Success Measure
Broad community support	The Tenterfield community support the project and recognise the social values for their constituents
Creating a new adventure tourism based economy segment	35,000 new visitors per year (a 9% increase) $4.3M in new visitor expenditure (a 10% increase) New business development
The development of specialist courses in outdoor tourism within schools and TAFE	3 new courses developed
Providing a blueprint for further adventure tourism sector development	5 new adventure tourism businesses started within 3 years of project completion

Lower Level Goals	Success Measure
Financial support secured for trail design, communications plans and stakeholder engagement	Study completed
Most appropriate governing structure	Research on most suitable governance structure completed and a legal entity in place to manage the construction and operation
Funding applications prepared and submitted	Funding for the capital works secured
Trail maintenance	Structure in place and sufficient funding is captured for the trails to be financially self-sustaining

4.2 The Base Case & Options Considered

Base Case

The base case would be the current 'business as usual' situation, where the Tenterfield economy retains its heavy reliance on agriculture, health care and social assistance and the retail sector as the major employers (see Figure 2).

As explained in Section 3.3, this is not a desirable strategy as it will lead to a continuation of the current negative trends in population, youth disengagement, and an aging population structure. This population path leads to a high dependency ratio (the number of people aged 65 an over who are 'dependent upon' the 15-64 aged working population). As shown in Figure 14, this ratio is already very high for Tenterfield compared to the rest of NSW and Australia.

Figure 14. Comparative Dependency Ratios
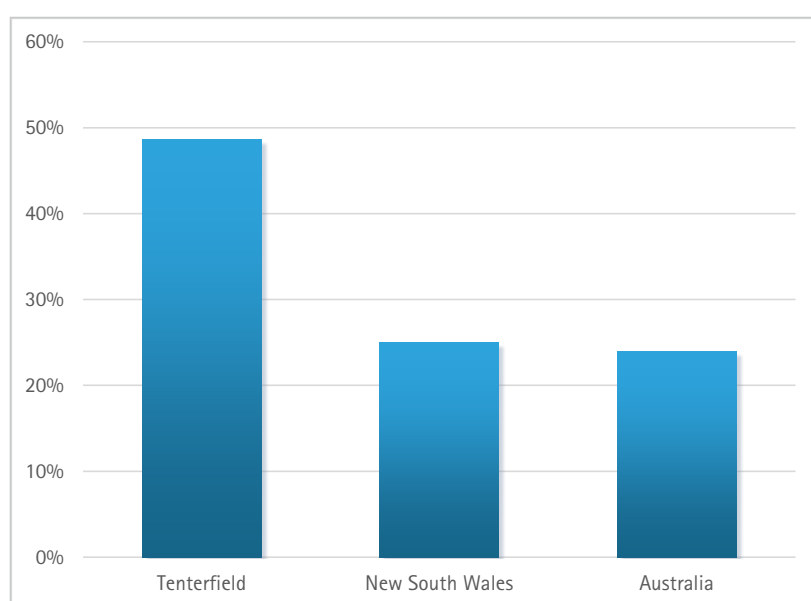
Source: ABS Census 2001-2016

Option 1 – A Smaller Project

This option would see less than the proposed 150kms of new mountain bike trails developed. As summarised in Figure 10 above, this is the situation for every other purpose-built MTB complex in Australia with trail lengths varying from around 20kms to 120kms.

The reason this option has been rejected is that research shows 100kms or more of purpose-built trails is the benchmark in Australia to achieve recognised status as a 'trail destination' (Forrest MTB Trails Design Project 2019) and with sufficient infrastructure to support a 'trail town' (Table 4).

The objective is for the Angry Bull destination to be not just a 'locally or regionally significant' MTB destination, but a nationally significant MTB destination which will attract visitors from interstate and overseas.

Indeed, there are already several locally/regionally significant MTB tracks and trails in the region, most notably:

- The University of New England SportUNE track in Armidale
- The Piney track near Armidale
- The Tamworth Mountain Bike Park
- The Inverell Mountain Bike Park
- The Kooralbyn Valley Mountain Bike Park (near Beaudesert Qld)
- The Tamrookum Creek Mountain Bike Park (near Beaudesert Qld)

Table 4 shows the characteristics of local and regionally significant trails as opposed to a nationally significant trail which can support a trail town.

Also, a smaller project would not extend economic benefits out to the smaller villages surrounding Tenterfield (e.g. Drake, Liston, Jennings, Urbenville). Phases 2 and 3 of the project extend the trails which start near the Tenterfield CBD to link up to trails further out hence bringing more visitors to those villages.

The Preferred Option – Angry Bull Trails

The Angry Bull Trails seeks to differentiate itself from these tracks by establishing as a major trail destination which can offer visitors different trail experiences over several days. It will be large enough such that the entire trail network could not be ridden in a single day, it will attract a key demographic with higher levels of disposable income and it has the infrastructure links to make Tenterfield a 'trail town'.

As noted in the Georgetown Mountain Bike Feasibility Study (2018), the MTB enthusiast is typically travelling for multi-day stays seeking unique and high-quality trail experiences, with larger trail volumes allowing rides of 30-40kms per day.

Tenterfield can become a 'trail town' of national significance

The nearest destination offering a similar product would be the Thredbo MTB Park which is over 1,100kms south of the proposed Tenterfield development.

The Angry Bulls project has the additional advantage over Thredbo of being close to the major international airport facilities and destinations of the Gold Coast and Brisbane, hence can attract visitors from interstate and from overseas.

The ABT Project is aligning itself with the IMBA criteria to become a recognised trail centre.

Table 4. MTB Trail Significance Classifications

Significance Level	Key Features
Local Significance (e.g. Inverell tracks)	- Important local recreation resource - Within 10kms of local communities - Within 20kms of another local level facility - No more than 20kms of waymarked trails - No more than 2 waymarked loops of 40mins to 2hrs duration - No less than 30% purpose-built single track - Basic facilities only, e.g. carpark, toilets
Regional Significance (no local examples that fit all these criteria)	- High level recreational & tourism resource - Within 50kms of a regional population centre - Within 50kms of another regional or national level facility - Primarily a day visit destination for the domestic market - When combined with other facilities can be a short break destination for both the domestic and international market - At least 40kms of waymarked trails - No less than 2 waymarked loops of at least 2hrs duration - No less than 60% purpose-built single track - Basic facilities, e.g. carpark, toilets, bike hire, light refreshments
National Significance (no local examples that fit all these criteria) Angry Bulls MTB would meet these criteria	- High level, high quality tourism resource of national significance ✔ - Appeal to both domestic and international markets ✔ - More than 100kms from another national level facility or more than 50kms from a regional level facility ✔ - Stand-alone short break destination ✔ - Part of a larger national long-term destination ✔ - Highest possible quality ✔ - At least 100kms of waymarked trails ✔ - No less than 4 waymarked loops of at least 2hrs duration with at least one loop of up to 4hrs duration ✔ - No less than 70% purpose-built single track ✔ - Associated with high quality visitor facilities, e.g. carpark, toilets, showers, bike hire, cafe ✔
Trail Town (no local examples that fit all these criteria) Angry Bulls MTB would meet these criteria	- Population centre based user services & facilities ✔ - Site-based user services & facilities ✔ - Associated infrastructure ✔ - Multiple trail models ✔ - Multiple trails ✔

Sources: Le Marchant (2019), Queensland MTB Strategy (2019)

Another measure of the suitability of the proposal to deliver an internationally recognised MTB trails destination is the International Mountain Biking Association (IMBA) trail rating system, which classifies trails as Gold, Silver or Bronze depending on a range of professionally and independently scored criteria. The maximum total score is 100 points.

The proposed Angry Bull Trails would score highly against the majority of these criteria as it provides the following:

- 150km+ of trails
- The full variety of trail difficulty levels are included
- Range of single track options available
- Gravity tracks available
- Technical climbs and descents available
- Urban pump track available
- A gravity bike park available
- Tracks that can be used in all seasons available
- Retail options available – some of these are expected to be developed once the trails are constructed – bike shop, guided MTB tours, bike rental, shopping
- Food options – quality and varied eateries, coffee shop, grocery stores, brew pub (Deepwater has one), natural and organic food
- Accommodation – primitive and non-primitive camping, vans and RV facilities, motels/hotels, bike friendly accommodation
- Other – an airport within 1 hour (Armidale), medical/emergency facilities (Tenterfield Hospital)
- Signage
- Trailhead amenities – parking, toilets, water
- Trailhead access by bike – will be provided
- Shuttle/uplift options – expected to be developed
- Three or more days of riding
- Long distance adventure of at least 64kms
- Backcountry experience
- Community involvement – local MTB club, group rides, events, community support, land manager/ owner support, trail data capture
- Tourism and marketing – online presence, other recreational options, riding season of greater than 10 months per year, trails marketing and promotion entity.

The project would deliver a unique MTB destination in Northern NSW, with access to the highly populated south-east Queensland market and features which differentiate it from other MTB locations

4.3 Project Scope

The project scope is illustrated in Figure 15.

As outlined above, the scope is to deliver a nationally significant MTB destination which will attract visitors from all over Australia and internationally, and cement Tenterfield's identify as a trail town like Derby in Tasmania and Thredbo in the Snowy Mountains region of NSW.

It will be of a scale and quality equivalent to, or superior to other nationally significant MTB destinations in Australia (e.g. Blue Derby, Thredbo) and around the world (e.g. Whistler MTB Park in Canada, 240kms of trails).

It will be critical to have easy links for riders back into the Tenterfield CBD, both via dedicated bike trails/lanes and/or shuttle services.

Figure 15. Project Scope

Stage 1
100kms
of purpose built trails

Stage 2
25kms
of purpose built trails

Stage 3
25kms
of purpose built trails

All with links back to Tenterfield CBD

Signage

Gates & Fences

Tables & Shade

Potable Water

Rubbish Facilities

Toilets

Bike Repair Stations & Biosecurity Wash

Racks
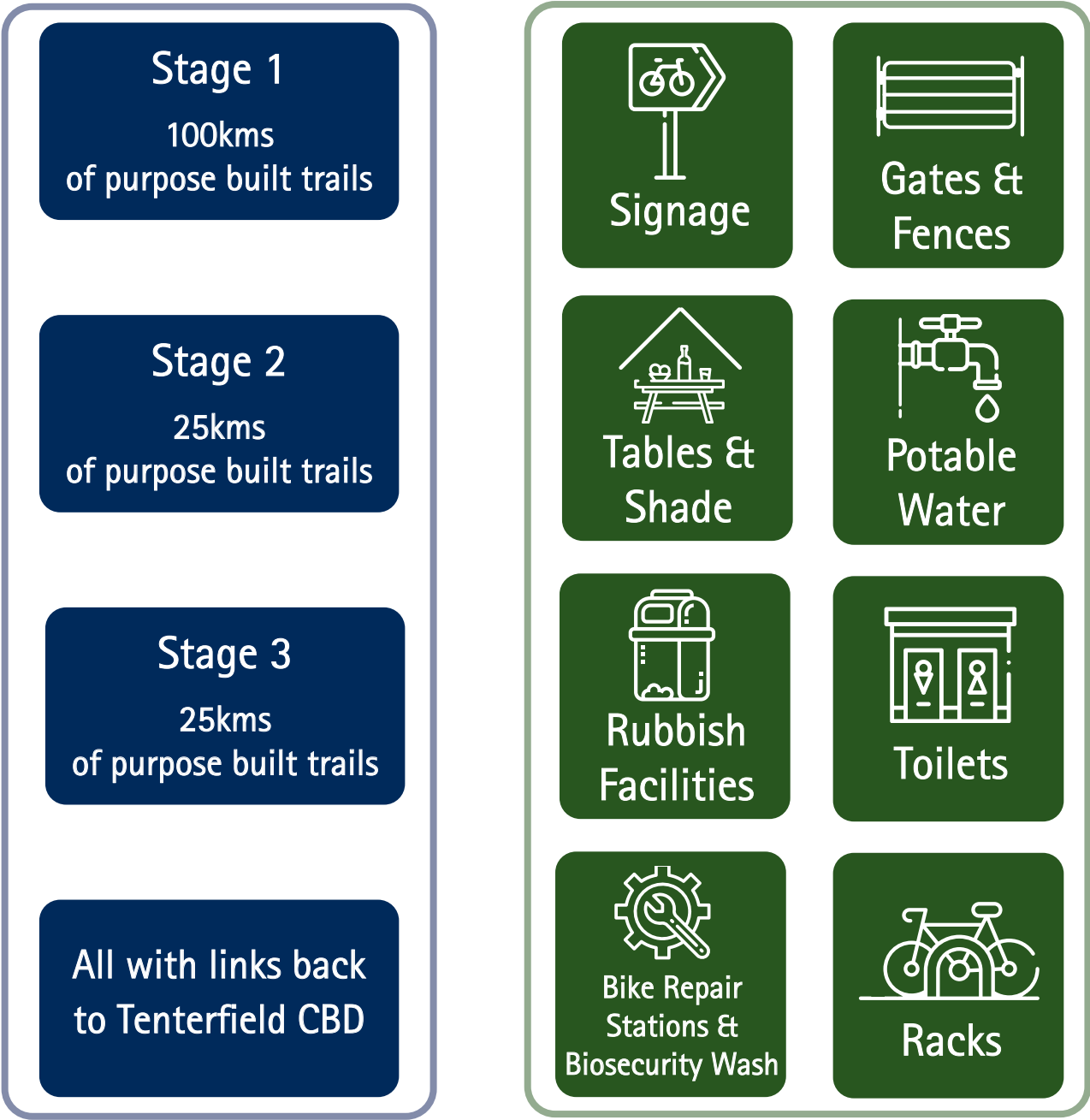
4.4 Project Costs

The preliminary capital costs for the project have been calculated and are based upon data from other studies and an understanding of the facilities visitors would expect to see at a world-class mountain bike trail destination. These figures will be further refined at the next stage of trail survey and design.

The Warburton Mountain Bike Feasibility Study (2013) revealed that visitors on mountain bike specific holiday would expect to see the following important infrastructure at trail heads (in order of importance):

- Car parking
- Maps
- Toilets
- Drinking water
- Picnic tables
- Shelter
- Notice board
- BBQ
- Café
- Bike wash facilities
- Local business advertising
- Bike shop
- Bike racks
- Change room
- Showers

This information is supported by the results of the potential user survey conducted for this business case (see section 3.8).

For this project, a café and bike shop are deemed to be commercial ventures whose existence would be stimulated by the delivery of the other public infrastructure, and therefore are not included in the capital cost which will be the subject of government funding applications. Similarly, showers, changerooms and bike wash facilities are expected to be located back in the Tenterfield CBD by either council or private operators and are not included in any government funding requests.

The remaining items have been included in the capital costs for which government funding will be sought (Table 5).

Table 5. Project Capital Costs

Angry Bull Trail Length	150
Trail design	163,291
Trail approvals	200,000
Trail construction	4,842,155
Signage & maps	250,000
Marketing & communications	250,000
Car parking (4x20 spaces)	234,374
Toilets incl. install (x4)	337,863
Tables & shelter (x14)	32,659
BBQs (x8)	41,626
Drinking water (x4)	10,395
Bike racks (50 bikes)	3,250
Bike repair stations (4)	6,580
Biosecurity bike wash station (4)	10,000
Bins (4)	7,414
Installation of tables, shelters, BBQs	41,711
Pump track	350,000
Contingency @ 5%	339,066
Project Management	356,019
Total	7,476,401

Sources: Averages from several MTB feasibility studies, supplier quotes for similar projects, online cost estimates

4.5 Visitation & Economic Benefits

Probably the most critical factor in this business case is estimating additional visitation to Tenterfield shire. Visitor numbers will drive additional expenditure and hence the economic benefits. Moreover, from a government funding and benefit-cost analysis perspective, the number of additional visitors attracted from other jurisdictions (e.g. from interstate or overseas) are critical.

Other MTB feasibility studies have based visitation estimates on broad projections including:

- The visitation at other similar MTB destinations
- A range of high and low projections
- A percentage of the catchment population who ride bikes and the number of rides per year they are likely to take

The Warburton Mountain Bike Feasibility Study (2013) conducted a survey targeted toward the existing mountain bike fraternity which revealed that the majority of likely users (72%) would drive up to 5 hours for a mountain biking holiday. 22% said they would drive more than 5 hours and 17% said they would fly within Australia. This places the Tenterfield within the catchment of key south-east Queensland population areas.

The study revealed a range of data which helps guide estimates of visitation to the Angry Bull facility (Figure 16).

Figure 17 shows the car travel distance radius's which are possible within a 5 hour drive of the Tenterfield Angry Bull Trails site. Critically, it includes high population centres in south-east Queensland including Brisbane, Gold Coast, Moreton Bay, Noosa and Toowoomba.

There are at least 26 mountain bike clubs registered with the Mountain Bike Australia Association within this radius (MTBA website 2020). The Warburton MTB Feasibility Study (2013) indicates that many mountain bike tourists would be willing to travel from these areas. Others would travel up to 8 hours for an MTB holiday which brings Sydney into the market catchment area, raising the number of registered MTB clubs to about 33.

Figure 16. Warburton MTB Visitation Data

82% had been on a MTB specific holiday

33% do 1-2 MTB holidays/year

33% do 3-4 MTB holidays/year

73% stay 1-2 nights

23% stay 3-5 nights

74% travel in a group of 3-6 people

72% drive up to 5 hours for their holiday, 22% drive more than 5 hours

73% would drive up to 1 hour for a weekday ride

70% would drive up to 2 hours for a weekend ride
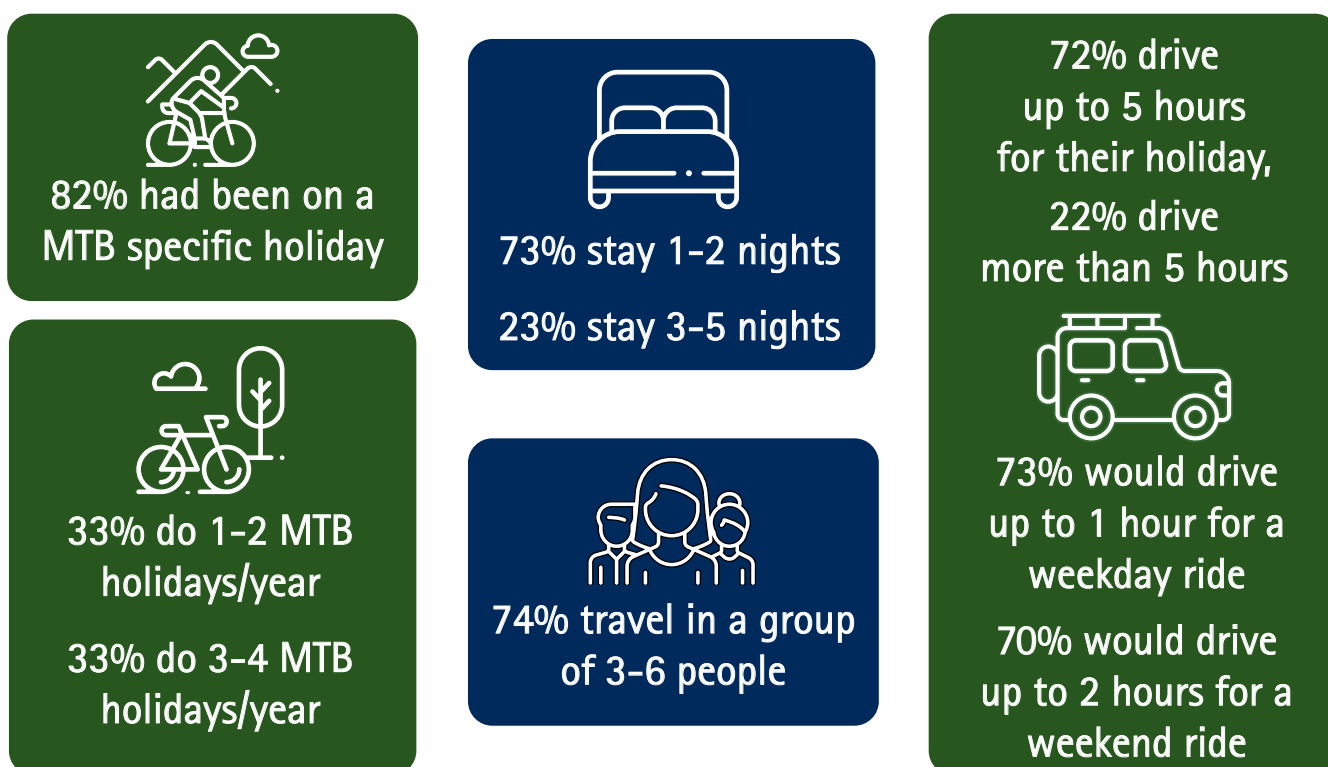
Source: Warburton MTB Feasibility Study (2013)

Figure 18 shows the total populations within an approximate 1, 2 and 5 hour drive of the Angry Bull Trails site. There are in excess of 3.3 million people within the 5 hour drive radius and that does not include the Sydney area.

A survey in 2019 revealed that 3.43 million Australians ride a bike for transport or recreation in a typical week and around 8.39 million ride in a typical year (Austroads 2019). That represents 36% of the Australian population cycling at last once per year.

Figure 17. Travel Distances by Road to the Angry Bull Trails
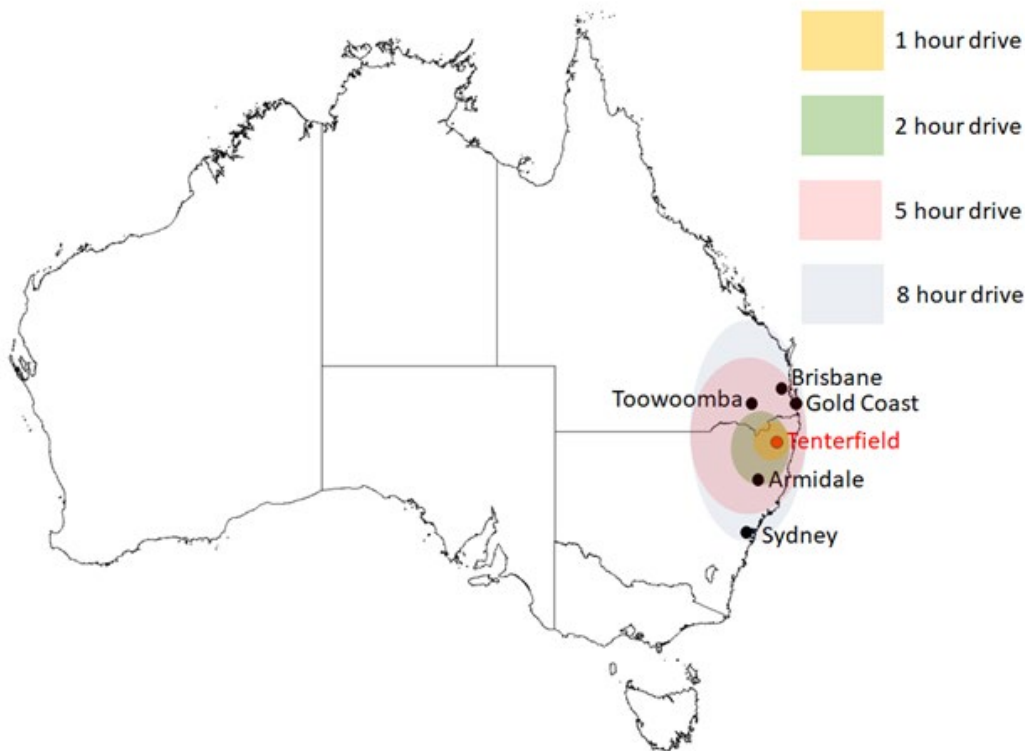
Figure 18. Total Population Within a 5 Hour Drive to Angry Bull Trails
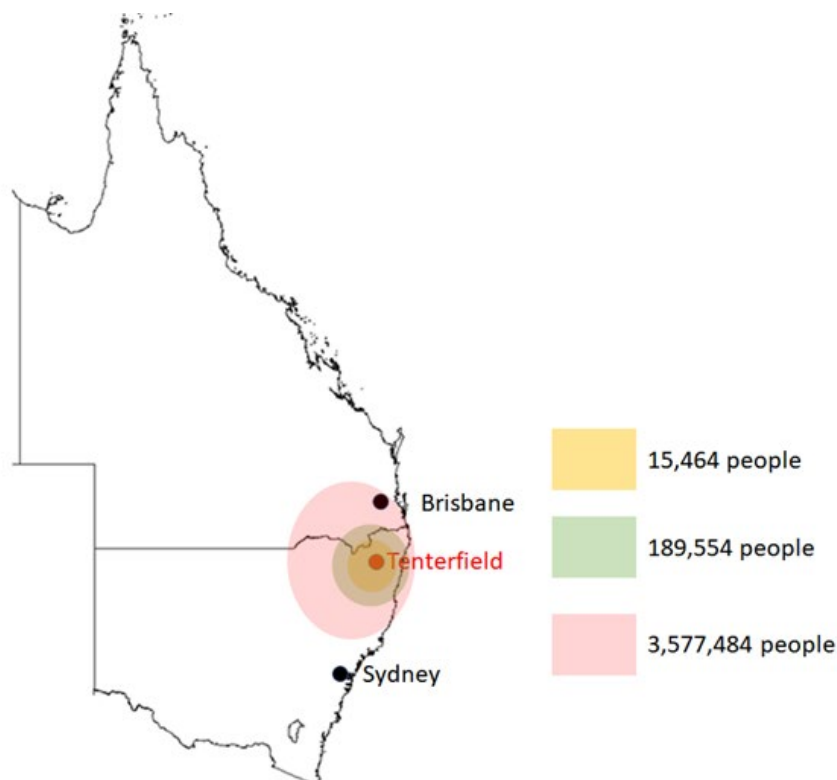
Based on the likely key domestic driving market catchment (5 hour drive radius), cycling participation rates, the proportion of national cycling association memberships by cycling type and data from a range of other MTB feasibility studies, it is possible to estimate of the likely domestic drive visitation to the Angry Bull Trails (Figure 19).

Figure 19. Estimated Annual Visitation to Angry Bull Trails by Domestic Visitors Within a 5hr Drive Radius

Population 23.4M
ABS Quickstats 2016

Cycle at least once per year 8.39M
National Cycling Participation survey 2019

Cycle regularly 4M
Sport Australia2018

Ride MTB (MTBA Membership) 134,000

Cycle regularly 4M
Sport Australia2018

Population within 5hr drive of Tenterfield 3.6M
ABS Quickstats 2016

Assume 10% of MTB population within 5hrs radius ride Angry Bulls

Likely to ride the project trails
15,370

63% day visits, 2 rides/yr (average of 4 studies)

Day visits per year
19,444

37% overnight visits, 1 stay/yr, average stay 2.7nights (average of 6 studies)

Overnight stays per year 15,440

In addition to new visitors within a 5 hour drive radius whose visits are triggered solely by the development of the new trails, there will be a proportion of existing visitors who stay longer to use the trails and new visitors who come for specific events (races) held on the trails.

The Omeo Business Case (Omeo Mountain Bike Destination Business Case (2019)) assumed 1.5% of existing visitors would stay on to use the trails. This business case has been more conservative and assumed only 1%. Similar event visitation numbers to the Omeo study have been used. Day trip and overnight expenditure are averages from a range of studies on MTB tourism.

The figures for total visitation are shown in Table 6. Day trip and overnight expenditures are combined with these figures to produce total direct visitor expenditure from all new visitors.

Table 6. New Visitor Numbers and Expenditures

New visitor cohort	Number	Overnight stays
Within a 5 hour drive radius (day trips)	19,444	0
Within a 5 hour drive radius (overnight stays)	5,649	15,440
Other visitors staying an extra night[1]	2,990	
Event visitors (1st year)	150	300
Event visitors (2nd year)	400	800
Event visitors (3rd year onwards)	900	1,800
	Totals	**Expenditure**
Total new day visits[2]	19,444	952,737
Total new overnight stays[3]	18,340	3,411,169
Total new expenditure		4,363,906
Total new expenditure from outside of NSW[4]		3,491,125

Notes:
1. Assumes 1% of existing visitors to Tenterfield stay an extra night because of the trails
2. Average expenditure of $49/day based on results of other MTB studies
3. Average expenditure of $186/day based on results of other MTB studies
4. 80% of visitors from outside NSW based on 5hr drive radius LGA populations

A cross-check of these estimates is provided in Table 7, which compares the estimated Angry Bull Trails visitation to that actually achieved at other MTB destinations. This validation check suggests the visitation figures used in this business case are achievable.

Table 7. Comparison of Trail Visitation Numbers

MTB Destination	Trail Length (kms)	Total Visitation (people p.a.)
Angry Bull Trails (NSW)	150+	37,783
Thredbo (NSW)	100	50,000
Blue Derby (Tas)	80	30,000+
Maydena (Tas)	120	25,000
Mt Buller (Vic)	60	45,000
You Yangs (Vic)	50+	150,000
Whistler (Canada)	80	200,000
Rotorua (NZ)	150+	250,000+
Queenstown (NZ)	100	57,000

Sources: Forrest MTB Trails Design Project (2019), Sparks (2018), Georgetown Mountain Bike Feasibility Study (2018), TRC (2017)
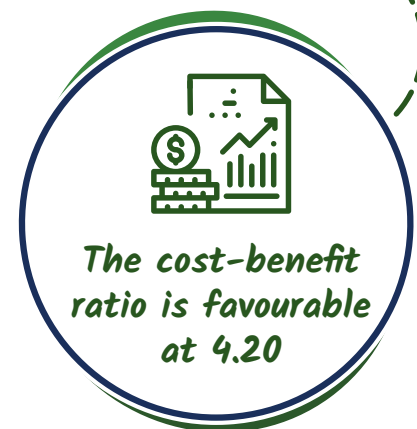
4.6 Benefit–Cost Analysis

A benefit-cost analysis of the project has been conducted and includes the following key parameters:

Costs:

- Capital costs $7.5M
- Annual operating costs $1,542 per km of track

Benefits:

- New visitor expenditure benefits – measured as the value-added associated with $4.3M of additional annual visitor expenditure. Value-added rather than gross expenditure is the correct measure of this benefit as it is an approximation of the additional producer surplus and caters for leakage and intermediate input effects.
- New visitor expenditure is based on an average daily spend of $49 for day visitors and $186 for an overnight stay. These figures are averages from five other MTB feasibility studies which document expenditure by various MTB visitor cohorts.
- Only the additional expenditure from visitors outside of NSW has been included as the NSW Government only includes inter-state and international visitation in its benefit assessments.
- User health benefits from cycling taken from a Qld government study of the health benefits of cycling and walking - health benefits estimated at $1.42/km for cycling and $2.83/km for walking (Queensland Department of Transport and Main Roads 2016).

Total capital cost is $7.5 Million

The cost-benefit ratio is favourable at 4.20

Sensitivity analysis of key parameters has been conducted to assess the robustness of the benefit-cost ratio (BCR).

The base-case assumes the following:

- 80% of visitors are from outside NSW. This is based on a population analysis of the local government areas within a 5 hour drive radius, and the results of the user surveys.
- Day visitors would do two trips per year to the trails.
- Overnight visitors would do one trip per year to the trails, staying an average of 2.7 nights (taken from studies of other MTB destinations, though the survey average was a 3 night stay).
- Non-riders were not included in the analysis even though the survey revealed most rider groups would have on average 2.3 non-riders in their group.
- It takes 3 years for the full visitation potential to be realised.

Figure 20. Summary of Benefit-Cost Results
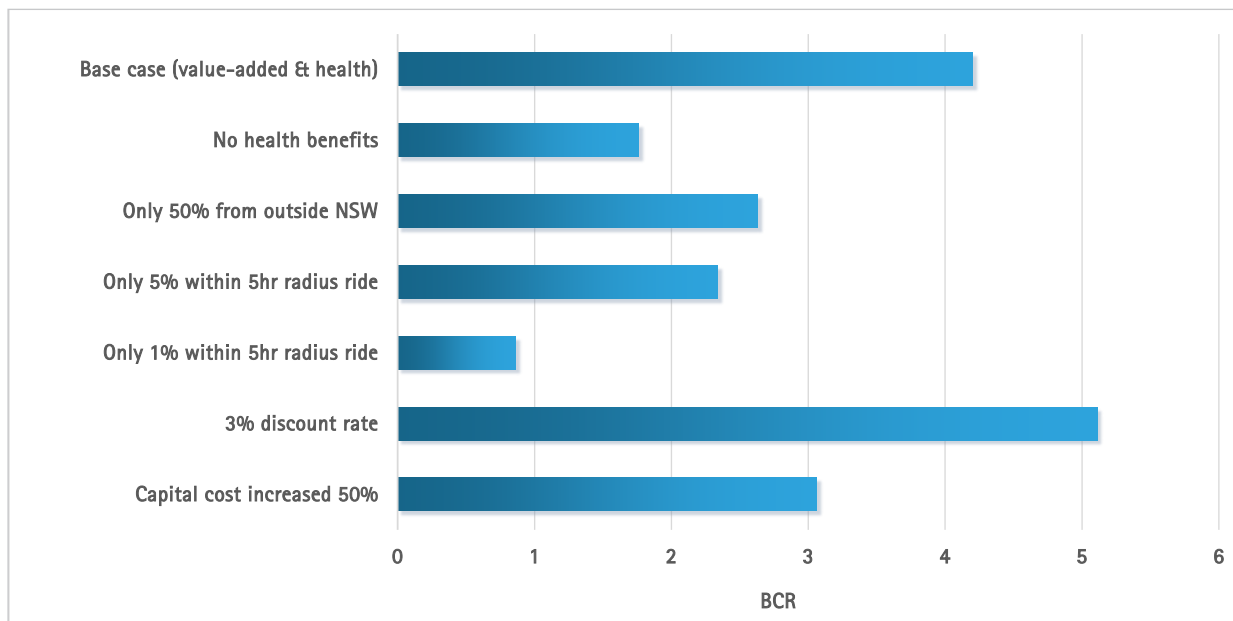
The base case produces a very favourable BCR of 4.20 (Figure 20).

Eliminating the health benefits, reducing the number of visitors and increasing the capital cost still produces BCRs of greater than 1.0, indicating that the benefits of the project exceed the costs.

Calculated using conservative visitation estimates, the Benefit-Cost Ratio is favourable at 4.20 for the base case.

The only scenario which produces a BCR of less than 1.0 is when the visitation of MTB riders within a 5 hour drive radius is reduced to just 1% of that demographic. Even so, this is likely to be an overly pessimistic result as the benefits of expenditure by non-riding visitors has not been included.

4.7 Employment Benefits

Jobs Created From New Visitor Expenditure

The REMPLAN software was used to calculate the additional employment in the Tenterfield shire which would be generated from new visitor expenditure (Figure 21). The project would generate an additional 25 jobs in the Tenterfield economy.

Note that the employment impacts are based on the additional visitor expenditure in the economy under its current structure and do not account for the employment that would be generated with the development of new businesses (e.g. shuttles for riders, other adventure tourism businesses that are spawned from the MTB developments).

25 jobs will be created for Tenterfield

Figure 21. Employment Impacts

Legend: Direct jobs — Multiplier effect jobs — Total new jobs
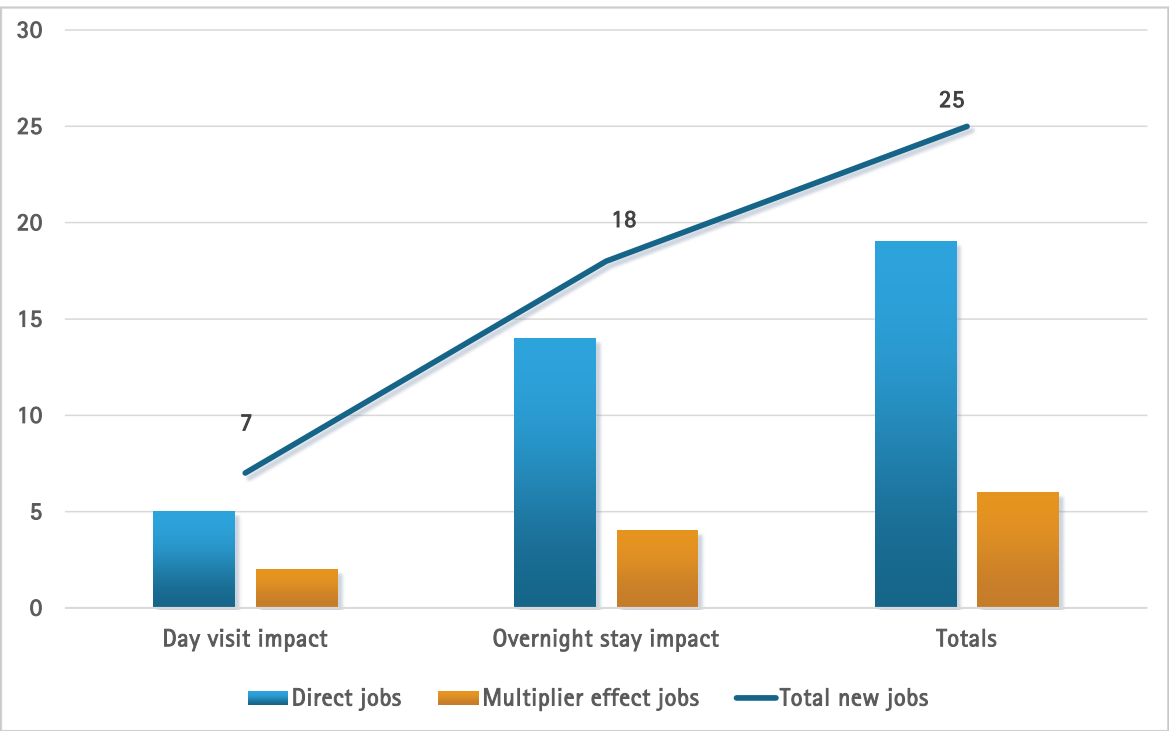
Jobs Created During Construction

The REMPLAN software was also used to calculate the additional employment in the Tenterfield shire during the 3 year construction period based on a total capital expenditure of $7.5 across 3 years (2022-2024).

Trail and associated facilities construction would generate 24 jobs (10 direct and 14 indirect jobs) during that 3 year period in the Tenterfield economy.

4.8 Return on Investment for Project Planning

Tenterfield Shire Council have already contributed $25,000 toward the development of a High Level Business Case for the project. Should the process proceed to the next phases of trail mapping/design and media planning (estimated to cost another $60,000), the total investment in the project planning would be $85,000.

The return to the Tenterfield community (and by proxy the TSC) from this investment is the value-added component of the additional visitor expenditure. Gross new visitor expenditure is estimated at $4.3M/year after 3 years, and the value-added component of this is $1.55M.

Over a 10 year period, and assuming TSC covered the annual track maintenance costs of $231,000 (unlikely, as the plan is to cover these costs from other fund raising activities), this would produce a return on investment of 224%.

$4.3 Million of additional tourist expenditure

Visitor expenditure represents a 224% return on investment on project planning costs

Project Implementation

5.1 Key Tasks & Milestones

Key project tasks are outlined in Figure 22.

Figure 22. Project Tasks and Milestones

Stage	Activity	Concept		Feasibility / Design / Planning / Procurement				Implementation - Phase 1				Implementation - Phase 2				Implementation - Phase 3				Total Investment ($)
		Jul-Sept 20	Oct-Dec 20	Jan-Mar 21	Apr-Jun 21	Jul-Sept 21	Oct-Dec 21	Jan-Mar 22	Apr-Jun 22	Jul-Sept 22	Oct-Dec 22	Jan-Mar 23	Apr-Jun 23	Jul-Sept 22	Oct-Dec 23	Jan-Mar 24	Apr-Jun 24	Jul-Sept 24	Oct-Dec 24	
Pre-project	Complete high level business case																			25,000
	Complete trail mapping/concept design/comms/stakeholder engagement																			60,000
	Secure capital grant funding																			
Consultation	Public consultation																			
	Landholder consultation/agreements																			
	State Govt consultations																			
Approvals	Agreements/approvals from NSW Govt																			200,000
	Landholder agreements/MOUs																			
Tender & procurement process	Finalise design of trails & infrastructure																			
	Prepare tender documentation																			
	Construction management plan																			
	Tendering & procurement contractors																			
Site Work Activities for Trailhead #1 - The Hub Trailhead #3 - The Commons	Surveying																			
	Trail marking																			
	Tree marking																			32,658
	Identify/relocate utilities if needed																			
	Geotech/engineering investigation of drainage																			
Construction Activities for Trailhead #1 - The Hub Trailheads #3 - The Commons	Trail building - 6 months																			
	Drainage																			
	Carpark construction																			
	Pump track construction - 6 months																			1,631,418
	Links back to CBD																			
	Install signage																			
	Install trail furniture & toilets																			
Site Work Activities for Trailhead #4 - NP Link Trails	Surveying																			
	Trail marking																			
	Tree marking																			59,873
	Identify/relocate utilities if needed																			
	Geotech/engineering investigation of drainage																			
Construction Activities for Trailhead #4 - NP Link Trails	Trail building - 9 months																			
	Drainage																			
	Carpark construction																			2,349,267
	Links back to CBD - TSR Trail - 6 months																			
	Install signage																			
	Install trail furniture & toilets																			
Site Work Activities for Trailhead #2 - "Hero" Downhill	Surveying																			
	Trail marking																			
	Tree marking																			16,329
	Identify/relocate utilities if needed																			
	Geotech/engineering investigation of drainage																			
Construction Activities for Trailhead #2 - "Hero" Downhill	Trail building - 6 months																			
	Drainage																			
	Carpark construction																			
	Links back to CBD - 3 months																			640,709
	Install signage																			
	Install trail furniture & toilets																			
Project Mangt Phase 1																				246,513
Phase 2 25km of additional trails northern reaches of TSC	Planning & construction completed by 2023																			1,095,064
Phase 3 25km of additional trails southern reaches of TSC	Planning & construction completed by 2024																			1,095,064
Project Mangt Phases 2 & 3																				109,506
Total capital cost		7,561,401																		7,561,401

Project Governance & Legal Structure

Governance refers to the processes, activities and relationships that make sure the Angry Bull Trails initiative is effectively and properly run.

The Angry Bull Trails project is classified as a social enterprise as it combines a social mission (building and diversifying the Tenterfield economy) with a business model (developing new private commercial enterprises which contribute to and reinvest in the social mission). Figure 23 illustrates where a social enterprise fits on the spectrum of organisational structures. A key objective of a social enterprise is to deliver public benefit.

Figure 23. The Spectrum of Business Models

COMMUNITY /WELFARE ORGANISATION	NFP WITH MINIMAL TRADING ACTIVITY	SOCIAL ENTERPRISE	SOCIAL /ETHICAL BUSINESS	MAINSTREAM COMMERCIAL BUSINESS
Purpose led with all income from donations / grants	Purpose led with majority of income from donations / grants	Purpose led with majority of income from trade	Purpose and personal profit lead (co-purpose) with all income from trade	Personal profit led with all income from trade

Source: MinterEllison, pers. comm. (2020)

Social enterprises can be not-for-profit or for-profit, they derive most of their income from businesses, but use a majority of that income for a social mission.

In order to fulfill the mission of a social enterprise, the legal structure considered most appropriate to manage the Angry Bull Trails project is a Public Benevolent Institution (PBI) with Deductible Gift Recipient (DGR1) status (MinterEllison, pers. comm 2020). This is a not-for-profit entity.

A PBI is a non-for-profit charity whose main purpose is to relieve poverty, sickness, suffering or disability. In this case, the main purpose of the PBI is to help relieve the social and economic disadvantage problems in Tenterfield, particularly the youth disengagement problem.

The Australian Charities and Not-for-profits Commission (ACNC) is responsible for determining PBI status. The ACNC registers organisations as charities, including particular types of charities such as PBIs and the Australian Taxation Office (ATO) accepts that an organisation is a PBI if it is registered by the ACNC as a PBI (ATO 2020).

This type of entity confers a number of advantages to the social objectives of the project, particularly those relating to revenue-raising for on-going track maintenance including:

- Can receive donations and grants which are tax-deductible
- Can use crowd-funding
- Can charge membership fees
- Can still access debt
- Can raise social investment bonds and micro-donations
- Surpluses re-invested in social programs

Initial start-up capital for the project will come from government funding, grants and donations.

Later revenue streams will include sponsorships, memberships, merchandise and event ticket sales.

Not-for-profit entities including PBIs are run by a board. Board members (or 'responsible persons') have the ultimate responsibility for running the charity, managing its finances, its operations and managing staff and volunteers. Key responsibilities of the board include (ACNC 2020) :

- Accountability – making sure the charity meets its obligations, manages its finances and operates transparently.
- Strategy – setting the charity's long-term goals and making sure it pursues its charitable purposes;
- Resourcing – securing funding and other resources to support the work of the charity.
- Advocacy – representing the charity to the community and to its members and stakeholders (with a chief executive officer and staff, if any).
- Monitoring – making sure the charity is run as required under its governing document and the law.

Board members would be either elected by members of the PBI or appointed by nomination under the rules of the entity.
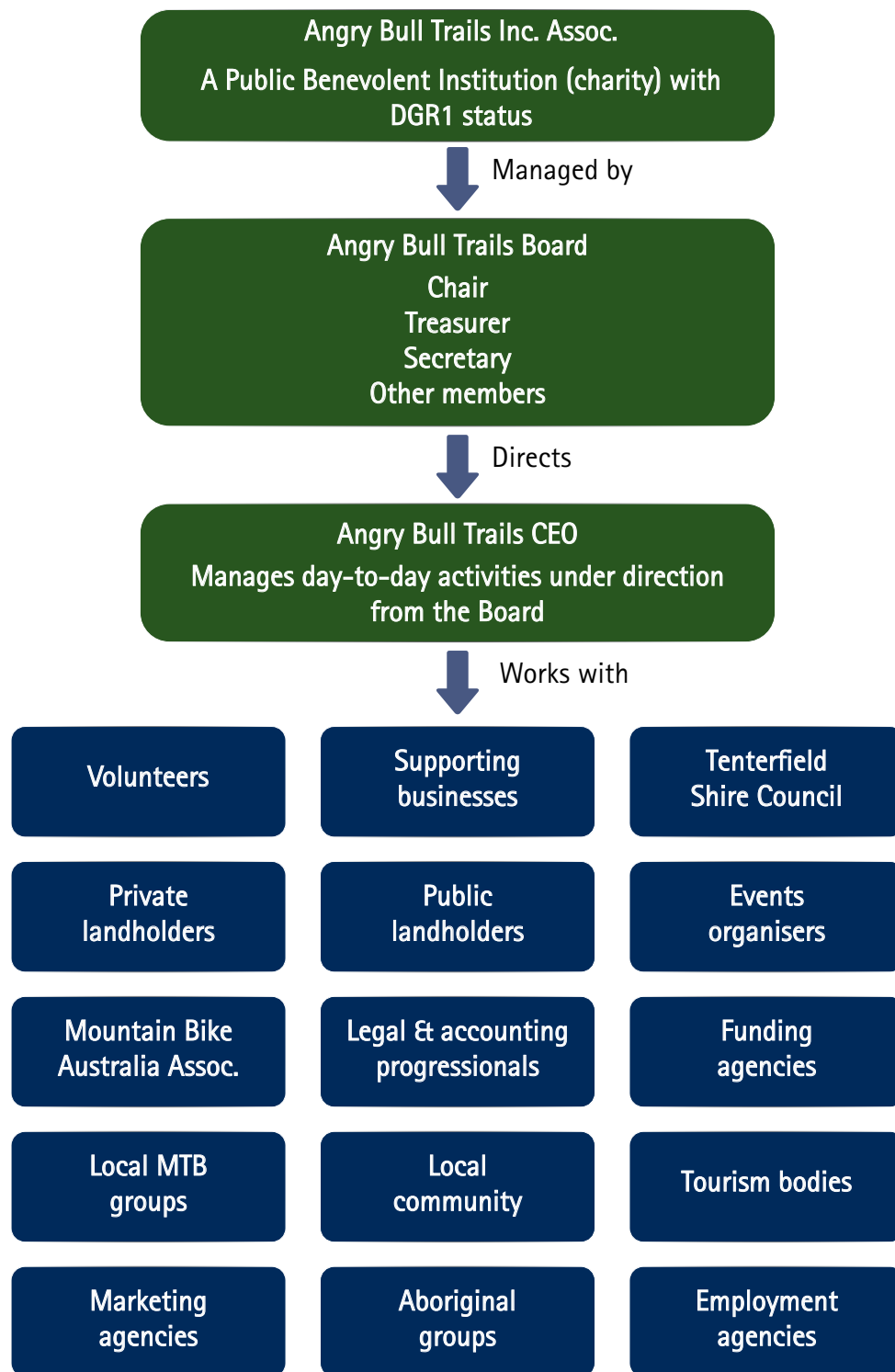
Initially, it is unlikely that the PBI will have paid staff, with work being conducted on a voluntary basis, however as revenue streams grow, employing paid staff is likely (e.g. a manager or CEO to direct the day-to-day operations of the Angry Bull Trails enterprise and organise activities such as track audit and maintenance, direct volunteers, funding applications, member communications, business sponsorships, merchandise development etc. plus one other administrative position).

The ABT will commence business development activities at the same time which construction commences (e.g. developing forms of revenue to support trail management and maintenance) and so will set up an office in Tenterfield at that time.

The anticipated governance structure is shown in Figure 24.

Figure 24. Angry Bull Trails Governance Arrangements

Angry Bull Trails Inc. Assoc.

A Public Benevolent Institution (charity) with DGR1 status

↓ Managed by

Angry Bull Trails Board
Chair
Treasurer
Secretary
Other members

↓ Directs

Angry Bull Trails CEO
Manages day-to-day activities under direction from the Board

↓ Works with

Volunteers	Supporting businesses	Tenterfield Shire Council
Private landholders	Public landholders	Events organisers
Mountain Bike Australia Assoc.	Legal & accounting progressionals	Funding agencies
Local MTB groups	Local community	Tourism bodies
Marketing agencies	Aboriginal groups	Employment agencies

5.2 Risk Assessment & Mitigation Strategies

Table 8 outlines the project risks and the risk mitigation strategies to be adopted.

Table 8. Project Risk Matrix

Item	Risk/s	Likelihood	Consequence	Rating	Mitigation strategy	Residual risk	Responsibility
Financial							
Funding	Secure external funding for trail design and mapping and then capital funding of full project	Moderate	Very high	High	Ensure funding submissions meet required guidelines & highlight the importance of the project to the community. Develop crowd funding campaign for trail design and mapping. Do not commit to the construction phase until access to the funding is secured	Medium	TSC, Angry Bull Team
	Council funds available	Low	High	Low	Funds already set aside for initial business case	Low	TSC
Costs	Tenders higher than estimated costs	Low	High	Medium	Detailed costings to be developed in trail design and mapping. In line with Council procurement process, reconsider project scope and/or seek Council approval for budget variation	Low	TSC, Angry Bull Team
	Variations during construction	Moderate	High	High	10% contingency factored into costs. Ensure appropriate contracts in place to tenderer must account for variations	Low	TSC, Angry Bull Team
	Lack of financial reporting/monitoring	Low	Low	Low	Monthly reports prepared in line with Council procedures, management group monitors	Low	TSC
Regulatory							
Regulations	Approvals not forthcoming from NPWS, Forestry Corporation, Crown Lands, TSC	Moderate	High	High	Ensure early engagement with all these entities before commencing construction to guage likelihood of securing approvals and any issues which will modify plans. This should be conducted at trail mapping and design phase	Medium	TSC, Trail Design and Mapping Consultant
Planning approvals	Delay in approvals	Moderate	Moderate	Medium	Ensure external contractor supplies appropriate documentation. Ensure preliminary meetings with appropriate Council staff to reduce unnecessary delays. Obtaining all necessary approvals, permits, designs, specifications and environmental assessments before commencing	Low	TSC, Trail Mapping and Design Consultant, construction contactors
Grant documentation	Approval & acquittal documentation not completed	Low	Low	Low	Ensure appropriate financial records kept, expenditure meets guidelines & all documents completed & checked prior to return	Low	TSC, Angry Bull Team
Procurement							
Detailed design & tender documentation	Delayed	Low	Moderate	Low	Detailed design work will have been completed in trail mapping and design. Council experienced in developing tender documents.	Low	TSC, Trail Mapping and Design Consultant
Successful tenderer	Delay in response or engagement	Moderate	High	High	Ensure documentation is accurate. Ensure queries responded to/information supplied in a timely manner. Follow Council procurement processes	Low	TSC
Poor response to tender	Delayed	Low	High	Medium	Develop clear precise tender documentation, ensure sufficient reach in advertising, sufficient time to respond, target specific firms for feedback, re-write & re-advertise if needed	Low	TSC
Pre-Construction							
Approvals and consultation with landholders/community	As above and below	Moderate	High	High	Extensive consultation with all landholders must be conducted and any issues resolved during trail mapping and design process	Medium	TSC, Trail mapping and Design Consultant

Item	Risk/s	Likelihood	Consequence	Rating	Mitigation strategy	Residual risk	Responsibility
Construction							
Project management	Appropriateness of Project Manager & team to deliver	Low	Low	Low	Experienced Project Manager and team from TSC to be involved, experienced contractor selected with extensive history of MTB trail construction	Low	Contractors, TSC, Angry Bulls Team
	Staff coverage	Moderate	Moderate	Medium	Regular meetings of project team with contractor to ensure continuity, appropriate documentation kept to allow temporary team replacement at short notice	Low	TSC
Communication	Poor landholder/community communication	Low	Moderate	Low	Ongoing consultation with adjoining landowners and state government agencies to clarify/confirm need for, and precise location of, requested items	Very Low	TSC, contactor
Safety	WHS incidents	Moderate	Moderate	Medium	Successful tenderer to have own risk management controls in place, sub-contractors are the tenderers responsibility	Low	Contractors, TSC
Flooding of the construction site.	Delays	Low	Moderate	Low	Within the construction contract make the contractor aware of the risk to the site of a major flood, and the contractor take the commercial risk.	Low	Contractors, TSC
Timeframe	Delays	High	High	High	Regular onsite meetings with successful contractor to ensure potential delays identified and addressed ASAP	Low	Contractors, TSC, Angry Bulls Team
Design changes	Site characteristics require design amendments	Low	High	Low	Unlikely given trail mapping and design will involve detailed survey and design of sites	Low	TSC, Trail Mapping and Design Consultant
	Changes to design by Councils/community/landholders/NSW Govt post-start	Low	High	Low	Unlikely as above	Low	TSC, Trail Mapping and Design Consultant
Construction materials	Unable to be sourced	Low	High	Low	Unlikely as materials commonplace. Select tenderer with proven ability to source materials. Regular onsite meetings with successful contractor to ensure potential materials issues are identified ASAP.	Low	Contractors, TSC
Landholder/community cooperation/opposition	Unable to secure cooperation, opposition to the project from landholders along the route or community in general	Low	High	Low	Unlikely due to consultation during trail mapping and design, and relatively low number of private neighbouring landholders	Low	TSC, Trail Mapping and Design Consultant

Item	Risk/s	Likelihood	Consequence	Rating	Mitigation strategy	Residual risk	Responsibility
Operation phase							
Visitation	Estimated visitation levels not met	Moderate	High	High	Trail mapping and design to develop a detailed marketing & communication plan, ensure it is implemented.	Medium	TSC, Trail Mapping and Design Consultant , Angry Bull Team
Trail & infrastructure maintenance	Maintenance not conducted to standards	Low	Low	Low	Trail mapping and design to detail maintenance requirements, TSC and Angry Bulls Team to dedicate resources	Low	TSC, Trail Mapping and Design Consultant , Angry Bull Team
Trail & infrastructure maintenance	Lack of funding for maintenance	Moderate	High	High	Trail mapping and design to detail maintenance funding options, ensure these are pursued, TSC to allocate some funds	Medium	TSC, Trail Mapping and Design Consultant , Angry Bull Team
Social goals	Social mission of boosting local employment not met	Moderate	Moderate	Medium	Young residents not only given priority in employment, but included in the initial planning process, underscoring the intention of community value creation	Low	TSC, Angry Bull Team
Land tenure	Loss of trail connectivity	Moderate	High	High	Ensure access arrangements are in place for all land tenures during the community stakeholder phase, private land particularly important	Low	TSC, Angry Bull Team
Environment	Environmental damage	Moderate	Moderate	Medium	Trails professionally designed and constructed	Low	TSC, Trail Mapping and Design Consultant , Angry Bull Team

5.3 Asset Management

Trail and infrastructure maintenance are important for a number of reasons:

- Achieve maximum usage by the intended users
- Make trails last as long as possible
- Ensure that trails do not become dangerous to the users
- Exercise the land manager's duty of care to provide a safe environment for users
- Minimize the legal liability to the land manager

The Angry Bull trails will located on a range of different land tenures:

- National Parks
- State Forests
- Tenterfield Shire Council land
- Crown Lands (Travelling Stock Routes)
- Private land

This means that responsibility for asset management will be held by several different agencies.

Fire trails will be largely maintained by NSW National Parks and Wildlife Service in national parks and by Forestry Corporation of NSW in state forests, probably with some assistance from volunteers (e.g. MTB club members).

However, MTB specific single trails and other infrastructure on all land tenures will likely be managed by both paid contractors and council staff as well as volunteers from mountain bike clubs hired by the Angry Bull Trails governance organisation. This is how many other trails in the region are maintained (e.g. the New England Mountain Bike Club conduct virtually all trail maintenance activities on the trails around Armidale. These trails are located in state forests, in crown reserves and on University of New England land). Formal/ informal agreements are in place for these maintenance activities.

Given the MTB destination profile that is a key objective of this project, it is expected that a higher level of maintenance input than can be supplied by volunteers will be needed. For this reason, a budget of $1,542 per km for annual trail maintenance has been factored into the financial estimates to cover professional maintenance input.

Trail design and construction should be carried out in accordance with best practice for environmental sustainability to minimise the on-going maintenance requirements.

Typical trail maintenance activities will include:

- Removal of excessive trail organic matter (e.g. branches, leaf litter)
- Control of vegetation encroachment – especially important to maintain a safe line of sight on trails
- Rectifying/preventing erosion and water damage and water accumulation
- Maintaining the trail profile – avoiding a cupped or concave trail surface
- Providing good trail drainage, particularly at grade reversal points
- Signage maintenance

The best way to ensure trail asset management is conducted in a timely manner is to establish a trail maintenance plan. Figure 25 summarises the key issues which need to be considered in the trail maintenance plan.

Figure 25. Angry Bull Trails Maintenance Process
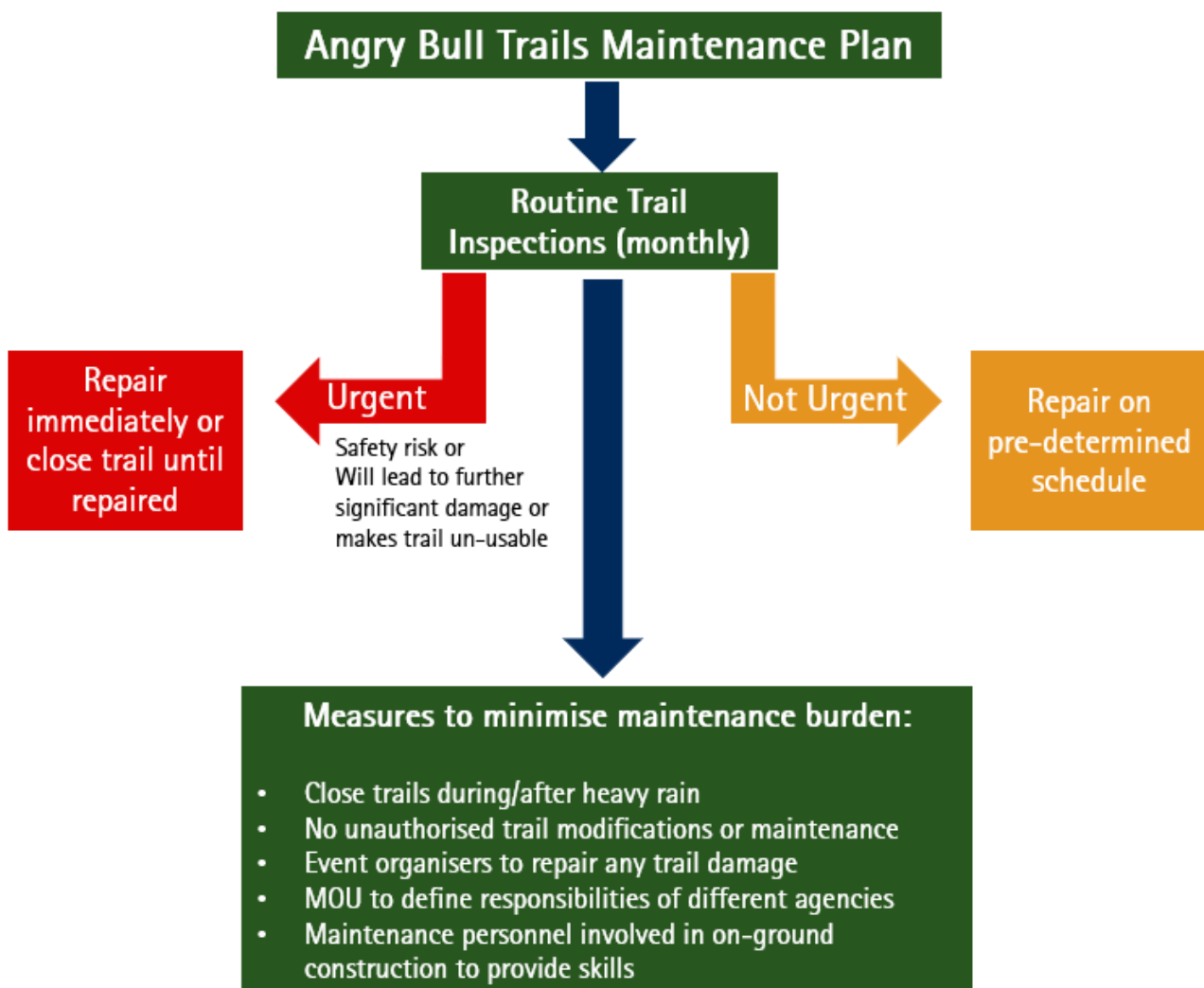
5.4 Regulatory Approvals

The issue of seeking approvals will be largely dealt with in the next stage of the planning and design process. However, preliminary discussions have already commenced with Forestry Corporation of NSW and Local Land Services (regarding TSRs).

Discussions with the New England Mountain Bike Club who operate MTB tracks across a range of land tenures reveal:

- The Club have an MOU with the University of New England (UNE) for the UNE track regarding maintenance etc.
- Armidale Regional Council own and maintain the land on which the Kookaburra Crest track is situated.
- The Club have special licences with Crown Lands for tracks on Travelling Stock Reserves (TSRs).
- The Club has an informal agreement with the NSW Forestry Corporation for the Piney Track in the state forest. This places limits on the amount and type of work they can do (e.g. a maximum height for structures), and they inform the Forestry Corp. when undertaking certain activities (e.g. carting soil in for track repair).
- For events, Forestry Corp. require them to take out an event licence where there are more than 70 participants.
- They must also work with the Pine Forest Community Group.

Biosecurity issues will also need to be addressed, especially as the trails will pass through private land. The Local Land Services Biosecurity Plan for Crown Corridors will be a good starting point to address most concerns. The Biosecurity Plan developed for the New England Rail Trail project will also be a key reference document for the Angry Bull Trails.

5.5 Marketing

It is critical that the managing entity be aware of the significant role of technology in marketing Angry Bull Trails.

The internet, and in particular social media have enabled consumers to investigate and participate in an ever-increasing number of product/service reviews. TripAdvisor, as an example recorded 150 million reviews in February 2014 alone and records over 2 billion website visitors per year.

Peer reviews, 360° video tours and access to increasing amounts of data, allow consumers to make highly informed choices. The ABT must provide effective narratives and stories within its marketing strategies, as these will be key to the projects ongoing success.

A complete strategic plan (situational analysis and the sustainable competitive advantage) will be completed in the next stage of planning. This will include PESTLE (Political, Economic, Social, Technological, Legal and Environmental analysis, giving a bird's eye view of the whole environment from different angles while contemplating a certain idea/plan). Also 5 FORCES review (macro analysis of competitive issues) and VRINO (internal resource analysis which defines an entities resource strengths and their competitive potential).

These reports will highlight the ability of the ABT to identify both the region and projects unique resources and capabilities that will be needed to craft organisational competencies, a long-term competitive advantage and the best marketing approach.

Segmentation

The Marketing Strategy will focus its attention to both psychographic and behavioural segments.

Demographic segmentation alone does not give a great deal of insight into the depth and context of the MTB market. The current gender ratio is approx. 80/20 male to female. However, the female segment continues to increase.

The MTB community are health and fitness conscious and place a high priority on environmental sustainability and cultural experiences (as confirmed in the survey results in Section 3.6). These perspectives, combined with the biking experience, are of equal importance and this should not be overlooked. Crucially, this balance is essential for those secondary participants that may not engage in biking but want to immerse themselves in historical, cultural, agricultural and environmental experiences.

Psychographic Segments

This deals with lifestyle choices. Within this group we can identify a sub-group of Lifestyles of Health and Sustainability (LOHAS). It is important be aware of this group (LOHAS) and satisfy the relevant needs.

Behavioural Segments

Take into account a customer's response to particular products and services. With regards to a social enterprise, consumer loyalty could be viewed explicitly as those attracted to the product/service or implicitly as those buying the social impact of the project.

Moreover, there are consumers that require a fusion of both. A project that imbeds social values within the business model, combined with principles that value a regenerative process will be of paramount importance to this segment.

Targeting

The MTB market requires a niche marketing approach. A small, well defined market will allow the ABT to gain a well-defined understanding of the customer and their needs. This will enable a clear articulation of competitive advantage with a strong value proposition, simultaneously focusing the strategy and creating a strong brand position.

Positioning

Angry Bull Trails will meet the requirements of its customers through experiential positioning. Specifically, the need to stimulate both sensory and emotional connections.

These characteristics are both explicit and implicit and will be important factors in both the commercial and social impact that the project will generate. The perceptual map below (Figure 26) indicates that the trails will aggregate both commercial and social impact, creating an advantage over competitors.

Figure 26. Angry Bull Trails Location Comparison
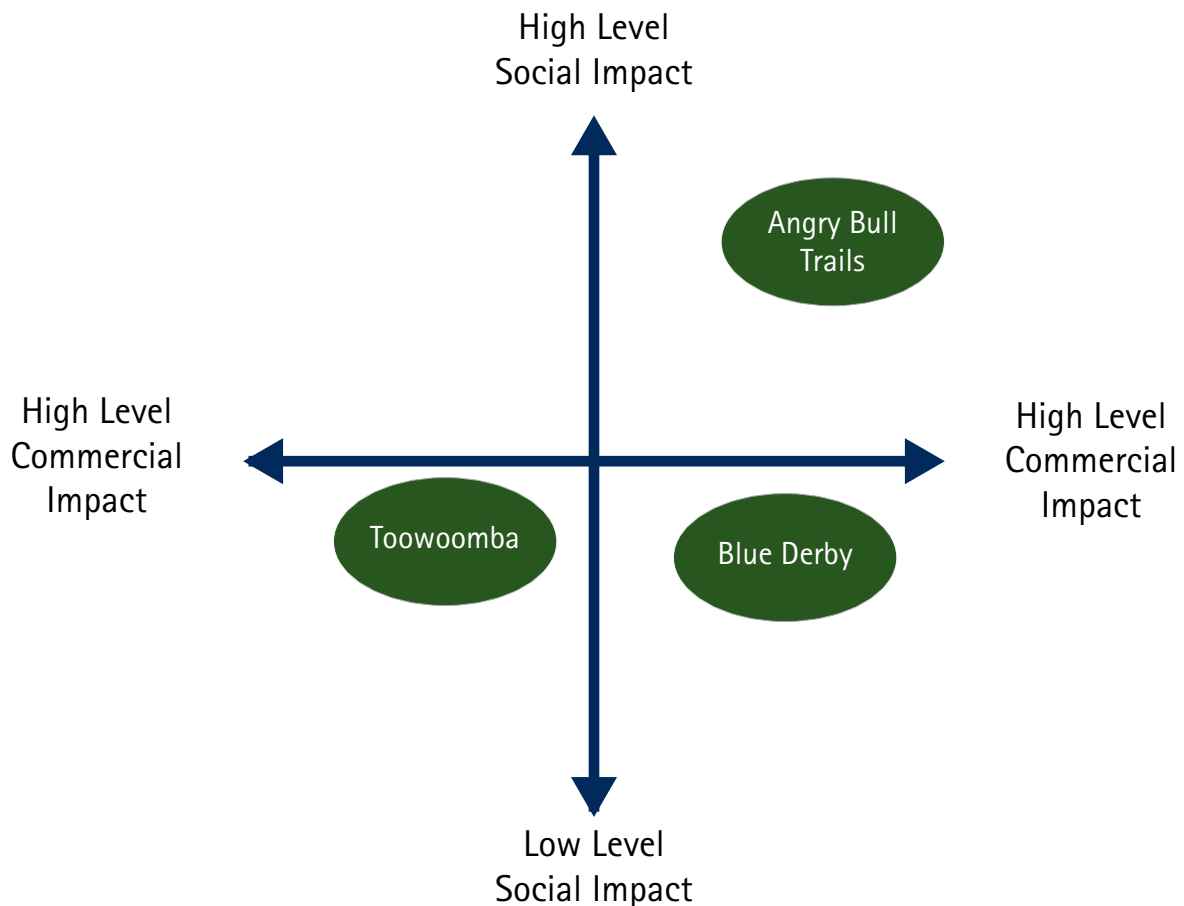
Marketing Mix

The trails are providing a product that is essentially a service, so three key elements will need to be considered.

1. People, the role of those delivering the service;

2. Physical attributes, the environment the service resides within;

3. Process, how the service is delivered.

More details will be provided within the marketing strategy. However promotion will concentrate on the following methods:

- Direct marketing to members/supporters/partners (Enews).
- Digital social media platforms such as Facebook and Instagram. User co-created content to be easily uploaded to social media unedited and organic.
- Website constructed that identifies the organisation, who we are, contacts, supporters, history, trail network maps, downloads, donation/supporter portal, supporter directory, events etc. Employment pathways. Social enterprise credentials. How ABT plans on creating and measuring 'regenerative tourism' benchmarks.
- Public relations, feeding news outlets, podcasts, blogs etc, particularly those specific to MB such as Flow, Yaffa, AMBMag, BikeRadar etc.
- Memberships/Supporter strategy. To encourage sponsorship and donations for tracks/trails/ employment initiatives/training programmes/seminars/conferences/events.
- Merchandise. High quality, sustainable, recycled material used to produce visually attractive merchandise. T-shirts, hoodies, caps, beanies, water bottles, Keep Cups etc.

5.6 Project Cash Flow

The project will require the establishment of an entity with dedicated staff to manage project implementation, trail construction, the souring of revenue for on-going operations (e.g. from sponsors, memberships, merchandise sales) and to engage with stakeholders.

A budget for these activities is shown in Table 9. The operational budget for the project becomes cash flow positive 4 years after the capital construction commences.

Table 9. Project Management and Operations Budget

Year	2021	2022	2023	2024	2025	2026
Revenue						
Memberships		60,000	120,000	240,000	288,000	345,600
Sponsorships & donations		50,000	100,000	200,000	240,000	288,000
Merchandise sales		15,000	30,000	60,000	72,000	86,400
Events			35,000	70,000	84,000	100,800
Total Revenue		125,000	285,000	570,000	684,000	820,800
Costs						
Rent		13,000	14,820	16,895	17,317	17,750
Wages		160,000	182,400	207,936	213,134	218,463
Insurance		3,000	3,420	3,899	3,996	4,096
Utilities		3,500	3,990	4,549	4,662	4,779
IT		4,700	5,358	6,108	6,261	6,417
Postage		800	912	1,040	1,066	1,092
Marketing & communications			216,000	216,000	216,000	216,000
Track maitenance			150,000	171,000	194,940	199,814
Total Costs		185,000	576,900	627,426	657,377	668,411
Operational cash flow		−60,000	−291,900	−57,426	26,623	152,389
Cumulative cash flow		−60,000	−351,900	−409,326	−382,703	−230,314

Notes:
1. 800 memberships @ $75 each
2. Revenues double in years 2-3, then increase at 20% in years 4-5
3. Costs (excluding marketing/comms) increase at 14% pa for years 2-3 and 2.5% for years 4-5

Membership rewards would include items such as:

- Event ticket reduced pricing
- Transport discounts
- Accommodation discounts from sponsors
- Early bird access to new trails
- Monthly e-newsletter
- Bike repairs/accessories discounts
- VIP access all areas for special events

Sources

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