GOVERNANCE AND BUSINESS MODELS FOR RECREATIONAL TRAILS

Final Report | 28 September 2017

Disclaimer

Content

EXECUTIVE SUMMARY
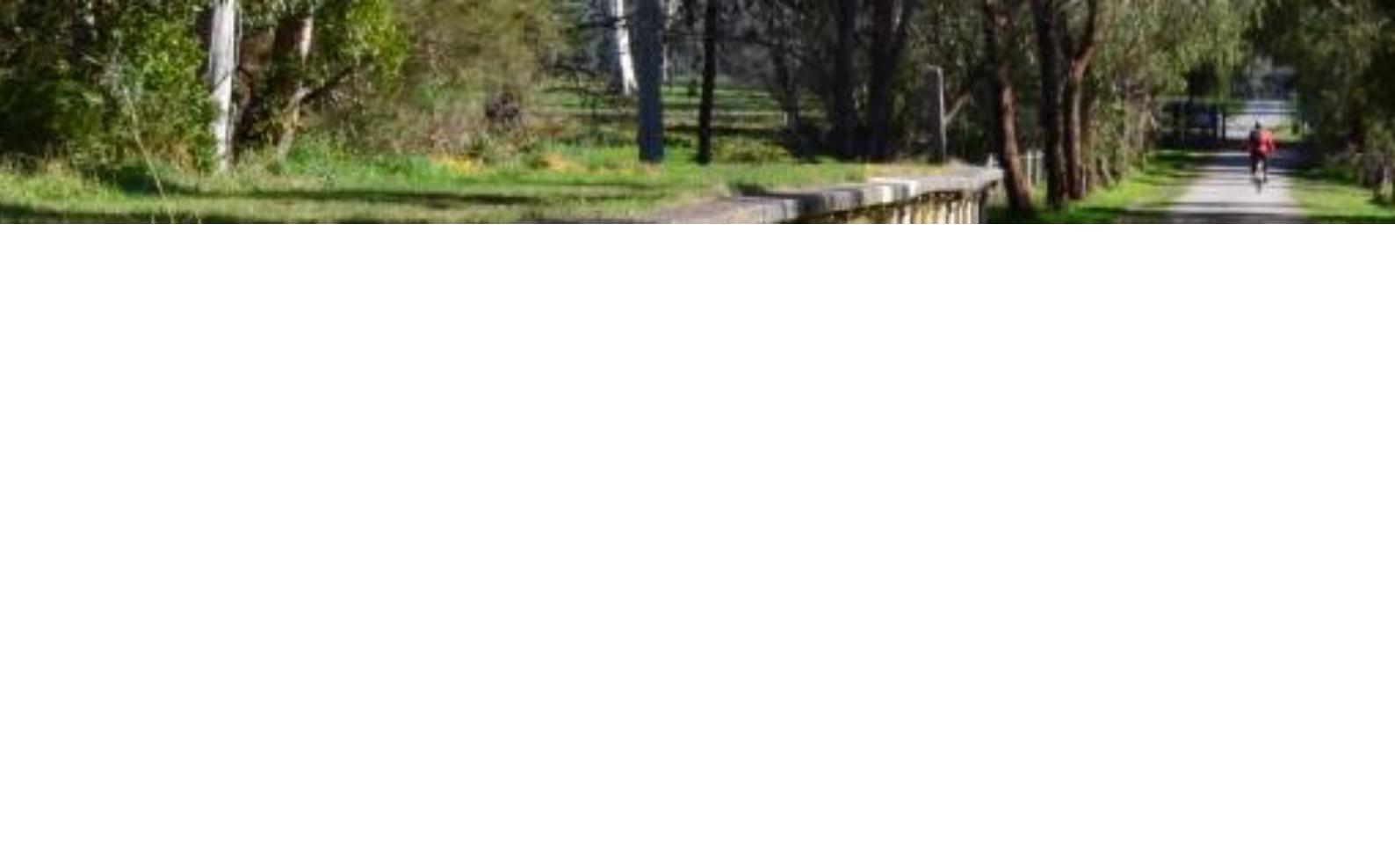
The Governance and Business Models for Recreational Trails Report to Yarra Ranges Council examines a range of options for the governance of existing and future trails in the Yarra Ranges Region to determine the optimum model for management of the trails.

The trails and supporting infrastructure in the Yarra Ranges have been developed primarily through funding from the Yarra Ranges Council and the Victorian State Government, with support from State and Regional Tourism Organisations, the local business community and user groups.

The Yarra Ranges Council, which currently has the responsibility for management of the Lilydale to Warburton Rail Trail and the development of Yarra Valley Trail, is seeking to establish a sustainable governance and business model for these and the potentially new and additional trails in the Yarra Valley.

The existing trails have been developed and constructed on the assumption that the Yarra Ranges Council, via its ratepayers, will provide funding for ongoing management and maintenance of the rail trail and the Yarra Valley Trail, and that the Department of Environment Land and Water Planning will do the same for trails in the Warburton Mountain Bike Trail network. However, the likelihood of this model resulting in the maintenance of the trail to a suitable standard is uncertain, as the financial commitment required is unlikely to be able to be sustained by both agencies over the longer term. Furthermore, the current model ignores the willingness and capacity of trail partners, community, user groups and business enterprises to be involved in the ongoing management of the trail, and the opportunity to develop the trail user experience across the state is also being missed under a fragmented multi-agency management approach.

The recommendations in this report were developed following a review of available information and a critical assessment of governance models of other trail networks internationally, supplemented by consultation and liaison with trail stakeholders.

An effective governance model requires the following characteristics:

1. Governance and accountability is clear and simple to initiate and administer over the longer term
2. Trails are planned and managed effectively and efficiently
3. The strengths and expertise offered by each partner in the model are recognised and the Recommended model allocates and defines responsibilities and authority accordingly
4. The visitor experience and presentation of the trail network are substantially improved or continually improving and the new model facilitates commercial tourism positioning, product development and marketing to take Yarra Ranges forward as a trail destination
5. The trails are supported by a range of funding sources with a revenue raising mechanism to enhance cash flow to enable self-generated investment into facilities, assets and services
6. An effective control environment is in place to reduce key risks (to staff, volunteers and visitors) and each agency's operations are not adversely affected (i.e. there is no dilution of effectiveness)
7. The benefits of the new model are visible to the community and it is inclusive of user and community groups
8. The model must be appropriate legally under Victorian and Australian regulation.

The report identified three broad options for consideration:

OPTION 1: PUBLIC DELIVERY AND PUBLIC OPERATION

This model effectively continues the status quo with each trail managed by the land manager.

OPTION 2: PUBLIC DELIVERY/COMMUNITY OPERATION

There are four potential models under this option:

2a: Voluntary/User Group Support

The primary trail manager as in Option 1 manages the trail with voluntary assistance from trail user and stakeholder groups.

2b: Section 86 Committee

The primary trail manager as in Option 1 manages the Yarra Valley Trail and the existing rail trail as one trail through a Section 86 Committee under the Local Government Act. The parts of the Warburton MTB trail network located in Yarra Ranges National Park would be excluded from this model as land under this tenure cannot be managed under a Section 86 Committee.

2c: Memorandum of Understanding

The trails managed by two separate bodies - a Section 86 Committee and DELWP/Parks Victoria under an umbrella agreement in the form of an MOU. The MOU sets the overall vision for the trails and the obligations of each party to achieve that vision.

2d: (1): An Incorporated Association

This option involves an incorporated association as the governance entity established to provide support for the management and marketing of the trail network. It seeks to bring together the Yarra Ranges Council, Parks Victoria and DELWP and at least two other partners, likely to be Yarra Ranges Tourism Inc and cycling associations or clubs. An agreement between the parties would establish the financial contributions to be made by each party. The Association would be the primary focal point for community-based support and involvement and would have primary responsibility for raising and expending funds, and promoting and maintaining the trail network through a volunteer program.
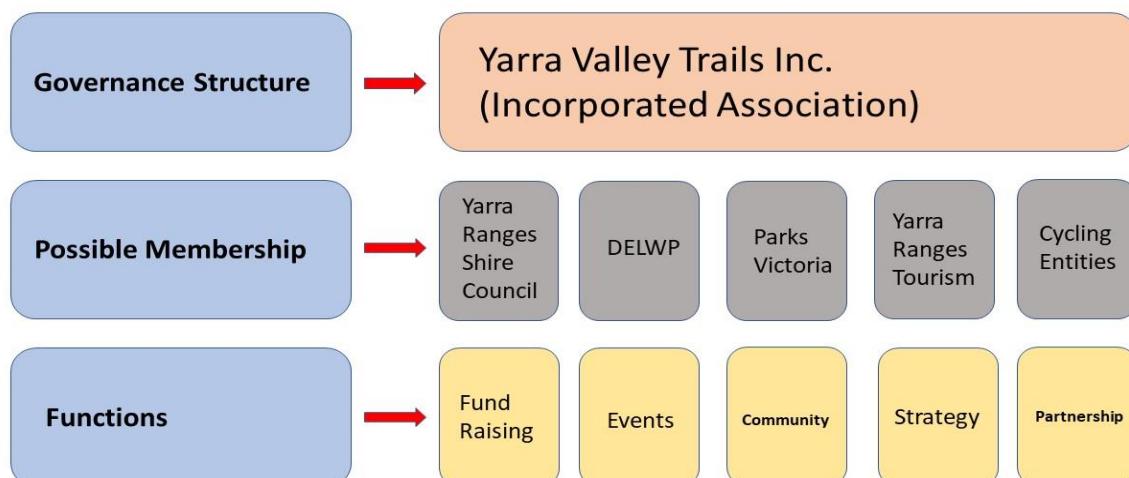
2d (2): A Public Company

This option involves establishing a public company to deliver many of the same functions described in option 2 d (1). The company structure has advantages in relation to membership (it can have less than 5 members) and profit sharing (it can distribute profits to members). This structure also has disadvantages including company governance and shareholding.

OPTION 3: PUBLIC DELIVERY AND PRIVATE OPERATION

Under this model the public sector would be responsible for the delivery of trail infrastructure which is leased to a private business for operation and management. This option is only relevant to the Warburton MTB Trail Network.

The Recommended Governance Model

After a systematic assessment of the advantages and disadvantages of each option against the characteristics identified as critical for success, it is clear that the most effective model for the governance of Yarra Valley Trails is Option 2d (1): the establishment of an Incorporated Association.

This model, based loosely on the advantages of the Queenstown Trust model, provides the best opportunity to develop the Yarra Ranges into a trail destination, providing for the existing agencies to assume ultimate responsibility of the current and proposed trail infrastructure with skills drawn from the community.

The table on the following page provides an analysis of the options and clearly shows the recommended model.

Note – A score from 0 to 3 is applied to option to indicate how well the option meets the criteria and a traffic light is also used to visually show how each option performs:

0 = does not meet

1 = partially meets

2 = mostly meets

3 = fully meets

Criteria	Public Delivery & Operation	Public Delivery and Community Operation					Public Delivery & Private Operation
	Option 1 Sole Agency	Option 2a Volunteer Support	Option 2b Section 86 Committee	Option 2c MOU	Option 2d (1) Trails Incorp Association	Option 2d (2) Trails Public Company	Option 3 Lease/Licence
Does the model take Yarra Ranges forward as a trail destination	1	1	2	2	3	3	1
Is the model simple to initiate and administer over the longer term (including the need for legislative change)?	3	3	3	1	1	1	1
Does the model provide clear accountability? Does it appropriately allocate responsibilities and authority?	3	3	3	3	3	3	3
Does the model maximise the expertise offered by each partner?	1	2	2	2	3	2	1
Will the visitor experience and presentation of the trail network be substantially improved?	0	0	2	3	3	2	1
Will the new model facilitate commercial tourism opportunities across the trail network?	0	0	1	3	3	3	2
Does the model leverage access a range of funding sources including enhanced cash flow to enable self-generated and sustainable investment into facilities, assets and services?	0	0	0	1	3	3	2
Does the model provide an effective control environment to reduce key risks (to organisations, staff, volunteers, visitors, natural and cultural values) and indemnity?	3	3	3	3	3	3	3
Does the model provide for input and expertise from local user and community groups?	2	1	2	2	3	3	1
Does the model reduce overlap and inefficiencies between agencies and partners?	0	0	1	2	3	2	2
TOTAL SCORE	13	13	19	22	**28**	25	15

1 INTRODUCTION

The Yarra Ranges region has a significant number of tracks and trails of varying types and standards, a small number of which are of a high profile and attract visitors from both within and outside of the region. The State Government (mostly through Parks Victoria) and Yarra Ranges Council have contributed to recreation trail development in response to increasing public demand and as a way of stimulating tourism visitation and delivering environmental, economic and social benefits to the community.

Yarra Ranges Council currently manages the Lilydale to Warburton Rail Trail and has been a main driver of two proposed trails in the region with notable assistance from Parks Victoria, Department of Environment, Water, Land and Planning (DELWP), VicTrack, Melbourne Water, VicTrack and Vic Roads. The proposed trails are:

▷ Warburton MTB Trails within the Yarra Ranges National Park

▷ The 40 km Yarra Valley Trail that will wind through the Yarra Valley and through the Yarra Ranges National Park to connect with the Lilydale to Warburton Rail Trail.

Like many other local government areas throughout Australia many of the trails in the Yarra Ranges are financially supported by state and local government. Given the high cost of ongoing maintenance of the existing and proposed trail network, the Yarra Ranges Council is seeking to establish a sustainable governance and business model for the ongoing management of the Lilydale to Warburton Rail Trail, the proposed Warburton MTB hub, and the Yarra Valley Trail and, potentially over time, other trails in the Yarra Valley. Mountain bike and trail groups, community groups, economic and commerce groups have also expressed the desire to establish a governance and business model that will ensure sustainable management of the trail network.

1.1 Purpose of this report

The purpose of this report is to provide information and strategic direction to assist the Yarra Ranges Council and its trail partners to determine the most appropriate governance model for the trail network in the Shire. The report examines a range of governance options and suggests a model that has the potential to deliver a range of benefits. This report:

▷ outlines the current governance model for the existing network and identifies the issues associated with the current model

▷ summarises the expectations of key stakeholder groups for management of the existing and proposed trail network into the future

▷ identifies and analyses a range of governance models most relevant to the Yarra Ranges trail network

▷ presents a recommended model of governance and identifies the operational and organisational requirements under the recommended model.

Development of the report has involved:

▷ a review of available information, strategies and relevant reports

▷ consultation and liaison with relevant staff of Yarra Ranges Council, Parks Victoria, DELWP, Yarra Ranges Tourism, CEDA, Yarra Ranges Mountain Bike Group and other trail partners

▷ a critical review of governance models for other trail networks across Australia and New Zealand

▷ preparation of a draft report for consideration by Yarra Ranges Council and its stakeholders

▷ Receipt of legal advice on models

▷ Finalisation of the recommended model, membership and functions.

1.2 Legislative Framework – Land Tenure

The different land tenures and land managers associated with the proposed trail network are governed by different legislation and regulatory frameworks.

1.2.1 Crown Land (Reserves) Act 1978

The *Crown Land (Reserves) Act 1978* enables reservation of land for a range of public purposes, stipulates how reserved land must be dealt with and prescribes some governance arrangements for committees of management appointed to manage reserved land. Committees of Management can be established under the Crown Land (Reserves) Act 1978 to manage Crown land. Across Victoria, there are three types of Committee of Management:

▷ Reserves managed by local community-based committees of management

▷ Reserves managed by councils as committees of management

▷ Reserves managed by statutory bodies or government agencies.

DELWP is the lead agency for the establishment of Committees of Management and supports the delegated managers. Under the Government's guidelines, the Committee of Management has relevant Local Governments and individual people selected for appointment by the relevant Minister.

There is a uniform process for establishing community representation on the Committees of Management. This involves public invitation for Expressions of Interest from the community. The State Government, in consultation with relevant Local Governments, then selects members depending on skill sets required. The term of appointment is for three years. The members must be adult residents or ratepayers within the 'community of interest' of the Reserve. The Minister is also able to appoint nominees of various interest groups that may use a reserve or have an interest in its proper management.

Committees of Management are generally incorporated. Incorporated Committees allow lawsuits, contracts, borrowings and tenancy agreements in the name of the Committee providing security and greater continuity. Sub-committees have no power in themselves; recommendations need to be bought to the full Committee.

In general, a Committee of Management for Crown Land has the responsibility to:

▷ Manage, improve, maintain and control the land for the purposes for which it is reserved

▷ Report on its finances and other issues as directed by DELWP

▷ Maintain records and administer its affairs as a public body

▷ Exercise all such powers, functions and authorities and carry out all such duties as are conferred or imposed on it by any regulations

▷ Carry out works and improvements on the land.

A Committee of Management under the Crown Land (Reserves) Act may not be the most appropriate model for a trail that has multiple tenures and landholders involved.

Once DELWP places Crown land under the management of another land manager (agency or committee), that manager is responsible for day to day management - improving, maintaining and controlling the land for its intended use.

The leasing provisions in the Act provide for a wide range of leases for commercial and non-commercial purposes on reserved Crown land.

1.2.2 Local Government Act

The Yarra Ranges Council manages a trail network throughout the Shire that connects communities to schools, sporting reserves, community facilities and townships. Most notable is the Lilydale to Warburton Rail Trail, an iconic tourism attraction for the region. These trails are managed under the *Crown Land (Reserves) Act* and the *Local Government Act*.

Under the *Local Government Act*, more specifically Section 86 of the Act, Council has the power to establish committees that are commonly known as Section 86 Committees of Management. These committees can be established to manage, on behalf of Council, assets that Council owns or for which Council is the Committee of Management such as Crown Land. There are currently no Section 86 Committees in place for the rail trail or the proposed new trails.

1.2.3   National Parks Act 1975

Parks Victoria is a statutory authority, created by the *Parks Victoria Act 1998*. The Secretary of DELWP has an agreement with Parks Victoria to manage land on the agency's behalf. Parks Victoria manages Yarra Ranges National Park under delegation.

The *National Parks Act 1975* establishes the statutory basis for the protection, use and management of the State's system of national parks and other protected areas covered by the Act. The primary objective of the Act is to preserve and protect national parks (and other protected areas designated under the Act) in their natural condition and, subject to that protection, provide for the enjoyment and education of the public. Appropriate tourism activities are consistent with this object. The Act provides for, on a case-by-case basis, the development of sensible and sensitive tourism developments in national parks where such developments complement environmental, heritage and other values and demonstrate the generation of a net public benefit.

An opportunity for private investment in a national park may either be identified by the government or relevant land manager, or instigated by an unsolicited proposal from a proponent. In either case, the government will either confirm or identify the best possible sites on public land that could facilitate the proposal. Where relevant, the proposal will be put forward for an Expression of Interest process that may entail co-investment by government. The Act also provides for the responsible Minister to grant leases for up to 21 years for such developments and, subject to the value of the development works and it being in the public interest, up to 99 years.

Victoria's public land tour operator licensing system aims to provide and regulate appropriate commercial tour guiding opportunities within national parks and on public land. The aims of the licensing system are to:

▷ Provide legal access for appropriate use of public land

▷ Protect public land values by managing access, activities, and environmental impacts

▷ Protect general visitor enjoyment

▷ Ensure visitor safety by specifying tour operators have the appropriate skills, insurance cover and risk management procedures in place

▷ Provide a financial return to the State Government for the use of public land that provides a private benefit

▷ Develop strong relationships between public land managers and the tourism industry.

Policy for the licensing of tour operators is detailed in the *Licensing System for Tour Operators and Activity Providers on Public Land in Victoria Policy* (2008). Parks Victoria is responsible for the issuing of tour operator licences on Parks Victoria managed lands and on State forest areas. Committees of management, such as alpine resort management boards and councils, may issue their own tour operator licences consistent with the policy.

The Act provides for the granting of commercial tour operator licences for a period not exceeding 10 years and makes it an offence to operate a tour without a proper tour operator licence.

1.2.4   Forest Act 1958

This Act establishes the framework for the management, use and some conservation of forests. It also contains provisions for leasing and licensing of reserved forest by the Minister. The Act provides for an organised tour or recreational activity for profit on Crown land by way of licence. The Act also enables lease agreements for the exclusive right to occupy land for a specific term, subject to the lease terms and conditions.

A lease differs from a licence in that a licence gives permission to the holder to carry out a permitted activity without the right of exclusive occupation. Trails in the Yarra State Forest are managed by DELWP as per this legislation.

The regulatory frameworks governing the assets of VicRoads, VicTrack and Melbourne Water are most relevant in the planning and establishment stages of trail development such as the Yarra Valley Trail. The management responsibilities associated with the road reserve, railway reserve and redundant water infrastructure are likely to be transferred to the relevant land manager under the *Crown Land (Reserves) Act* e.g. Yarra Ranges Council.

1.3   Community Partners

Yarra Ranges Council and Victorian State Government have provided most funds to support the planning, development and maintenance of the trail network in the Yarra Ranges and installation of infrastructure such as toilets, shelters, signage etc. to date.

Other partners have also assisted. For example, State and Regional Tourism Organisations (RTOs) contribute to the marketing and promotion. The business community and user groups also contribute with maintenance and marketing/promotion activities. The development of other forms of infrastructure and experiences such as accommodation, food and beverages, tour guiding, shuttle services, and events fall within the realm of the private sector.

Local user groups and business/community associations contribute significantly to the existing trail network through maintenance, promotion and events. The main groups are:

▷   Yarra Ranges Tourism

▷   Warburton Valley Community Economic Development Association

▷   Yarra Ranges Mountain Bikers

▷   Yarra Valley Business (Network)

▷   Upper Yarra Community Enterprise.

1.3.1   Yarra Ranges Tourism

Yarra Ranges Tourism is the Regional Tourism Organisation that partners with local business, government and allied associations to market the Yarra Valley, Warburton Valley and the Dandenong Ranges. Product strengths of the Yarra Ranges as a destination include tourism, wine, food, arts and heritage, wildlife, nature, conferencing and agribusiness designed to promote the region at a local, national, and international level.

The Yarra Ranges Tourism 3-year Strategic Plan 2016-2019 prioritises the key projects supported by Yarra Ranges Tourism for investment that will grow the visitor economy and includes the Warburton Mountain Bike Hub and the Yarra Valley Trail. It also includes the Yarra Valley Regional Tourist Precinct.

1.3.2   Warburton Valley Community Economic Development Association (CEDA)

Warburton Valley CEDA Inc, is a not-for-profit organisation focusing on the economic interests of the communities in the Warburton Valley. It includes towns such as Wandin, Seville, Woori Yallock, Launching Place, Yarra Junction, Warburton and surrounds. The Warburton Valley CEDA charter includes the need to advocate to any appropriate authority and facilitate community involvement in the continued development, maintenance and use of the Lilydale to Warburton Rail Trail, and to enhance the tourism potential of the region.

CEDA also manages the Waterwheel complex at Warburton, providing visitor information services to more than 40,000 visitors per annum and associated business units including Handmade retail, Art Gallery and environmental education.

1.3.3 Yarra Ranges Mountain Bikers

The Yarra Ranges Mountain bikers is a group of local mountain bike enthusiasts advocating for the expansion of mountain biking in the Yarra Valley and working with land owners and local authorities to achieve their aim. The group advocates for responsible trail use, building and maintenance in accordance with IMBA standards and aims to create the Yarra Valley into a world class Mountain bike destination. The group has a face-book page with over 1650 followers.

1.3.4 Yarra Valley Business (Network)

Yarra Valley Business is an incorporated association body representing businesses in the Yarra Valley. It is funded principally by membership fees and income from Yarra Valley Business events and activities. Their primary role is to connect businesses in the region to: stimulate growth; encourage local investment; promote the region and foster a thriving business community. Linked to this group is the Yarra Valley Railway, a not-for-profit and volunteer based group. The society holds an order-in-council to restore and operate the Yarra Glen-Healesville portion of the former Victorian Railways line as a Tourist Railway. Operations are based at Healesville Railway Station, which is on the Historic Buildings Register. Importantly this group is the recipient of a $3.5m Regional Development Australia Fund grant to rebuild the former Victorian Railways branch line between Yarra Glen and Healesville. The work of the groups is reliant on the work and contributions of volunteer members. This group has an ongoing interest in the development of the Yarra Valley Trail.

1.3.5 Upper Yarra Community Enterprise

The Upper Yarra Community Enterprise (UYCE) owns and operates the franchises for the Warburton and Yarra Junction **Community Bank** branches. It is run by a voluntary board of directors drawn from the local community and has as its mission the advancement of economic prosperity and a vibrant, resilient and sustainable Upper Yarra community. It reinvests up to 80% of profits back into the community. Since 2000, it has provided more than $3 million to community-based projects and organisations via its Sponsorships program. The UYCE has committed $300,000 to the Warburton Mountain Bike Hub Project. The commitment has been confirmed. Upper Yarra

Community Enterprise Limited is represented on the Project Steering Committee.

1.3.6 Other interested organisations

There are a range of state organisations that have or are likely to have a direct interest in the development of the trail network in the Yarra Ranges and include:

▷ Rail Trails Australia

▷ Bicycle Network Victoria

▷ Cycling Victoria

▷ Mountain Biking Australia

▷ Bushwalking Victoria

▷ National Parks Association – Victoria

▷ Indigenous Australian Groups

▷ Visit Victoria.

2 THE EXISITING AND PROPOSED TRAIL NETWORK

2.1 Description of existing and proposed trails

2.1.1 Warburton Rail Trail

The Lilydale to Warburton Rail Trail is a 42km walking, cycling and horse-riding trail between Lilydale and Warburton along the former Warburton railway line. The trail is currently managed by Yarra Ranges Council as a State 'Great Trail'[1]. The trail extends between Lilydale and Warburton, passing through and linking the local townships of Mt Evelyn, Wandin, Seville, Woori Yallock, Launching Place, Yarra Junction, Milgrove and Wesburn.

The Lilydale to Warburton Rail Trail Reserve was reserved under the Crown Land (Reserves) Act 1978 and progressively established over the period December 1995 to July 2005 as the Rail Trail was developed.

The Lilydale – Warburton Rail Trail Reserve comprises 143 hectares of land and includes a shared pathway, used by cyclists, walkers and horse riders, numerous buildings and 33 bridges and large culverts. There are over 40 licence agreements involving access to land along the Rail Trail. These agreements involve various arrangements for issues such as rights of access and responsibilities for maintenance.

Between the years 1996 and 2007, the Rail Trail (and reserve) was developed and managed under a State Government appointed local Committee of Management, comprised of community volunteers. In April 2007, the Yarra Ranges Shire Council as Committee of Management for the Lilydale to Warburton Rail Trail Reserve, gave effect to the dissolution of the former committee. Since taking

on the responsibilities of Committee of Management, Council has reviewed its obligations around management, maintenance and development of the trail and implemented several initiatives. These include: a review of the extent and condition of the Reserve asset; improvements to the trail and Reserve; and renewal of lease and license agreements for use of land, buildings and other infrastructure.

A local volunteer group (the Friends of the Lilydale to Warburton Rail Trail) ceased to operate as a separate body in 2016 and became part of the Warburton Community Economic Development Association (CEDA). The management and maintenance of the trail now principally rests with Yarra Ranges Council.

The Lilydale to Warburton Rail Trail Management and Development Plan sets the policy, strategic direction and priorities for management, maintenance and development of the Lilydale to Warburton Rail Trail for the next ten years. The Management and Development Plan establishes the Vision for the Lilydale-Warburton Rail Trail:

� Be recognised internationally for its social, recreational tourism benefits

� Protect the natural and cultural heritage values

� Play a vital part in increasing the quality of life and prosperity of the Yarra Valley community and all Victorians now and into the future.

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1 Visit Victoria.com/great-trails - 2017

The rail trail is managed as per the Yarra Ranges Council Trail operating levels of service[2]. It is managed as a State Trail with monthly inspections at an estimated cost of $500,000 per annum (includes salary and operating). The maintenance program involves regular review of the following:

- adequacy of warning and other signage
- signage missing or damaged
- pruning requirements
- significant trip/slip hazards
- damage to infrastructure - bridges, structures, seats etc
- graffiti
- trail surface maintenance
- clearing and/or repairing erosion
- clearing leaf litter and debris from drains
- trail surface spraying
- dead/dangerous trees
- fallen trees over fuel breaks or impeding slashing
- mowing
- excessive standing water
- rubbish removal
- weed control
- revegetation maintenance
- carpark maintenance
- fencing, bollards and railings
- unauthorised access.

The annual usage of the Lilydale-Warburton Rail Trail is estimated at 200,000 people per annum. Of these it is estimated that 26% of users are residents[3]. Yarra Ranges have participated in the Super Sunday counts along the Lilydale to Warburton Rail Trail for the last five years. According to Super Sunday Counts use of the trail has increased by 30% over the last two years and it is estimated that participation will continue to increase. The peak use period is between October and March with off-peak use from April to September.

Yarra Ranges conducted a trails survey to support its Trails Asset Management Plan in 2015. Of the trails listed, the Lilydale to Warburton Rail Trail (68.5%) was the most used. Extending the trail network, improving signage, safety, access to toilets and water and addressing conflict-of-use issues were areas identified for improvement.

The rail trail is promoted on the Visit Victoria Great Trail web site, Yarra Ranges Council and the regional tourism website. Maps and information about the trail are available from various outlets across the region.

The rail trail supports a small number of business operators (Yarra Valley Cycles, Lilydale COG Bike Cafe, Trail-side, Warburton and Pedal Pick-Ups) and community and sporting events (Oxfam, Giro Della Donna etc). The rail trail also links to several trail side cafes along the route.

Warburton CEDA act as an advocacy group and provides volunteer resources for vegetation management and planting. CEDA also recently funded the installation of trail counters for monitoring use of the trail. Yarra Ranges Council facilitates quarterly meetings with CEDA to determine trail improvement and maintenance priorities.

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2 Yarra Ranges Council Internal Track Maintenance Program 2017

3 Beeton 2006

Discussion with local operators and user groups indicates a high level of support for the trail and aspirations for its development and integration with other trails and facilities in the region. The need for additional infrastructure such as toilets and signposting was raised together with the need for improved integration and connections within the local communities along the trail. Some stakeholders suggested that the current management model is difficult to work within given time frames to get matters addressed and changing staff at Yarra Valley Council. Funding is recognised as an ongoing concern by all stakeholders and there is general support for a new governance model.

2.2   Warburton Mountain Bike Hub

Yarra Ranges Council in partnership with Parks Victoria, DELWP, Yarra Ranges Mountain Bikers and Warburton CEDA, investigated the feasibility of developing Warburton as a mountain biking destination in Victoria. The feasibility study[4] concluded that the development of Warburton as a mountain bike destination would significantly contribute to the local and regional economy, provide employment opportunities and establish Warburton as a nationally recognised mountain bike destination.

Four separate 'zones' are described for the development of 62km – 97.5km of new mountain bike trails, creating a total network of 106km – 146km of mountain bike trails. The trails will be a combination of single track and a shared use walking and cycling trail that will connect Warburton, East Warburton and Millgrove. The zones are linked by the Lilydale to Warburton Rail Trail and O'Shannassy Aqueduct Trail. The proposed trails are in Yarra Ranges National Park and Yarra State Forest. A small area of proposed network is also located on Council land. It is estimated that the trail network at Warburton could attract 130,000 mountain bike visitors (120,000 day visitors and 10,000 overnight visitors) with a potential to reach 150,000 in a fully mature tourism destination that is well marketed.

Construction costs are estimated at $4 million. Ongoing costs are estimated at between $200,000 and $270,000 annually. Detailed planning is now underway and funding for construction and ongoing management is yet to be sourced.

The Warburton Mountain Bike Feasibility Study suggests that costs for the ongoing management of the trail should be borne by Yarra Ranges Council, Parks Victoria and DELWP, in "agreed partnership", possibly a Memorandum of Understanding. This would outline responsibilities for construction, maintenance and the ongoing management of the trails and could possibly include a schedule of understanding and may also address responsibilities for funding, permits and approvals. It is "intended that YRC take overall responsibility for communication and promotion, the operational program, generating funding and fostering partnerships with PV and DEPI, the Yarra Ranges Mountain Bikers and other interest groups".

The image on the following page presents a map based layout of the proposed and existing trails as current in the master planning process.

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[4] Warburton Mountain Bike Feasibility Study, World Trail 2013

Proposed & Existing Trails

- EXISTING TRACKS
- RAIL TRAIL
- AQUEDUCT CLIMB
- DROP A K*
- RICHARDS TRAMWAY
- 300 CONTOUR
- TUGWELL CONTOUR
- 400 CONTOUR
- BRITANNIA CAVES LINK
- BRITANNIA LOOP
- BRITANNIA LINK
- TUGWELL FLOW
- ELEVATOR
- YANKEE JIM LINK
- LITTLE JOE CLIMB
- YANKEE JIM RETURN
- LITTLE JOE FLOW

* The section of 'Drop a K' south of the
O'Shannassy Aqueduct is subject to
Melbourne Water final approval.

COX

2 | Cox Architecture | 11 October 2016 | Warburton Preliminary Master Plan Report
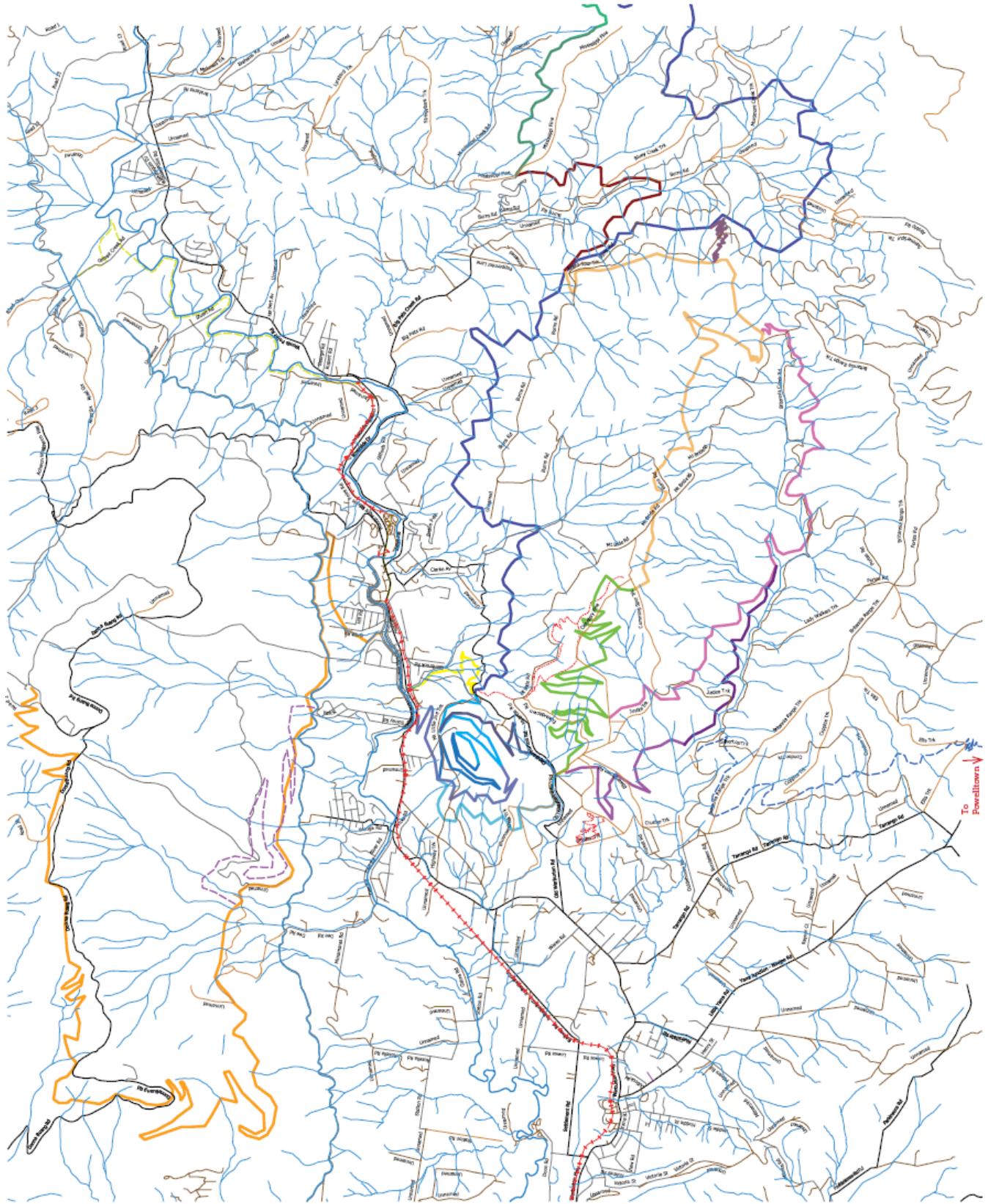
Management is considered to entail event coordination and/or organisation, website and social media management, maintenance coordination, liaison with the local community and business community, decision making regarding trail closure, and management of budgets, funding and revenue sources.

The Feasibility Study outlines ways for the MTB Trails to achieve cost recovery to offset maintenance costs which include:

▹ A program that local businesses can pay to join to become official "Warburton Mountain Bike Trail Network Service Providers"

▹ Fundraising by Yarra Ranges Mountain Bikers

▹ Membership of a local 'Friends group'

▹ Trail sponsorship

▹ Events

▹ Tariffs on local traders.

The proposed MTB trail network is quite different in nature and intended use to any of the other trail developments currently proposed within the Yarra Ranges Shire. The MTB trail network is a different product with different markets when compared to the rail trail. The future promotion of the complex will be specific to the genre of cycling associated with it, and to the identifiable market segments that exist. It will also have specific physical maintenance, environmental protection and commercial considerations relevant to its location in a national park.

Commercial considerations include licencing requirements on national park estate; identification and staging of significant events; processes to contribute to specific maintenance needs; and the provision of associated services that are unique to a mountain-biking complex (e.g. transport/lifting services etc.) will need to be addressed.

There is strong support for the proposed MTB Trail network from within State and local Governments, community and user groups. Parks Victoria and DELWP have indicated strong support for the proposal and they are seeking a governance model that reduces the ongoing operating cost, risk and indemnity associated with the trails located within the reserves they manage. Both agencies are seeking a governance model that enables clarity on roles and responsibilities, partnerships with user groups and the business community, sustainable funding opportunities and shared responsibility for the management and ongoing maintenance of the trail network.

2.3 The Yarra Valley Trail

The Yarra Valley Trail is a three-stage project, with Stage 1 being the Lilydale to Yarra Glen Rail Trail, Stage 2 being Yarra Glen to Healesville On/Off Road Cycling Route and the third stage being the Healesville to Warburton Rail Trail. The 40 km Yarra Valley Trail will wind through the Yarra Valley and through the Yarra Ranges National Park to connect with the Lilydale to Warburton Rail Trail. The total cost of the project is estimated to be $10,654,000. The total asset renewal, maintenance and staffing costs are estimated at $500,000 per annum[5]. Design options cross land tenures and require planning approvals from VicTrack, VicRoads and Melbourne Water. All land managers provided in-principle support for the project which is now at concept design and planning stage[6]. Funding for construction is yet to be secured.

Completion of the Yarra Valley Trail network relies on the completion of the Lilydale-Yarra Glen Rail Trail, and the availability of the Coranderrk Aqueduct Track. It is envisaged that The Lilydale-Yarra Glen section could take some years to develop, and Melbourne Water advise that the Coranderrk aqueduct is currently a working part of the supply system and that the Coranderrk track would not be accessible for at least 5 years.

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[5] Yarra Ranges Trail Feasibility, Yarra Ranges Council Updated.

[6] Ibid

The Yarra Valley Trail Feasibility Study[7] recommends that the Yarra Ranges Council act as the appointed Manager and appoint a Committee of Management for the Yarra Valley Trail. The study suggests that Yarra Ranges Council will be responsible for maintenance, partnerships and promotion if no Committee of Management is appointed.

The Yarra Valley Trail Feasibility Study Report indicates that the establishment and success of the Yarra Valley Trail will depend upon partnerships between Local and State Government and the Yarra Ranges community. The expectation is that partnerships will include land managers – VicTrack, Melbourne Water, VicRoads and Parks Victoria as well as peak body interest groups – Bicycle Network Victoria and Rail Trails Australia; the business community (Yarra Valley Business, and local operators), the regional tourism organisation, community and environmental groups. It does not outline a governance model to achieve this objective, and stakeholders have suggested that this is an important consideration in the planning phase of the project and that it will only need to be fully functional when the first section of the rail trail is completed (estimated 3-5 years).

It is important to note that a $3.5m Regional Development Australia Fund grant has been provided to the Yarra Valley railway, a not for profit organisation, to rebuild the former Victorian Railways branch line between Yarra Glen and Healesville. The Yarra Valley Railway is a non-profit organisation dependent on the work and contributions of volunteer members. It has a skills based board and governance structure in place.

2.3.1   Key issues and opportunities

The underlying assumption in both feasibility studies for the proposed Yarra Valley Trail and the Warburton Mountain Bike Trail network is that State Government and Yarra Ranges Council will fund development of trail infrastructure and ongoing maintenance. The current governance model in place for the rail trail is also heavily reliant on local government funding to maintain and promote the trail. There are a range of other potential models that are considered to be more sustainable.

The issues with the proposed approach for the ongoing management of the three trails are:

▷ It ignores the willingness and capacity of trail partners, community, user groups and business enterprise to be involved in the ongoing management of the trail network

▷ It relies on Yarra Ranges Council via its ratepayers to provide ongoing management and maintenance for the existing rail trail and proposed new Yarra Valley Trail

▷ It relies on DELWP/Parks Victoria to provide most of the ongoing management and maintenance for the proposed new Warburton Mtn Bike Trail network

▷ The ever-increasing demand on resources means it is unlikely that this financial commitment can be sustained by both agencies over the longer term

▷ Without direct revenue to offset the cost of maintaining the trails, the sustainability of maintaining the trail network to a satisfactory standard is questionable

▷ The lack of revenue raising opportunities and a low number of commercial operator(s) utilising the trail network under the current model exacerbates this problem

▷ There is little integration across business and the investment community in planning and management phases of these trails reducing the opportunity to facilitate business opportunities

▷ The trail development programs involving the Warburton Mountain Bike trails and the Yarra Valley Trail are substantial and complex projects. There are many stakeholders, both private and public, all with a strong interest in the projects – some are already involved while some will need to be involved in the future. There is an opportunity to leverage the willingness of business associations and local user groups to get involved in the planning and development of the new trails.

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[7] Ibid

In addition:

▷ The large number of existing and proposed trails competing for funds across Australia is increasingly making it more competitive to secure investment from the Victorian and Australian government

▷ Domestic travellers now have an enormous range of trails to choose from - and destinations need to ensure that their trail experiences are appealing and there is a compelling case to attract visitors, increase length of stay and spend

▷ There is currently limited emphasis on developing the trail user experience and co-ordinating efforts across state, local governments and the private sector to develop Yarra Ranges as a trail destination.

It is the combination of good trail design, support infrastructure and coordinated governance that will create exceptional visitor experiences both on and off the trail network in the Yarra Ranges

A destination's ability to attract visitors relies upon the quality and quantity of trails on offer, their accessibility and the unique characteristics/features of each trail. The off-trail experience is also important to trail users who will spend a proportion of their time at a destination doing other activities. The most successful destinations are those that offer a strong overall destination experience and positioning as such. This can only be achieved through a coordinated effort across government, community and industry through a sustainable governance model.

A good trail destination offers:

▷ High quality, trail infrastructure (signage, interpretation, rest stops, toilets, shade, water, etc.)

▷ Diversity of trail types and styles for a variety of users

▷ Easy access and in some cases the provision of transport

▷ High quality pre-trip information

▷ Range of trail user/bike friendly accommodation and support services

▷ Cafes, food, beverage and retail businesses that cater to the market

▷ Quality commercial tours (guided and self-guided)

▷ Community engagement and support

▷ Strong brand positioning as a trail destination

▷ Coordinated destination marketing and promotion.

▷ A range of trail related events

A governance model that has a business focus with a revenue improvement mechanism, encourages investment from existing and new operators and involves the community is more likely to improve access to funding for trail development across the Yarra ranges and support tourism growth across the region when compared to other models that rely solely on State and local government intervention.

3 GOVERNANCE MODELS – Comparative Analysis

3.1 Overview

In Australia and New Zealand a variety of arrangements have been applied for governance and business management of recreational trails. In general, these arrangements fall into three broad categories:

1. **Sole agency management**
2. **Variety of public/private partnership structures**
3. **Private arrangements.**

These broad governance structures and their advantages and disadvantages are described in Table 1.

In practice, there is no defined set of trail governance and business models that can be prescribed for differing types of trails. While different types of trail governance and business structures have broad advantages and disadvantages, the sustainable management of a trail and its success as a community, tourism and economic resource also depends on:

▷ the circumstances of each trail – such as land tenure, trail development history, management issues and the agencies, landholders and stakeholders involved

▷ the way governance and business structures and associated personnel operate in practice

▷ the operating environment – such as state and local government legislation, policies, planning frameworks and institutional arrangements; community and tourism industry engagement and support; sources of funding and expertise; marketing and promotion arrangements.

Further factors come into play in integration and coordination of local and regional trail networks where trails may have varying management requirements, institutional arrangements and stakeholders.

To assist in determining an effective approach to governance and business management of trails in the Yarra Ranges area, this section examines the governance and business management aspects that are important for achieving successful, sustainable trails and trail networks through:

▷ case studies comparing different approaches used in Australia and New Zealand for trails and trail networks

▷ analysis of the factors that contribute to successful trail governance and business management.
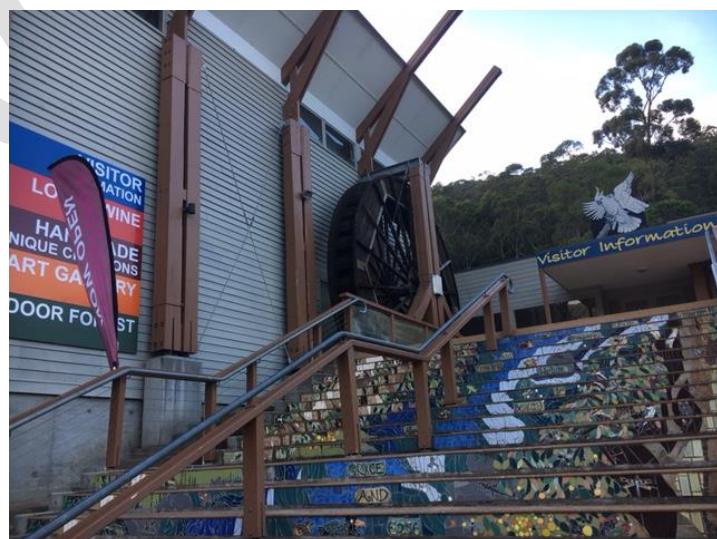
Table 1: Broad types of trail governance arrangements used in Australia and New Zealand

Governance Type	Features	Examples	Situations where it is applied	Advantages	Disadvantages
Sole Agency Management	Exclusive governance and management of a trail by one or more Federal, State or local government agencies – such as a national park or other land management agency, or a local government authority. Ultimate responsibility lies with the governing agency. Visitor products, accommodation and services may (or may not) be provided directly by the agency (e.g. ranger guided tours) or through licences to commercial operators. Participation by user groups and volunteer groups in trail management may or may not occur.	Great Ocean Walk (Vic). Grampians Peak Walk (Vic) Mount Buller Mountain Bike Park (Vic) Overland Track (Tas). Larapinta Trail (NT) Mount Stromlo Forest Park - mountain bike and other trails (ACT Government). Blue Derby Mountain Bike Trails (Tas). All Great Walks in New Zealand.	Trails that are mostly on public land, such as in national parks, conservation and State Forest areas. (In some cases, single agency management is used where there is a complex destination with multiple tenures and interests.) Easements may be obtained where sections of trail pass over private land. Liaison and arrangements with nearby land owners, government land managers and private landowners may be used to facilitate visitor access to the trail and provision of services and products on adjoining tenures.	Clear management and executive decision-making roles. Quick, clear decision making is possible (but this does not always occur). Operational budgets and access to staff (though not always adequate). Responsibility and expertise to protect natural, cultural and recreational values. Application of consistent service standards across a trail or network may be easier (but is not guaranteed).	Visitor experiences, effective tourism industry partnerships and marketing and promotion are dependent on the agency's performance and decisions. Ability to leverage investment and community support may be limited. Agency-wide priorities and budgets may affect resources available for trail management. Government agencies may not be eligible to apply under some grant programs. Different parts of the agency may not work together towards an agreed outcome
Partnerships	**A variety of partnership models exist:** **(i) vesting control of the trail from a land management agency to a Committee of Management (e.g. under s.14 of the Crown Land (Reserves) Act 1978 (Vic))** **(ii) an MOU between different management parties, possibly with a coordinating committee**	(i) Murray to Mountains Rail Trail (Vic) (ii) Surf Coast Walk (Vic)	Trails that involve a mix of land tenures, land managers and landholders. Situations where partnerships are required to guarantee access over private land. Situations where agency funding is constrained. Situations where there is strong user group and stakeholder involvement in trail development and ongoing management and maintenance.	Leverages a broad support base for trail funding, management and maintenance and for on and off-trail products and services. Governance and business arrangements can define roles and can include access to appropriate expertise and staff. Effective where there is strong commitment and	Effectiveness depends on the way the partnership operates and its access to resources. Challenges that have sometimes been encountered are: ▷ poor performance of Committees and Boards ▷ different cultures of public and private partners ▷ high reliance on volunteers and/or part-time personnel leading to burn out over time

Governance Type	Features	Examples	Situations where it is applied	Advantages	Disadvantages
	(iii) a foundation, trust or incorporated body acting as the governance entity or assisting with management (through activities such as funding, coordination, stakeholder liaison, experience development, marketing and promotion) with agency responsibility for trail maintenance **(iv) agency as the primary trail manager drawing on voluntary assistance from trail users and stakeholders for activities such as trail maintenance (e.g. through Friends and user groups).**	(iii) Bibbulmun Track (WA) Munda Biddi Trail (WA) Queenstown Trails (NZ) Otago Central Rail Trail (NZ) Motu Trails – cycle trails (NZ) (iv) Forrest Mountain Bike Trails (Vic)		clarity of direction among partners. Eligibility for grant programs.	▷ lack of clarity of roles and responsibilities where there is no single entity charged with overall responsibility for the trail implementation. ▷ Membership models including skills based not representative based can be critical to success but can lead to some stakeholder issues.
Private	Land owner management of trails on private land, often as a tourism venture with associated facilities, accommodation and tour products. Concessions or licences may be negotiated with adjoining public land managers for tour access to public protected areas.	Banks Peninsula Track (Canterbury, NZ) – exclusive self-guided hiking with linked accommodation and products, limited to 12 walkers per day. Welcome Rock Trails (Southland NZ) - shared walking and mountain bike trails with huts and camping.	Private land (one or more properties) where a tourism opportunity is seen, sometimes where no opportunities exist on public land or links can be formed with public land and trails.	Clear decision-making. Quick response to market preferences. Can provide niche experiences and add to the variety of trail experiences in a region.	Typically only cater for small visitor volumes. Reliant on owner finances and trail-related income. Vulnerable to economic conditions and may close without public consultation.

3.2 Critical factors for successful trail governance and management

This analysis draws upon our knowledge of the trails sector and an evaluation of the use, benefits, governance and management of the Great Ride trails in the New Zealand Cycle Trail[8] conducted in 2016. The latter analysis covered trails with different governance and management structures – trust and land management agency partnerships, a council-controlled organisation, a team within a council and a steering committee.

The critical success factors are:

▹ Clear committed and skilled governance entity

▹ Effective trail planning

▹ Clear coordination functions

▹ People resources dedicated to management

▹ Adequate resources for trail operations

▹ Ongoing funding

▹ Stakeholder and community partnerships

▹ Supportive government environment

▹ Marketing, promotion and experience development

▹ Monitoring and evaluation.

Each is discussed in more detail in the following sub-sections.

3.2.1 Clear, committed and skilled governance entity

Trails that realise their potential and operate sustainably over time tend to have governance entities:

▹ with a clear mandate for trail development and provision of leadership and vision

▹ clear statements of roles and responsibilities of the various parties involved in the governance structure and in management tasks

▹ that incorporate personnel with the skills and experience relevant to leadership, effective decision-making related to the trail and governance tasks

▹ that include arrangements/agreements at a senior level with any agencies tasked with trail management and maintenance.

The use of MOUs between the three Councils involved in managing the Murray to Mountains Rail Trail and incorporation of roles and responsibilities in Local Laws was important in coordinating development and maintenance of the rail trail and providing appropriate Council operational budget allocations over an extended period. Similarly, MOUs were used to good effect between the Bibbulmun Track Foundation and DPaW for development, management and maintenance of the Bibbulmun Track, and between the Queenstown Trails Trust and partners. While the Forrest Mountain Bike Trails and related tourism has grown through the commitment of volunteers and DELWP, a defined governance and coordinating arrangement is now desirable for the future development of the trails and tourism. The governance and management authority for the Mount Buller Bike Park, the Mt Buller and Mt Stirling Alpine Resort Management Board, has a clear mandate for recreation and tourism and a skills-based Board with the expertise to develop quality recreation and tourism experiences and

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[8] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report 2016.*

coordinate tasks with stakeholders. Its mandate is derived from its establishing legislation.

Where volunteer, non-profit organisations play a large role in trail governance, the skills and experience of Board members have been critical in driving trail development and gaining government, business and community support. This has been the case with the Bibbulmun Track Foundation, the Queenstown Trail Trust, and the Otago Central Rail Trail Charitable Trust.

The availability of people with the appropriate skills and commitment to be Board members is an important factor in a decision to establish a non-profit organisation as a governing body for a trail. Trail governance by local councils or land management agencies, or arrangements where they play major roles, also works best when those agencies are committed to the trail at a senior level and allocate ongoing people and financial resources to the trail.

It is easy for trails to be given lesser priorities in agency budgets as circumstances change.

3.2.2   Effective trail planning

Strategic planning by the trail governance entity for development and operation of the trail over time is important to provide a consistent direction, identify objectives, provide strategies to address issues and achieve objectives, identify investment needs and define roles and responsibilities. Where trails are developed in stages dependent on the availability of funds, a strategic plan, master plan or business plan will provide clarity on future funding needs.

On-going strategic planning has been used to good effect by the Queenstown Trails Trust to guide development of quality trail infrastructure and visitor products, learn from experience and adjust to changes in population, trail market demand and financial resources.

Master planning guided successful development of the Mount Buller Bike Park to a high standard and the achievement of international recognition (through IMBA) of its facilities and Epic Ride.

The large Barwon South West region of Victoria covers nine local government areas. A range of stakeholders were engaged in developing detailed strategies and identifying priorities and investment needs to ensure the network was developed in a consistent and collaborative manner by all trail governance entities. A package of plans was provided to assist an overall governance entity and individual trail managers - a Business Case, a Marketing Strategy, a Cycle Tourism Strategy, an Action Plan and Guidelines for Trail Planning, Design and Management[9].

3.2.3   Clear coordination function

Where trail governance and management involves multiple partners, there needs to be clear allocation of coordination responsibility. There needs to be an organisation, group or person that can drive an integrated and consistent approach to trail management, follow up on tasks and planning priorities, and report to the governance entity on progress.

3.2.4   People resources dedicated to management

Trail management requires people resources with clear roles and accountability to provide executive support to, and implement the decisions of, the governance body (whatever its structure); oversee implementation of actions in trail plans; and coordinate activities by other agencies and stakeholders. Although costs are entailed, there are advantages in employing or contracting people with expertise in administration, financial management and other trail-related functions to supervise or assist in trail management tasks. Ideally staff with a specific remit to perform the required tasks should be employed.

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[9] TRC Tourism (2015), *Growing Adventure in Barwon South West Region* – The individual documents are: *A Business Case for Investing in Regional Trails in Barwon South West Region*; *Cycle Tourism Strategy 2015 – 2020*; *Regional Trails*

Action Plan 2015 – 2020; *Guidelines for trail planning, design and management*.

The arrangements for Bibbulmun Track management are a good example. The Bibbulmun Track Foundation has six staff who have specific responsibilities across the range Foundation functions – an Executive Director, Office Manager & Volunteer Coordinator, Events Manager & Lead Guide, Office Administrator, Marketing Coordinator, Administrative Assistant. The Foundation's partner, DPaW, has staff in its Recreation and Trails Unit and District Depots that conduct and supervise Bibbulmun Track operations and maintenance.

The Queenstown Trails Trust and the Otago Central Rail Trail Charitable Trust employ two staff members each.

The Mt Buller and Mt Stirling Alpine Resort Management Board has a large staff which includes a trail management section.

Many trails are managed mainly or entirely by volunteers, particularly trails that have been developed through the efforts of local community committees or user groups. Depending on the length and complexity of the trail, there are risks in relying heavily on volunteer resources to manage functions such as administration, coordination, day-to-day operations, marketing and promotion, and planning. While trail volunteers are often highly committed to the trail, their involvement over time may not be sustainable due to other life commitments and volunteer 'burn out'. As with many voluntary organisations, activities may lose impetus if key people leave. Use of trail Board members to carry out management tasks may also blur the distinction between governance and management and divert their attentions from leadership and governance to day-to-day operations[10].

3.2.5 Adequate resources for trail operations

Operating a trail entails a host of tasks that impinge on land management and may include:

▹ infrastructure maintenance and repair (trail surfaces, signage, parking areas, amenities, waste management)

▹ environmental management – erosion and runoff control, vegetation management, weed and pest control, significant species protection and fire management which will have associated legislative requirements

▹ emergency management – emergency access provision, issue of emergency notices (such as for fire, flood) and trail closures

▹ visitor management – overseeing compliance with any use requirements, management of trail events.

Both funding and supervision skills and resources are required for day-to-day trail operations, either in-house, contracted or through partnerships. Operational programs are needed to schedule the conduct of works particularly on complex trails where different parties are involved in operations.

Volunteers are frequently a critical resource for trail maintenance. The most successful volunteer programs (such as the Bibbulmun Track Foundation's *Eyes on the Ground* Maintenance Program) are professionally run with training, arrangements and incentives that encourage volunteer participation.

3.2.6 Ongoing funding

The lack of funding and a high reliance on government grants has characterised the development of many trails in Australia, especially small local trails. Trail development can occur in a 'stop-start' sequence dependent on successful grant applications and in some cases there has been limited provision of funds for future management

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[10] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report 2016.*

and maintenance, leading to heavy reliance on volunteers.

Obtaining an allocation for initial management or ongoing maintenance costs in grants has been an effective strategy. For example, the 1996 Federal Government grant that assisted completion of the Bibbulmun Track included funds allocated to the establishment of the Foundation and funding of its initial operations.

The most successful trails have also been most successful in obtaining and managing funds, whether by managing agency budget allocation; government grants; in-kind partnerships; fundraising (such a through donations, sponsorships); revenue from use, events and concession fees; earned income from sale of products and merchandise; and investment. Typically, these successful trails will utilise a diverse range of financial and in-kind resources. The governing entities of these trails have the skills and experience to gain support and funds allocation within agencies, government, business and the community and to utilise a range of funding opportunities.

There may be statutory limitations on the types of fundraising that can be conducted by government agencies and local councils and often limitations in grant guidelines on the types of organisations that can apply for grants. Non-profit organisations (such as Incorporated Associations and foundations) have more flexibility in developing alternative funding sources, provided they have the skills and resources to manage fundraising programs. The Bibbulmun Track is a good example of the use of diverse income sources to build sustainable business operations and in the use of partnerships to obtain in-kind resources for trail development and maintenance.

3.2.7 Stakeholder and community partnerships

The mechanisms used for involving the community, business and tourism stakeholders in trail development and visitor experiences vary widely and include:

▷ representation on governance Boards, steering or advisory groups

▷ coordination groups, such as the Otago Central Rail Trail Operators' Group

▷ Friends groups, which serve as a focus for community stewardship, volunteering and donations

▷ liaison with local user and health groups and organisations to develop opportunities for local people, health and exercise initiatives and events

▷ schemes to encourage tourism operators to provide trail-related products and services – such as the Bibbulmun Track Foundation's *Walker Friendly Business Program* and the Queenstown Trails Trust's *Official Partners Program*.

Successful tourism trails will usually have a supportive local tourism industry that has been built through active negotiation with operators, offering of incentives to encourage support and participation in the trail, and regular liaison and coordination.

The Hauraki Rail Trail Charitable Trust has gained the support of local accommodation operators who, in return for a central booking service on the Trust's website, have agreed that a proportion of the price of accommodation booked is paid to the Trust for trail management at no extra cost to the customer.

3.2.8 Supportive government environment

Local, regional, state and national government policies, plans and programs that encourage and support trails and identify trail investment priorities have been important for the funding of trail development and management. Ideally, trail governance entities need to have the skills and resources to leverage such potential opportunities offered by a supportive government environment in applying for grant funding.

Inclusion of the Australian Alpine Epic Trail at Mount Buller as a major project under the Australian Alps National Landscape Tourism Strategy (which was developed in conjunction with

local tourism stakeholders) led to funding support from the Federal Government, Regional Development Victoria and the local council.

Specific government grant programs, such as the WA Department of Sport & Recreation Trails Grants Program (which utilises monies from Lotterywest) and the New Zealand National Cycleway Fund, have made large contributions for trail development in the respective jurisdictions.

The Bibbulmun Track Foundation and the Queenstown Trails Trust have been adept in gaining funds under trail grant programs in their respective countries. Taking advantage of a new round of national government trail grant funding, in 2016 the Queenstown Trails Trust formed a steering group with the Trusts for trails in nearby areas and with those Trusts successfully gained national and local government funding for cycle trail linkages between the Queenstown Trails network, the Roxburgh Gorge Trail and the Otago Central Rail Trail to form over 500 km of linked trails.

A supportive policy and planning environment also assists in encouraging private sector partnerships in trail visitor experience development. A trail which is a priority in a local or state plan and which is recognised as having potential benefit to the community and visitor drawing power is more likely to attract private investor interest.

Promotion of the Great Ocean Walk by the Victorian Government as an iconic walk was a catalyst for the development of an increasing number of trail-related products and services along that walk.

In New Zealand, private sector interest in trail-related investment has been stimulated by the strong emphasis given to trail and cycle tourism development by the New Zealand Government, including through its NZ Cycle Trail program.

3.2.9 Marketing, promotion and experience development

Understanding a trail's current and potential local and visitor markets is an important part of trail business – it assists promoting a trail to, and developing the right products and services for, the people most likely to be attracted to the trail. Most trails will involve a combination of local and visitor markets.

Analysis of mountain biking markets, needs and preferences and comparison with best practice mountain biking tourism in other places was included in a feasibility study and concept plan for new mountain biking trails near Derby in north east Tasmania. This was factored into the development and design of the trails which have quickly attracted a range of visitors and events and the development of new local bike-related products and accommodation[11]. Market analysis in the Strategic Plans for the Queenstown Trails has helped target trail standards, products and services to the expectations of international visitors (who form a major component of trail visitors) in addition to the requirements of the large numbers of local users.

The most successful tourism trails are supported by effective information, marketing and promotion activities that attract visitor markets. Trail management needs to have the skills and resources to conduct these activities and negotiate with the tourism industry on the development of trail-related products and services. These skills are provided in several ways:

▷ in-house promotion and marketing. The Bibbulmun Track Foundation employs a Marketing Coordinator and gained expert assistance (funded by a grant) to raise the standard of its website. The Mt Buller and Mt Stirling Alpine Resort Management Board employs its own marketing staff who provide expertise for promotion of the Mount Buller Bike Park

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[11] TRC Tourism (March 2013), *Potential for Mountain Biking in North Eastern Tasmania*, prepared for Northern Tasmania Development; TRC Tourism (April 2016), *Review of the Economic Potential of Stage*

2 Development of Blue Derby MTB Trails – Extension to the East Coast, prepared for Break O'Day Council.

partnerships with local or regional tourism organisations. Tourism North East has responsibility for promotion, marketing and the trail website for the Murray to Mountains Rail Trail. Other trails generally have some form of partnership to take advantage of the expertise, collateral and networks of regional tourism organisations or visitor centres.

A dedicated trail website providing comprehensive information about trail opportunities, conditions and related products and accommodation is central to trail promotion. Increasingly the websites of successful trails (such as the Bibbulmun track) are becoming 'one-stop-shops' where it is possible to learn about the trail and linked experiences, make bookings, make donations, purchase merchandise, catch up on news, volunteer and participate in the trail's community. Some trail organisations offer an integrated booking service for trail experiences although it is more common to provide links to operator websites. The Bibbulmun Track Foundation website provides online booking for the Foundation's own tour, walk and learning products. The Hauraki Rail Trail Charitable Trust (responsible for the 82 km Hauraki Rail Trail in New Zealand's North Island) provides a central accommodation booking service and organises self-guided rides[12].

3.2.10 Monitoring and evaluation

Ideally effective trail management will include systems for monitoring trail conditions, use levels and visitor characteristics so that management can be adjusted over time to address new situations. Frequently visitor monitoring has been a low priority of trail managers due to lack of funds and personnel. Visitor data collection methods can be challenging to design and maintain for trails with multiple entry and exit points. Resources and personnel (whether staff, contract or volunteer) are required to maintain electronic counters and interpret results. Periodic visitor surveys are also desirable to develop an understanding of trail markets and their satisfaction with the trail experience.

Good trail information is also an advantage for demonstrating the level of trail-related expenditure and the economic and social benefits of a trail to grant funding bodies and in seeking budget allocations from local councils and management agencies.

Trail use monitoring, visitor surveys and economic impact studies have been used to good effect in obtaining funding for the Bibbulmun Track and the Otago Central Rail Trail.

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[12] http://www.haurakirailtrail.co.nz
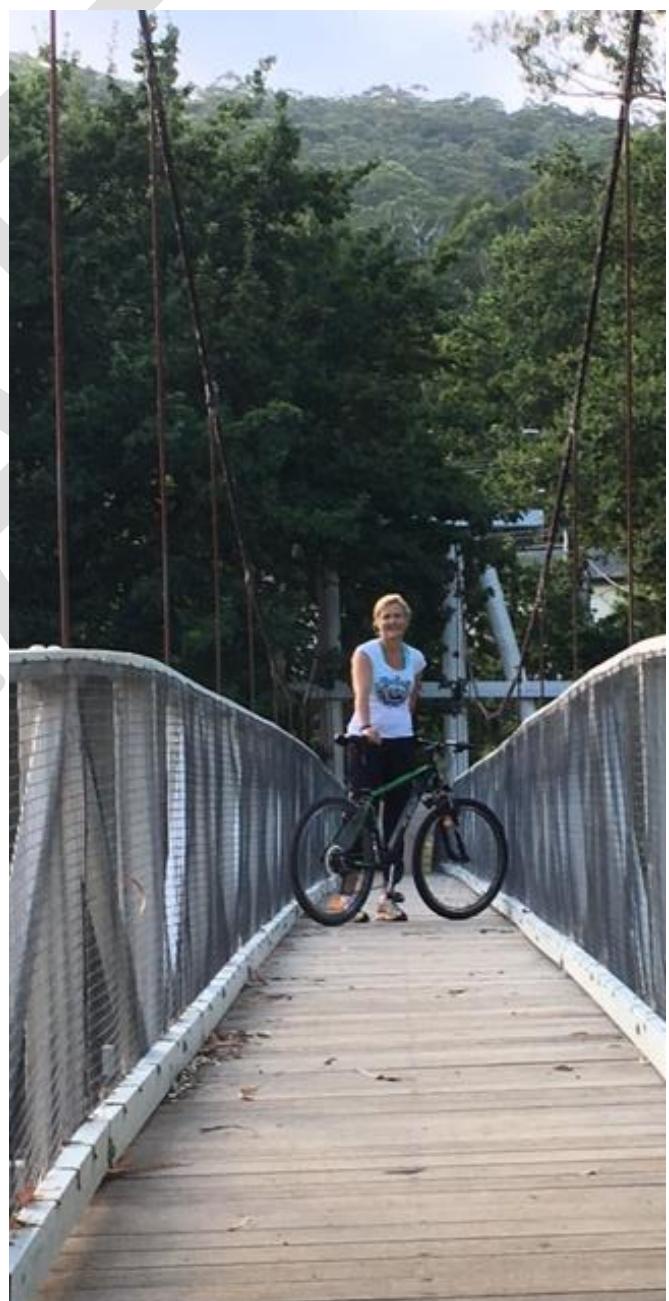
4 GOVERNANCE MODELS FOR TRAILS IN THE YARRA RANGES

The purpose of this section is to examine the range of governance models that are most likely to enhance Yarra Ranges competitiveness as a tourism destination with a range of high quality trails and provide on-going employment and economic development opportunities for the state and regional economies. It examines the advantages and disadvantages of each model, identifies a recommended approach and examines the merits and risks associated with it.

Land likely to be used for the existing and proposed trail developments is ultimately owned by the State Government. Parks Victoria, VicRoads and Yarra Ranges Council all have some management responsibility over sections of the land potentially to be used for the trail network. These agencies are subject to the state-wide legislative framework which may constrain their ability to implement or be party to a new governance model. This will need to be recognised and discussed with each trail partner once the recommended model is identified to determine the enabling mechanism for effective implementation.

It is worth noting that the existing rail trail and the proposed trails are at different stages of development and their management needs will change over time. The existing rail tail is at a consolidation stage of development, while the proposed trails are either conceptual or at detailed design phase. Therefore, the governance structures will need to adapt as the projects evolve from project concept development to construction to start-up through to ongoing management. Each phase requires a different skill set in the governance structure.

4.1 Outcomes sought

In seeking to achieve the vision for the trails (both Warburton and Yarra Valley Trail have separate but aligned visions), it is important to specify the desired outcomes for governance so that an assessment can be undertaken of each potential model against these outcomes.

The following outcomes have been used to assist with the assessment and are linked closely to the vision:

1. **Governance and accountability is clear and simple to initiate and administer over the longer term.**
2. **Trails are planned and managed effectively and efficiently**
3. **The strengths of expertise offered by each partner in the model are recognized and the recommended model allocates responsibilities and authority accordingly**
4. **The visitor experience and presentation of the trail network are substantially improved or continually improving and the new model facilitates commercial tourism positioning, product development and marketing to take the Yarra Valley forward as a trail destination**
5. **The trails are supported by a range of funding sources with a revenue raising mechanism to enhance cash flow to enable self-generated investment into facilities, assets and services**
6. **An effective control environment is in place to reduce key risks (to staff, volunteers and visitors) and each agency's operations are not adversely affected (i.e. there is no dilution of effectiveness)**
7. **The benefits of the new model are visible to the community and it is inclusive of user and community groups.**

4.2 Assessment Criteria

To assess the alternative governance models a set of criteria has been developed to determine to what degree each model will meet the vision and outcomes sought. Each model has been assessed against the following set of questions:

1) **Is the model simple to initiate and administer over the longer term (including the need for legislative change)?**
2) **Does the model provide clear accountability? Does it appropriately allocate responsibilities and authority?**
3) **Does the model maximise the expertise offered by each partner?**
4) **Will the visitor experience and presentation of the trail network be substantially improved?**
5) **Will the new model facilitate commercial tourism opportunities across the trail network?**
6) **Does the model rely entirely on public funding?**
7) **Does the model leverage the opportunity to access a range of funding sources including enhanced cash flow to enable self-generated investment into facilities, assets and services?**
8) **Does the model provide an effective control environment to reduce key risks (to organisations, staff, volunteers, visitors, natural and cultural values) and indemnity?**
9) **Does the model provide for input and expertise of local user and community groups?**
10) **Does the model reduce overlap and inefficiencies between agencies and partners?**

A comparison of each model against the assessment criteria is presented in Table 1.

4.3 Alternative Governance Models

To present the range of alternative governance models consistently, a categorisation system has been developed based on the three broad categories presented in Section 3.1 as follows:

▷ Models based on Public Delivery and Public Operation

▷ Models based on a Public Delivery and Community Operation

▷ Models based on Public Delivery and Private Operation

This allows for a systematic assessment of the advantages and disadvantages of each model before arriving at a conclusion on the best fit.

Models based on private arrangements have been excluded from the analysis due to the public land tenure arrangements in place for the existing rail trail and the location of the proposed new trails in the Yarra Ranges.

### OPTION 1 – PUBLIC DELIVERY AND PUBLIC OPERATION

1a. Sole agency management

This model represents exclusive governance and management of each trail by the relevant land manager. Key features are:

▷ This option would effectively result in the trails being managed by two separate agencies with no or little input form the community as outlined in Figure 1 below.

▷ Ultimate responsibility lies with the governing agency in this case Yarra Ranges Council under the *Crown Lands (Reserves) Act* or the *Local Government Act* and the *National Parks* Act.

  o Under this model the accountability for all management functions associated with the rail trail remains with the Yarra Ranges Council i.e. continue current model.

  o Under this model accountability for the proposed Yarra Valley Trail, would be Yarra Ranges Council including trail infrastructure; management, maintenance and marketing of all facilities for Stage 1 and Stage 2. Stage 3 would involve Parks Victoria and potentially Melbourne Water (subject to the asset management arrangements associated with the redundant aqueduct).

  o Parks Victoria /DELWP and to a lesser extent Yarra Ranges Council would be accountable for all management functions associated with the Warburton Mountain Bike Trail network including trail infrastructure; management, maintenance and marketing of all facilities. This model is used for Bowden Spur in Kinglake National Park.

- Visitor products, accommodation and services may (or may not) be provided directly by the agency or through licences to commercial operators.

- There would be no commercial licensing system governing the rail trail or the Yarra Ranges Trail managed by Yarra Ranges Council. Commercial operators are required to be licensed on land managed by Parks Victoria and DELWP.

- Participation by user groups and volunteer groups in trail management may or may not occur

- Revenue raising mechanisms that benefit the trail network are limited.

- The ability to attract grant funding and secure investment under this option is limited as the user groups will have little ability to raise funds and the government agencies will have limited ability to raise revenue that can be reinvested in the trail network.

- Co-ordination across the trail network and development of the visitor experience is minimal.

- Each agency manages all risk and liability associated with the trail network.

Figure 1 Sole Agency Management
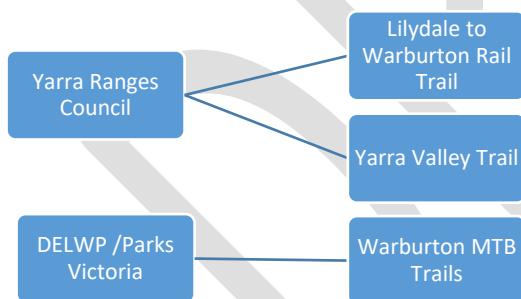
OPTION 2 - PUBLIC DELIVERY /COMMUNITY OPERATION

There are several models that involve a partnership approach between public sector agencies and the community that are relevant to the Yarra Valley Trails.

Option 2a. Voluntary Assistance/User Group Support

This option involves the primary trail manager outlined in Option 1 (i.e. Yarra Ranges Council and Parks Victoria) drawing on voluntary assistance from trail users and stakeholders for activities such as trail maintenance (e.g. through Friends and user groups).

Key features are:

- This option would effectively result in the trails being managed by two separate agencies with the support of volunteer and user groups to carry out maintenance and fund raising as outlined in Figure 2 below

- Ultimate responsibility lies with the governing agency, in this case Yarra Ranges Council under the Crown Lands (Reserves) Act or Local Government Act and the National Parks Act.

- Under this model the accountability for all management functions associated with the rail trail remains with the Yarra Ranges Council i.e. continue current model with the support of user groups and volunteer groups (noting CEDA currently provide this support).

- Accountability for the proposed Yarra Valley Trail would also be Yarra Ranges Council (and possibly Parks Victoria for Stage 2 of the trail) with the support of user groups and volunteer groups.

- There would be no commercial licensing system governing the rail trail or the Yarra Ranges Trail managed by Yarra Ranges Council. Commercial operators are required to be licensed on land managed by Parks Victoria and DELWP.

- The ability to attract grant funding and secure investment under this option is limited as the user groups will have little ability to raise funds and the government agencies will have limited ability to raise revenue that can be reinvested in the trail network. Parks Victoria /DELWP would be accountable for all management functions associated with the Warburton Mountain Bike Trail network including trail infrastructure; management, maintenance and marketing of all facilities with the support of user groups (currently provided by Yarra Ranges Mountain Bikers).

- Visitor products, accommodation and services may (or may not) be provided directly by the agency. Commercial operators are required to be licensed on land managed by Parks Victoria and State Forest areas.

Figure 2 - Voluntary Assistance/User Group Support

Yarra Ranges Council	DELWP /Parks Victoria

Friends of "The Warby"	← →	Lilydale to Warburton Rail Trail	Warburton MTB Trails	← →	Yarra Ranges Mt Bikers

Friends of the YVT	← →	Yarra Valley Trail
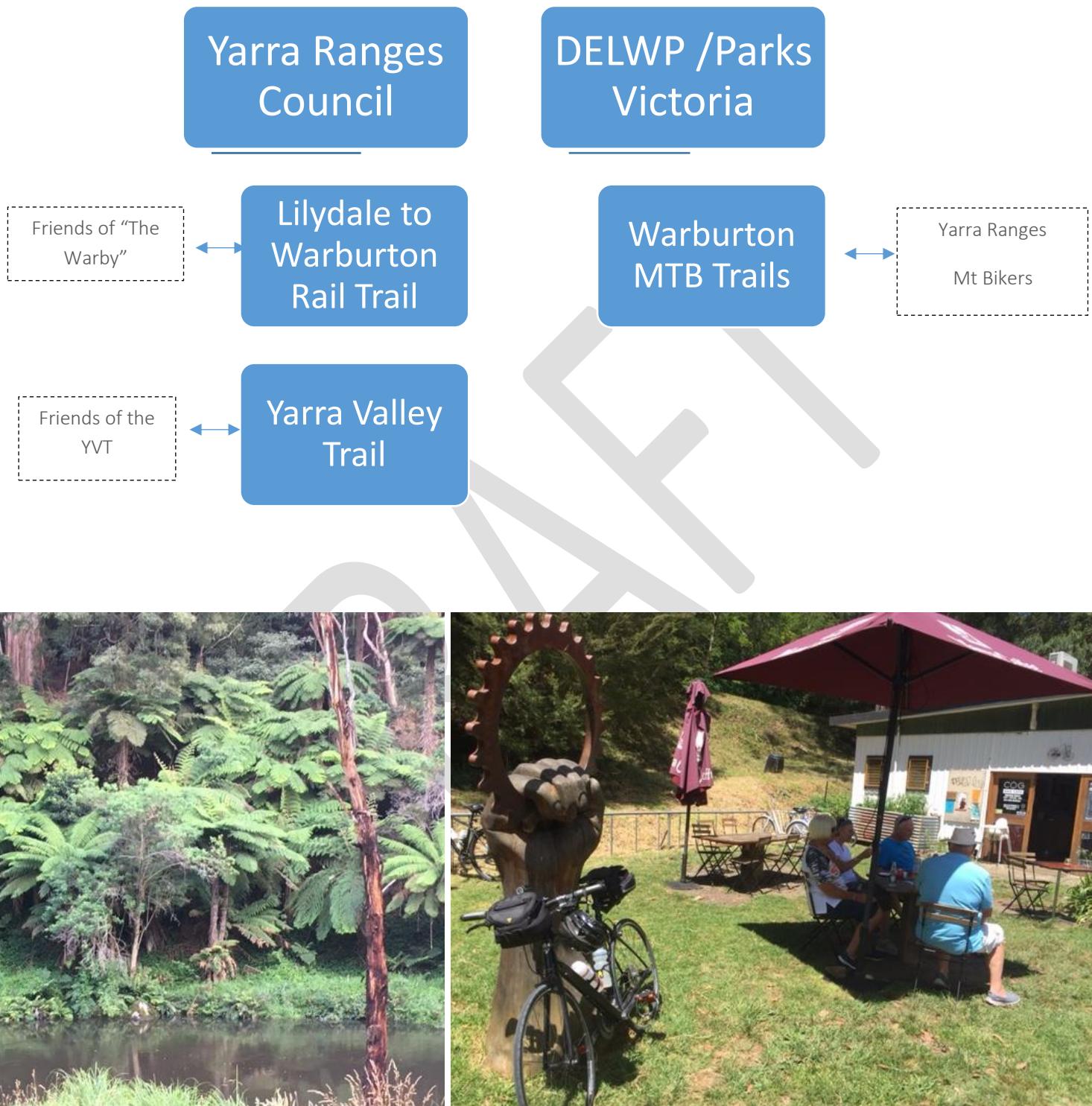
Option 2b. Section 86 Committee – Local Government Act

This option involves the primary trail manager outlined in Option 1 (i.e. Yarra Ranges Council and Parks Victoria), however the existing rail trail and the proposed Yarra Valley Trail managed as one trail (promoted, marketed, and packaged to the local community as one trail) and managed by a 'Section 86' Committee under the *Local Government Act* (though certain tenure re-allocation processes may need to occur). Under this option the Warburton MTB bike trail network will need to be managed by some other structure which recognises DELWP and Parks Victoria as the land managers involved.

Under such circumstances, joint management could be facilitated by a Memorandum of Understanding (see Option 2c below).

Section 86 of the Local Government Act 1989 allows a Council to establish a special committee made up of any of councillors, council staff and/or other persons. These committees can be established to manage, on behalf of Council, assets that Council owns or for which Council is the Committee of Management such as Crown Land. Other features important to note are:

▷ Lawful actions of the Section 86 Committees are in effect actions of the Council

▷ Section 86 Committees do not need to be incorporated

▷ Section 86 Committees are protected by insurance applicable to Council whilst undertaking their duties on behalf of Council; and

▷ Section 86 Committee members must be appointed by Council.

The Act allows the Council to delegate any of its functions to a special committee, except for a few powers, the most relevant being the power to borrow money. Under this arrangement, the Act provides for the Council to determine the amount of expenditure that the Committee can expend and there is no need to refer any expenditure back to the Council unless it exceeds the approved limit. This allows some flexibility for the Committee to expend money and enter contracts that allow the expenditure of money.

This approach requires Yarra Ranges Shire Council to take a lead role in project facilitation.

It is understood that one of the limitations of the Section 86 model is that it cannot be used to manage any land that is managed by Parks Victoria and therefore excludes those parts of the Warburton MTB bike trail network located in Yarra Ranges National Park.

Key features of this model when applied to the Yarra Ranges Trail network are:

▷ Under this model the accountability for all management functions associated with the rail trail would be under a Section 86 Committee.

▷ Once established, accountability for the proposed Yarra Valley Trail, would also be extended to the rail trail Section 86 Committee for matters concerning trail infrastructure; management, maintenance and marketing for assets owned or managed by Council in Stage 1 and 2 of the trail. The applicability of this governance arrangement for stage 3 of the trail would be subject to land tenure arrangements and whether the asset is council owned/managed.

▷ Visitor products, accommodation and services that benefit from the rail trail and Yarra Valley Trail could be required to contribute to the trail raise revenue.

▷ Parks Victoria /DELWP would remain accountable for all management functions associated with the Warburton Mountain Bike Trail network including trail infrastructure; management, maintenance and marketing of all facilities.

▷ A Section 86 Committee would only have powers to manage facilities on Council owned or managed assets adjacent to the Warburton Mtn Bike Trails that are not within the national park.

▷ Visitor products, accommodation and services on national park land may (or may not) be provided directly by Parks Victoria or through licences to commercial operators.

- The ability to attract grant funding and secure investment under this option is limited as the user groups will have little ability to raise funds and the government agencies will have limited ability to raise revenue that can be reinvested in the trail network.

- This option would effectively result in the trails being managed by two separate bodies (Section 86 Committee and DELWP/Parks Victoria).

Figure 3 Mixed Partnership - Committee of Management
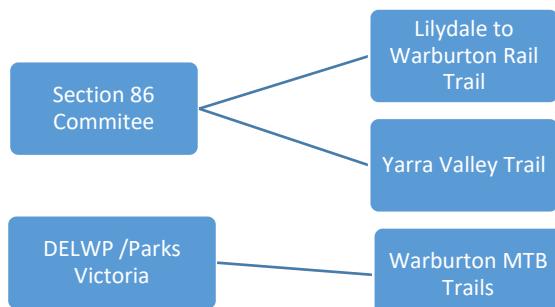
Option 2c. Memorandum of Understanding

This option would effectively result in the trails being managed by two separate bodies (Section 86 Committee and DELWP/Parks Victoria) and an umbrella agreement in the form of an MoU

This option involves the establishment of an MOU between different management parties, in this case Yarra Ranges Council/Section 86 Committee and DELWP/Parks Victoria possibly with a coordinating committee. The MoU would set out the overall vision for the trails and the strengths and obligations of each party to achieve that vision. The MoU would assist with co-ordination and management including funding, maintenance standards, stakeholder liaison, experience development, marketing and promotion. Each agency would retain responsibility for trail maintenance. This option could be applied to either Option 1 (Sole agency) or Option 3 (Section 86 committee).

The MOU could be developed between all the land managers likely to be involved – notably Yarra Ranges Shire, Parks Victoria, DELWP, Melbourne Water and VicRoads and the Yarra Ranges Mountain Bikers.

Key features of this model when applied to the Yarra Ranges Trail network are:

- A co-ordinated regional approach to trail development under an umbrella agreement (MoU).

- Under this model the accountability for all management functions associated with the rail trail would be managed directly by Yarra Ranges Council (Option 1) or through a Section 86 Committee (Option 2b).

- Parks Victoria /DELWP would remain accountable for all management functions associated with the Warburton Mountain Bike Trail network including trail infrastructure; management, maintenance and marketing of all facilities.

- A Section 86 Committee would only have powers to manage facilities on Council owned or managed assets adjacent to the Warburton Mountain Bike Trails that are not within the national park.

- This model assumes that any revenue raised could be reinvested in the trail network under the terms of the MoU.

It is in the interest of all parties to have a clear understanding of the roles they will be expected to play and the inputs they will be expected to provide. The responsibilities of each party will need to be agreed and specified in the proposed MOU, which would cover a range of topics including:

- Trail development - staging, cost sharing, in-kind resources, cash contributions, preparation of funding applications, etc. Ideally, all parties would contribute to each section regardless of land tenure – this may not be the practical outcome.

- Trail maintenance – preparation of a schedule identifying trail features requiring regular inspection and maintenance, the timeframe for inspections of each item, body/person responsible for inspections and risk assessments, reporting procedures, and actions required to rectify identified problems.

- Interpretive signage – research and writing responsibilities; installation responsibilities, maintenance and replacement policies, etc.

- Branding, marketing and promotion of the trails to ensure consistency in messages and visitor experience.

Figure 4 Memorandum of Understanding
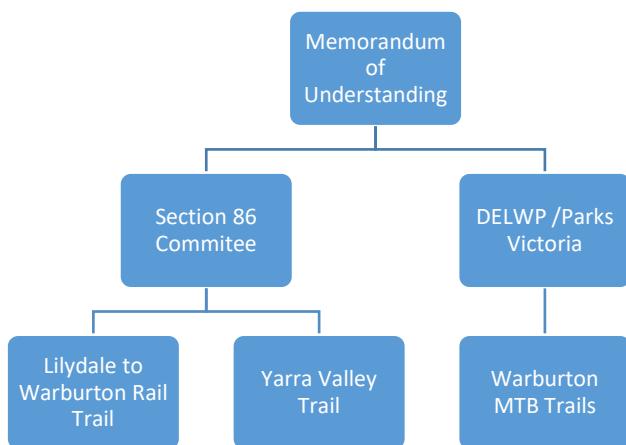
Option 2d (i)   'Yarra Valley Trails' Incorporated Association

This option involves an Incorporated Association under the Associations Incorporation Reforms Act (2012) acting as the governance entity established to provide support for the management, maintenance and marketing of the Yarra Ranges Trail network. Its primary roles would be community participation, coordination of the visitor experience across the trail network; attracting funds, sponsorship and other resources, and reinvestment of the funds into the trail network.

This model recognises the constraints of the regulatory framework that requires the ultimate responsibility for management of crown lands by either Yarra Ranges Council, Parks Victoria and DELWP. It seeks to bring these parties together under an umbrella agency known as the Yarra Valley Trails Inc. It is based on the Queenstown Trails Trust model albeit with differences allowed for under a different act and slightly different operating environment. Key features of this option are:

▹ The Yarra Valley Trails Inc. would be the primary focal point for community-based support and involvement, and would have primary responsibility for raising and expending funds, promoting the trail network through the regional tourism organisation and maintaining the network through a volunteer maintenance program.

▹ Yarra Valley Trails Inc could be established to focus on one or two trails and then extending its responsibility to other trails over time.

▹ It recognises the role and obligation of Parks Victoria and Yarra Ranges Council in supporting the trail network and provides a revenue raising mechanism that can be reinvested back into the tail network. Under this model, the Incorporated entity can work with businesses who are benefiting from the trail to join a partnership program, like the Bibbulmun Track.

▹ Under this model, Yarra Ranges Council remains the manager of the rail trail and becomes the manager of Sections 1 and 2 of the proposed Yarra Valley Trail. These trails could still be managed by a Section 86 Committee (which effectively becomes part of the Trails entity).

▹ Parks Victoria and DELWP and Council would remain the manager of the Warburton Mountain Bike Trails and potentially Stage 3 of the Yarra Valley Trail. This could be managed under an MOU by the three parties that operates under the umbrella of the Trails entity.

▹ Each party (Council, DELWP, PV and the Incorporated entity) would be responsible for the cost of trail maintenance and would be required to contribute to the ongoing maintenance and capital improvements subject to the agreement made between the parties.

▹ The relationship and key roles of the Incorporated Association and Council and DELWP/Parks Victoria would be outlined in the rules of association.

▹ The Incorporated Association must have at least five (5) members, and would be made up of representatives with a mix of skills (business, administration, marketing, tourism and events) and representation from the following:

▹ Community enterprise (CEDA, Upper Yarra Community Enterprise and Yarra Ranges Business)

▹ Parks Victoria

▹ DELWP

▹ Yarra Ranges Council

▹ Regional Tourism Organisation

▹ Yarra Ranges Mountain Bikers

At a general level, skill sets that would be useful for the entity to have:

- **Leadership skills** – critical to influence funders and donors and hold the committee/s together, to inspire and motivate, to advocate to a wider audience and to maintain focus on a long-term vision.

- **Community skills** – the skills to motivate community and volunteer efforts – this might come from an active user or user group who is a leader

- **Business skills** – skills to develop the business plan and understand and tap into funding and sponsorship opportunities, form business partnerships and capacity to communicate to businesses in ways that garner their support.

- **Entrepreneurial skills** – a business-like approach to running a trail is critical.

- **Tourism and events**, and marketing specialists, preferably with representation from the RTO

- **Administrative skills** – expertise and knowledge of government grants, and how to apply for them.

- **Governmental skills** – the ability to liaise with and understand Government departments and politicians.

- **Users** – it is essential that the committee/s understand the needs and requirements of various targeted user groups.

A simpler alternative to setting up an incorporated body is to use an existing foundation to establish named sub-funds or special accounts, and may be able to assist with administration without the cost and administrative difficulty of setting up or managing a new entity. For example, the Upper Yarra Community Enterprise have indicated their willingness to provide financial support for the Warburton Mountain Bike Trail Network. Together with the Yarra Railway Group this could provide an initial structure for the entity's establishment.

Figure 5 Yarra Valley Trails Inc
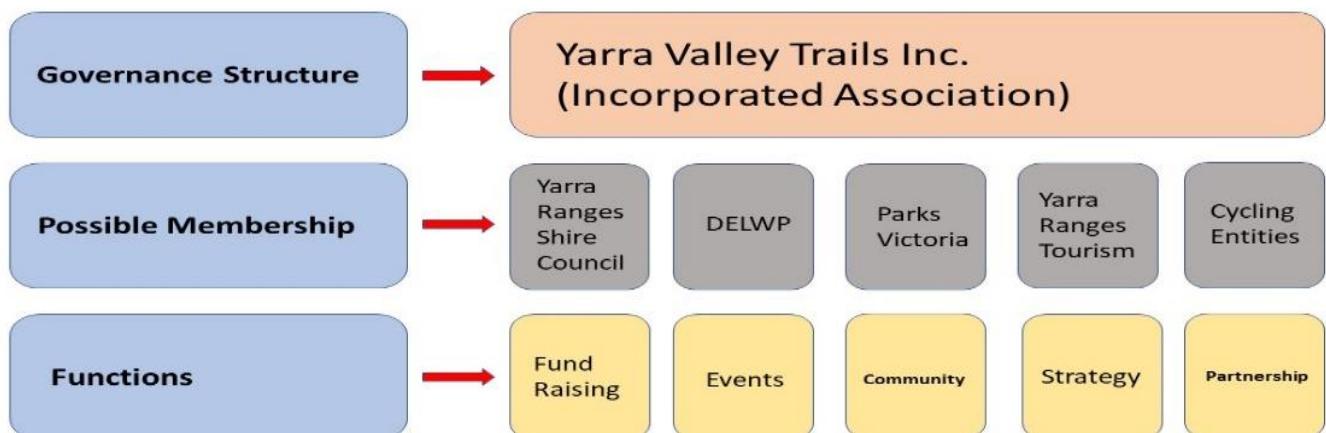
Option 2d (2) – Yarra Valley Trails Pty Ltd

This option would see a company structure developed under the Corporations Act in place of an Incorporated Association. The intent of this model is very similar to option 2 d (1) above but a company structure provides some important differences.

The main differences in structure and operating model under 2 d (1) and 2 d (2) are as follows:

1. **A company can have less than 5 members while and Incorporated Association must retain 5 members at all time.**

Should Yarra Valley Trails be unable to bring 5 members together, then a company structure may well suit the model better. At this stage, it is untested as to whether DELWP and Parks Victoria would become members of an Incorporated Association.

2. **Transfer of profits is more easily undertaken by a Company structure.**

It is felt unlikely that the entity would make significant profits as that is not the main purpose of the entity, however should the operation become very successful, distribution of profits Is best done under a corporate entity.

3. **A company must have shareholders and Directors.**

This brings in to question whether State entities can hold shares in another company, and the liability placed on Directors for what is an entity that is generally designed to bring together the community and raise funds for the maintenance, operation, use and marketing of the Trails.

4. **Ministerial Consent**

It is likely that Yarra Ranges Shire Council would need Ministerial consent under the Local Government Act to establish the company due to the entrepreneurial nature of the venture. While this may or may not be an issue, it does add complexity to the process.

Key features of this option are:

▷ The Yarra Valley Trails Pty Ltd. would be the primary focal point for community-based support and involvement, and would have primary responsibility for raising and expending funds, promoting the trail network through the regional tourism organisation and maintaining the network through a volunteer maintenance program.

▷ Yarra Valley Trails Pty Ltd could be established to focus on one or two trails and then extending its responsibility to other trails over time.

▷ It recognises the role and obligation of Parks Victoria and Yarra Ranges Council in supporting the trail network and providing a revenue raising mechanism that can be reinvested back into the tail network. Under this model, the entity can work with businesses who are benefiting from the trail to join a partnership program, like the Bibbulmun Track

▷ It is not clear under this model how legal ownership of the Trail's operations would work and further advice would be required. One legal company structure operating on another legal entity's land may require further leasing or other mechanisms.

▷ Each party (Council, DELWP, PV and the Incorporated entity) would be responsible for the cost of trail maintenance and would be required to contribute to the ongoing maintenance and capital improvements subject to the agreement made between the parties

▷ The relationship and key roles of the Company and Council and DELWP/Parks Victoria would be outlined in the constitution or through separate MOU's depending on the formal role of the Company once the model is clarified.

▷ The Company would engage a mix of skills (business, administration, marketing, tourism and events) and representation from the following:

- Community enterprise (CEDA, Upper Yarra Community Enterprise and Yarra Ranges Business)
- Parks Victoria
- DELWP
- Yarra Ranges Council
- Regional Tourism Organisation
- Yarra Ranges Mountain Bikers

At a general level, skill sets that would be useful for the company to have:

- **Leadership skills** – critical to influence funders and donors and hold the committee/s together, to inspire and motivate, to advocate to a wider audience and to maintain focus on a long-term vision.

- **Community skills** – the skills to motivate community and volunteer efforts – this might come from an active user or user group who is a leader

- **Business skills** – skills to develop the business plan and understand and tap into funding and sponsorship opportunities, form business partnerships and capacity to communicate to businesses in ways that garner their support

- **Entrepreneurial skills** – a business-like approach to running a trail is critical

- **Tourism and events**, and marketing specialists, preferably with representation from the RTO

- **Administrative skills** – expertise and knowledge of government grants, and how to apply for them

- **Governmental skills** – the ability to liaise with and understand Government departments and politicians

- **Users** – it is essential that the committee/s understand the needs and requirements of various targeted user groups.

This model is deemed the best fit for the new entity should it be successful in raising significant amounts of retained profit or revenue that needs distribution among members. This is not thought likely in the initial stages of the entity's life and accordingly may be a viable model later in the entity's life, or if 5 members of the Association are no longer needed or available.

A simpler alternative to setting up a company is to use an existing foundation to establish named sub-funds or special accounts, and they may be able to assist with administration without the cost and administrative difficulty of setting up or managing a new entity. For example, the Upper Yarra Community Enterprise have indicated their willingness to provide financial support for the Warburton Mountain Bike Trail Network. Together with the Yarra Railway Group could provide an initial structure for the entity's establishment.

Governance Structure	➡	Yarra Valley Trails Pty Ltd				
Possible Shareholders (Land Managers unlikely to be shareholders)	➡	Yarra Ranges Shire Council	?	?	Yarra Ranges Tourism	Cycling Entities
Functions	➡	Fund Raising	Events	Community	Strategy	Partnership
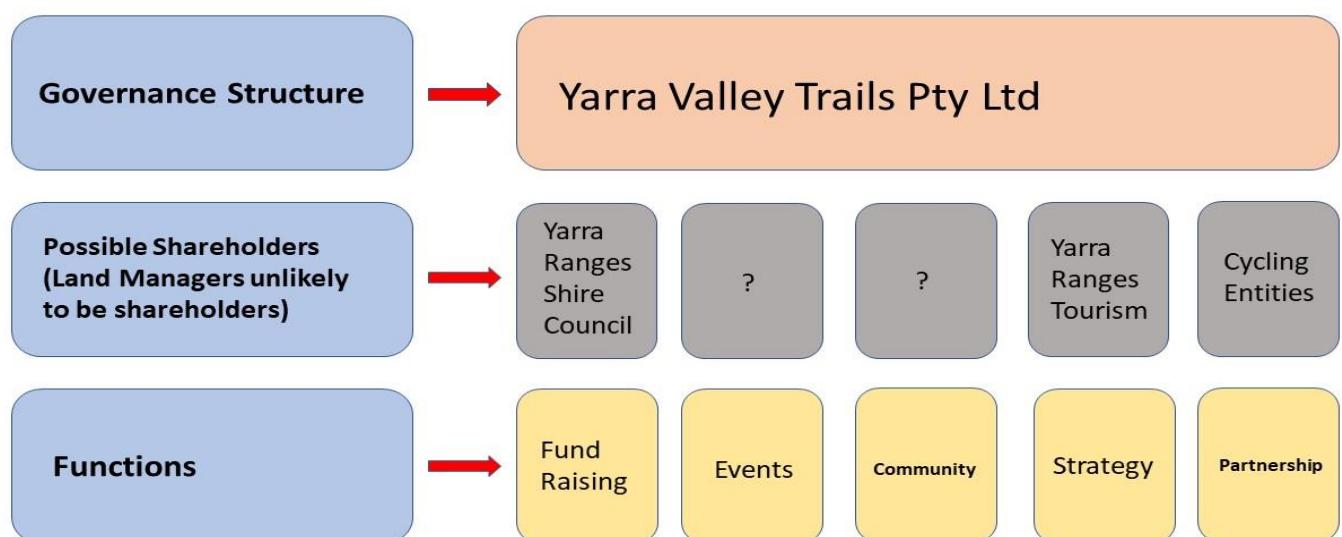
## OPTION 3 MODELS BASED ON PUBLIC DELIVERY AND PRIVATE OPERATION

Option 3a Lease or licence to manage area in national park or state forest

In national parks, the government will generally provide any tourism and recreation infrastructure or facilities aimed at improving the visitor experience. However, there may be occasions where private investment could be utilised to fund the installation of small scale visitor facilities in a manner which complements those that the government provides. Under this option the public sector would be responsible for the delivery of trail infrastructure which is leased to a private operator for operation and management. This option is only relevant for the Warburton Mountain Bike Trail Network and would have to be explored further with DELWP and Parks Victoria.

It is unlikely that a private operator would be able to sustain a business based on Mountain Biking Trail network that would allow all lease obligations to be met, however it may be feasible that the Yarra Valley Trail entity consider leasing those parts of the Warburton Trail Network if there is any considerable benefit to both parties. A preliminary assessment indicates that this option may be more appropriate if the entity is established and has been operating for several years.

Figure 6 Lease of Warburton Mountain Bike Trails
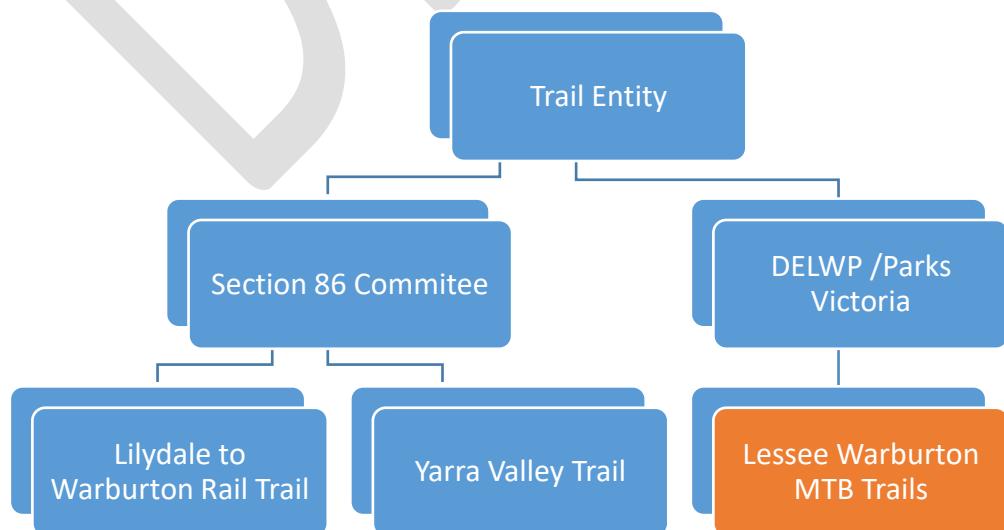
4.4 Governance Models Options Analysis

The following table provides an assessment of the governance models described in the report preceding this table. The intent is to analysis each model against a set of criteria defined in the table. A scoring is applied to each model based on the scoring methodology described below.

Table 1 Governance Model Assessment

Note – A score from 0 to 3 is applied to option to indicate how well the option meets the criteria and a traffic light is also used to visually show how each option performs:

0 = does not meet

1 = partially meets

2 = mostly meets

3 = fully meets

An unweighted score is totalled under each option by adding the scores together for the various criteria.

Criteria	Public Delivery & Operation	Public Delivery and Community Operation					Public Delivery & Private Operation
	Option 1 Sole Agency	Option 2a Volunteer Support	Option 2b Section 86 Committee	Option 2c MOU	Option 2d (1) Trails Incorp Association	Option 2d (2) Trails Public Company	Option 3 Lease/Licence
Does the model take Yarra Ranges forward as a trail destination	1	1	2	2	3	3	1
Is the model simple to initiate and administer over the longer term (including the need for legislative change)?	3	3	3	1	1	1	1
Does the model provide clear accountability? Does it appropriately allocate responsibilities and authority?	3	3	3	3	3	3	3
Does the model maximise the expertise offered by each partner?	1	2	2	2	3	2	1
Will the visitor experience and presentation of the trail network be substantially improved?	0	0	2	3	3	2	1
Will the new model facilitate commercial tourism opportunities across the trail network?	0	0	1	3	3	3	2
Does the model leverage access a range of funding sources including enhanced cash flow to enable self-generated and sustainable investment into facilities, assets and services?	0	0	0	1	3	3	2
Does the model provide an effective control environment to reduce key risks (to organisations, staff, volunteers, visitors, natural and cultural values) and indemnity?	3	3	3	3	3	3	3
Does the model provide for input and expertise from local user and community groups?	2	1	2	2	3	3	1
Does the model reduce overlap and inefficiencies between agencies and partners?	0	0	1	2	3	2	2
TOTAL SCORE	13	13	19	22	28	25	15

The ranking of the options on the raw scores is as follows:

1. **Option 2d (1) – Trails Incorporated entity (28 points)**

2. **Option 2d (2) – Trails Public Company (25 points)**

3. **Option 2c – MOU (22 points)**

4. **Option 2b – Section 86 Committee (19 points)**

5. **Option 3 – Lease / Licence (15 points)**

6. **Option 2a and Option 1 – 13 points**

The option 2d (1) Trails Incorporated Association clearly scores the highest rating and meets most of the criteria as the best governance model for the Yarra Ranges Trails circumstances and objectives.

4.5 The Recommended Governance Model

In terms of expertise and the ability to attract investment and expend funds to improve the trail network – an Incorporated Association tentatively called Yarra Valley Trails Inc based on the functions and benefits of the New Zealand Queenstown Trust model presents as an obvious choice to manage the existing rail trail, Yarra Valley Trail and the Warburton Mountain Bike trail network.

The analysis points to Option 2d (1) as providing the most benefit. It will provide the best opportunity to develop Yarra Ranges into a trail destination through sound business practice.

This option provides for the existing agencies to assume ultimate responsibility of the current and proposed portfolio of trail infrastructure with skills and expertise drawn from the community to allow for a practical, effective and efficient use of skill sets and resources, provide better co-ordination and improve the visitor experience across the trail network.

Importantly each member/agency of the entity will need to have clear accountability and operational responsibility reducing any overlap to the greatest extent.

While developing the rules of Association will be a matter to be dealt with outside of this report, some characteristics of the entity and rules might include:

▹ An independent chair appointed for their skills in governing an organisation and bringing people together around a common objective

▹ 5 to 9 member organisations appointed for their skills including fund-raising experience, land management capability, governance and accounting, marketing skills, knowledge of mountain biking and cycle tourism, and community leadership. The skills matrix will be developed with the rules of Association and other documents required to develop the entity.

Figure 1 The recommended model – Yarra Valley Trails Inc.
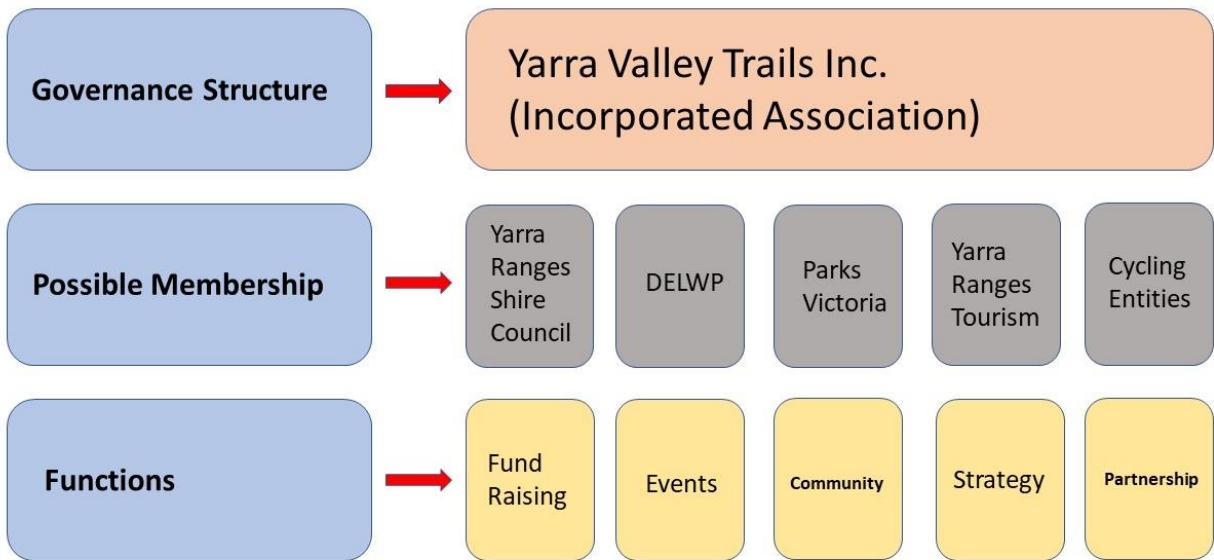
4.6 Strengths and Risks of the Recommended Option

Benefits will arise from the adoption of the new model including:

▷ Leadership and vision associated with Yarra Ranges becoming a leading trail destination through a dedicated entity

▷ Improvements for visitors and strengthened linkages between trails and other experience in the region by having YR Tourism as an Association member

▷ Strengthened branding of the trail network and consistency and quality of the visitor experience through the focus of the new entity

▷ Greater ability to attract investment through co-ordinated advocacy and influence by having an independent entity

▷ Ability to raise revenue and return it to the trail network

▷ Reduction in duplication and effort associated with marketing and promoting the trails and sourcing funds for trail investment

▷ Ability to attract large events given the co-ordinated effort across state and local government in terms of marketing, and social licence

▷ Ability to engage and develop relationship with local businesses who benefit from the trail network

▷ Greater community buy-in and ownership of the trails

▷ Sustainable funding sources for further development of the trail network will be an ongoing challenge although successful models exist elsewhere in the world including several in New Zealand and the UK. It will need to develop a Strategic Plan to ensure it has opportunities from which to grow revenue sources.

Other risks and challenges include:

1) **Competing funding priorities for state government agencies and Yarra Ranges Council resulting in under resourcing**

2) **Competition for funding between mountain bike groups and rail trail development needs result in funding allocated based on lobbying, not on a robust strategy for development needs**

3) **State agencies not willing to become a member of an Association**

4) **The costs of establishing an entity are relatively low but ongoing insurances and management costs need to be considered (it is noted that an Association has generally lower costs than a Public Company)**

5) **The entity drops below 5 members (a requirement under law) forcing a change in structure to a company structure, or reverting to agency management**

6) **The Trails entity is increasingly asked to fund a deficit, resulting in financial burden on the enterprise leading to an inability to provide sufficient funds for track maintenance**

7) **Volunteer burn out making it difficult to sustain momentum with the community**

8) **Non-delivery of commitment of some trail partners to maintain the trails.**

9) The recommended model is subject to further discussion with Yarra Ranges Council and key stakeholders in the trail network.

10) It is recognised that the regulatory framework will need to be tested to determine how this model could be enabled.

11) It is recommended that Yarra Ranges Council host a workshop with its trail partners to discuss options and determine the recommended model. It will be important to determine how the recommended model can be activated within the current regulatory framework and what, if any legislative change, would be necessary to enable the recommended model. Note that the applicability of the recommended model to other trails in Victoria is likely.

4.7 Measuring success

It is expected that after five years of the new governance model the following outcomes will be visible and be able to be seen through robust survey tools undertaken of users of the trails:

The new model is operational with management accountability and operational responsibilities clearly defined.	A new entity is in place to undertake revenue raising functions to support the Yarra Ranges new and existing trail network
The Yarra Ranges Trail network is clearly branded and marketed with signage and interpretation linked to the new entity	Management Plans are operational for existing and proposed trails
Essential maintenance is carried out regularly	New and revitalised trails and associated facilities and services are offered to visitors to the Yarra Ranges
Commercial partners are operating under the new management system effectively	The trails and the broader destination experiences continued growth in visitor number

APPENDIX 1: Schedule of stakeholders consulted

Organisation	Contact	Telephone	Mobile	email
YARRA RANGES TOURISM	Simon O'Callaghan/ CEO	8739 8000	0408 386 135	**simon@yarrarangestourism.com.au**
DELWP	Chris Eagle / Assistant Chief Fire Officer		0428592502	**Chris.Eagle@delwp.vic.gov.au**
DELWP	Richard Wadsworth / State-wide Recreation and Tourism Coordinator	8685 2625	0400 718 789	**richard.wadsworth@delwp.vic.gov.au**
Parks Victoria	Melanie Odendaal / Senior Commercial Services Officer	8427 2458	0408 335 912	**melanie.odendaal@parks.vic.gov.au**
Parks Victoria	Craig Bray – District Manager	9760 1501	0409 179 036	**craig.bray@parks.vic.gov.au**
VicTrack	Mirella Zeatin	9619 8779	0424 507 162	**mirella.zeait@victrack.com.au**
VicRoads	Parkin Pirakalathanan / Transport Specialist, Active Modes and Amenity	9881 8028		**Pirakan.Pirakalathanan@roads.vic.gov.au**
Melbourne Water	Steve Hosking	9724 3118	0419 999 713	**steve.hosking@melbournewater.com.au**
Upper Yarra Enterprise	Geoff Vickers Executive Officer	5966-9028		**geoff@upperyarra.net.au**
Yarra ranges Council Staff	Leon Hassell James Collins Robyn Mansfield Julee Scott Kym Murphy Lou Zarro Craig Sutherland Seamus Cale Bronwyn Grass			
Economic Community/ Development Groups	Phil Wallens, and Peta Godenzi Warburton Valley Community and Economic Dev Association	0400 541 780		**pwallens@bigpond.com.au**
User Groups	Damian Auton, President Yarra Ranges Mountain Bikers			**president@yrmtb.com.au**
Yarra Ranges Council	**Councillor Jim Child**			
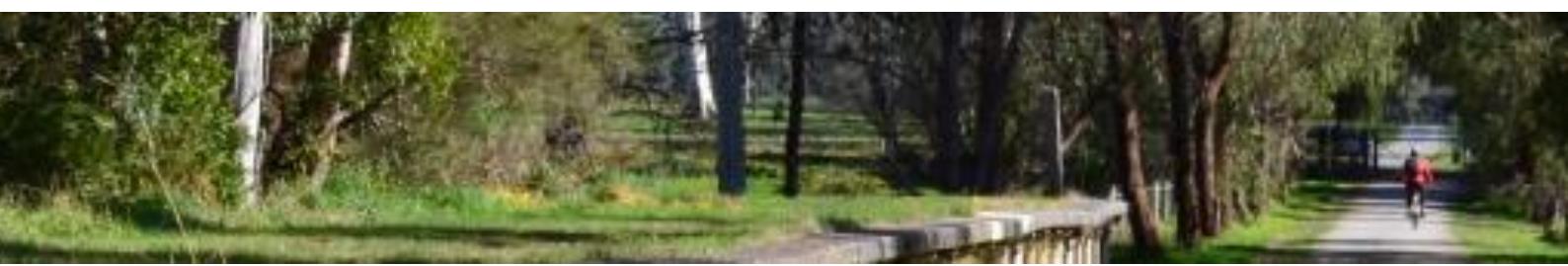
APPENDIX 2: Trail Case Studies

Several case studies of governance and business management approaches for different types of trails in Australia and New Zealand are provided below. The case studies illustrate the structure of trail governance; how trail management business has been conducted; and the advantages and disadvantages of the approaches used for each trail.

APPENDIX 2.1 MURRAY TO MOUNTAINS RAIL TRAIL

The Murray to Mountains Rail Trail is one of Australia's most well-known and developed rail trails and is open to use by cyclists (the main users), walkers and horse riders. The Trail covers over 100 km of sealed track on former railway line from Wangaratta to Bright through the Ovens Valley in northern Victoria, with side routes to the historic town of Beechworth and through the wine district of Rutherglen. Development of the trail commenced in 1998 aided by a $2 million Victorian Government grant for construction of Stage 1 which opened in 2002. Since then trail development gradually progressed as grant funding became available. Linked visitor experiences, accommodation and visitor services in the towns and areas near the trail were also gradually established. The trail is now in a consolidation phase, with a linked trail from Bright to Harrietville under development and a further link from Beechworth to Yackandandah proposed subject to funding.

The areas through which the trail passes have numerous food and wine, heritage and nature-based attractions and a wide range of accommodation, tours and services packaged into different sections and experience themes ('family friendly', 'foodie favourites', 'nature lovers'. The website also provides information on trail maintenance and closures. There are several guided cycling tours on the trail (such as gourmet cycling tours) and bicycle hire, repair and transfer services are available.

Surveys of trail users during Easter in 2003, 2006 and 2009 estimated that rail trail visitors contributed direct expenditure of $112, $258 and $244 per day respectively into the regional economy[13].

The Murray to Mountains Rail Trail has been governed and coordinated by a Committee of Management appointed by the three Councils which the trail traverses - City of Wangaratta (about 40% of the Trail), Indigo Shire (about 20%) and Alpine Shire (about 40%). The roles and responsibilities of each Council are set out in an MOU and backed by local government legislation. Each Council is responsible for trail operations in its area while marketing and promotion is conducted by Tourism North East, the relevant Regional Tourism Organisation. In 2016 the three Councils (in consultation with Tourism North East) agreed to change the Trail's management structure now that the main trail has been completed and consolidated[14]. The Committee of Management is to be revoked and management of the sections of the Trail within each LGA is to be conducted directly by the relevant Council given the main development focus of the Committee has been successfully completed.

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[13] Beeton, S (2009). *Cycling in Regional Communities: A longitudinal study of the Murray to Mountains Rail Trail, Victoria, Australia*. Research Report, La Trobe University, Bundoora

[14] Information obtained from Alpine Shire Council, *Ordinary Council Meeting Minutes, 5 July 2016*, Agenda Paper – Dissolution of Murray to Mountains Rail Trail Committee of Management.
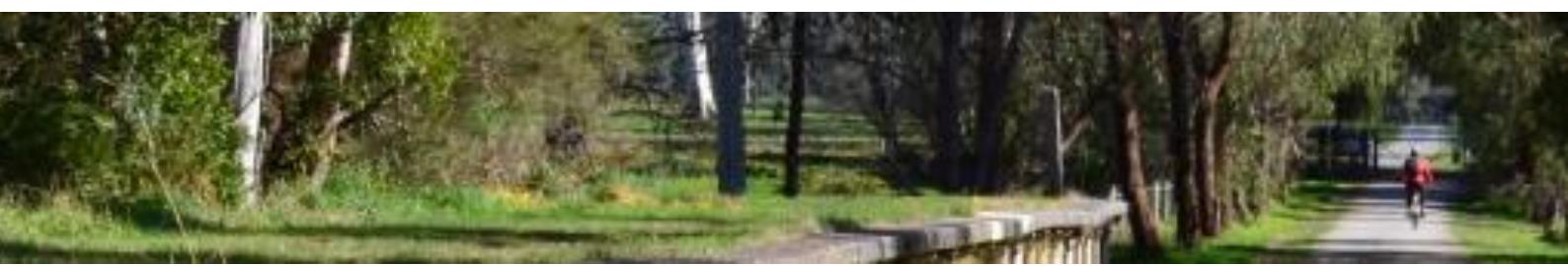
OUTCOMES – ADVANTAGES AND DISADVANTAGES

▷ The three Councils involved were committed to development of the trail over time, fulfilling the Committee of Management arrangement and committing Council funds to trail management. On-going commitment was aided by recognition of the importance of the Trail for tourism in local, regional and state strategies and survey studies demonstrating the visitor expenditure flowing from trail use.

▷ Development of linked trail products by local businesses and coordinated packaging of trail experiences occurred very gradually and was greatly assisted in recent years by Tourism North East's role in marketing and promotion and the general development of the region for cycle tourism.

▷ Development of the trail was dependent on government grant funding. The ability to gain grants was assisted by the Trail's priority status in state, regional and local strategies.

▷ Trail funding appears to have been limited to grants and Council funds. Other funding sources such as donations, sponsorship, fees and merchandise do not appear to have been utilised.

▷ It is unclear whether the proposed change to separate Council management of trail sections in each LGA will affect overall coordination and visitor experience development – this will become more apparent as time progresses.

MURRAY TO MOUNTAINS RAIL TRAIL	
Visitation	Published trail counter data for 2016[15] shows a count of 42,914 at Bright (a tourism town at the southern end of the trail) and 10,964 at Ovens (in the middle of the trail route). However, as many people cycle the trail in short sections, some double counting of return trips is likely.
	The trail is a popular family destination at holiday periods, especially Easter. It also attracts holiday visitors in the middle age groups. A survey[16] in Easter 2009 indicated that most visitors to the trail come from Victoria (particularly Melbourne) and NSW. About 50% of respondents were aged between 41 and 60. A high percentage (63%) came specifically to cycle; 26% cycled the entire trail and 60% cycled the most scenic sections. Over half rode between 41 and 80 km a day and 22% rode 21 to 40 km.
Land Tenure	Crown Land reserved for public purposes as Rail Trail Reserve in the City of Wangaratta, Indigo and Alpine Shires.
Governance & Management	The **initial governance structure** for the Murray to Mountains Rail Trail was a Committee of Management (appointed under s. 14 of the *Crown Land (Reserves) Act 1978*) comprised of representatives of the 3 Councils through which the trail passes. ▷ A MOU was concluded between the three Councils agreeing on responsibilities for construction and maintenance of the trail within their respective areas. ▷ Each Council passed a Local Law[17] setting out the powers of the Committee of Management and the use and control of the Rail Trail Reserve, including permissible activities, protection of natural and cultural assets, issue of permits and licences and enforcement.

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[15]https://data.gov.au/dataset/murray-to-mountains-rail-trail-counts/resource/f89a1c35-73de-4ec9-b71f-64215c0af803?view_id=8aa5aa87-a820-4c2c-bebb-108649e37ad5

[16] Beeton, S (2009). *Cycling in Regional Communities: A longitudinal study of the Murray to Mountains Rail Trail, Victoria, Australia*. Research Report, La Trobe University, Bundoora.

[17] For example, Alpine Shire Council, *Murray to the Mountains Rail Trail: Local Law No 7.*

MURRAY TO MOUNTAINS RAIL TRAIL	
	▷ Advice and expertise was provided to the Committee of Management through three sub-committees – user groups, technical (including council engineers and maintenance personnel) and cycle tourism (which appears to have been wound up when the tourism function was taken over by Tourism North East. In 2016 it was announced that the Committee of Management would be revoked and that trail management would be conducted directly by each Council. This is proposed to be put in place through an MOU that would set out Council responsibilities and primary contacts for correspondence. An overview would be provided across the three Councils by a strategic directions group which would identify long term visions for trail growth and development. A proposed technical reference group would provide advice on maintenance.
Staff	Council staff and authorised officers carry out trail-related administration (such as issue of permits and licences), maintenance and enforcement within their relevant areas.
Stakeholder Engagement & Partnerships	Under the Committee of Management arrangements, the User Group Sub-Committee and Cycle Tourism Sub-committee included representatives of user groups (such as bike clubs and the cycling community) and local tourism respectively. It is not known how stakeholders will be represented under the proposed new arrangements.
Planning	The Murray to Mountains Committee of Management developed strategic plans in 2008, 2010 and 2012. Continuing development of the Trail was identified as a priority in state and regional strategies[18] and the Trail is designated as of international/national significance under *Victoria's Trails Strategy 2014-24*. The Murray to Mountains Rail Trail and cycle tourism in general are recognised as key aspects of tourism in Tourism North East and Council strategies.
Operations	Maintenance is conducted by Council staff in each Council area to agreed standards through a technical reference group.
Funding & Financial Management	Under the Committee of Management model each Council contributed to the Committee's budget. Allocations are made within the budget of each Council for trail maintenance. The 2016-17 allocation in Alpine Shire was $26,000[19].
Marketing & Promotion	Initially trail users were left mostly to develop their own experiences aided by provision of maps and basic information. Over time the promotion of the trail and development of linked experiences has improved. Trail marketing and promotion is conducted by Tourism North East which operates the official trail website – www.ridehighcountry.com.au . TNE have a focus on riding the high country as a major marketing platform in their strategy. The Murray to Mountains Rail Trail is now an integral part of the local and regional tourism offer. The Trail is packaged and actively promoted by Tourism North East which hosts the official trail website - www.victoriashighcountry.com.au/murray-to-mountains-rail-trail.

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[18] Victorian Government (2004), *Victorian Trails Strategy 2005-2010*; Tourism Victoria (2011), *Victoria's Cycle Tourism Action Plan 2011-2015*; Community Vibe (July 2014), *Hume Region Significant Tracks and Trails Strategy 2014-2023*; Victorian Government (July 2014), *Victoria's Trails Strategy 2014-24.*

[19] Alpine Shire Council, *Budget Report – 2016/2017.*

MURRAY TO MOUNTAINS RAIL TRAIL	
	The trail benefits from the overall development of the region as a cycling destination and its promotion for road cycling and mountain biking in addition to trail riding. This has assisted the development of cycling-related products and services which benefit from the wider cycling visitation.
Data Collection	Trail counters are placed along the trail. Surveys of trail users were undertaken in Easter 2003, 2006 and 2009 as part of research into the economic impact of rail trails conducted by Professor Sue Beeton of La Trobe University.

APPENDIX 2.2 BIBBULMUN TRACK

The Bibbulmun Track is one of Australia's premier walking tracks, stretching 1,000 km from Kalamunda (near Perth) to Albany in Western Australia and passing through the extensive south west forests and the scenic coastal heathlands near Albany. Accessible from numerous towns along the route, the track is usually walked in short day or multi-day segments. Accommodation is provided at specially constructed trail campsites (which have basic shelters and amenities) or in towns along the route.

Development of the track involved a sustained effort by the community, government agencies and business interests over many years. The northern part of the track was constructed between 1974 and 1979, parts were overhauled and realigned in 1987-88, and a major upgrade and extension of the track to Albany commenced in 1994 modelled on the concept of the long-distance Appalachian Trail in the US. The whole track was opened in 1998. Since then usage of the track has grown, sustainable management and funding arrangements have been developed, and commercial products and community activities on the Track have increased.

The Bibbulmun Track offers numerous opportunities for independent walking ranging from short strolls to multi-day walks and wilderness camping and assisted by the comprehensive information provided by the Bibbulmun Track Foundation. The Foundation has developed specific products which are bookable online including:

▷ *Bibbulmun Walking Breaks* (all-inclusive packaged short breaks with day walking on the track and accommodation in a nearby rural town developed in partnership with local operators)

▷ guided tours of 8 or 9 days with day walking on a variety of track sections

▷ guided walks of different lengths and for different ages and abilities offered at a moderate price

▷ a range of group walk, activity and team building products

▷ expedition planning assistance for school and youth groups

▷ courses, seminars, workshops to groups, schools and the community on topics such as first aid, walking food, gear and long walk planning.

Several commercial tour operators also offer products on the track.
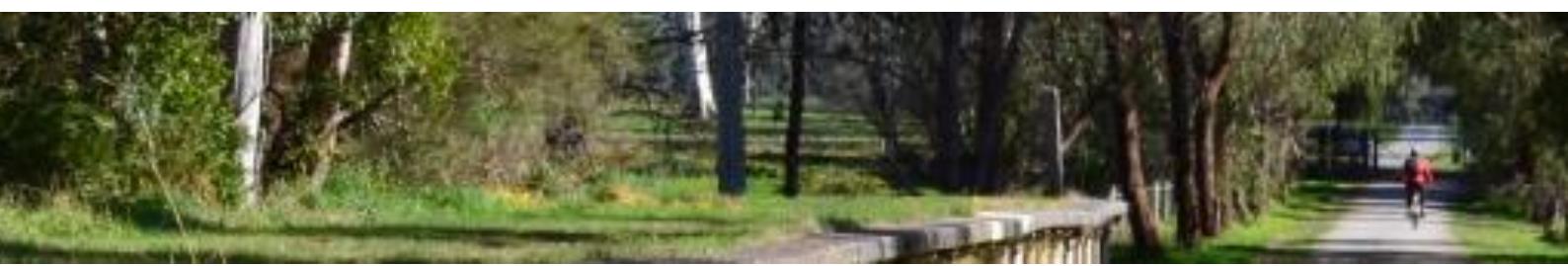
In 2014-15 it was estimated that an average of $30.95 a day was spent by day users, and $45.09 a day for overnight walkers respectively. Overall Bibbulmun Track walkers were estimated to contribute $13.1 million in direct expenditure to the areas around the track[20].

The Bibbulmun Track is managed as a partnership between the Department of Parks & Wildlife (DPaW), which is the land manager, and the Bibbulmun Track Foundation which is responsible for community involvement coordination, volunteer management, track promotion, advocacy and fund raising.

The Foundation is managed by a ten-member Board of Management. Current board members include the Peregrine Travel, WA (chair), six representatives from the "community" (three business people and one educator), two representatives from Parks and Wildlife, one representative from Southern Development Commission (a statutory authority). It has a full-time paid Executive Director and many volunteer staff.

The Foundation has many corporate sponsors – Premier (1), Gold (1), Silver (1), and Bronze (7). Importantly, the Foundation has developed several paying events on the Track to support its ongoing work. Outcomes – Advantages and Disadvantages:

▷ Development of the track over time owed much to the involvement of committed people (from the community, the private sector and government) with a vision for the track and with the skills, connections and influence to lobby for government support and funds and draw on a wide range of partnerships to create effective mechanisms for track management.

▷ Success in gaining grant funding and voluntary assistance from a variety of sources over time was critical to maintain progress in constructing the track.

▷ The Bibbulmun Track Foundation has been highly successful in developing a sustainable track business over time through use of diverse people and financial resources. In addition to an extensive volunteer program and grant funding it has been able to obtain and earn revenue from a wide range of sources to reach an operating surplus and obtain 33% of its net income from sale of its own products and services.

▷ The Foundation has also harnessed and further developed a supportive track community (covering user groups, the public and the government and private sectors) with a strong sense of stewardship for the track and a willingness to make voluntary contributions (in kind or money) to track management or to enter partnerships to assist maintenance or deliver visitor experiences.

▷ The success of the Foundation has been assisted by a Board of high profile people with the skills and commitment to drive the vision for the Track on a voluntary basis.

▷ The Bibbulmun Track experience has a strong community and walker focus aimed at local people and groups, Western Australian residents and domestic visitors. Development of parts of the track as an iconic visitor experience with exclusive high-end experiences (such as on the Great Ocean Walk and the Overland Track) has not been a focus – though there have been some recent proposals for such developments from tourism stakeholders. The walker friendly business scheme and related online information (that assists walkers to put together their own experiences) is not as developed or streamlined as on tourism trails such as the Great Ocean Walk.

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[20] M Hughes, A Smith & M Tuffin (2015), *Bibbulmun Track User Survey Report 2014-15 - A report for the Bibbulmun Track Foundation and Department of Parks and Wildlife, Western Australia*. Murdoch University.

BIBBULMUN TRACK	
Visitation	Estimates based on track counters indicate that over 300,000 visitor days are spent on the Track a year, half of which are thought to be day walks[21]. A 2014-15[22] survey of track walkers show that single day and shorter multi-day walks along segments of the track form most trips. Most walkers are from WA, with an estimated 4% of users coming from other parts of Australia and 3% from other countries.
Land Tenure	Various, mostly on public land in national parks, conservation reserves and state forest. Considerable effort was made to choose a route that minimised conflicts with other land uses.
Governance & Management	**Management Partnership – DpaW & Bibbulmun Track Foundation** The roles and responsibilities of the two organisations are set out in an MOU. ▷ DPaW is the track land manager, responsible for its overall management and maintenance ▷ The Foundation provides support for Track management; encourages use and development of the Track; encourages and manages track maintenance volunteers and other community-based involvement; raises funds and acts as an advocate for the Track in government forums. It has primary responsibility for marketing and promotion of the Track. Originally development of the Track was carried out by the Department of Conservation & Land Management (CALM) (the predecessor of DPaW) with the 1994 track upgrade project guided by a steering committee of representatives of regional development, tourism and bushwalking interests. At the end of construction formation of a 'Friends of the Bibbulmun Track' organisation (now the 'Foundation') was proposed to guide management, marketing and maintenance of the Track. The proposed role of the Foundation as a Track management partner was initially opposed by CALM. Strong lobbying and support for the foundation among influential people led to its formation in 1997 and inclusion of CALM representatives on the Board[23]. **Bibbulmun Track Foundation Structure** The Foundation is a not-for-profit organisation incorporated under the WA *Associations Incorporation Act 1987* (and named 'Friends of the Bibbulmun Track' until 2002). The organisation operates under the *Bibbulmun Track Foundation Incorporated Rules 2009*. It is: ▷ membership-based (with 2,489 members at 30 June 2016[24]) ▷ governed by a voluntary Board consisting of from 4 to 7 members elected by the Foundation membership, and 2 members who are employees of DPaW ▷ managed on a day-to-day basis by an Executive Director appointed by the Board and by staff employed by the Foundation. Although most Board members are elected from the membership, in practice the Board is strong in skills relevant to the Track. In 2016, Board members had experience in nature-based tourism, planning, regional development, training and development, legislation and information technology in addition to the skills of DPaW representatives.

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[21] Bibbulmun Track Foundation (2016), *Bibbulmun Track Annual Report 2015-2016*.

[22] M Hughes, A Smith & M Tuffin (2015), *Bibbulmun Track User Survey Report 2014-15 - A report for the Bibbulmun Track Foundation and Department of Parks and Wildlife, Western Australia*. Murdoch University.

[23] Bibbulmun Track Foundation, *The formation of the Bibbulmun Track and the Bibbulmun Track Foundation*, wwew.bibbulmuntrack.org.au.

[24] Bibbulmun Track Foundation (2016), *Bibbulmun Track Annual Report 2015-2016*.

BIBBULMUN TRACK	
Staff	Track management is supervised by staff in DPaW's Recreation and Trails Unit. Some trail-related management and maintenance tasks are undertaken by DPaW staff in the Districts along the Track.
	The Bibbulmun Track Foundation has an office in the Perth CBD. The Foundation's staff has grown gradually from the original staff of one part-time staff member and a volunteer in 1999. At 30 June 2016, its staff consisted of the Executive Director; Office Manager & Volunteer Coordinator; Events Manager & Lead Guide; Office Administrator; Marketing Coordinator; Administrative Assistant[25].
Stakeholder Engagement & Partnerships	The Bibbulmun Track has seen a high level of community involvement in planning, management and use from its inception, when private bushwalkers were involved in the proposals for the original track development and the concept for its upgrading. Involvement and commitment from the community, land management agencies, local businesses and industry has been sustained throughout the development and operation of the Track.
	The Bibbulmun Track Foundation is the focus for community and stakeholder engagement and involvement in Track management and track user experiences. It both operates volunteer programs and sponsorship partnerships and provides training, services, events and information.
	▹ Around 300 volunteers participate in the *Eyes on the Ground* Maintenance Program where teams of volunteers adopt a section of track, carry out a maintenance and reporting schedule and attend annual Maintenance Field Days. An incentives program offers rewards (such as gift vouchers, national park passes) linked to the number of hours volunteered in a year.
	▹ Partnerships with local businesses are used to sponsor specific programs, activities and track work (for which each sponsor is acknowledged) – such as the volunteer maintenance program, first aid training, incentive prizes for volunteers. Major sponsors include several mining companies in the area of the Track, outdoor equipment companies and adventure travel operators. Sponsorship levels are set in increments between $2,500 and $50,000.
	▹ The *Walker Friendly Business Program* connects walkers with accommodation, cafes and restaurants, equipment suppliers and tour and transport operators along the track. For a fee of $150 a year participating businesses receive marketing benefits, information, priority use in Foundation tour products and packages, and links on the track website.
	▹ Fundraising facilities are provided for individuals and groups to hold events (such as walkathons, parties) to raise funds for the Bibbulmun Track.
	▹ A comprehensive range of services, events, activities and information assist people to appreciate walking the track and gain a sense of participating in the track community.
Planning	The Foundation has a strategic plan that aims to ensure the long-term sustainability of the track and maintain the quality of the walking experience.
Operations	▹ Overall Track management is coordinated by DPaW's Recreation and Trails Unit based in Perth.
	▹ DPaW District staff manage and supervise local operations on a day-to-day basis.

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[25] Bibbulmun Track Foundation (2016), *Bibbulmun Track Annual Report 2015-2016*.

BIBBULMUN TRACK		
	▷ Bibbulmun Track Foundation volunteers undertake regular track maintenance for particular track sections. Foundation volunteers contributed almost 22,000 hours to assist Track management and maintenance in 2015-16[26]. ▷ Residents of minimum security detention facilities carry out construction and maintenance in some areas under an MOU with DPaW. Prison labour partnerships have been used on the Track since 1994. The work is used as training and reintegration programs for prisoners.	
Funding & Financial Management	Funding for major track infrastructure construction between 1994 and 1998 was sourced from CALM, a $1.38 million Federal Government Grant (obtained in 1996), some private contributions, the Green Corps Aboriginal Traineeship Scheme, and the use of labour provided by prison work crews, unemployment programs and volunteers. The 1996 grant contained an allocation for future management and was used to set up the Foundation's office and commence marketing. Since then funding for the Track has consisted of DPaW budget allocations and grant funds; WA's Trails Grants Program; and funds raised by the Foundation. Grants to the Foundation from the WA Department of Sport & Recreation Trails Grants Program (which utilises monies from Lotterywest) have been used for planning, construction and promotion projects - such as visitor surveys, presentations to schools and youth groups, installation of interpretation panels, production of brochures, website development and construction of a spur trail and campsites. The Foundation has been able to diversify its income through donations, fees for service, membership fees, sponsorship and income earned from its products to improve its financial status. At 30 June 2016, it had net assets of $669,218 and was operating at a surplus[27]. Its gross income from its key revenue streams in 2015-16 was $587,952, consisting of:	

Donations	$44,641	7.59%
Fee for service	$67,500	11.48%
Grants	$6,925	1.18%
Interest	$10,722	1.82%
Membership	$70,294	11.96%
Sponsorship	$78,478	13.35%
Earned Income (including from Bibbulmun Walking Breaks, tours, guided walks, hire of gear, fundraising events and merchandise)	$309,392	52.62% (or 33% net, after costs deducted)

Marketing & Promotion	The Foundation has primary responsibility for marketing and promotion of the Track and it employs a Marketing Coordinator for this purpose. The Foundation's comprehensive website (www.bibbulmuntrack.org.au) is a major element in its marketing and promotion. The website has evolved into a 'one-stop-shop' for comprehensive Track information, guidebooks and maps, trip planning, Foundation tour products and packages, events and merchandise which can be booked and purchased online. Links are provided to accommodation and services at each town along the Track.
Data Collection	User surveys and studies of the economic impact of Track use were conducted in 2003, 2008 and 2014-15. User counters are placed in various positions on the trail.

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[26] Department of Parks and Wildlife (2016), *2015-16 Yearbook.*

[27] Bibbulmun Track Foundation (2016), *Bibbulmun Track Annual Report 2015-2016.*
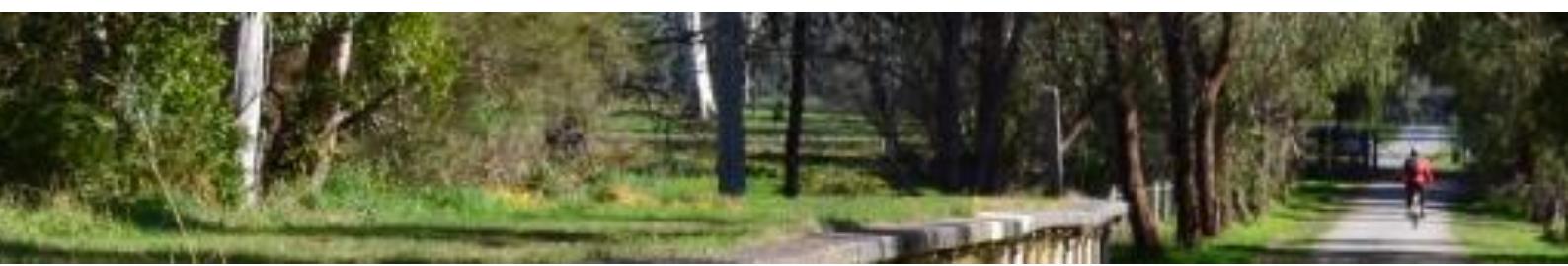
APPENDIX 2.3 FORREST MOUNTAIN BIKE TRAILS

The Forrest Mountain Bike (MTB) Trails form a network of 16 trails covering 66kms to the north and south of the small town of Forrest in the Colac Otway Shire about 30kms south of Colac and 36kms from Apollo Bay in Victoria. There are two main trailheads with carparks, signs, toilets and shelter. There are a range of trails, mostly rated in the intermediate to advanced skill categories. Several annual competitive and participation events, including the Otway Odyssey, one of Australia's major marathon events and the Forrest Festival. Support services and amenities in Forrest include local suppliers of bike hire and repair, guided MTB tours and MTB skills courses. Some mountain bike friendly accommodation is provided in and near the town.

Formal trail development was undertaken between 2004 and 2007 by the then Department of Sustainability and Environment (now DELWP) with input from Parks Victoria and Colac Otway Shire. The trails and associated tourism developments were part of efforts to diversify the local economy and encourage tourism in the wake of the reduction of logging in the region. The Forrest MTB Trails have contributed to economic and social rejuvenation of the town.

Overall management and maintenance of the trails is undertaken by DELWP, with maintenance assistance from volunteers from the Forrest Mountain Bike & Cycling Club and promotion and information through a website operated by local volunteers. As noted in the 2014 *Forrest MTB Strategic Plan* a defined management and coordination structure has been lacking and ongoing funding for trail and experience development has been limited[28]. The trails have reached a point where changes are needed for further trail and visitor experience development. The 2014 Strategic Plan recommended the institution of a more cohesive management structure for the trails that would include agreement on agency roles and responsibilities; a decision-making format and structure; an approach to resourcing and funding; community input; and implementation of the Strategic Plan.

OUTCOMES – ADVANTAGES AND DISADVANTAGES

▷ Local MTB enthusiasts, user groups and local tourism operator efforts have made significant contributions to achieve trail and linked product development to date. The trails and linked product development have assisted in rejuvenating Forrest's economy.

▷ Funding for the trails is limited and there has been limited use of grants and other revenue sources. The Forrest MTB trails have been identified as a priority in regional trails planning, providing potential opportunities to leverage grant funding and other investment if resources and structures are in place to organise and coordinate the effort.

▷ Lack of resources and a defined governance, management and coordination structure has impacted on the development and management of the trails and product development. This includes diversification of trail types for beginner and family markets; resolving logistics of connecting the two parts of the network; management of events and impacts on the town; sustainable trail maintenance (including impacts resulting from events); and facilitation of visitor experience development.

▷ Further development of services and accommodation is needed in Forrest and surrounding areas to realise the future tourism potential of the trails and cater for peak visitation and events. More effective mechanisms to mobilise community and business support are desirable to develop trail experiences to attract more markets.

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[28] Thompson Berrill Landscape Design P/L (October 2014), *Forrest MTB Strategic Plan*.

FORREST MOUNTAIN BIKE TRAILS	
Visitation	Trail use is estimated as 22,000 MTB riders a year[29]. It has been estimated that the Otway Odyssey attracts up to 20,000 visitors to the town and region[30].
Land Tenure	The trails are located on Crown Land held under several tenures by the Department of Environment, Land, Water and Planning (DELWP), Barwon Water (BW), Parks Victoria and Colac Otway Shire Council.
Governance & Management	Overall trail management[31] (across the different tenures) is undertaken by DELWP which has been responsible for: ▷ trail development and maintenance, signage and risk management ▷ organising the Forrest Mountain Bike & Cycling Club volunteer maintenance work program. A Forrest Mountain Bike Trails Committee of Stakeholders has coordinated operational matters. A Strategic Plan prepared in 2014 recommended the institution of a more cohesive governance and management structure for the trails.
Staff	DELWP staff conduct trail-related administration and co-ordination. There is a general District maintenance crew based in the Forrest Depot which is involved in trail and trailhead maintenance.
Stakeholder Engagement & Partnerships	The Forrest Mountain Bike & Cycling Club has been closely connected with development and maintenance of the trails. The Club has several trail maintenance meetings a year with DELWP.
Planning	Trail planning - The 2014 Forrest MTB Strategic Plan sets out actions and recommended mechanisms for trail development and improved governance, management, maintenance and experience development. The Plan has been adopted by the Colac Otway Shire Council and DELWP and trail maintenance upgrades have been carried out. Regional Trail planning - The 2015 Adventure Trails Cycle Tourism Strategy[32] for the region identifies the Forrest trails as a leading MTB hub for priority funding and development.
Operations	DELWP works crews and Forrest Mountain Bike & Cycling Club volunteers conduct maintenance.
Funding & Financial Management	Funding for the Forrest trails is identified as critical in the 2014 *Forrest MTB Strategic Plan*. Regional Development Victoria assisted with funding for this Plan. DELWP has a limited budget for trail management and maintenance. The Forrest Mountain Bike & Cycling Club uses income from club events and donations to assist with trail maintenance. Colac Otway Council also has few financial resources to assist with trail management.
Marketing & Promotion	Information about the Forrest MTB trails and visitor promotion is mainly provided through the Ride Forrest website (www.rideforrest.com.au) which is presented as the 'Official Website of the Forrest Mountain Bike Trails'. The website is operated by a private individual and is largely directed at MTB enthusiasts and the local MTB community. There are links to event sites, accommodation and services. Marketing and positioning of the trails does not meet contemporary standards.
Data Collection	Unknown.

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[29] Colac Otway Shire Council Media Release (26 March 2015), *Forrest mountain bike strategy adopted*,
http://www.g21.com.au/news/forrest-mountain-bike-strategy-adopted

[30] Thompson Berrill Landscape Design P/L (October 2014), *Forrest MTB Strategic Plan*.

[31] Thompson Berrill Landscape Design P/L (October 2014), *Forrest MTB Strategic Plan*.

[32] TRC Tourism (June 2015), *Growing Adventure Tourism in the Barwon South Region: Cycle Tourism Strategy 2015-2020.*
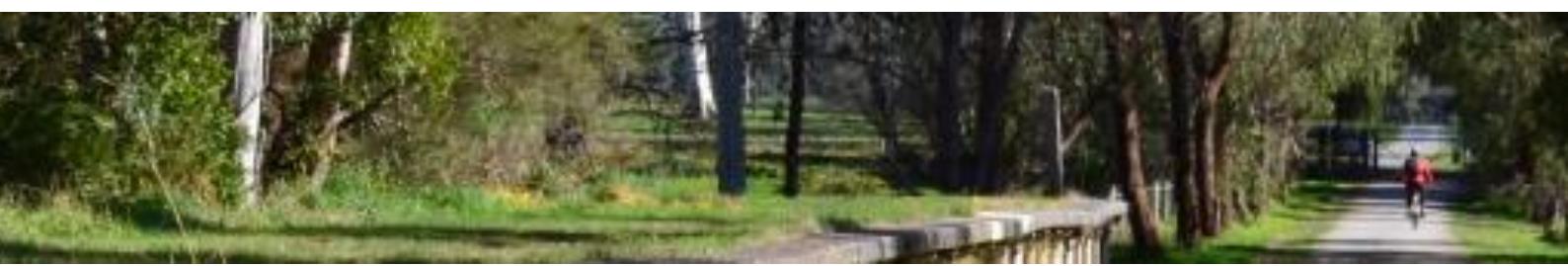
APPENDIX 2.4 MOUNT BULLER BIKE PARK

The Mount Buller Bike Park is an internationally recognised summer MTB destination that provides for a range of downhill and cross-country mountain biking within and near the Mount Buller alpine resort in the Victorian Alps. Summer downhill mountain biking utilising the ski lift infrastructure began on the ski slopes in the 1980s. Since then a network of cross-country trails, other MTB facilities and linked products have been developed to increase the resort's summer visitation and its viability in the face of climate change. The Bike Park offers over 100 km of cross-country MTB trails (including 40 km of single-track, the 40 km Australian Alpine Epic Trail and a signature endurance trail); four downhill MTB trails serviced by ski lifts; two skills parks and a pump track[33]. Guided tours and skill training products are offered together with a range of competitive and participative events. Within the resort there are bike-related services and bike-friendly accommodation providers. Mountain bike visitors also have opportunities to participate in other activities and experiences offered in the resort and surrounding areas.

The scale, quality and variety of the facilities in Mount Buller Bike Park have been recognised by its accreditation as an International Mountain Bicycling Association (IMBA) 'Ride Centre'. It has also received IMBA Epic Ride status for the Australian Alpine Epic Trail. The Epic Trail crosses the Mt Buller and Mt Stirling Resorts (which are both managed by the Board), Mansfield State Forest (which is managed by DELWP) and the Mt Russell Education Area (which is managed by Parks Victoria). The Trail is managed under MoU which makes provision for the Board to manage and have responsibility for the Epic Trail over all land types.

Overall the MTB trails are managed and marketed by the Mt Buller and Mt Stirling Alpine Resort Management Board (the ARMB), also known as 'Mt Buller Mt Stirling Resort Management'[34]. The Bike Park is primarily a facility within a resort managed by a government statutory authority.

OUTCOMES – ADVANTAGES AND DISADVANTAGES

▷ Development of the Bike Park and associated visitor experiences have benefited from control by a single organisation, the ARMB, with land and asset management, recreation, tourism, marketing and promotion functions over the resort area and an established staffing structure and an operational budget geared to resort activities.

▷ The ARMB has been able to develop workable partnerships with government agencies, local government and tourism stakeholders to assist in trail development, linked product development, marketing and promotion.

▷ In addition to ARMB budget allocations and grant funding, the ARMB utilises funds from donations, sponsorship and sales to assist trail maintenance.

▷ Priorities accorded for development of the Australian Alpine Epic Trail under the Australian Alps National Landscape Program provided leverage for grant funding for that trail.

▷ Master planning for trail development and use of a leading trail building firm proved an effective approach to staged trail development.

▷ The ARMB has consulted widely with stakeholders and user groups in development and management of the Bike Park.

[33] http://bike.mtbuller.com.au
[34] http://rmb.mtbuller.com.au

MOUNT BULLER BIKE PARK	
Visitation	Total summer visitors to Mt Buller in 2014-15 were 89,695[35]. In 2015 (since the opening of the Epic Trail) trail usage in the Mt Buller Bike Park increased by 26%[36].
Land Tenure	Crown Land mostly in the Mt Buller Alpine Resort, with some trail infrastructure on neighbouring DELWP and Parks Victoria land.
Governance & Management	Overall management and coordination of the MTB trails is conducted by the **Mt Buller and Mt Stirling Alpine Resort Management Board** (the ARMB). The ARMB is a statutory authority under the *Alpine Resorts (Management) Act 1997* charged with the provision of essential services and managing assets and infrastructure within the resort area and responsible to the relevant Victorian Government Minister. Board members are appointed by the Minister and between them have relevant skills in administration, financial management, law, marketing, sport and tourism. It has a CEO and management staff.
	The **cross-country MTB trails** in the resort were constructed and are directly managed by the ARMB and partnerships are in place for management of trail sections on other tenures.
	The **downhill MTB trails** (on the ski slopes) are operated by Buller Ski Lifts (BSL), the ski lift owner and operator.
	Development and construction of the Australian Alpine Epic Trail involved a partnership between the land managers (the ARMB, DELWP and Parks Victoria), the Australian Alps National Landscape Committee Inc., Mansfield Shire Council Federal and State funding bodies. Ongoing management of the Epic Trail is subject to an MoU between DELWP and the ARMB making provision for the Board to manage and have responsibility for the Trail over all land types.
Staff	The ARMB has staff with trail management, event management and marketing responsibilities[37].
Stakeholder Engagement & Partnerships	The ARMB has a consultative approach to trail development and management and includes stakeholder representation and community consultation in its projects and decision making.
	The Buller Marketing Coordination Group has representatives from Mt Buller businesses and tourism stakeholders[38]. The Bike Buller Recommends Program is an incentive scheme for cycle-friendly accommodation providers[39].
Planning	**Trail planning** - A Master Plan was developed for the MTB trails and implemented in stages using a leading trail construction company.
	Regional planning – The Mt Buller Alpine Resort was identified as a focus area for tourism development in the 2010 Australian Alps National Landscape Tourism Strategy[40]. Development of the Epic Trail was earmarked as a priority action in that strategy.
Operations	Trail management operations and maintenance is conducted by the ARMB (cross-country trails) and BSL (downhill trails).
Funding & Financial Management	Trails development, management and maintenance funding is sourced from the budgets of the ARMB, government grants and the Mt Buller Bike Park Trail Fund. The latter Fund contains donations, sponsorship contributions and the profits from merchandise sales[41].
	Development of the Epic Trail was funded from a variety of sources - $125,000 from a Federal Government T-QUAL grant, $375,000 from Regional Development Victoria, $225,000 from the ARMB and $25,000 from Mansfield Shire Council[42].

[35] Mt Buller Mt Stirling Resort Management, *Mount Buller and Mount Stirling Alpine Resort Management Board Annual Report 2014-15*.

[36] Mt Buller Bike Park (2015), *Mt Buller Bike Park – transforming a snow resort to an epic bike destination*, presentation to the Australian Mountain Bike Summit, 7-8 December 2015.

[37] http://rmb.mtbuller.com.au

[38] Mt Buller Mt Stirling Resort Management, *Mount Buller and Mount Stirling Alpine Resort Management Board Annual Report 2014-15*.

[39] http://bike.mtbuller.com.au

[40] Inspiring Place (2010), *The Australian Alps National Landscape Tourism Strategy*, prepared for the Australian Alps National Landscape Inc.

[41] http://bike.mtbuller.com.au/trailfund.php

[42] http://rmb.mtbuller.com.au

MOUNT BULLER BIKE PARK	
Marketing & Promotion	Marketing and promotion is conducted by the ARMB under the 'Bike Buller' brand. A consistent, cooperative approach among stakeholders is assisted by the Buller Marketing Coordination Group and a resort marketing strategy. Some marketing services are also provided by the regional tourism board, funded by the ARMB. The Bike Buller website (bike.mtbuller.com.au) provides a comprehensive guide to the Bike Park and linked visitor experiences and accommodation. It also provides news updates and information for the mountain biking community.
Data Collection	Trail use and general resort visitation is monitored by the ARMB.

APPENDIX 2.5 QUEENSTOWN TRAILS

The Queenstown Trails are an example of a successful local government, land management agency and community partnership in developing and managing a major trail network for local community use and tourism. The Queenstown Trails form a world class trails network connecting communities and visitor destinations around Queenstown, an iconic summer adventure and nature-based tourism and winter ski destination on the scenic Lake Wakatipu in New Zealand's South Island. It consists of over 190 kilometres of quality cycling and walking trails and mountain biking facilities and includes the 120 km Queenstown Trail, one of 22 Great Rides in the New Zealand Cycle Trail developed as outstanding cycling journeys[43]. Most of the network is shared pathway offering easy to intermediate cycling, walking and hiking ranging from short to full day excursions. It also includes local commuting paths which are planned to be extended. Five mountain bike parks offer riding from beginner to advanced levels. The most popular parts of the trail network receive over 100,000 users a year.

There has been extensive development of trail related products, packages and events. This includes links to existing food, beverage, accommodation and tourism attractions (such as wine tasting, historic attractions and bungy jumping) and the emergence of new businesses that provide guided tours, shuttle services, bike hire, retail and event services. Queenstown is now one of New Zealand's major trail destinations for international visitors. In 2013 a report to the NZ Government estimated that cycle trail visitors on the Queenstown Trails contributed NZ$3.7 million in direct expenditure to the region between December 2012 and March 2013[44]. A further report in 2016 estimated that international visitors to the Queenstown Trails (about 46% of total trail users) spent NZ$219.42 per day in the region[45].

In addition, the trails are a significant local recreation, health, outdoor education, transport and economic development asset for the local population which is projected to increase from about 30,700 people in 2015 to 57,000 people in 2025[46]. About 40% of users of the Queenstown Tails are residents.

Consolidation of existing trails and development of new trails commenced in 2002 as a collaborative effort for integrated trail management involving the Queenstown Lakes District Council (the local government authority for the area), the Department of Conservation (the manager of some of the land traversed by the trails), the newly formed Wakatipu Trails Trust (now named the Queenstown Trails Trust), private landholders, the tourism industry, recreation groups and communities. Much of the trail network is managed by a partnership between the Queenstown Lakes District Council, the Department of Conservation (DOC) and the Queenstown Trails Trust with input from community groups, user groups and businesses.

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[43] TRC Tourism (2015), *Queenstown Trails for the future 2015-2025: A strategic plan for the Queenstown Trails Trust.*
[44] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report.*
[45] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report 2016.*
[46] Queenstown Lakes District Council ((2015). *Long Term Plan 2015.*
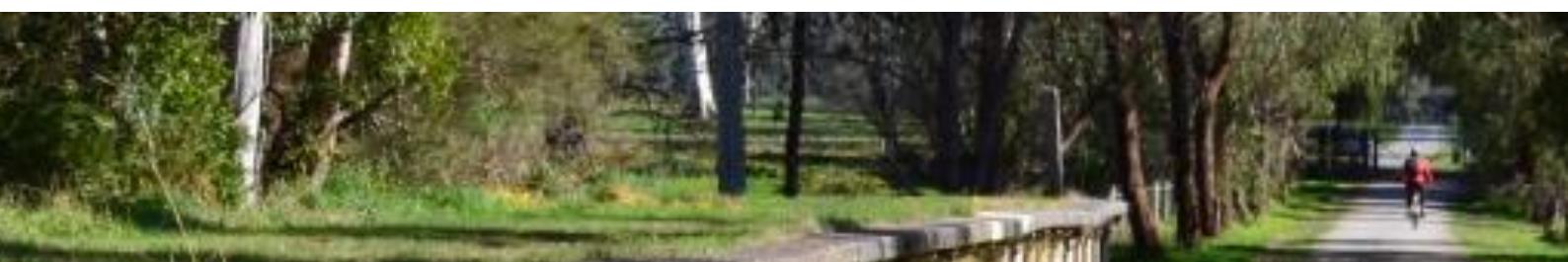
OUTCOMES – ADVANTAGES AND DISADVANTAGES

▷ Commitment, pro-active support and funding and other resource contributions by the community, local government and DOC has been vital to developing the trail network.

▷ There has been strong local business and community buy-in to the trails.

▷ Local government support has been important. Having the local Mayor on the Trust Board has been an advantage[47].

▷ The Queenstown Trails Trust and staff have skills, experience, community support and stakeholder connections to provide leadership and coordination.

▷ On-going strategic planning has greatly assisted integrated development and management of a trail network that involves a range of land tenures and multiple stakeholders.

▷ NZ Government support for trail development and cycle tourism through the National Cycleway Fund and the NZ Cycle Trail program has benefited the development of the Queenstown Trails and the exposure of the network to visitor markets. However, with the increased development of trails in NZ there is likely to be increased competition for government funding for trails.

▷ Sustainable funding sources for further development of the trail network and its ongoing maintenance is an important challenge for the Queenstown Trails Trust and its partners. The Trust has largely relied on fundraising activities, donations and returns from events to obtain funds, in addition to an annual contribution from Council. The 2015-2025 Strategic Plan recommends that the Trust diversify its revenue sources with mechanisms used by other trail management bodies including sales of maps and apps, operator contributions to trail maintenance and returns from concessions.

QUEENSTOWN TRAILS	
Visitation	There are over 100,000 users a year on the most popular parts of the trail network, with user numbers varying between areas. Most use of the trails occurs during the warmer months from October to April. About 40% of trail users are residents and 46% are international visitors (Queenstown being one of NZ's main international visitor destinations).
	In 2015 a total of 214,100 journeys by cyclists, walkers and event competitors was recorded on the 120 km Queenstown Trail[48]. The Skyline/Ben Lomond downhill mountain biking trails (serviced by a gondola) attract about 50,000 to 70,000 riders a year[49].
Land Tenure	The land in the trail network is held under a variety of tenures by the District Council, the Department of Conservation, Land Information New Zealand and easements and covenants over private land.
Governance & Management	**Partnerships for integrated management** of the trail network have been implemented through a binding MOU with the main partners.
	▷ The Queenstown Trails Trust is the governance entity which provides direction, coordination and integration, trail and experience development facilitation, fund raising, advocacy, promotion and data gathering. The Trust is a non-profit incorporated organisation established as a charitable trust under the NZ *Charitable Trusts Act 1957*. It is governed by a voluntary Board of Trustees who are appointed by the Queenstown Lakes District Council and the

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[47] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report 2016.*

[48] Kennedy, M (27 January 2016). *Queenstown Trail Visitation, Executive summary for Period – October 01 2012 to December 31 2015*.

[49] TRC Tourism (2015). *Queenstown Trails for the future 2015-2025*. Prepared for the Queenstown Trails Trust.

QUEENSTOWN TRAILS	
	Department of Conservation following public expressions of interest. Between them the current Trustees provide a range of relevant expertise and interests.
	▷ the Queenstown Lakes District Council is responsible for trail maintenance (in its area of responsibility), regulation, licensing of commercial activities, user monitoring, administration of development projects. The Council has an MOU with the NZ Government for maintenance of the 120 km Queenstown Trail which is one of the 'Great Rides' in the national NZ Cycle Trail program
	▷ DOC undertakes trail maintenance and development (in its area of responsibility), regulation, licensing of commercial operations, user monitoring.
	The **Queenstown Mountain Bike Club** is largely responsible for development and maintenance of the mountain bike parks by volunteers. Gondola access to the Ben Lomond MTB trails is provided by the operator, Skyline Enterprises.
	Community groups, business and landholders contribute in various ways.
Staff	The Queenstown Trails Trust has a paid part-time CEO and an administration staff member[50].
Stakeholder Engagement & Partnerships	There has been extensive community and business involvement in fundraising, advocacy, trail development and maintenance throughout the life of the trail. For example, the Rotary Club of Queenstown raised $760,000 for restoration of the historic Lower Shotover Bridge in 2004-05. The Gibbston Community Association raised $1.4 million and obtained 10 landowner easements to develop 8.5 kms of trail[51]. The Wakatipu Reforestation Trust assists in planting of native vegetation along trails.
	The Trust encourages community and stakeholder involvement through:
	▷ the *Friends of the Trust* – over 900 members; membership fees are allocated to specific development or maintenance projects and incentives are offered for joining
	▷ the *Official Partners Program* – incentives for cycle-friendly businesses linking their products to the trail experience
	▷ sponsorships by individuals and businesses.
Planning	The Trust's first strategic plan was prepared in 2004[52] and its implementation, lessons learned and future directions and needs were assessed in 2015 and incorporated into the new plan for the next 10 years[53].
Operations	Conducted by the District Council and DOC with a range of volunteer assistance.
Funding & Financial Management	Funding for trail development has been obtained from community fundraising and from local and regional councils and the national government. In 2009 a grant from the National Cycleway Fund assisted development of the 120 km Queenstown Trail 'Great Ride'.
	The Queenstown Trails Trust has gained funds from donations, sponsorships and membership fees from the Friends of the Trust and Official Partners program, and revenue from events held on the trails. The Trust acquired ownership of the Motatapu off road multi-sport event, from which $10 of each entry fee is used for trail network development and maintenance. It raised $27,971 in 2014 and $41,388 in 2015 from the Queenstown International Marathon[54].
	Sustaining funding for the further development of the trail network and its ongoing maintenance is a major challenge identified in the 2015-2025 Strategic Plan which recommends the Trust earn revenue from a greater variety of sources, including sales of maps and apps, operator contributions to trail maintenance, returns from concessions and improved sponsorship

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[50] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report 2016.*

[51] http://queenstowntrail.co.nz/about-us/trail-history/

[52] Tourism Resource Consultants (May 2004), *Wakatipu Tails Strategy*, prepared for the Wakatipu Trails Trust.

[53] TRC Tourism (2015). *Queenstown Trails for the future 2015-2025*. Prepared for the Queenstown Trails Trust.

[54] http://queenstowntrail.co.nz

QUEENSTOWN TRAILS	
	arrangements and more revenue-raising events. Generation of more information on the use and social and economic benefits of the trails is recommended to assist in obtaining grant funding.
Marketing & Promotion	The Queenstown Trails Trust operates a website which provides comprehensive information on the trails and trail experiences and with links to its Official Partners offering accommodation, services and attractions.
	Marketing and promotion is also conducted by Destination Queenstown, the Regional Tourism Organisation.
	New Zealand Cycle Trail Inc, the national body that provides overall leadership, direction and guidance to the 22 Great Rides, promotes the 120 km Queenstown Trail through the NZ Cycle Trail website[55] which provides detailed information.
Data Collection	Electronic counters are used to monitor trail use. The need for survey data to provide an understanding of the range of markets is a future action in the 2015-25 Strategic Plan.

APPENDIX 2.6 OTAGO CENTRAL RAIL TRAIL

The Otago Central Rail Trail in the South Island of New Zealand has an international reputation as an iconic trail known for the quality of its visitor experience and its contribution to rejuvenating a stagnating local economy through tourism development. Now one of the 22 Great Rides in the NZ Cycle Trail, it was the original model for the trails in this program.

Opened in 2000, the Otago Central Rail Trail was established on a disused railway line in the hinterland of Dunedin. The trail is a 152 km three to four-day cycle journey (also open for walking and horse riding) on easy gradients and can also be done in shorter half-day, day and overnight segments. It passes through 'Big Sky' mountain and valley landscapes, old gold mining towns and agricultural areas. A wide range of accommodation, attractions (such as heritage sites, galleries, wineries, farm visits, the Taieri Gorge Railway trip), tours, food and cafes, sporting activities (such as curling and golf), bike hire, transport and luggage services are offered by local businesses. Trail packages are offered by tour operators or can be arranged by independent visitors using information and suggested itineraries on the trail website.

The economic impact of the trail on the Otago region economy in 2014-15 was estimated as NZ$6.9 million in direct expenditure and total expenditure of NZ$10.4 million; total GDP impact of $5.3 million; 81 direct full time equivalent jobs and 21.4 indirect jobs[56].

Originally development of the trail was an initiative of the Department of Conservation (DOC) when management of the rail corridor was transferred to that agency in 1994. DOC formed the Central Otago Rail Trail Charitable Trust to assist in fund raising for trail development. Over time the role of the Trust has expanded to include marketing and promotion and further local government, tourism and business partners were added to the management arrangements.

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[55] http://www.nzcycletrail.com/trails/queenstown-trail/details/
[56] Central Otago District Council (May 2015), *Central Otago Rail Trail User Survey 2014-15*.

OUTCOMES – ADVANTAGES AND DISADVANTAGES

▷ The success of the trail owes much to a highly-motivated community, business operators and volunteers on the Trust.

▷ The operational support and ongoing funding by DOC has assisted the sustainability of the trail over a long period. However, DOC funding is limited and funds need to be sought from other sources.

▷ A comprehensive website and marketing partnerships with Tourism Central Otago and Tourism NZ have been important in attracting visitors and building the tail's international reputation.

▷ NZ Government support for trail development and cycle tourism through the National Cycleway Fund and the NZ Cycle Trail program has benefited the Otago Central Rail Trail which was the model for the program and one of the Great Rides. Competition for visitors and government funding from the increasing number of trails in NZ may reduce the trail's advantages as the 'original Great Ride', leading to new challenges for the trail business.

OTAGO CENTRAL RAIL TRAIL	
Visitation	Annual trail use is estimated at over 15,000 multi-day trail users and up to 60,000 day users annually[57]. Trail users tend to be over 30 years of age and spend an average of 3.9 nights in the region. Most trail visitors are New Zealanders, although over a third are international visitors, mainly from Australia and Europe[58].
Land Tenure	Department of Conservation recreation reserve.
Governance & Management	The Otago Central Rail Trail is governed and managed through a series of partnerships. The main partners are DOC and the Otago Central Rail Trail Trust which collaborate on development of trail work plans which allocate tasks among the various parties. • **DOC - manages and maintains the rail trail reserve and trail development works and is responsible for planning (under a Conservation Management Strategy), infrastructure and approval of commercial activities. DOC also provides administrative and executive support to the Otago Central Rail Trail Trust and manages trail work funded by the Trust. It has an annual operational budget of NZ$185,000** • **Otago Central Rail Trail Charitable Trust – raises funds for trail development, guides marketing and operates the trail website. The organisation is a Charitable Trust with volunteer trustees who are chosen based on their skills, experience, location and commitment.** Other partners are: • **Otago Central Rail Trail Operators' Group - a registered society of tourism operators associated with the trail (with about 70 members) which liaises with DOC, the Trust and other stakeholders on trail issues and to maintain quality standards for rail trail experiences. Administrative support is provided by the Otago Chamber of Commerce** • **Central Otago District Council - responsible for planning regulation and economic development associated with the trail. It assists with trail surveys and provides marketing support and business advice to trail businesses** • **Tourism Central Otago (the regional tourism organisation) and i-Sites (New Zealand's visitor information centres) have roles in marketing, promotion and provision of visitor assistance.** • **Enterprise Dunedin – assists tourism operators with economic advice.**

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[57] http://www.otagocentralrailtrail.co.nz/about-our-trail/

[58] Central Otago District Council (May 2015), *Central Otago Rail Trail User Survey 2014-15*

OTAGO CENTRAL RAIL TRAIL	
Staff	The Otago Central Rail Trail Trust has a volunteer trail manager and two part time contracted staff that deal with administration, enquiries, media and marketing. DOC staff also provide some administrative support[59]. Administrative support to the Operators' Group is supplied by the Otago Chamber of Commerce.
Stakeholder Engagement & Partnerships	DOC holds two meetings a year with operators and other stakeholders to discuss and address issues[60]. The trustees' understanding of stakeholders and conditions on the trail has been facilitated by appointment of trustees with strong networks located along the trail. In addition to the Operators' Group partnership businesses can become Brand Partners. The Trust and DOC provide volunteer opportunities through the Friends of the Trail program.
Planning	A strategic plan to guide stakeholder collaboration in development, marketing and management of the rail trail and visitor experiences was prepared in 2012.
Operations	Trail construction and maintenance is undertaken by DOC.
Funding & Financial Management	There is ongoing funding from DOC for trail maintenance. This funding is limited and funding for major projects requires the use of Trust funds and/or sourcing funds from the Central Otago District Council and national government grants[61]. From its inception to 2012 the Trust raised over NZ$2 million for trail development, maintenance and restoration of historic assets[62] from a range of sources including grants, donations, bequests, merchandise sales, advertising, sponsorships and event fees.
Marketing & Promotion	The Otago Central Rail Trail Trust operates a website[63] that provides comprehensive information about the trail and associated visitor experiences and services. A Dunedin-based marketing company assists in management of the website. Targeted marketing and promotion to the international tourism trade, inbound operators and North Island domestic visitors is undertaken by Tourism Central Otago.
Data Collection	Counters are placed along the trail. The Central Otago District Council has commissioned periodic visitor surveys (in 2008, 2011 and 2014-15) which are published and have contributed to an understanding of trail visitation and markets.

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[59] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report 2016.*

[60] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report 2016.*

[61] Ministry of Business, Innovation & Employment (2013). *Nga Haerenga – The New Zealand Cycle Trail Evaluation Report 2016.*

[62] *Otago Central Rail Trail: Plan for the future 2012-2022.*

[63] http://www.otagocentralrailtrail.co.nz