



Planning Enquiries
Phone: (03) 5772 0333
Web: <http://www.murrindindi.vic.gov.au>

Office Use Only

Application No.:

Date Lodged:

Application for Planning Permit

Murrindindi Shire Council
RECEIVED - IMT
14 AUG 2014
Trim No.:

If you need help to complete this form, read *How to Complete the Application for Planning Permit form*.

▲ Any material submitted with this application, including plans and personal information, will be made available for public viewing, including electronically, and copies may be made for interested parties for the purpose of enabling consideration and review as part of a planning process under the *Planning and Environment Act 1987*. If you have any concerns, please contact Council's planning department.

Questions marked with an asterisk (*) are mandatory and must be completed.

The Land

- ① Address of the land. Complete the Street Address and one of the Formal Land Descriptions.

Street Address *

Unit No.:	St. No.:	St. Name:
	681	KING PARROT CK RD.
Suburb/Locality: STRATH CREEK		Postcode:

Formal Land Description *

Complete either A or B.

▲ This information can be found on the certificate of title.

A ☐ Lot No.: ☐ Lodged Plan ☐ Title Plan ☐ Plan of Subdivision No.:

OR

B ☐ Crown Allotment No.: 129c ☐ Section No.:

☐ Parish/Township Name: Windham

The Proposal

- ▲** You must give full details of your proposal and attach the information required to assess the application. If you do not give enough detail or an adequate description of the proposal you will be asked for more information. This may delay your application.

- ② For what use, development or other matter do you require a permit? *

If you need help about the proposal, read:
How to Complete the Application for Planning Permit Form

Pistol firing range.

▲ Provide additional information providing details of the proposal, including: plans and elevations; any information required by the planning scheme, requested by Council or outlined in a Council planning permit checklist; and if required, a description of the likely effect of the proposal.

- ③ Estimated cost of development for which the permit is required *

Cost \$ 2000

▲ You may be required to verify this estimate.

Insert '0' if no development is proposed (eg. change of use, subdivision, removal of covenant, liquor licence)

Existing Conditions

- ④ Describe how the land is used and developed now *

eg. vacant, three dwellings, medical centre with two practitioners, licensed restaurant with 80 seats, grazing.

Vacant grazing land. re-establishing indigenous vegetation.

▲ Provide a plan of the existing conditions. Photos are also helpful.

Title Information

⑤ Encumbrances on title *

If you need help about the title, read:

How to Complete the Application for Planning Permit Form

Does the proposal breach, in any way, an encumbrance on title such as a restrictive covenant, section 173 agreement or other obligation such as an easement or building envelope?

- ☐ Yes. (If 'yes' contact Council for advice on how to proceed before continuing with this application.)
- ☐ No
- ☒ Not applicable (no such encumbrance applies).

☒ Provide a full, current copy of the title for each individual parcel of land forming the subject site. (The title includes: the covering 'register search statement', the title diagram and the associated title documents, known as 'instruments', eg. restrictive covenants.)

Applicant and Owner Details

⑥ Provide details of the applicant and the owner of the land.

Applicant *

The person or organisation who wants the permit.

Where the preferred contact person for the application is different from the applicant, provide the details of that person.

Please provide at least one contact phone number *

Owner *

The person or organisation who owns the land

Where the owner is different from the applicant, provide the details of that person or organisation.

Name:

Title: *MR*

First Name:

Surname:

Organisation (if applicable):

Postal Address:

If it is a P.O. Box, enter the details here:

Unit No.:

St. No.:

759

St. Name:

BURWOOD

RD.

Suburb/Locality:

HAWTHORN EAST

State:

VIC

Postcode:

3123

Contact person's details *

Same as applicant (if so, go to 'contact information') ☐

Name:

Title:

First Name:

Surname:

Organisation (if applicable):

Postal Address:

If it is a P.O. Box, enter the details here:

Unit No.:

St. No.:

St. Name:

Suburb/Locality:

State:

Postcode:

Contact information

Business Phone:

Email:

Mobile Phone:

Fax:

Name:

Same as applicant ☐

Title:

First Name:

Surname:

Organisation (if applicable):

Postal Address:

If it is a P.O. Box, enter the details here:

Unit No.:

St. No.:

St. Name:

Suburb/Locality:

State:

Postcode:

Owner's Signature (Optional):

Date:

day / month / year

Declaration

⑦ This form must be signed by the applicant *

Remember it is against the law to provide false or misleading information, which could result in a heavy fine and cancellation of the permit.

I declare that I am the applicant; and that all the information in this application is true and correct; and the owner (if not myself) has been notified of the permit application.

Signature:

Craig NE

Date:

8 / 8 / 14

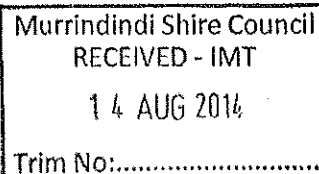
day / month / year

'Ouraway' Firing Range Planning Permit Application 2014.

Applicant.

Day time contact phone number

Property Manager.

**Property:** 'Ouraway' 681 King Parrot Creek Road Strath Creek.**Proposal:** To establish a Pistol firing Range. Construct Range butt.**Cost:** \$2000**1. Introduction**

The reason for the establishment of the pistol firing range is to provide a venue for club members to train and practice shoot in a private and secure environment.

Club members compete nationally and internationally in accredited pistol shooting competitions.

Access to the property is via well-formed unsealed roadway off the Upper King Parrot Creek Road through private property and two locked gates.

Facilities and car parking for members is provided at the property residence with toilet, shower and kitchen.

Communications on site is via very good Telstra mobile service with the recent construction of a Telstra telecommunication tower behind Strath Creek Township.

The proposed range site has been selected to provide minimal disturbance to existing native vegetation with the removal of regenerating silver wattle saplings only, while providing maximum noise and visual buffer to adjoining properties and residences, as well as being located centrally in the property to restrict access to members only.

The nominated site is located at the base of a steep hill to the North West with ridges running either side to the South West and North East to aid noise reduction and containment.

Property management objectives are to improve natural values with the establishment (planting) of 40000 endemic indigenous seedlings on site since 2000 with a further 10000 seedlings being established this year, with more planting programed for the coming years.

Ongoing vegetation establishment will contribute to noise abatement and control.

2. Existing conditions:

The property 'Ouraway' is approximately 433 hectare in size and encompasses steep hill, ridge, valley country and lower slope flats.

Former grazing country, current and ongoing management is indigenous vegetation restoration and establishment to improve bio-diversity and environmental values.

Management activities include native vegetation establishment, exotic weed and pest animal control.

The property is used exclusively for recreation and enjoyment with no extractive or exploitive activities conducted.

It is adjoined on all sides by private property with no direct public access; access is via locked private roadway through 'Chase Farm' off King Parrot Creek Road.

Adjoining property on the East boundary accessed from Guymers road Homewood has an established Rifle firing range.

3. Infrastructure and facilities.

Road access to property is well formed private unsealed road.

There is a residential dwelling on property that is 14 years old with toilets, shower and kitchen facilities.

Car parking is at the residence.

Access to Range site is on formed farm track using ATV from car park.

See accompanying map.

4. Proposed Range.

Location: In central valley position, that is screened by ridges to the South West and North East and large hillside to the North West.

Crown allotment 129C Parish of Windham.

Diagram location TP316025K.

See accompanying map

Required works: Removal of regenerating silver wattle scrub from range site (see accompanying map and veg removal application)

Construction of earth butt end 10 meters wide x 2 meters high with imported mountain gravel material.

Range size: proposed range site is 100 meters long x 50 meter wide

Range shooting direction: from the South eastern end of the range towards the North Western end.

Butt; size + construction: Range butt will be 10 meters wide x 2 meters high dumped earth bank. Quoted estimated cost \$2,000

Contamination + contamination management; Lead and copper projectile contamination will be contained in earth bank for contamination control and removal.

Range Orders:

- All range activities and events will be compliant with Vic police Fire arms registry guidelines.
- Shooting shall be restricted to the following hours, Monday to Saturday 9am > 8pm
Sunday 12 noon > 6 pm.
- Shooting will not occur on Christmas day, Good Friday or ANZAC day.
- No shooting on days of extreme or catastrophic fire rating days.
- Firearms to be used will comprise small hand pistols ranging in calibre from .22 to .45
- All range activities will be supervised by qualified appointed Range Officer

Membership: Range membership will be 20 members.

Usage: The range will be used no more than 4 (four) times per month.

5. Emergency management

First aid kit at residence and to be at range when range in use.

Emergency contact 000 Fire Police Ambulance

Emergency assembly point at residence.

Firefighting equipment at house:

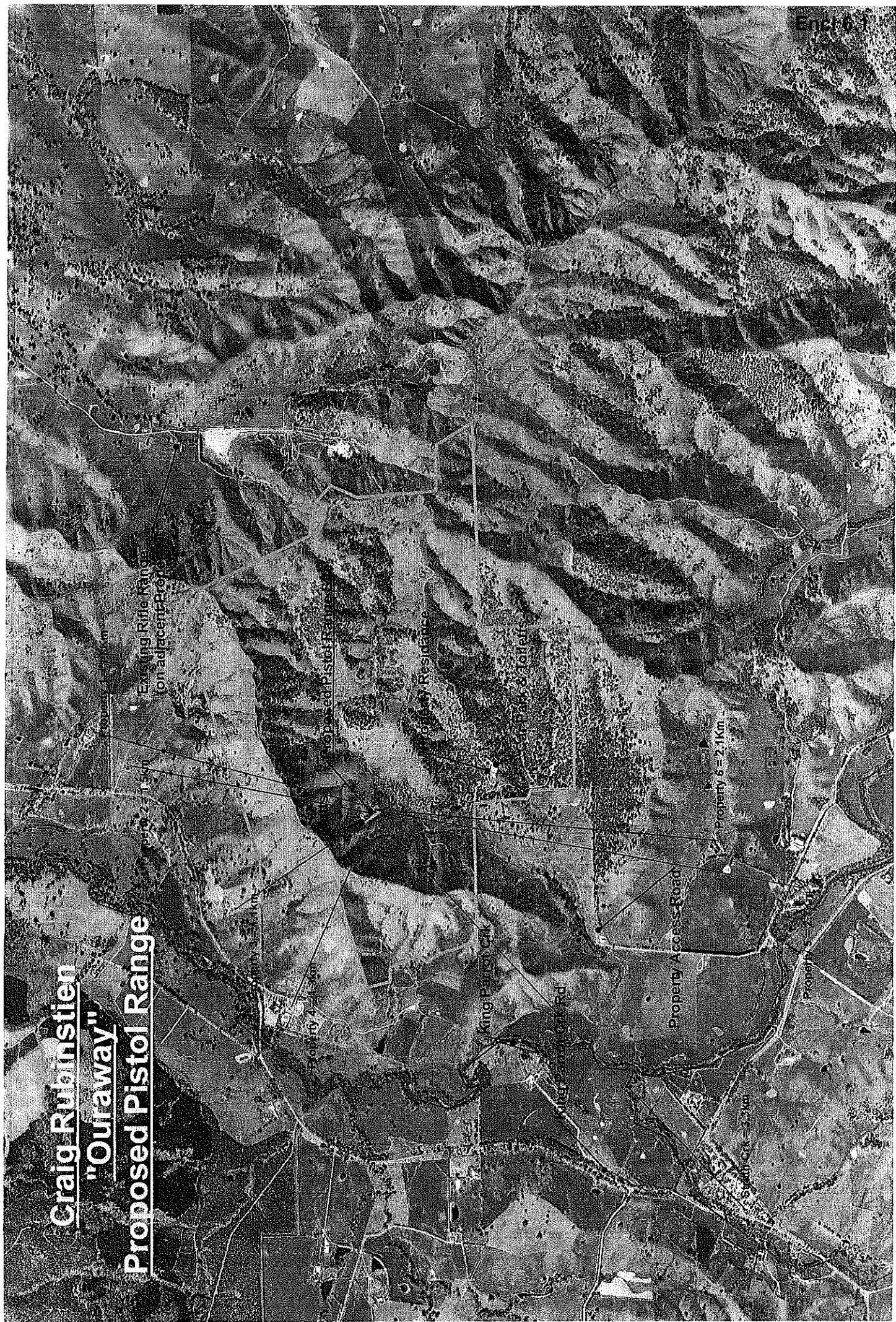
Petrol and diesel fire pumps and branches. 100000 litres stored water at house.

1000 litres Stored water at shed

Knap sack fire suppression equipment at range.

No shooting on days of extreme or catastrophic fire rating days.

Craig Rubinstien
"Ouraway"
Proposed Pistol Range





Planning Enquiries
Phone: (03) 5772 0333
Web: www.murrindindi.vic.gov.au

Office Use Only

Fee: \$

Application No.:

Receipt No.:

Date Lodged:

Ward:

Date Allocated:

Zone(s):

Allocated to:

Overlay(s):

Murrindindi Shire Council
RECEIVED - IMT
15 SEP 2014
Trim No:.....

Application to Amend a Planning Permit

Use this form to make an application to amend a planning permit under section 72 of the *Planning and Environment Act 1987* and to provide the information required by section 47 of the Act and regulation 16 of the Planning and Environment Regulations 2005.

Supplementary information requested in this form should be provided as an attachment to your application. ☒ Please print clearly or complete the form electronically (refer to How to complete the Application to Amend a Planning Permit form).

▲ Note: This form cannot be used to amend a permit issued at the direction of VCAT.

Privacy notice

▲ Information collected with this application will only be used to consider and determine the application. It will be made available for public inspection in accordance with section 51 of the *Planning and Environment Act 1987*.

Need help with the application?

If you need help to complete this form, read *How to complete the Application to Amend a Planning Permit form*. For more information about the planning process, refer to *Planning: a Short Guide*. These documents are available from your local council, the Planning Information Centre (Ph: 03 9637 8610, 8 Nicholson Street, Melbourne), or www.dse.vic.gov.au/planning.

Contact council to discuss the specific requirements for this application. Insufficient or unclear information may delay your application.

- ① Has there been a pre-application meeting with a council officer?

☒ Yes ☐ No

If yes, with whom?

via phone

Date: / /

The land

- ② Address of the land. Complete the Street Address and one of the Formal Land Descriptions.

Street Address

Street No.: 3873	Street Name: MELBA HIGHWAY
Suburb/Locality: GLENBURN	Postcode: 3717

Formal Land Description

▲ This information can be found on the certificate of title.

Lot No.: 1	on Lodged Plan, Title Plan or Subdivision Plan No.: TP 515651X
OR	
Crown Allotment No.: 1A	Section No.: Parish Name: WOODBORNE

- ③ Title information.

☐ ☒ Attach a full, current copy of title information for each individual parcel of land, forming the subject site.

- ④ Describe how the land is used and developed now.

eg. single dwelling, three dwellings, shop, factory, medical centre with two practitioners, licensed restaurant with 80 seats.

EMERGENCY SERVICE - FIRE STATION.

- ⑤ Plan of the land.

☒ ☐ Attach a plan of the existing conditions. Photos are also helpful.

The amendment proposal

▲ You must give full details of the permit being amended and the amendment being applied for. If you do not give enough detail or an adequate description of the proposal you will be asked for more information. This will delay your application.

⑥ a. What permit is being amended?

Include the permit number and what the permit allows.

Amendment to TP 2013/169.
Specifically removal of condition 19. Vic Roads condition for a
RSA (Road Safety Audit) to be undertaken prior to construction within
the road reserve.

b. What is the amendment being applied for?

Describe the changes proposed to the permit including any changes to the plans or to any other documents included in the permit.

Detail any changes sought to what the permit allows.

Removal of TP condition 19.

Detail any changes sought to the current conditions of the permit.

Request removal of TP Condition 19 - Vic Roads as noted above.
Refer to Vic Roads email of 23/1/14. No impact to the proposed
works to remove part of the existing rail.

Detail any changes sought to the plans or to any other documents endorsed under the permit.

No change to Plans.

c. Why is the amendment required?

State the reasons for the change.

Vic Roads has agreed to the removal of TP condition 19.
This was a Vic Roads condition included in the TP permit.

⑦ Additional information about the proposal.

Contact council or refer to council planning permit checklists for more information about council's requirements.

☒ Attach additional information providing details of the proposal, including:

☐ Any information required by the planning scheme, requested by council or outlined in a council planning permit checklist.

☒ Plans showing the layout and details of the proposal.

☐ If required, a description of the likely effect of the proposal (eg. traffic, noise, environmental impacts).

⑧ Encumbrances on title.

Encumbrances are identified on the certificate of title.

Is the land affected by an encumbrance such as a restrictive covenant, section 173 agreement or other obligation on title such as an easement or building envelope? ...

☒ No, go to 9.

☐ Yes, ☒ Attach a copy of the document (instrument) specifying the details of the encumbrance.

☐ Does the proposal breach, in any way, the encumbrance on title?

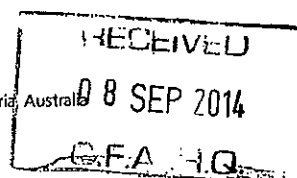
☐ No, go to 9.

☐ Yes, contact council for advice on how to proceed before continuing with this application.

▲ Note

Council must not grant an amendment to permit that authorises anything that would result in a breach of a registered restrictive covenant (sections 61(4) and 62 of the Planning and Environment Act 1987).

Contact council and/or an appropriately qualified person for advice.



Costs of buildings and works/permit fee

Most applications require a fee to be paid. Contact council to determine the appropriate fee.

- ⑨ If the permit allows development, state the estimated cost difference between the development allowed by the permit and the development to be allowed by the amended permit.

Cost \$ NIL

⚠ You may be required to verify this estimate.

Note: If the estimated cost of the development to be allowed by the amended permit is less than the estimated cost of the development allowed by the permit, show it as a negative number (see *How to complete the Application to Amend a Planning Permit* form for examples).

- ⑩ Do you require a receipt for the amendment to permit fee?

☒ Yes ☐ No

Contact, applicant and owner details

- ⑪ Provide details of the contact, applicant and owner of the land.

Contact

The person you want Council to communicate with about the application.

Name:	
Organisation (if applicable): <u>COUNTRY FIRE AUTHORITY</u>	
Postal address: <u>4 LAKESIDE DRIVE</u>	
<u>BURWOOD EAST</u>	Postcode: <u>3151</u>
Contact phone: <u>(03) 9262 8340</u>	<input checked="" type="checkbox"/>
Mobile phone:	<input type="checkbox"/>
Email: <input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fax:	<input type="checkbox"/>

Indicate preferred contact method

Applicant

The person or organisation who wants the amendment to permit.

☒ Same as contact. If not, complete details below.

Name:	
Organisation (if applicable): <u>COUNTRY FIRE AUTHORITY</u>	
Postal address: <u>AS ABOVE</u>	
Postcode: <u>3151</u>	

Owner

The person or organisation who owns the land.

☐ Same as contact ☒ Same as applicant

Where the owner is different from the applicant or contact, provide the name of the person or organisation who owns the land.

Name (if applicable):	
Organisation (if applicable): <u>COUNTRY FIRE AUTHORITY</u>	
Postal address: <u>AS ABOVE</u>	
Postcode: <u>3151</u>	

Checklist

⑫ Have you?

- ☒ Filled in the form completely?
- ☐ Paid or included the application fee? *CHEQUE TO FOLLOW (\$502.)*
- ☒ Attached all necessary supporting information and documents?
- ☐ Completed the relevant council checklist?
- ☒ Signed the declaration below?

Declaration

⑬ This form must be signed.
Complete one of A, B or C

▲ Remember it is against the law to provide false or misleading information, which could result in a heavy fine and cancellation of the permit.

A Owner/Applicant

I declare that I am the applicant and owner of the land and all the information in this application is true and correct.

Signature

Date: / /

B Owner

I declare that I am the owner of the land and I have seen this application.

Signature

Date: / /

Applicant

I declare that I am the applicant and all of the information in this application is true and correct.

Signature

Date: / /

C Applicant

I declare that I am the applicant and:

- I have notified the owner about this application;
- and all the information in this application is true and correct.

Signature

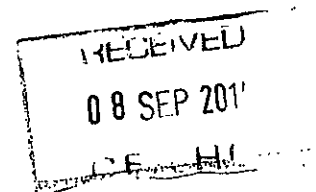
Date: 10/09/2014

Lodgement

Lodge the completed and signed form and all documents with:

Murrindindi Shire Council
PO Box 138, ALEXANDRA VIC 3714
Perkins Street, ALEXANDRA VIC 3714
Telephone: (03) 5772 0333
Fax: (03) 5772 2291
Email: msc@murrindindi.vic.gov.au

For help or more information



Patron: The Honourable Alex Chernov AC QC, Governor of Victoria

Land & Building Services
4 Lakeside Drive Burwood East, 3151
T: 03 9262 8348 F: 03 9262 8358



Ref: 13/498

22 August 2014

Planning Department
Murrindindi Shire Council
PO Box 138
ALEXANDRA VIC 3714
Attention:

Dea

GLENBURN FIRE STATION
Amendment of TP Permit 2013/169

The Country Fire Authority has had several discussions and reached agreement with the Vic Roads Representative - (Team Leader Integrated Transport and Land Use - North Eastern) in relation to TP Condition (19).

We hereby seek your assistance to formally remove the permit condition (19) for a Road Safety Audit (RSA) to be undertaken prior to construction activities within the road reserve.

Vic Roads has accepted the removal of approximately 10 linear meters of rail as part of the design undertaken by the CFA Traffic Engineer (Jim Higgs - TTM Consulting) to facilitate the entry and exit of Fire Trucks and associated vehicles into the new Fire Station site on Glenburn Highway.

We refer to the email and attachments dated 23 July 2014 from Vic Roads to our Traffic Engineer - Jim Higgs (TTM Consulting) copied to yourself. A copy is attached for your reference.

Please contact ⁹²⁶² on 922 8340 if you require any further clarification.

Yours sincerely,


Program Manager
CFA - Land and Building Services

Encl.

1. Vic Road email dated 23 July 2014 with design layout. No 8059105 sheet 1 Issue A.

From: [redacted]@roads.vic.gov.au
Sent: Wednesday, 23 July 2014 4:13 PM
To: [redacted]
Cc: [redacted] ner.ppr@roads.vic.gov.au
Subject: Re: Glenburn Fire Station Access
Attachments: 8059105.pdf; SD3544ATrailingTerminalGeneralArrangement.pdf

I can confirm that the plans submitted, that show alteration to the guard rail (refer below), are to VicRoads satisfaction.

VicRoads would also agree to the permit condition about the requirement for a RSA to be removed from the current permit.

Please make contact Council with respect to amending the permit.

Should you require any further information, please call.

Kind regards

Team Leader Integrated Transport and Land Use
North Eastern

VicRoads

50-52 Clarke Street, Benalla, 3672

T 03 5761 1887

M 0418 312 896

F 03 5762 4980

E [redacted]@roads.vic.gov.au

W vicroads.vic.gov.au

[Facebook](#) | [Twitter](#) | [YouTube](#) | [Online Services](#) | [Real-Time Traffic Alerts](#)

From: Jim Higgs <jhiggs@tmcconsulting.com.au>
To: "Michael Lindstrom <M.Lindstrom@cfa.vic.gov.au> (M.Lindstrom@cfa.vic.gov.au)" <M.Lindstrom@cfa.vic.gov.au>,
Cc: "Stuart.Redman@roads.vic.gov.au" <Stuart.Redman@roads.vic.gov.au>
Date: 22/07/2014 16:54
Subject: Glenburn Fire Station Access

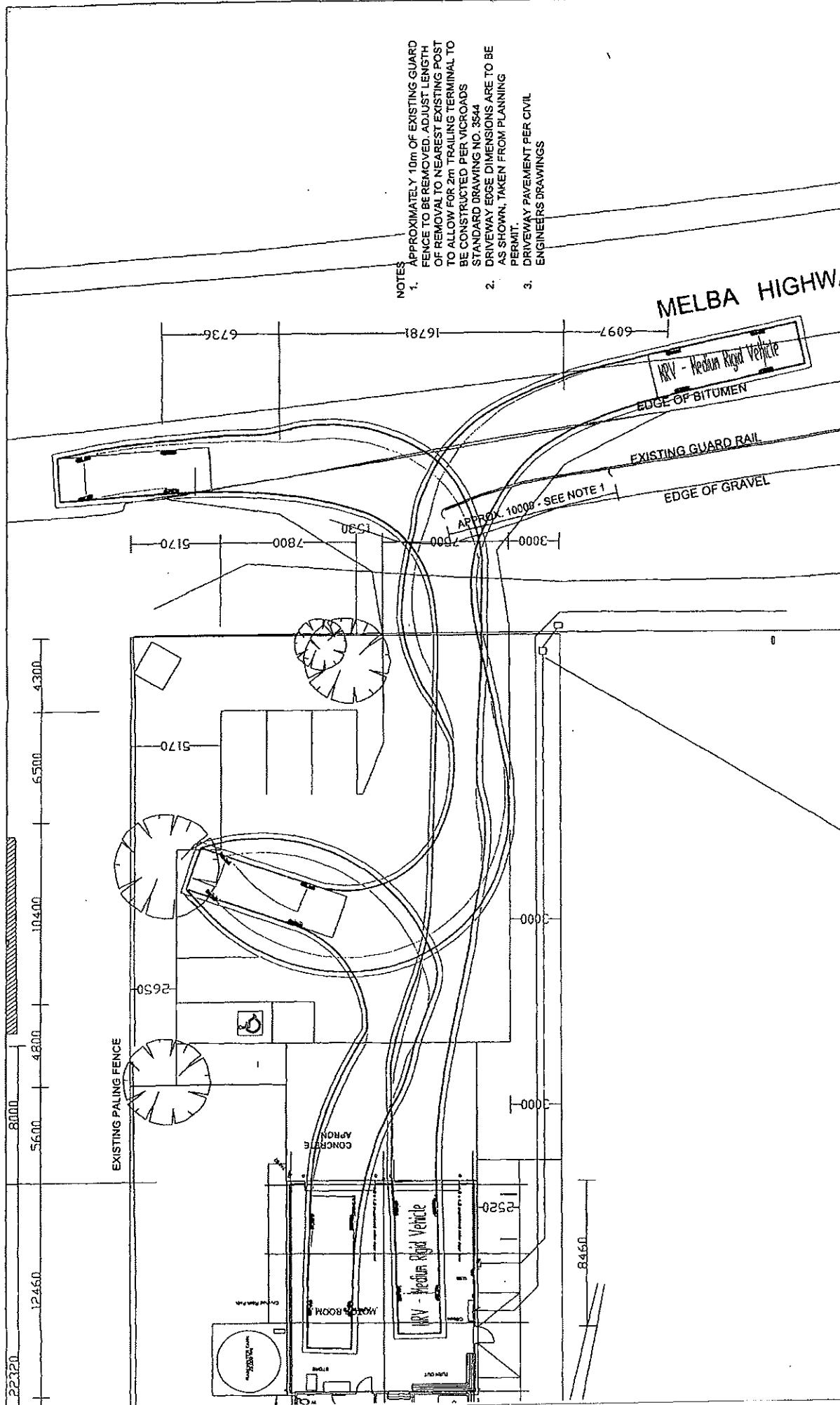
Ext: Business Area:

Fax: Internet:

File Name: File Description:

This email is from an external source. If it is a Business Record remember to file it in QuickDocs

D14/10275



- NOTES
1. APPROXIMATELY 10m OF EXISTING GUARD FENCE TO BE REMOVED. ADJUST LENGTH OF REMOVAL TO NEAREST EXISTING POST TO ALLOW FOR 2m TRAILING TERMINAL TO BE CONSTRUCTED PER VICROADS STANDARD DRAWING NO. 3544
 2. DRIVEWAY EDGE DIMENSIONS ARE TO BE AS SHOWN, TAKEN FROM PLANNING PERMIT.
 3. DRIVEWAY PAVEMENT PER CIVIL ENGINEERS DRAWINGS

**GLENBURN FIRE STATION
ACCESS ARRANGEMENTS
AT MELBA HIGHWAY**

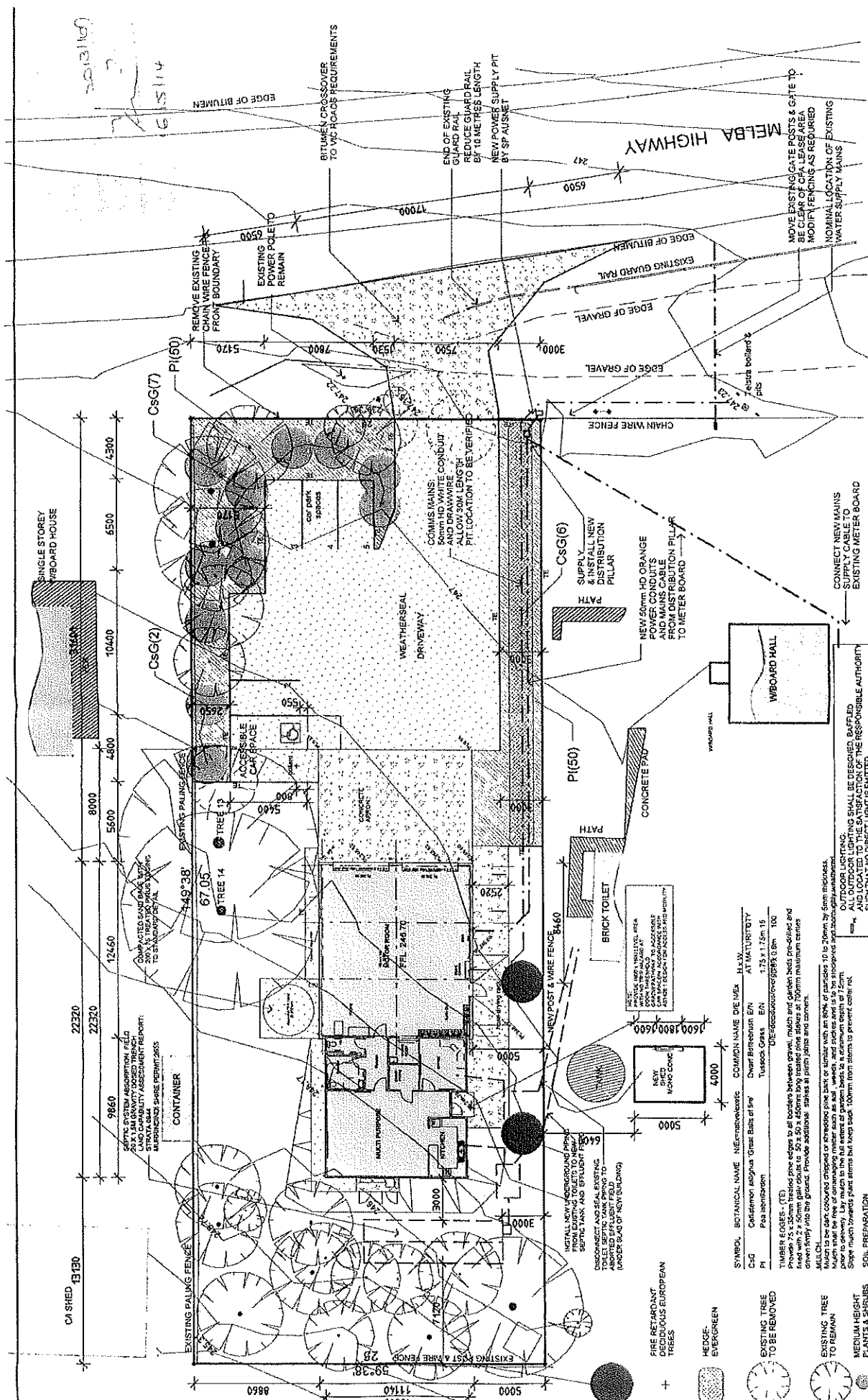
TTM Consulting Pty Ltd
Transport and Traffic Engineers

Scale: 1:200 @ A3
Drawing No.: 8059105
Sheet No.: 1 Issue: A

Site: 9
70 - 80 Vulliamy Street
Collingwood VIC 3068
Ph: (03) 9414 0011 Fax: (03) 9415 9445
Email: ena@ttmconsulting.com.au

Rev/Iss	Date	Comments
A. DJH	22/07/14	Original Issue





Alexandra, Thornton and Eildon Trail Link Feasibility Study



Murrindindi
Shire Council

October 2014

Prepared by:



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Executive Summary

The Murrindindi Shire Council commissioned Transplan Pty Ltd to prepare a feasibility study for a possible multi-use trail between Alexandra, Thornton and Eildon – to link with the existing Great Victorian Rail Trail. The project was funded by a grant from the Advancing Country Towns program of the Victorian Government.

Advancing Country Towns (ACT) is a State Government initiative, set up to provide assistance for nine local rural areas identified as needing economic development opportunities. One of those pockets identified is the Eildon, Thornton and Alexandra area – known as the 'Alexandra Cluster'. The initiative is designed to stimulate economic development, provide opportunities for employment, skills and training and better integration of services.

The proposed link trail between the Great Victorian Rail Trail at Alexandra and Eildon, via Thornton, has been identified as one initiative that is likely to achieve some/all of the desired outcomes.

It is hoped that, should the trail extension prove feasible, it may help the area become more of a 'year-round' destination, bringing additional tourists and keeping them longer in the area.

Other possible benefits from developing the trail extension are regarded as being:

- ✚ Improvements to community connectivity
- ✚ Increasing recreational options for local people
- ✚ Creating opportunities to build on existing industries and enterprises of the area

It is understood that over the last two years, the Eildon and Thornton area has seen the closure of a number of local businesses. The Victorian State Government has identified the area as needing economic development and revitalisation. One of the projects that it is hoped will assist with bringing economic benefit to the towns is the project to extend the Great Victorian Rail Trail from Alexandra to Eildon via Thornton.

Consequently, before considering the construction of a trail, a feasibility study has been commissioned to ascertain whether it is a worthwhile project, and whether the trail will deliver the anticipated and desired benefits.

This Feasibility Study sought to answer a number of critical questions:

- ✚ Is there a viable trail route (ie. is a trail route physically possible)?
- ✚ Will the trail provide a quality user experience (terrain/landscape/history)?



It is anticipated that development of a trail linking Alexandra to Eildon, via Thornton, will bring economic benefits due to expenditure by trail users at cafes, accommodations and other businesses.

- ✚ Is there a market for the proposed trail (ie. local people and visitors who will be attracted to use it)?
- ✚ Are the local government and key stakeholders supportive of the concept?
- ✚ Are there supportive/strong advocates (in the community)?
- ✚ Is there a supportive community?
- ✚ Would the trail be value for money?
- ✚ Is there a commitment to the ongoing maintenance of the trail ("friends of ..." group or support network)?
- ✚ Will the trail provide a unique experience?
- ✚ Is there a demonstrated benefit to trail users and, especially, the host communities?

The feasibility statement set out in Section 8 answers these questions. Generally, the answer to most of these questions is "Yes".

Following consideration of the major issues pertaining to the development of a trail between Alexandra and Eildon (via Thornton), taking into account the views of key stakeholders, groups and individuals consulted (and background information obtained during the course of the project), this Study finds that the proposed trail will result in benefits to the communities through which it passes and the people who may use it.

Determining whether there was a viable trail route required an examination and evaluation of a series of alternative trail route options, each with various construction difficulties and challenges. Section 3 of this report sets out the various issues and challenges to determining the preferred route alignment.

A critical component of the investigation was the recognition of the target market for the proposed trail which was regarded as being visitors who might typically be users of the gentle grades found along rail trails (such as the Great Victorian Rail Trail), local people and school groups (attending one of the camps in the region). In addition, it was anticipated that the existence of the trail might provide an additional (land-based) activity for people attracted to the various boating and other water-based activities available at Lake Eildon.

Routes were assessed and evaluated against a series of criteria including:

- ✚ The steepness of road verges – some roads are built into hillsides (by cut and fill construction) resulting in nearly impossibly steep slopes at the sides of the roads.
- ✚ Narrowness of road verges – the width of numerous road verges meant that it was not possible for a 2.5m wide trail to be constructed within the road verge without the need for acquiring private property. In addition, the presence of thickly vegetated road verges (often with stands of mature trees) ruled out many verges.
- ✚ Steepness of topography – some routes evaluated crossed hills resulting in some very steep climbs that would not suit the target market (who are assumed to be those preferring flatter grades).

- ✚ Difficulties of roadside paths/trails – trail routes through open spaces and forested areas are more popular than routes alongside roads. Users regard trails alongside roads as being inherently dangerous, in light of the possibility of a motor vehicle running off the road or children straying onto the road. Unfortunately, all options available necessitated use of road verges. Maximising separation between road edge and trail will be an important factor in the success/popularity of the trail (if constructed).
- ✚ Goulburn River – some sections of the Goulburn River foreshore are in public ownership and would be very suitable for a trail. However, not all of the river is available for a trail. The possibility of flooding, the remoteness of some sections of the river and the presence of Licensed Water Frontages (where trail construction can not be considered) ruled out the option of routing the trail along the entire length of the river.
- ✚ Indirectness of some route options – some of the route options considered would take trail users further from their intended destinations and add significant length to the journey (and construction costs).
- ✚ Attitudes of adjoining landowners on some route options – comment received at the 'open house' sessions indicated there was some opposition to a trail route that followed the Goulburn River due to privacy issues involving properties that fronted the river. Similarly, it was anticipated there would be opposition to a trail route that utilised unconstructed road reserves that passed through farmland.
- ✚ Number (and cost) of river/creek crossings – ideally, to minimise the costs of construction of the proposed trail, a route with a minimal number of bridges and boardwalks would be preferred. However, crossing of creeks and low-lying areas is unavoidable. The preferred route will need to cross the Goulburn River on two occasions.
- ✚ Ongoing maintenance costs – in general, the shorter the trail the lesser will be the construction costs. So too will be the ongoing maintenance costs. The preferred route is the best route for a number of reasons – it suits most potential trail users (as it is reasonably flat), it is the easiest to build (though not necessarily the cheapest, as it must cross the Goulburn River twice) and it is easily accessible from adjoining roads.



The preferred route will cross the Goulburn River twice, adding considerably to the cost of developing the proposed trail.

- ✚ Connecting towns – the intention of the 'link trail' is to bring economic benefit to the three towns: Alexandra, Thornton and Eildon. Some routes considered – though shorter and cheaper – would not have taken users through Thornton.

Those options that did not pass through Thornton were considered but dismissed.

- ✚ Goulburn Valley Water pipeline – the water supply pipeline between Alexandra and Eildon follows a similar route as the proposed trail route, generally along the verges of Goulburn Valley Highway and Back Eildon Road. Although it is underground, care will be needed (should the trail be constructed) to ensure the pipe is safeguarded. Goulburn Valley Water has no objections to the placement of a trail over or alongside the pipeline, as long as no structures (such as boardwalks and bridges) are constructed over the top of the pipeline.

One of the major tasks of this feasibility study was to determine the opportunities that might arise should a trail be developed linking Alexandra with Thornton and Eildon. Section 4 sets out the various opportunities that are available.

The input of the community was a key factor in determining the optimum route, and in assessing potential usage of the proposed trails. Section 5 of this feasibility study summarises the notable outcomes from the community engagement process undertaken during this study. Three 'open house' (or 'drop in') sessions were held, with an overwhelming positive response from those who attended. Other key stakeholders were also consulted, including Goulburn Valley Water, as its water supply pipeline uses many of the road verges that the preferred trail route follows. The Outdoor Education Group also provided input as it fully supports the development of a trail that would link its camps.

The preferred route, utilising the road verges of Goulburn Valley Highway (between Alexandra and Thornton) and Back Eildon Road (between Thornton and Eildon) was examined in detail for its suitability for the proposed trail. Section 6 of this feasibility study presents the Estimates of Probable Costs associated with the development of the proposed trail on the preferred alignment, incorporating various trail infrastructure such as trail surfacing, trailhead development, bridges and boardwalks, signage, clearing and drainage. **It is estimated the entire trail will cost approximately \$4.97 million.** In addition, a budget of approximately \$100,000 will be required for the preparation of the detailed trail development plan (which would include bridge and boardwalk designs). Maintenance of the proposed trail is likely to cost in the order of **\$57,570** per year (a rate of approximately \$2,275/km).

Section 7 of this feasibility study presents a Business Case. A trail link from Alexandra to Thornton and Eildon will provide a number of benefits to residents and businesses of Murrindindi Shire. Some of these are quantifiable. **Increased visitor numbers in the order of 6,000 will inject in excess of \$600,000/year into the Shire's economy.** Local use rates of over 13,000 people/year will see the injection of an additional \$27,000/year (meaning a total injection of over \$635,00/year).

These are not necessarily large numbers but they represent an injection of money. This trail offers a range of other significant benefits to these communities that cannot be quantified but are equally important to consider when assessing the project's merits. These are:

- ✚ The trail offers a range of new business opportunities and the opportunity for existing businesses to extend their offerings (both in scope and seasonality). The trail has the potential to increase 'year-round' tourism to the region and thereby improve the sustainability of businesses reliant on tourism.

- ✚ The trail creates opportunities to build on (or showcase) the strengths of key industries in the region, namely outdoor education, tourism, and farmgate enterprises (aquaculture, wine and local produce). This leads ultimately to expenditure (and possibly investment) in the Shire.
- ✚ The trail will encourage visitors to stay a little longer when visiting Eildon in particular by offering another activity (or series of activities).
- ✚ The trail provides a critical link in safe walking and cycling infrastructure between the three towns. This has a number of flow-on benefits. It encourages parents to allow their children some independence, riding from one town to another for school and to visit friends for example. It allows outdoor education providers such as OEG to offer another safe bike riding opportunity as part of their program.
- ✚ The proposed trail would build on existing trail investments (notably the Great Victorian Rail Trail) and attract more users to the existing trail and path network, thus better realising the investment made. An extension to Eildon is likely to create higher use of the Great Victorian Rail Trail – particularly the spur from Alexandra to Cathkin.
- ✚ Increasing recreational options for local communities will aid overall community wellbeing, and in the long-term reduce health costs (a saving to the State Government).
- ✚ A trail will create more attractive communities along its route. A trail linking the three towns will improve community connectivity via a safe pedestrian, cycle and horse trail connection between Alexandra, Thornton and Eildon.
- ✚ A trail will provide a firsthand experience that educates users about the importance of the natural environment and respect for nature by leading users into a natural classroom.

Should the Murrindindi Shire Council decide to proceed with the development of the trail, the ongoing management and maintenance will need to be taken into consideration. Section 10 provides detailed information pertaining to management of trails. Section 11 outlines a number of potential sources of funding, the most relevant being the Advancing Country Towns program – which funded the preparation of this Feasibility Study.

While this study has indicated that developing the trail will result in benefits to the communities through which it passes (for the range of quantifiable and non-quantifiable reasons indicated), the project will need to be assessed by Council in light of its other priorities, initiatives and commitments. While it is assumed that funding for construction will be sourced from external grants, the Council will need to determine whether it can meet the ongoing cost of maintaining the proposed new trail (in view of other recently 'gifted assets' and the existing maintenance cost of the Great Victorian Rail Trail).

Feasibility Statement

This study has considered all of the major issues pertaining to the development of a trail between Alexandra and Eildon, via Thornton. It has taken into account the views of people and key stakeholders consulted (and background information obtained during the study).

Following consideration of this information, and particularly the results of the business case presented within this report which indicated that potential trail users would inject approximately \$635,000 in to the local economy each year, this Study finds that development of the trail would result in benefits to the towns through which it passes and the people who may use it.

The conditions upon which the trail development could proceed are:

1. The Murrindindi Shire Council seeking funding from external sources for the construction of the proposed trail (and the detailed trail development plan that will need to be prepared prior to construction);
2. Detailed design development plans for the trail to be prepared, which will involve a thorough examination of the entire corridor, the preparation of detailed works lists and cost estimates;
3. The preparation of a community-driven Corridor Management Plan before construction, including a comprehensive maintenance program (detailing the ongoing maintenance) for the trail and corridor;
4. The preparation of a Bush Fire Risk Management Plan for the corridor; and
5. A commitment to ongoing maintenance of the trail being given by the Murrindindi Shire Council, a Committee of Management and volunteers (which may involve the formation of a strong advocacy group ie. a "Friends of" group).

Providing the above conditions above are accepted, this Study concludes that the staged development of a multi-use recreation trail between Alexandra and Eildon is feasible and desirable.

There are a number of stages for trail development if a decision is made to proceed with the development of the trail:

1. Seek funding for the preparation of a detailed trail development plan.
2. Use the detailed trail development plan to seek funding for trail construction.
3. Commence preparation of a Corridor Management Plan (including trail maintenance plan).
4. Commence preparation of a fire management plan.
5. Proceed with a staged development of the trail: the first priority would be to improve and upgrade the link between the existing southern terminus of the Great Victorian Rail Trail (at the Alexandra Timber & Tramway Museum) and the town centre of Alexandra; the second priority would be the development of the trail between Eildon and Thornton; and thirdly, the development of the trail between Thornton and Alexandra.

Findings

Following the detailed investigations and consultations we find that:

- There is a viable and attractive trail route between Alexandra and Eildon, via Thornton.
- Development of the trail will achieve the economic outcomes being sought, by bringing additional visitors and keeping them longer in the area.
- Development of the trail would result in benefits to the towns through which it passes (Alexandra, Thornton and Eildon) and the people who may use it (including local people and visitors).
- There is general community support, based on comment received from those who attended the 'open houses' and other consultation undertaken.
- Key stakeholders, including from the Outdoor Education Group, support the proposal.
- Other than the cost of development and maintenance of the trail, there are no major impediments to the trail proceeding.
- Construction of the proposed trail would cost in the order of \$4.97 million.
- Maintenance of the proposed trail is likely to cost in the order of \$57,570 per year (a rate of approximately \$2,275/km).
- Increased visitor numbers in the order of 6,000 will inject in excess of \$600,000/year into the Shire's economy. Local use rates of over 13,000 people/year will see the injection of an additional \$27,000/year (meaning a total injection of over \$635,000/year).

1.0 The Brief

As stated in the Contract Brief, the overall aim of this project is to determine the feasibility of developing a trail linking Alexandra, Thornton and Eildon to the Great Victorian Rail Trail.

The Project Brief makes the point that the study should evaluate the options against the following parameters:

- Attraction – the quality of the trail user’s experience of the natural, cultural and landscape values of the area.
- Financial viability – the whole of life costs (including construction) to Council of the trail extension.
- Environmental sustainability – the environmental impacts/risks associated with the construction and use of the trail.
- Land security – the complexity/ease of establishing land tenure arrangements necessary to secure the trail route.

The key project deliverable is the development of a feasibility study which considers options of potential routes for the extension of the Great Victorian Rail Trail from Alexandra linking the townships of Thornton and Eildon.

The project required a detailed assessment of the following issues:

- Likely use of the trail by community, local businesses and visitors
- Suitability for use by walkers, cyclists, horse riders with consideration of gradient, elevation, site distances, separation from roads etc.
- Potential linkages to local services, facilities and attractions
- Use of existing trails and/or associated infrastructure to minimise construction costs
- Arrangements required to secure public and private land access (licensing, leasing, reservation, easements, acquisition etc)
- Likely environmental risks and impacts (flora, fauna, vegetation removal, habitat, soil disturbance, waterways etc)
- Regulatory approval requirements (Including, waterways, statutory planning/building, environmental, cultural heritage, transport/roads)
- Proposed materials and construction standards



A trail passing through the small township of Thornton is likely to bring economic benefits to businesses in the town as well as other benefits to the community.

- Suitability for construction and ongoing maintenance methods/practices
- Supporting infrastructure requirements, including:
 - Primary – trail formation, culverts/drainage, bridges, fencing, waterway and road crossings, safety features
 - Secondary – parking, signage, toilets, shelters, holding yards, bike stowage
- Estimated design, construction, ongoing maintenance and renewal costs (whole-of life)
- Private (abutting) landholder impacts and issues
- Long term management and maintenance requirements
- Capacity to stage the project
- External funding opportunities for capital and recurrent costs
- Anticipated economic, social and environmental benefits
- Cost benefit analysis of various options

Feasibility is determined by an analysis of several factors. It is not just the cost of the project, but a combination of several factors. In considering trail feasibility, the costs of construction need to be weighed against the benefits (direct and indirect) that such a trail brings.

The Feasibility Study posed these questions:

- Is there a viable trail route (ie. is a trail route physically possible)?
- Will the trail provide a quality user experience (terrain/landscape/history)?
- Is there a market for the proposed trail (ie. local people and visitors who will be attracted to use it)?
- Is the local government and key stakeholders supportive of the concept?
- Is there supportive/strong advocates (in the community)?
- Is there a supportive community?
- Would the trail be value for money?
- Is there a commitment to the ongoing maintenance of the trail ("friends of ..." group or support network)?
- Will the trail provide a unique experience?
- Is there a demonstrated benefit to trail users and, especially, the host communities?

Section 8 provides answers to these questions.

2.0 Policy and Strategy Review

Numerous existing policies and strategies from Murrindindi Shire Council and State and Federal government departments were reviewed for their relevance to the proposed Alexandra, Thornton and Eildon Trail Link.

2.1 State-wide Documents

Victoria's Trails Strategy 2014-24 (Victorian Government July 2014)

- Includes Great Victorian Rail Trail as an example of a State Significant Trail.

Victoria's Regional Tourism Strategy 2013-2016 (Tourism Victoria, December 2013)

Priority actions listed for Victoria's High Country include:

- Increase communication of the cycle tourism product offering and increase facilitation of cycle related services, including development of a region-wide rail trail master plan.

(The Goulburn Valley Regional Tourism Destination Management Plan identifies that the Goulburn Valley falls between four separate tourism regions; however, the only mention of projects of relevance across these four regions is the one noted for the High Country).

Victoria's Cycle Tourism Action Plan 2011 – 2015 (Tourism Victoria)

This plan outlines a range of initiatives aimed at growing cycle tourism in Victoria. The key objectives of the plan are:

- Strengthening the supply of cycle tourism experiences.
- Building consumer demand for cycle tourism experiences.
- Attracting and leveraging events.

Victoria's 2020 Tourism Strategy (Tourism Victoria, July 2013)

- Notes that the new Victorian Trails Strategy will provide for the development of Victoria's cycling, walking and multi-use off-road trails to drive visitation and establish key directions for trails planning, development, management and marketing.
- States that the Victorian Government is also committed to further developing nature based tourism.

Victoria's Nature-Based Tourism Strategy 2008–2012 (Tourism Victoria, 2008)

- Recommends capitalising on the existing network of tracks and trails to create high yield experiences.
- Recommends working with existing and new transport providers to facilitate better access to and within key Nature-Based Tourism destinations for visitors.
- Suggests operators offer pick up points along key tracks and trails.

2.2 Regional-level Documents

Hume Region Significant Tracks and Trails Strategy

- Notes that the current priorities for Murrindindi Council are based upon (among other projects) undertaking a study that explores the feasibility of an extension of the Great Victorian Rail Trail from Alexandra to Thornton and Eildon, an initiative of the Advancing Country Towns Program.

Goulburn River Valley Destination Management Plan

- Report identified that the Alexandra-Marysville-Eildon cluster has key strengths in its natural attractions, water-based activities, adventure activities (including cycling), alpine activities and food and wine.
- It identified the development of the Alexandra to Eildon extension of the Great Victoria Rail Trail as a priority project.

These findings and recommendations are also discussed and reflected in the Goulburn River Valley Tourism Development Plan and the Goulburn River Valley Marketing Strategy.

Goulburn River High Country Rail Trail Management Plan

- Sets out the range of matters involved in managing the (now called) Great Victorian Rail Trail.

*2.3 Local Government Documents**Murrindindi Shire Council Plan 2013-2017*

The Council Plan sets out a four-year roadmap of strategic objectives and strategies to work toward the community vision for Murrindindi into the future. Each year, Council presents to the community an updated set of strategies and actions for implementing the four-year Council Plan.

The Council Plan Goal area of Our Economy identifies the feasibility study project as a key action within the following strategic objective area:

- Our Economy - Strategic objective: "We will increase the economic, social and cultural benefits to the Shire of a growing tourism sector".

In addition the feasibility study also relates to the following Council Plan areas:

- Our Economy - Strategic objective: "We will administer sound financial and management practices".
- Our Environment - Strategic objective: "We will use resources more efficiently and effectively".
- Our Environment - Strategic objective: "We will apply a whole of life approach to the management and maintenance of Council's assets".

Murrindindi Shire Economic Development Strategy

- The strategy identified tourism as one of the key sectors to focus on for the Shire, providing over 20% of the Shire's employment.
- The Strategy's scope is to generate sustainable growth in tourism based revenue for local businesses, leveraging Murrindindi Shire's natural assets, proximity to Melbourne and links with neighbouring regions to create opportunities for employment and attracting more people to live and/or work in Murrindindi Shire.
- The Strategy identifies two key relevant opportunities. The first is to develop a comprehensive list of existing adventure based infrastructure and assets, while the second is to build on the Great Victorian Rail Trail, Lake Mountain and Bowden Spur mountain bike infrastructure and various bike events to establish the shire as a destination of first choice for the growing cycling market.

3.0 Trail Route Selection

3.1 Introduction

Development of a trail connecting Alexandra, Thornton and Eildon faces a number of issues and challenges that need to be evaluated during the assessment of trail route options and trail feasibility. Evaluation of these issues has determined the preferred trail route. These issues are:

- ✚ Steepness of road verges
- ✚ Narrowness of road verges
- ✚ Steepness of topography
- ✚ Difficulties of using roadside paths/trails
- ✚ Indirectness of some route options
- ✚ Attitudes of adjoining landowners on some route options
- ✚ Number (and cost) of river/creek crossings
- ✚ Ongoing maintenance costs
- ✚ Licenced water frontages and flooding
- ✚ Connecting towns

Many of these issues will be encountered in the future development of a trail.

The target markets - primarily those currently using the Great Victorian Rail Trail (which will include family groups with young riders and walkers) – will be seeking off-road riding experiences. This requires development of an off-road trail, rather than relying on providing on-road riding (even for small sections). Many cyclists may not cycle on a regular basis, and therefore are not sufficiently competent and confident to ride on major roads. Sealed shoulders are unlikely to be sufficiently wide to be an attractive option for touring cyclists and are not appropriate for pedestrians and horse riders. Inexperienced cyclists should be kept away from fast flowing traffic, especially when their primary purpose for cycling is leisurely sightseeing. This applies equally to walkers and horse riders.



The steep topography in some locations and steep sided verges alongside the road (such as Skyline Rd) rule out some route options.

3.2 Key Issues

3.2.1 Steepness of road verges

All possible options examined for creating a continuous trail used road verges for at least part of their alignment. Steep verges are along some part of most of the routes examined. Many existing roads are cut into the side of a hill, leaving a steep rise on one side and a steep fall on the other side. Developing a trail along these verges will require cutting into a hillside either below or above the road and stabilising the cutting above

and below the trail; this will be an expensive process – both in construction costs and on-going maintenance costs.

3.2.2 Narrowness of road verges

Many of the verges considered were very narrow and there was limited space between the road pavement and the adjoining property boundary to construct a safe off-road trail. This contributed to ruling out some of the options considered, while it is a factor to be taken into account when locating and developing the preferred alternative.

3.2.3 Steepness of topography

Some of the options considered involved riding or walking up steep grades (Skyline Rd was the most obvious example). Topography of the trail route is critical when considering the likely target markets. As noted above, the primary target markets include those currently using the Great Victorian Rail Trail. One of the major appeals of rail trails is the gentle gradient, suitable for all types of cyclists, and walkers. This is the market that would typically be attracted to a trail extension from Alexandra to Eildon – their demands are paramount in considering route options and trail feasibility. Consequently, routes that used limited grades (such as the river valley) are more suitable.

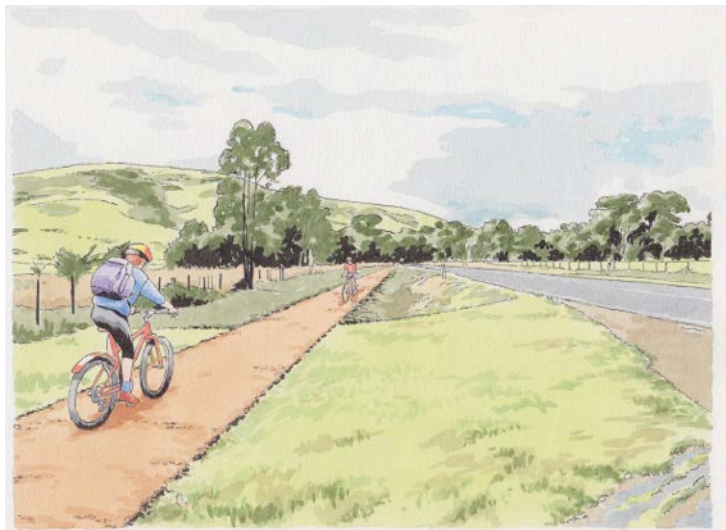
3.2.4 Difficulties of using roadside paths/trails

Rail trails that have sections that run immediately alongside roads (and the Murray to the Mountains Rail Trail is a good example) only contain a small portion of trail alongside roads; most of the trail is away from roads. There are issues of safety and perceptions of safety by trail users, particular by those with young families. Options considered for the Alexandra, Thornton and Eildon Trail Link ran primarily alongside roads; there are no other feasible options. Maximising separation of users from the road will be critical in trail design should the trail proceed.

The desirability of using alignments such as road verges will be partly determined by:

- the amenity of the roads and road verges to be used;
- the landscape they pass through;
- the ease of construction of a trail along the verge;
- the distance (separation) of the trail from the road; and
- the volume, speed and type of motor vehicle traffic on the adjoining roads.

A related issue is the need to ensure that the trail does not continually cross over roads unnecessarily. It is not desirable (from a safety and user perspective) to 'weave' the



Paths and trails constructed on road verges should be located as far from the road surface as possible to create safer cycling/walking conditions.

trail back and forth across a road to take advantage of wider verges where these exist. In some locations, the 'other side' of the road may be more attractive (with less works required) than the side chosen but crossing back and forth across roads to access the 'easiest' verge is not desirable.

3.2.5 Indirectness of some route options

Some of the options considered took users a long way from the most direct route between Alexandra and Eildon. Trails need to be developed to follow a logical route. This is not always the shortest route, as a number of other factors such as attractiveness and safety need consideration. A distance of 24 kms (via the most direct route) is a comfortable ride for many people; significant additions to this length would need to be justified on other grounds.

3.2.6 Attitudes of adjoining landowners on some route options

The options considered were all contained on public land, including the use of some unformed road reserves. It would seem a simple matter to utilise these reserves particularly where they are managed by the Council (as opposed to reserves managed by the State). However, it is worth noting that there may be some opposition to the use of road reserves even though it is public land, particularly in areas that are rural in nature.

Such concerns are not uncommon in trail projects. People may have been using a road reserve with or without knowing that it is public land. A reserve may have become an integral part of their property, used for access or farming practices.

At least one of the options examined follows a road that is not constructed in the road reserve. McIntyre Lane is a constructed road that appears to join a road reserve (an



Several trail route options were considered that would involve use of minor gravel roads over steep country.

unconstructed road) at its southern end. However, examination of the cadastral mapping indicates that McIntyre Lane is not actually constructed in the road reserve for much of its length. Using the constructed McIntyre Lane would only be possible for a very short distance immediately south of UT Creek Rd. Any trail would then be required to be constructed in the road reserve (rather than using the quiet gravel road) and would require significant work and disruption to adjoining landholders.

Grazing leases may also be held over some of these unformed roads (though this has not been investigated). Responsibility for the licensing of unused roads resides with the Department of Environment and Primary Industries (DEPI). DEPI may issue a licence for agricultural use over the road to an owner/occupier of the adjoining private land. Local councils have the responsibility for managing government roads. However, a council has the power to declare to DEPI that a government road is not required for public traffic. Grazing is the main use for which unused roads are licensed. A licence over an

unused road provides personal permission to enter and use the land for a specific purpose and does not offer exclusive use to the licensee.

Licences over unused roads for agricultural use can be issued for up to ninety-nine years. DEPI may decline applications or impose special conditions where appropriate. A licence may be cancelled if conditions are not met or a council requires the road to be reopened for traffic purposes.

3.2.7 Number (and cost) of river/creek crossings

One of the most costly items to be encountered when developing the proposed trail will be the establishment of bridges across the Goulburn River. The Goulburn River is a major feature of many of the trail routes considered. Whilst it is a key attraction, it is also a major cost element. Recent costings for another project have indicated that a steel truss bridge is likely to cost around \$4,600/m (for 2.0m wide) and a cable span bridge is likely to cost around \$6,000/m (for 2.0m wide all-steel structure with fibreglass decking). Australian Bridge Design Standard AS 5100 sets out minimum design loads, forces and load effects for the design of bridges. Foundation conditions will affect costs. Required height above waterline (and 1 in 100 flood level) will also impact on length of ramps and therefore the cost of any structure. In addition, a number of small waterways, drains and sink holes will need to be crossed – in these circumstances, there are cheaper options (fill and pipe, boardwalk) but they will be significant costs.



Above left: The construction of long bridges over the Goulburn River and several smaller creeks will be one of the major costs associated with the development of a trail between Alexandra, Thornton and Eildon. Above right: a 'clip on' bridge has been fixed to a road bridge in Surat, Queensland. A similar approach could be used for the two bridges across the Goulburn River.

3.2.8 Ongoing maintenance costs

Ongoing trail maintenance is a crucial component of an effective management program – yet it is often neglected until too late. Countless quality trails have literally disappeared because no one planned a maintenance program and no one wanted to fund even essential ongoing repairs. It is therefore essential that funds be set aside in yearly budgets for maintenance of this trail - to ensure user safety and enjoyment, and to minimise liability risks for land managers. Ongoing maintenance costs can be minimised by building a trail well in the first place. A well-constructed trail surface will last considerably longer than a poorly built trail. Signs, gates, posts and bollards installed in substantial footings stand less risk of being stolen or damaged.

All trail options considered need ongoing maintenance commitment. Murrindindi Shire Council already has a significant maintenance commitment to the Great Victorian Rail Trail. The Council manages and maintains approximately 84km (63%) of the 134km Trail. It spends around \$2,000/km on a range of maintenance activities each year.

There are options for reducing maintenance costs using volunteers. The Outdoor Education Group (OEG) has previously indicated to Murrindindi Shire Council a willingness to undertake maintenance of parts of a trail using their own staff and resources. This stems from the fact that OEG see significant benefits to their activities from the development of a trail – notably safe passage along Back Eildon Road for students undertaking activities.

The activities of a strong Committee of Management and an effective volunteer maintenance program can **significantly** reduce the maintenance burden on a local government. In Australia, 'Friends of' trails groups undertake any number of tasks. The 'friends of' groups are not the trail manager. This responsibility falls to a formal Committee of Management, a State Government agency or a local government.

3.2.9 Licenced water frontages and flooding

One of the route options considered was along land adjacent to the Goulburn River. It is understood that some of the riverfront is the subject of "Licenced water frontages". A Crown land water frontage is a strip of Crown land that runs alongside a river or stream. Crown land water frontage widths can vary considerably, from 20 to 100 metres, or more in some cases. The administration of most Crown land water frontages is the responsibility of DEPI. Management responsibility is typically assigned to another person or body (licensee), often through the issue of a licence.

When a Crown land water frontage is licensed, the public retains the right to enter and remain on the land for certain recreational purposes such as walking, fishing or bird watching. Pedestrian access must be provided at any fence that crosses the frontage by providing a stile or unlocked gate.

However, using the river corridor is not feasible due to flooding and water releases that may inundate a trail built close to the river.

3.2.10 Goulburn Valley Water pipeline

Utilising Goulburn Valley Hwy and Back Eildon Road for a trail will involve constructing a trail over (at least in part) the water pipeline laid by Goulburn Valley Water. Valves, air valves and scour valves are located along the pipeline and are above ground. Utilities can share trail corridors (the Brisbane Valley Rail Trail for example has a



The Goulburn Valley Water pipeline uses much of the road verge alongside the Goulburn Valley Highway (from Alexandra to Thornton) and Back Eildon Road. These two roads provide one of the alternative routes for the trail.

significant part of its first section built over a recycled water pipeline); however, there may be issues with construction particularly if any excavation or digging is required. Initial consultation with Goulburn Valley Water staff has indicated general support for a trail, noting that trail works would not appear to impact on the pipeline. Valve covers and pits need to match (ie. be level with) the finished surface. As Goulburn Valley Water needs to have unrestricted access to the pipeline, the key issue is the construction of boardwalks and bridges immediately above the pipeline and other assets. Ongoing consultation (including the provision of detailed works plans) and in-field inspections with Goulburn Valley Water staff will be required if the trail is constructed.



Wide, open verges along some sections of the preferred trail route will make construction relatively simple and inexpensive.



The existence of a length of single track alongside Goulburn Valley Highway provides an opportunity for the proposed trail, with minimal clearing required.

3.2.11 Connecting towns

One of the key motivations for the project is the need to revitalise Eildon and Thornton in particular and provide a new range of business and employment opportunities. It is understood that over the last 18 months, the Eildon and Thornton area has seen the closure of the local newsagency, greengrocer, one of the two butchers, one of the two primary schools, the Snobs Creek Discovery Centre together with the local doctors' surgery. Consequently, a project such as the Alexandra, Thornton and Eildon Trail Link would be designed to bring visitors to these three communities. The trail must go through or at least very near these three towns to encourage people to stop and stay to use the trail. Route options need to consider their connectivity to these three towns. Economic development opportunities will arise from the development of a trail if it proves feasible; these opportunities may arise in these towns. More detailed discussion of economic opportunities can be found in Section 4.4.

3.2.12 Extension of trail to Lake Eildon weir wall

The possible extension of the proposed trail beyond Eildon as far as the weir wall was investigated. For much of the distance the ground is reasonably flat and the trail could follow existing vehicle tracks. However, the last 1,000m requires a very steep ascent along Sugarloaf Rd, a road which has little or no roadside verge where a trail could be established. The steepness of the climb combined with the absence of a suitable verge upon which to construct a trail effectively rules out the possibility of extending the proposed trail to the weir wall lookout points.

3.3 Route Selection

Seven routes were considered and these are shown on Plan 1. Some of these were variations within a bigger route. The route shown as Option 1a is considered the most feasible route for a trail connecting Alexandra, Thornton and Eildon.

The trail options under consideration used a combination of roads, road verges, and unformed road reserves. There was also consideration given to using the river corridor (a trail along the edge of the Goulburn River) though it is not shown as an option due to flooding. The following sections discuss each of the trail options and the reasons for choosing the final option, noting that the rationale is drawn from consideration of all the issues discussed in Section 3.2.

3.3.1 Option 1a - **Recommended Route** (Goulburn Valley Hwy to Thornton and Back Eildon Rd to Eildon)

Key features of this route are:

- The trail builds on existing trail and path infrastructure, notably in Alexandra and Eildon.
- It utilises the existing single track that has been constructed from the Dame Pattie Menzies Centre on the outskirts of Alexandra to Mt Pleasant Road along the Goulburn Valley Highway. Some of this track has been constructed on an old tramway (note that the single track would need significant work to bring it to the standard desired for this project). In this section, the trail would be separated from the highway, either by physical setback and significant vegetation growth (west of the intersection of the highway and UT Creek Rd) or by an embankment (the tramway route runs below the highway as it approaches Mt Pleasant Road).
- Road verges between Mt Pleasant Rd and Thornton and along Back Eildon Rd are relatively wide and relatively flat (there are exceptions); the trail should be kept as close to the boundary of the road reserve as possible.
- As well as going through Thornton, the trail route passes a number of attractions – the Outdoor Education Group camp, Bluegums Caravan Park, Eildon Waters Holiday Park and Eildon Trout Farm.



One of the considerations in choosing the preferred route is the location of activities and businesses that would benefit from the trail. The OEG has offered to undertake maintenance of a portion of the trail if it is constructed.

- The trail route makes use of several riverside reserves downstream of the Eildon pondage.
- Travelling along the river valley has two major advantages – it makes for a relatively flat ride and it allows users to have views to mountain ranges on both sides as well as the Goulburn River itself.
- Two bridges over the Goulburn River (west of Thornton on the Goulburn Valley Highway and on the northern outskirts of Thornton on Back Eildon Rd) will be required.
- Boardwalks (over small waterways, drains and sink holes) and trail construction on embankments will also be required along parts of the trail, notably west of Thornton and immediately north of Thornton (south of Rollasons Rd).
- Road crossings are minimised but are used where necessary to avoid steep or narrow verges, and at locations to maximise sight lines.



Not all sections of the preferred route are easy. Some steep sections along Back Eildon Rd will require a cantilevered boardwalk structure out over the steep embankment at the side of the road.

3.3.2 Option 1b - Goulburn Valley Hwy to Thornton (as per route 1a) and alongside the Goulburn Valley Highway east of Thornton to Eildon (on south side of river)

This route was not chosen for a number of reasons:

- Both sides of the Goulburn Valley Highway east of Thornton presented significant construction difficulties (and consequent costs) due to the steepness of the slopes on either side of the road. It would be almost impossible to cut a trail on the south side of the highway. While there would be fewer difficulties on the northern side, considerable stabilising earthworks would have been required.
- Construction on the northern side of the Goulburn Valley Highway east of Thornton would require significant clearing of mature gums.

3.3.3 Option 1c - Grant St and Mt Pleasant Rd to Goulburn Valley Hwy to Eildon (as per route 1a)

This route presents an alternative for exiting Alexandra and builds upon the existing single track mountain bike track that has been constructed along Mt Pleasant Rd. This route was not chosen because of the steepness of the slopes on either side of the road (the single track is already formed at the bottom of a slope but there is limited space to construct a shared use trail and cutting into the embankment would be required).

3.3.4 Option 1d - Goulburn Valley Hwy (as per route 1a) onto Clarkes Rd and Rollasons Rd and onto Back Eildon Rd north-east of Thornton (as per route 1a)

This route presents an alternative to crossing the Goulburn River twice as proposed by route 1a. This would have provided significant costs savings. However, this route was not chosen for a number of reasons:

- There is a relatively steep incline on Clarkes Rd at the western end, which would have deterred some users.
- This route does not pass through Thornton. While a spur could be built back to Thornton from Rollasons Rd, it would involve one crossing of the Goulburn River (thus in part negating the cost advantage of this option) and it is probable that many trail users would keep going along the main trail and not take the spur into Thornton (and thereby negating one of the reasons why a trail is proposed).

3.3.5 Option 1e - Very southern route (Grant St, Mt Pleasant Rd, Hobans Rd, Breakaway Rd, Acheron Rd)

This route uses route 1c to exit Alexandra and mostly avoids the Goulburn Valley Highway to reach Thornton but uses the Back Eildon Rd as per route 1a. While very scenic, this route was not chosen for a number of reasons:

- There are the issues associated with route 1c.
- This is a very steep route particularly when users reach Acheron Road.
- While avoiding the crossing of the Goulburn River west of Thornton, there are other river and creek crossings to negotiate.
- It uses unconstructed road reserves.
- It is a much longer route and takes users further away from the various destinations.

3.3.6 Option 2a - UT Creek Road and Skyline Rd to Eildon

This route exits Alexandra as per route 1a, but heads along UT Creek Road and Skyline Rd. This route was not chosen for a number of reasons:

- Skyline Rd is very steep and will deter many users.
- Major tree clearing is required.
- Much of the road verge is very narrow and steep requiring significant earthworks, which would be very expensive.
- This route does not pass through Thornton.

3.3.6 Option 2b - UT Creek Road and McIntyre Lane to Rollasons Rd and to Eildon via Back Eildon Rd as per Route 1a

This route exits Alexandra as per route 2a, but turns off UT Creek Rd and heads south on McIntyre Lane. Construction along UT Creek Rd is relatively simple as the verge is quite wide. This route was not chosen for a number of reasons:

- As noted in 3.2.6, examination of the cadastral mapping indicates that McIntyre Lane is not actually constructed in the road reserve for much of its length. Using

the constructed McIntyre Lane would only be possible for a very short distance immediately south of UT Creek Rd. Any trail would then be required to be constructed in the road reserve (rather than using the quiet gravel road) and would require significant work and disruption to adjoining landholders.

- The route is quite steep as the trail would be required to head over a ridge after leaving the constructed part of McIntyre Lane.
- This route does not pass through Thornton. While a spur could be built back to Thornton from Rollasons Rd, it would involve one crossing of the Goulburn River (thus in part negating the cost advantage of this option) and it is probable that trail users would keep going along the main trail and not take the spur (and thereby negating one of the reasons why a trail is proposed).

4.0 Opportunities

4.1 Introduction

There are a number of specific elements within the area encompassed by the proposed trail route that provide opportunities and reasons for why a trail should be built.

4.1.1 Appealing landscape and views

Travelling along the river valley provides users with good views to mountain ranges on both sides. The allure of river flats with grazing cattle also has strong visual appeal. Views of gently undulating countryside, containing water bodies and trees are the most attractive and relaxing for many people (*St Leger 2004*).

4.1.2 Connections between towns

As noted in 3.2, one of the key motivations for the project is the need to revitalise Eildon and Thornton in particular. Tourism already provides 20% of employment opportunities in the Shire; developing a trail will add more employment opportunities (this is discussed further in 4.2). Taking trail users through towns will provide new business opportunities for service providers.

The distances between towns is also important when considering likely users. The good one-way trails often provide opportunities for short, medium and long length rides and walks on the main trail. Having options is a bonus. Intermediate towns easily accessible along the trail are critical when a trail is long and an added bonus when the trail is short (such as this one). A 12 km ride (which would take users from Alexandra to Thornton or Thornton to Eildon) provides a perfect distance for young families looking for a one-way ride. It also provides a perfect stopping point for those on a longer 24 km ride (either out and back or all the way between Alexandra and Eildon).



The UT Creek Pathway connects the trailhead of the Great Victorian Rail Trail with Alexandra. Directional signage should be improved to provide a better connection into town.

Connecting the towns via a trail will also provide an opportunity for local residents to choose a non-motorised connection for visiting friends or undertaking some exercise (or possibly travelling to work). A non-motorised trail provides another psychological link between the towns on the route.

4.1.3 Connections to the Great Victorian Rail Trail

Connecting to the Great Victorian Rail Trail is one of the key elements of this project. Designing the trail to service the rail trail market will be a key feature of the trail if constructed. An extension to Eildon is likely to create higher use of the GVRT – particularly the spur from Cathkin to Alexandra.

4.1.4 Connections between outdoor camps

The Outdoor Education Group is one of the largest providers of outdoor recreation activities for school-age children in Australia. It has two camps in the vicinity of this trail – one on the Goulburn Valley Highway near the pondage and one on Back Eildon Road. The Group has indicated an interest in an off-road connection between the two camps. They regularly have activities at the camp involving large numbers of school-age children and a student's stay usually involves bike riding and canoeing. Information provided by OEG indicates that around 120 children per week would participate in cycling at the OEG camps; in total, this means around 3,000 children per year may use this trail. There is already a connection that allows them to travel from the more southern of the camps (on the Goulburn Valley Highway) to the Eildon power station in a relatively safe way (as most of the trail is along the pondage). However, there is only an on-road option for a connection from the power station to the camp on Back Eildon Road. Discussions with OEG indicate that they have undertaken an internal risk assessment and have determined not to use the sections of Back Eildon Road signposted at 100km/hr as this is too dangerous for their riders. Development of the trail will provide a safe off-road connection between the two camps. It will enhance the ability of OEG to offer bike riding and walking opportunities and potentially expand their suite of activities.

Trail development also provides the opportunity for OEG (and other providers) to offer a "bi-modal" touring opportunity – trail users can paddle watercraft downstream from Eildon Pondage to Thornton (or Alexandra) and cycle back to the camp. This opportunity is also more broadly available to providers of outdoor recreation opportunities (both for schools and the general public) – a commercial opportunity would be presented by the development of the trail.



The ideal trail route will pass as many existing visitor attractions and businesses as possible, including the caravan parks of the area.

4.1.5 Proximity of attractions and visitor sites

As well as passing through the towns of Alexandra, Thornton and Eildon, the trail passes a number of attractions along its route. These include:

- Alexandra Timber & Tramway and Museum. The trail would start adjacent to the Museum at the trailhead of the Great Victorian Rail Trail.
- The Outdoor Education Group camp.
- Bluegums Caravan Park.
- Eildon Waters Holiday Park.
- Eildon Trout Farm.
- Eildon Pondage (the trail would use the existing FutureFish Eildon Fishing Trail to get to Eildon from the power station).

Many of these attractions are commercial facilities that will benefit from users passing, stopping and staying.

4.1.6 Increased use of existing paths and trails

Murrindindi Shire Council, Goulburn Valley Water and the State Government have invested in existing paths and trails in the vicinity of the proposed trail, notably the trail alongside Ultima Thule Creek in Leckie Park and the FutureFish Eildon Fishing Trail (as well as the GVRT). In addition, mountain bike riders have formed a single track alongside the Goulburn Valley Highway from the outskirts of Alexandra to Mt Pleasant Rd. The proposed trail would build on these investments and attract more users to the existing trail and path network, thus better realising the investment made.

4.1.7 Topography of the preferred route

The primary target markets include those currently using the Great Victorian Rail Trail. One of the major appeals of rail trails is the gentle gradient, suitable for all types of cyclists, and walkers. This is the market that would be attracted to a trail extension from Alexandra to Eildon – their demands are paramount in considering route options and trail feasibility. Consequently, a route that uses limited grades (such as the river valley) is more suitable for this market and is more likely to attract a range of users.

4.1.8 A trail with high-profile anchors

One-way trails (or out-and-back trails) need an anchor at both ends to be attractive to users. The best one-way trails (including many rail trails) have natural terminuses in major centres or towns, or pass through major towns. Alexandra and Eildon are high profile anchors that draw people for a range of tourism purposes. A number of these visitors will utilise a trail linking the two towns.

4.1.9 Broadening the recreation offerings

Currently Eildon in particular has a very high profile for water-based activities, notably fishing and boating. Provision of an off-road trail adds to the list of tourist offerings and encourages visitors to stay a little longer to go for a pleasant walk or bike or horse ride along the Goulburn



Lake Eildon and the pondage already attract many visitors. The proposed trail could extend the range of activities for existing and future visitors.

River Valley. A trail also provides a non water-based activity; visitors may tire of water-based activities or the weather may not always be suitable. A new nature-based attraction has the power to retain those visitors for longer, spending money and generating business opportunities. In addition, providing an “extra leg” for the Great Victorian Rail Trail may encourage users of this trail to stay in Alexandra when they have finished the rail trail to use the Alexandra, Thornton and Eildon Trail Link.

As noted in 4.1.4, trail development also provides the opportunity for a range of providers to offer a “bi-modal” touring opportunity – trail users can paddle watercraft downstream from Eildon Pondage to Thornton (or Alexandra) and cycle back – a commercial opportunity would be presented by the development of the trail.

4.2 Visitor Market and Needs Analysis

A trail such as the proposed Alexandra, Thornton and Eildon Trail Link will provide a number of opportunities generally associated with recreation trails.

Should the trail prove feasible, it may help the area become more of a ‘year-round’ destination, bringing additional tourists and keeping them longer in the area.

Other possible benefits from developing the trail include:

- Improvements to community connectivity;
- Increasing recreational options for local people; and
- Creating opportunities to build on existing industries and enterprises of the area

4.2.1 General Visitor Numbers

Visitation to regional Victoria has been relatively stagnant in recent years. For example, during the period 2000 to 2012, domestic overnight visitors to regional Victoria declined at a rate of 0.5 per cent per annum. Available figures for Murrindindi Shire for the last 5 years are shown in Table 1 (the trends do not necessarily match the overall regional Victoria trends – Murrindindi Shire’s visitation has gone up and down over the last 5 years).

Table 1: Visitor numbers to Murrindindi Shire 2009 - 2013

Year ending	Overnight Visitor numbers	Day-tripper numbers
Dec 2009	184 000	577 000
Dec 2010	116 000	624 000
Dec 2011	194 000	602 000
Dec 2012	249 000	746 000
Dec 2013	174 000	519 000

Source: Tourism Research Australia 2013

Key markets for Murrindindi Shire are Melbourne and Regional Victoria. Melbourne provides 73% of overnight visitors and 59.7% of daytrippers, while Regional Victoria provides 21.3% of overnight visitors and 38.9% of daytrippers.

The short break market (1-3 days) has been a predominant market for domestic tourism for some time and it remains a key market for visitors to the region. People on short breaks often look for a trail experience as part of their holiday.

The Great Victorian Rail Trail attracted around 27,500 users in the most recent counts (January-March). 25% of these users (around 6,800) passed through counters in Murrindindi Shire (this figure is unlikely to represent total numbers of users as some users would have travelled past more than one counter).

4.2.2 Trail User Numbers

4.2.2.1 Visitors

Recreation trails provide an important piece of tourism infrastructure and provide experiences in the nature-based tourism market and particularly the adventure tourism market. Nature-based tourism is estimated to be growing at 10-30% per annum – a significant growth market to target (*Victorian Nature-based Tourism Strategy 2008-2012*).

Visitors most likely to participate in cycling or walking activities are 'nature visitors'. (A nature visitor is a visitor who participates in at least one of a number of nature-based activities while travelling including visiting national parks or state parks, visiting wildlife parks, zoos or aquariums, visiting botanical gardens, and bushwalking or rainforest walks). According to Tourism Research Australia (TRA), the majority of nature visitors in Australia are domestic visitors rather than international visitors. Research undertaken by TRA indicates the number of nature visitors in Australia in 2009 totalled 28.31 million people; made up of 3.3 million international visitors, 12.46 domestic overnight visitors and 12.55 million domestic day visitors.

Not all nature visitors are interested in the types of activities undertaken on tracks and trails, however Tourism Research Australia estimates that 51% of domestic overnight nature visitors take part in bushwalking / rainforest walks, whilst 39% of domestic day visitors and 37% of international visitors enjoy this type of activity (*TRA Snapshots 2009*). This is an established activity in Murrindindi Shire. In the year ending December 2013, 36.8% of overnight visitors and 16.2% of daytrippers took part in a bushwalk or rainforest walk during their visit. (*TRA 2013*)

A number of high profile trails in Australia and New Zealand provide examples of user numbers that can be achieved on tracks and trails (a product within nature-based tourism). Users are attracted to developed trails that are both 'known' or advertised in some way, and offer a range of facilities such as signage and interpretation, parking, toilets and water. Each trail has its own reasons for success. One of the common elements is that the trail itself is the physical element (and is often managed by a Government agency) while private sector businesses and community-based organisations (such as the Bibbulmun Track Foundation) provide the 'experiences' of and around the trail. (Economic benefits of some of these trails to the communities in which they are located are discussed in detail in Section 4.4).

- Use of the Bibbulmun Track (WA's long distance walking track between Perth and Albany) increased from 10,000 in 1998 to 35,000 in 1999-2000 to 137,500 in 2003 (*Colmar Brunton 2004*) to over 167,000 in 2008 (*Colmar Brunton 2009*). 79% of 2007/08 users came to the track specifically to use the track. The Bibbulmun Track offers a wide range of experiences, from a gentle stroll to enjoy the peace and beauty of the natural environment, to an epic eight-week adventure. The trail offers a diversity of accommodation – users can enjoy a wilderness experience by camping out, they can join a guided group, a tour, or they can do it in comfort by staying in the towns along the Track and enjoying day walks in the area (*Bibbulmun Track Foundation website*). Bibbulmun Track "businesses" have established such activities – the Bibbulmun Walking Breaks (run by the Foundation) provide such a package for those who enjoy walking but do not want to carry a heavy pack or camp overnight. In 2002, the Walking Breaks program won a national award for innovation in travel in the Jaguar

Awards for Excellence. For example, the Foundation organises two “best of the Bibbulmun 8-day tours”. Both of these tours are carefully compiled to combine a variety of day walks with off-Track accommodation. A bus service transport users to the Track each day and returns them to accommodation in rural towns and villages at the end of the day. On the walks, users carry only a small daypack carrying food and other items. While not directly applicable (as the Alexandra, Thornton and Eildon Trail Link could be done in less than a day), the opportunity for supported rides and walks may arise – particularly if users “add on” a section of the Great Victorian Rail Trail. Much of the success of the Track can be attributed to extensive marketing by the Bibbulmun Tack Foundation.

- The Munda Biddi Trail is WA’s cycling (off-road cycle touring) equivalent of the Bibbulmun Track. Running from Perth to Albany (a distance of 1,088 km), it attracts 21,000 users per year (*Munda Biddi Website*).
- The Great Ocean Walk in Victoria attracts 100,000 visitors per year (*pers com Parks Victoria*).
- The Wilsons Promontory Walk (Victoria) attracts some 60,000 visitors/year (*pers com Parks Victoria*).
- The Murray to the Mountain Rail Trail (Victoria) attracts 59,900 annual visitor days in 2010 (*SGS Economics and Planning 2011*).
- The Otago Central Rail Trail (NZ) offers a 3-day cycle or 5 day walk experience covering 150 kms. Over 14,000 users traverse the entire length each year, with the most popular section attracting over 20,000 users (*Central Otago District Council 2011*). Cyclists undertaking the complete journey often do so in 3 days, while walkers take 5 days (*Otago Central Rail-Trail Trust 2005*). A number of tour operators offer a “guided” service for cyclists in particular, allowing users to spend all day riding between accommodation options carrying only what they need for a day and their gear is transported from accommodation place to accommodation place.
- Data from Colac Otway Shire shows that the total usage on monitored sections of the Old Beechy Rail Trail for 2013 (excluding Beech Forest) was 23,368. This does not include data for the Colac section of the trail, as monitors were not installed at that location.

It is also worth noting that the Goulburn River Valley Destination Management Plan highlights four key markets that should be targeted (not just with this trail but with tourism products generally). These markets are families, older travellers/couples, socially aware and experience seeking/self-drive international visitors. These segment are also potential consumers of a trail such as the Alexandra, Thornton and Eildon Trail Link (particularly the first two markets).

4.2.2.2 Local users

Tourism numbers are important. However, it is important not to overlook the contribution of local residents to the success of a trail. In 2001, the Mundaring Shire (in Western Australia) trail network was used by over 200,000 people (*Jessop and Bruce 2001*), having grown from a low base when the network was first fully opened. Only 10% of these users were locals (residents of Mundaring Shire) with many other users drawn from the Perth metropolitan area. The trail attracted 2.454 million users annually. Using the trail frequently, local residents accounted for 63% of these visits. Their expenditure on the trail was also significant. While the individual value was low (i.e. expenditure per person per visit), the cumulative economic impact was significant. Local

trail users spent an average of \$1.44 per visit to the trails in the Shire. This injected a further \$2.23 million into the local economy annually. The same local trail users spent an additional \$2.62 per visit outside the Shire, adding a further \$4.05 million to the total State economic benefit.

It is worth noting that all those who attended the open houses indicated that they would be constant users of the trail should it be developed.

4.3 Trail User Characteristics

4.3.1 What do people do on a trail?

The latest Exercise, Recreation and Sport Survey (ERASS 2010) reports on the propensity of Australians to participate in trail-related activities at a general level (note that these figures show the number of people who have participated in the activity at least once in the last year):

- 35.9% of survey respondents across Australia participated in walking, making it the most popular form of activity. This percentage has been consistent since 2001, and walking has been the most popular exercise activity since 2001 (increasing by 44% in that time). Victorian figures for 2010 are consistent with this national average, with 36.6% of survey respondents across Victoria participating in walking. This number has increased over the ten years, while participation in other activities has fallen.
- 11.9% of survey respondents across Australia participated in cycling, making it the fourth most popular form of activity. Again, cycling has been amongst the top 5 activities since the ERASS began in 2001 and has increased by 45% between 2001 and 2010. The 2010 level is the highest in 10 years. Victorian figures for 2010 are consistent (though higher) with this national average, with 12.7% of survey respondents across Victoria participating in cycling. This number has increased over the ten years, while participation in other activities has fallen.
- 4.8% of survey respondents across Australia participated in bushwalking, making it the seventh most popular form of activity. Bushwalking's percentage share of exercise has moved up and down since 2001, but it consistently appears in the Top 10 activities. Victorian figures for 2010 are consistent with this national average, with 4.6% of survey respondents across Victoria participating in bushwalking. This number has increased over the ten years, while participation in other activities has fallen.
- An estimated 6.7 million persons aged 15 years and over participated at least three times per week in non-organised physical activity (which includes walking, cycling and bushwalking), a regular participation rate of 38.5%.

Two general findings from the 2001 inaugural Exercise, Recreation and Sport Survey are also relevant. While these comments were made in 2001, they are still relevant in 2013.

- Significant technological advances in equipment design and function have created new forms of outdoor activities and extended the scope and levels of participation for the general population.
- In general the population are making increased 'lifestyle' choices that associate with greater access and contact with the natural environment. This includes

aspects of urban to rural ('sea change' and 'tree change'), residential drift, increased demand for open space (parks, recreation trails etc.) in urban developments, and increasing demands for recreational time in the outdoors (changing work patterns and day trips from home).

Together, these two general trends have helped increase demand for passive non-organised recreation (as opposed to organised sporting activities).

A number of survey-based studies are available which together give a consistent indication of participation levels relevant to trails-related outdoor recreation activities. These studies come from South East Queensland (1998, 2001 and 2007), South Australia (Adelaide and Adelaide Hills, and Market Equity 2004), and the ACT. Table 2 provides a summary of the relevant participation rates.

Table 2: Participation Rates in Outdoor Recreation Activities

Study	Walking	Cycling	Horse riding
SE Qld (1998)	60%	25%	7%
SE Qld (2001)	50%	26%	7%
SE Qld (2007)	35%	29%	7%
South Australia	59%	26%	*
SA – Market Equity	69%	29%	*
ACT	73%	58%	*

** no horse riding trails were considered in these surveys*

The figures for participation show the percentage of the population for the town or region who had participated at least once in walking, cycling or horse riding in the previous 12 months. All studies used large samples. (A number of other outdoor-related activities such as bird watching, canoeing and scuba diving were included as possible responses – this is why the figures do not add up to 100%). The ACT study included a large number of school-aged children, which may explain the higher participation rates, particularly for cycling. The very extensive Canberra bike path network may also have contributed to the high participation in cycling.

The point of most significance in these figures is the relative proportion or level of participation for each of the three activities. Clearly walking is the most popular trail related activity, and is in fact one of the most popular outdoor activities amongst all Australians. It is likely to remain so as the population ages. Walking continues to be the most popular activity for people aged over 34 (ERASS 2010). Bushwalking continues to be a relatively popular activity.

Unfortunately none of the surveys distinguish between cycling generally and off-road cycling (both off-road cycle touring and traditional mountain biking). Off-road cycle touring and mountain biking is a rapidly growing recreational pursuit around Australia, and there is growing usage of non-urban areas for this activity. Cycle tourism is a growing market within the Australian tourism sector, particularly within the nature-based tourism segment. Available research demonstrates that cycle tourism has the potential to make an active contribution towards the economic revitalisation of regional Australia as well as improve quality of life for its residents (*Victoria's Cycle Tourism Action Plan 2011-2015*). Mountain biking underwent a tremendous increase through

the 1990's. It has been one of the 'boom' recreational pastimes of the last two decades. Cyclists are the most dominant user group on the Tasmanian Trail. The Mawson Trail in South Australia was primarily designed for off-road cycle touring, and the 1,000km Munda Biddi Trail in WA is designed exclusively for off-road cycle touring. These projects indicate a growing demand for cycle trails, as does the popularity of rail trails in Victoria. Over the last three years, much of the trail planning and building activity across Australia has focussed on mountain bike trails, either within reserves or in specifically prepared mountain bike parks (such as the Forrest Mountain Bike Trails in Victoria's Otway Region). The SEQ Regional Trails Strategy (*Qld Outdoor Recreation Federation 2007*) also noted a strong demand for cycling in younger age groups (less than 30 years old). Work by Market Equity (2004) for the South Australian Office of Recreation and Sport adds to the body of evidence on the popularity of cycling, particularly on certain trails. Market Equity's survey of five trails in South Australia (interviewing 933 trail users) included the Riesling Trail (a rail trail); the percentage of trail users that were cyclists was quite high at 65% (compared to an average of 29% of cyclists across the five trails).

Cycle tourism is a growing market. In 2010, Australia recorded approximately 258,000 international overnight visitors who participated in cycling (*Victoria's Cycle Tourism Action Plan 2011-2015*). Victoria received 320,000 cycling visitors in 2010 who stayed an average of 5.3 nights. Domestic overnight visitors who participate in cycling on their trip stay longer and do more while on holiday when compared with other tourists, making them a stronger source of income for regional communities.

Many of the cycle touring trips would be confined to bitumen (quiet back country roads etc.) but a significant portion may be interested in an off-road cycling experience. The New Zealand Cycleway Market Research (2009) found that, in general, international cycle tourists want easy multi-day trips with good supporting services or events. The holidays can also be location-based and utilise nearby trail networks. While a trail connecting Alexandra and Eildon is not a long trail and would not on its own appeal to such users, a package which included the trail (with the Great Victorian Rail Trail or other proposed tourist trails in the Shire such as the Giant Trees Trail) could attract users from a range of markets – Melbourne, Regional Victoria and elsewhere. Domestic cycle tourists and recreational riders are not primarily focused on cycling but on the broader experience. This group is likely to be older or consist of families rather than single visitors or couples. Both markets are looking for easy access to safe and traffic-free trails. Trail gradient is a critical factor in successfully designing a trail for a specific market or type of rider. For a large portion of the location-based cycling and cycling holiday market average trail gradients of 2-3° are required (this explains the popularity of rail trails for this market). The proposed Alexandra, Thornton and Eildon Trail Link along the recommended route provides gradients of this small magnitude and thus has the potential to be a successful trail product in this market.

Horse riding is an activity by a relatively small number of participants (around 7% of outdoor recreation activities). Horse riding demand can also be highly localised – certain localities attract residents who are horse riders. Anecdotal evidence suggests high horse ownership and riding rates along the Great Victorian Rail Trail around Yea and Molesworth.

In summary, the proposed Alexandra, Thornton and Eildon Trail Link would provide experiences for a range of user groups in a series of markets that have been consistent over time – walking and bushwalking and cycling – or growing significantly – off road

cycle touring. The trail would provide for both visitors and local people who participate in a range of activities.

4.3.2 How long do people spend on a trail?

A Victorian study (prepared for the Victorian Trails Strategy 2005-2010) found that there is a clear preference for shorter walks (up to 6 kilometres and taking between 30 minutes and 2 hours to walk) both in metropolitan and "remote" trails.

The Market Equity work in South Australia confirms this finding with 76% of walkers using trails for less than 2 hours. Recent work done by the Bibbulmun Track Foundation showed that 40% of the users spent less than 4 hours on the trail, while another 29% spent between 4 hrs and a day, meaning that 69% of all users (115,000 of a total of 167,000) spent no more than a day on the track (Colmar Brunton 2009). The tremendous success of the Great Short Walks of Tasmania program is testimony to the fact that there is a huge market for this type of walk. Many of the 60 walks promoted through this program are around this length.

Use patterns for cyclists are somewhat different. Results from a recent survey carried out by the Queensland Outdoor Recreation Federation (June 2013) on mountain bike riding indicate that the most popular "ideal length of ride" for biking was 21-30km followed by 10-20km. Most rides are between 1 and 3 hours. Market Equity's 2004 South Australian work showed slightly different results. The majority of cyclists surveyed (74%) use a trail for 3-4 hours and are more prepared than walkers to travel to use a trail (36% of cyclists interviewed on the five trails were non-locals). The longer times may be due to the fact that the trails involved in the SA study were 'easier' than the trails involved in the Queensland study.



The existing trail around the Pondage is already popular with local people and visitors to Eildon. Extending the trail could have a number of benefits.

The proposed Alexandra, Thornton and Eildon Trail Link along the recommended route provides a trail of ideal length, particularly for cyclists who could ride one way along the entire trail (a ride of 1- 2 hrs) and return or ride half-way along the trail and return. Walkers and horse riders could undertake similar journeys.

There is no doubt that visitors in particular are likely to put aside the time to travel along the potential trail (or parts of it) – people have more time on holidays than they do in their normal day.

4.3.3 Who Uses Trails and Why?

What sort of person is a trail user? Unfortunately, there is limited Australian research on who uses trails. The limited research that has been done shows some interesting attributes of trail users across Australia:

- Almost half of the trail users of the Murray to the Mountains Rail Trail listed their employment status as professional (e.g. doctors, lawyers, managers) (*Beeton 2006*)
- The majority of people (53%) who participate in outdoor recreation are aged between 25 and 54 (*South East Queensland Outdoor Recreation Demand Study 2007*).
- The single biggest group (53%) of users of the Bibbulmun Track (WA's primary long-distance walk track) are aged between 25 and 39, with 25% between 15 and 24, and 17% between 40 and 65 (*Colmar Brunton 2009*)
- 62% of users of the Murray to the Mountains Rail Trail were aged between 31 and 60, while 28% were aged between 9 and 20 (*Beeton 2006*).
- The City of Greater Geelong conducted a very extensive survey of walkers (not just on trails) in the City. 82.9% of survey respondents who had a degree or post-graduate qualifications had walked for exercise or pleasure in the last 2 weeks, while only 62.9% of those who had left school in Year 10 or earlier had walked for exercise or pleasure in the last 2 weeks. The authors of this survey concluded that walking participation increases with educational achievement (*City of Greater Geelong 2003*).
- People using a series of walk and cycle trails in SA (including the Riesling Trail) are motivated by a desire to attain a sense of well-being (95% of users listed this as a motivation), to unwind and relax (91%), to be close to nature (87%), and to be close to family and friends (70%) (*Market Equity 2004*)
- Taking time out and participating in an activity are more important to domestic cycle tourists than international cycle tourists. On the other hand, exploring a unique place or must-see destination, experiencing local culture and learning about other cultures are all more important to international cycle tourists than their domestic counterparts (*Tourism Resource Consultants 2009*).

4.4 Trail Benefits

Victoria's Trails Strategy 2014 – 24 states that: *"Trails deliver jobs and economic benefits to Victorians. They also play an important part in improving health and wellbeing, enhancing the liveability of communities and providing prospective visitors to the region/State with reasons to visit and stay."*

To gain maximum benefit from the trail network through increased use and visitation, however, there needs to be further: market research; investment; development of infrastructure and complementary tourism experiences and products; and consumer information provision."

4.4.1 Economic benefits - How Much Do Trail Users Spend?

Successful trails are already attracting large numbers of visitors and they are spending money both in the local economies and in the broader economy. The following figures

provide a snapshot of expenditures from a range of trails to demonstrate user expenditures.

- The Mundaring Trails Network, 1 hour from the Perth CBD, injected some **\$12.62 million** into the local economy and a **further \$15.21 million** into the State economy annually. Local residents spent \$4.06/visit to the network and visitors (primarily day users) spent \$23.71/visit. The key is that the total number of trips on the trails studied was a staggering 2.454 million visits annually (*Jessop and Bruce 2001*).
- Users of South Australia's Riesling Trail (a 35 km rail trail in the Clare Valley) who come primarily to use the trail are estimated to spend **\$1.08 million/year** (\$215/person/visit with daily expenditure of around \$100). This does not count the other 50% of trail users who use the trail as a secondary purpose for their visit (*Market Equity 2004*).
- The economic impacts of the Bibbulmun Track (WA's long distance walking track) have been studied over two periods (in 2003 and 2007/08). In 2003, the track was shown to have generated **\$21 million** of expenditure **annually** by track users, well in excess of its one-off construction costs of \$5 million (*Colmar Brunton 2004*).

More recent figures show an increase in this amount (due to an increase in both users and how much time they spend on the track). The estimated expenditure in 2008 is around **\$39 million annually** (*Colmar Brunton 2009*). The 2007/08 study shows that the average day walker (some 70% of all users) is spending \$50-\$60/day, while those walking the track for 2-3 days are spending around \$200/visit. Those using the trail for 6 weeks or more, while small in number, are spending \$1,400/visit.



The Otago Central Rail Trail on the South Island of New Zealand is an outstanding success, stimulating the establishment of 20 tour operators that provide logistical support. The rail trail has also stimulated private developments including chalet accommodation at Wedderburn, developed by the owners of an adjoining farming property.

- The Murray to the Mountains Rail Trail in North East Victoria is one of the better known rail trails in Australia. Recent research work (*Beeton 2006*) undertaken on this trail over Easter 2006 found that average daily expenditure was **\$258/user/day**. The bulk of this expenditure was on food and beverage (57% of daily expenditure which equates to \$147/user/day). Beeton applied accepted economic multipliers to these figures and calculated that the direct contribution

to the local economy per user per day was in excess of \$480. (Recent follow-up work by Beeton (2009) confirms these figures).

- Users of New Zealand's Otago Central Rail Trail are spending \$NZ 157.30/day with the average length of stay of 3.7 days (*Central Otago District Council 2011*).

Successful trails are already attracting large numbers of visitors and these are spending reasonable amounts of money both in the local economies and in the broader economy. There is a range of business opportunities for private sector investors arising from the potential development of the Trail. Providing accommodation, food and beverages, supported and guided tours, and equipment, are some of the businesses that have arisen along other trails.

It is important to understand how trail users spend their money. Trail users spend money before coming to a trail and in towns and villages along the way. Tables 3 and 4 show the broad sectors in which their money is spent.

Table 3: Trail user expenditure by category for overnight visitors

(Overnight users includes those staying 1 night or more in the region to use a specific trail)

Average expenditure/day	
Accommodation	\$23.10
Food and beverage	\$54.35
Transport	\$18.90
Retail	\$15.44
Other (including cycle maintenance)	\$11.34
TOTAL	\$123.13

Table 4: Trail user expenditure by category for day trippers

Average expenditure/day	
Accommodation	\$0
Food and beverage	\$23.53
Transport	\$18.90
Retail	No figures available
Other (including cycle maintenance)	\$30.02
TOTAL	\$72.45

This expenditure data represents an amalgam of existing research data. There are a number of specifically trails-related research projects on user expenditures. These are:

- Use and Users of the Appalachian Trail: A Source Book 2000;
- 2008 Bibbulmun Track User Research Report;
- An Economic Analysis Of Rail Trails In Victoria, Australia 2003
- Regional Communities And Cycling: The Case Of The Murray To The Mountains Rail Trail, Victoria, Australia 2006;
- Cycling in Regional Communities: A Longitudinal Study of the Murray to the Mountains Rail Trail, Victoria, Australia 2009
- Trails Research Project (South Australia) 2004;
- Nga Haeranga – The New Zealand Cycle Trail Evaluation Report (2013); and
- Otago Central Rail Trail User Survey 2010/11

The average of \$23.10/day for overnight visitors includes all users who “camped out” along the trails (where charges are either \$0 or very small). Some of these trails (notably the Appalachian Trail and Bibbulmun Track) provided on-trail camping options and consequently accommodation expenditure was relatively low (these low costs may distort the typical expenditure). All the other trails included in the research only provided off-trail accommodation options.

Taking out expenditure on the two long distance walk trails, accommodation expenses range from \$26/day to \$102/day. The most recent data on trail expenditure from the Central Otago Rail Trail (2011) shows that total expenditure was \$472.61 per person per trip, with the largest component of expenditure for package expenses (including accommodation). Separate information on accommodation was provided by only a few users who spent an average of \$60/day. Other research data is also available. In the *Nga Haeranga – The New Zealand Cycle Trail Evaluation Report 2013*, users spent an average of NZ\$42.46/person/night across 4 trails (on off-trail accommodation options only).

The most recent research data from the Murray to the Mountains Rail Trail (*Beeton 2009*) shows users spending \$52/person/night. This figure has gradually grown over time from \$22/person/night in 2003 to \$27/person/night in 2006 to \$52/person/night in 2009. This is reflected in shifts in choices from camping (which accounted for 23% of accommodation choices in 2003 but only 8% in 2009) to more formal accommodation (hotels/motels/apartments/caravan parks etc) that grew from 52% in 2003 to 70% in 2009. Part of this growth could be attributed to wet weather during the 2009 survey and part of it is the fact that there are now many more accommodation options in many more places along the trail. In 2009, 45% of users spent between \$51 and \$150/night on accommodation (25% between \$51 and \$100 and 20% between \$101 and \$150). It is worth noting that almost half of the trail users of the Murray to the Mountains Rail Trail listed their employment status as professional (e.g. doctors, lawyers, managers); trail users come from across the societal spectrum but there are many who are potentially high yield visitors.

Identifying specific business opportunities along a trail that may take years to develop is not a simple task. Some success stories from other trails are worth considering.

Equipment hire

While many visitors will bring bikes, some will not and a business opportunity presents itself to address this market. A number of cycle hire businesses (and bike repair and bike guided tour businesses) are accredited businesses under the Munda Biddi Trail Foundations Cycle Friendly Business program. These businesses offer a range of services along the length of the trail and pay an annual subscription fee to remain in the accredited program.

Supported tour opportunities

Cycle tourism is a growing market. Domestic overnight visitors who participate in cycling on their trip stay longer and do more while on holiday when compared with other tourists, making them a stronger source of income for regional communities. Many of the cycle touring trips would be confined to bitumen (quiet back country roads etc.) but a significant portion may be interested in an off-road cycling experience. International visitors participating in cycling spend \$3,800/person/visit while in New Zealand compared with the average of \$2,500/person/visit for all other categories of international visitor. 22% of cycle tourists spend more than \$5,000/person/visit (*Nga Haeranga – The New Zealand Cycle Trail Evaluation Report 2013*).

Supported tour opportunities are offered on Otago Central Rail Trail where some 10% of visitors take advantage of this service. A recent survey by the Otago Central Rail Trail Trust showed that total expenditure was \$472.61 per person per trip along the rail trail. The largest component of expenditure is on package expenses (as it was in 2008/2009 when a previous survey was carried out). 'Off the Rails' is one such bicycle tour company that offers premium, eco-friendly and fully supported bike tours. The company offers various tours including accommodation, bike hire and guided sightseeing activities. All tours include transfers, care of all luggage during the tour and meals, providing a fully-inclusive cycling experience. A key to its success is its ease of planning/organising for visitors – once the tour is booked in they do not have to think about anything else. (*SGS Economics and Planning and Quantum 2012*)

Such services are also offered on the Bibbulmun Track. The Bibbulmun Track Foundation offers "Best of the Bibbulmun 8 day tours" which take users to a number of day walks with off-track accommodation rather than along a continuous section of track. The Foundation has recently launched a 9-day package. A number of other private providers offer similar supported activities.

Qualitative research done by SGS Economics and Planning and Quantum (2012) (focussing on Victoria's north east) indicates respondents wanting activities and experiences that are easy to organise – the 'facilitated' experience, which would complement the existing 100km of scenic and safe trails through iconic rural villages. Facilitated itineraries would seek to emulate the best facilitated road cycling experiences in Europe, including the provision of regional interpretation, food and wine. The report noted that the North East's Rail Trail is a key asset for the region, providing infrastructure from which a cycling experience could be leveraged.

While a trail connecting Alexandra and Eildon is not a long trail and would be unlikely on its own to warrant development of businesses offering supported tours, a package which included the trail (with the Great Victorian Rail Trail or other proposed tourist trails in the Shire such as the Giant Trees Trail) could provide opportunities for supported tours.

Guided walking/cycling touring

This facility provides an even greater level of support for trail users; all “traversing” is done with the accompaniment of a knowledgeable guide (as well as the provision of all necessary equipment).

This type of service is offered on the Great Ocean Walk (e.g. Bothfeet Walking Lodge and Tours). Internationally renowned adventure company World Expeditions offer a 7-day guided and supported hike along the Bibbulmun Track. One of the key features of these packages is that users simply pay just one flat fee for their entire holiday.

Again, the length of the trail may not be suitable for such an opportunity on its own but it could be packaged with other walk and cycle rides in the Shire.

Off-trail accommodation

The opportunity exists to provide users with off-trail accommodation of varying qualities (adding to the existing stock of options). Riesling Trail Cottages and Riesling Trail Bush Cottages provide self-contained accommodation adjacent to South Australia’s famous Riesling Trail through the Clare Valley. When these were first constructed, the owner was often asked “How close are your cottages to the winery”; over time, the more common enquiry became “how close are the cottages to the rail trail”.

Basic services

As noted in Section 3.2.11, a number of retail facilities have closed down in Eildon and Thornton in recent times. Development of the trail may provide enough “passing traffic” to justify the expansion of existing facilities or the development of new facilities. (This is discussed further in Section 7).

Supporting existing businesses

A trail increases the opportunities offered to existing businesses that currently provide relevant services to provide such services on a more regular basis. These types of examples are critical economic opportunities to diversify and solidify the sub-region’s economic base. In New Zealand across 4 recreation trails subject to detailed research (*New Zealand Ministry of Business, Innovation and Employment 2013*), 1 in 5 businesses surveyed reported that they had either expanded their services (e.g. added capacity) or added new services since the trail opened in their region. These ranged from provision of cycle tours to cellar door tasting sessions, but were commonly in the provision of accommodation, transport or shuttles, or cycle hire. There was anecdotal evidence that trails have been beneficial for existing businesses either by absorption of existing excess capacity and by spreading the risk through the diversification of product.

4.5 Conclusion

Australians are increasingly looking for passive, non-organised recreation opportunities, often in natural or near-natural settings. Demand for this type of opportunity will only increase as the population ages. While walking remains the most popular of these activities (and is likely to remain so as the population ages), off-road cycling shows a growing and often unmet demand within the trails market.

A proposed Alexandra, Thornton and Eildon Trail Link would provide experiences for a range of user groups in a series of markets that have been consistent over time – walking and bushwalking and cycling – or growing significantly – off road cycle touring. The trail would provide for both visitors and local people who participate in a range of activities.

5.0 Community Engagement and Consultation

5.1 “Open Houses”

As part of the development of the Feasibility Study report three ‘open house’ (or ‘drop in’) sessions were held - in Eildon, Thornton and Alexandra. These ‘open houses’ were conducted by the consultants, with the attendance of representatives of the Murrumbidgee Shire Council. The purpose of these sessions was to inform the community of the project, to provide an opportunity to provide further information and for community members to ask questions and to receive feedback.

Static display material was available for people to peruse which showed alternative route alignments, the preferred route and a series of artist’s impressions to convey “before” and “after” scenes of the trail alignment. (See Appendix 3)

Eildon Open House 3 pm – 5 pm Monday 21 July (26 people attended)

- All were supportive of the proposal.
- Some attendees were concerned that the proposal included developing a trail along the Goulburn River at the back of their properties. They had concerns with privacy and wildlife disturbance if this was an option. Once it was explained what the preferred option was and a clear statement was made that there was no intention to traverse private property, these landowners became supportive of the proposal.
- There were some concerns expressed about the impact of the proposal on rates caused by the necessity and costs of trail maintenance.
- There were a few comments about the sorts of business opportunities, mainly cafes, which could develop to support a trail in Eildon and Thornton.
- There was some interest from adjoining landholders as to what side of the road (mainly Back Eildon Road) the trail would be likely to be developed on. Some landowners didn’t want the trail on “their side” of the road. One landowner indicated he currently maintains “his” verge and would stop mowing it if mower damage was likely to occur from crossing a constructed trail.
- There was general acknowledgement that all options presented had issues such as steep verges and high construction costs.
- One suggested alternative/addition was creating a loop trail to Mansfield – over the dam wall from Eildon (i.e. assuming a trail from Alexandra to Eildon was built), along Skyline Rd to Sugarloaf and then down into Mansfield.
- There was general acknowledgement that the preferred route as presented is the best route.

Thornton Open House 3 pm – 5 pm Tuesday 22 July (4 people attended)

- All were supportive of the proposal.
- Comment was made that it would be a great proposal for children to get some independence by getting on their bikes and riding to Alexandra to visit friends.
- The cost of maintaining the trail was raised as an issue of concern.
- It was stated that Back Eildon Road was very busy particularly in summer.
- It was suggested that a tramway to Rubicon might be a better attraction for tourists.

Alexandra Open House 6.30 pm – 8.30 pm Tuesday 22 July (13 people attended)

- All were supportive of the proposal.
- The trail is of particular interest to the Tourist and Traders Association.

- One attendee indicated an interest in the health benefits of trails, not just the economic benefits.
- Representatives of the Alexandra Timber & Tramway Museum attended and indicated they were not particularly interested in using the suggested alignment for an operating tram/train (to Rubicon). They were more interested in developing a tram service along parts of the Great Victorian Rail Trail north of the museum. Issues with using the suggested trail alignment including road crossings, approvals for road crossings and costs. They are also interested in future development of rail history and an active historic railway at Rubicon. They are also preparing a site masterplan for the Tramway Museum – they were satisfied that proposals discussed with them about the trail alignment did not impact negatively on their master plan proposals.
- Many of the comments made at the Alexandra Open House were along the lines of “The trail is a good idea – Council should just get on with it”.
- A link from Thornton to Rubicon using the proposed trail as an anchor at Thornton was also suggested.

A feedback form was provided for community members to provide comments. The responses on the feedback forms were all positive, indicating general support for the proposed trail. The feedback emanating from the community engagement sessions indicated that the trail route selected by the consultants was overwhelmingly supported.

36 forms were filled in. A summary of comments follows (note that it does not include all specific comments – some of these are included in the discussions above):

- 22 respondents specifically stated that the trail would be a great idea and is a great project for the Shire (none of the other 14 provided any negative feedback to the proposal).
- 6 respondents recognised the benefits for tourism and business; some noted that a move to diversify tourism income away from “water-based” activities could only be highly beneficial.
- A number of respondents indicated it was dangerous for both adults and children to bike, run and walk on existing roads from Alexandra to Eildon; reasons cited were that the roads were busy, narrow, and often had no extension of bitumen beyond the white edge line. Many felt the trail would encourage more bike riding and walking by many of sections of the community – families, school/kindergarten groups, young children, existing GVRT users. One comment was particularly noticeable – one respondent said that the trail would open up many avenues for their 4 children to access Thornton and Alexandra independently and safely.
- Of those who commented on the options, 15 supported Option 1A as the best, most logical option. One supported Option 1B, while one respondent thought that, if necessary due to cost, a combination of 1A and 1D to avoid two crossings of the Goulburn River could be considered.
- There were some comments on possible staging (due to costs) with respondents suggesting that the first stage should be Eildon to the Blue Gums Caravan Park.
- How to deal with ongoing maintenance and costs was raised by 4 respondents. Options included local groups could help with fundraising and manpower, schools involvement, service clubs and volunteers (including several people volunteering their services via the feedback form).

5.2 Goulburn Valley Water

Given that a substantial length of the proposed trail will share the same road verges as the existing Goulburn Valley Water (GVW) water supply pipeline between Alexandra and Eildon, the input of GVW was sought.

GVW has no objection to the proposed trail being placed over the pipeline. However, GVW would object to boardwalks being constructed over the pipeline and other assets (valve covers, pits) as they must have unrestricted access to the pipeline. Should the proposed trail proceed, GVW will require detailed plans for the proposed works.

5.3 Outdoor Education Group

A meeting was held with representatives of the OEG to discuss their view of the proposed trail. The OEG has been actively seeking the development of a trail that would link their camp on Goulburn Valley Highway ('Front Eildon Road') with their camp on Back Eildon Road. Consequently, the OEG is fully supportive of the proposed trail as it would fulfill all their needs and provide a safe off-road connection between their camps. They see great potential for use by their school groups for the cycling expeditions they currently conduct, as well as the potential for developing additional activities including a bi-modal trip (ie. canoe to Thornton and cycle back to the camp). The OEG has indicated that it would be prepared to undertake maintenance activities on the proposed trail should it be developed.

6.0 Estimates of Probable Costs

6.1 Basis of Cost Estimates

The investigations undertaken during the fieldwork associated with this project and the consultation carried out enable a reasonably accurate picture of the work required to bring about the development of the proposed Alexandra, Thornton and Eildon Link Trail.

The costs of construction of the trail are an estimate of probable costs only. Accurate costs can only be determined, firstly, by the compilation of more detailed works lists accomplished through individual, detailed trail development plans for each section of the trail and, secondly, via a tendering process.

Given that this is a feasibility study (and not a detailed trail development plan) the cost estimates are broad estimates only and are subject to confirmation. The costs for development of the trail (bridges, trail construction, etc) are based on conditions likely to be encountered during construction. As the exact route of the proposed trail has not been examined in detail, and accurate measurements have not been made, it is not possible to be precise in quantifying costs. It is only after a detailed trail development plan is prepared (including a full traverse of each section) that more definite quantities and costs can be provided.

For the purposes of determining costs for this Feasibility Study, the per unit construction rates set out below have been used:

- Trail “construction” – includes construction of a gravel trail approximately 2.5m wide, with 100mm gravel laid in a ‘trench’ cleared of top soil - \$75/lineal metre.
- Bridges and other water crossings:
 1. Boardwalk – allowance of \$1,000 - \$1,500/m.
 2. Bridges – allowance of \$1,500 (short spans of 10m) - \$5,000/m (for ‘clip-on’ structure to existing road bridge).
- Installation of Emergency Markers (every 500m) - \$300ea
- Purchase and installation of kilometre posts (including distance plates and trail logo plates) - \$300ea
- Clearing – ranging from \$6,800/km for moderate clearing to \$14,000/km for heavy clearing
- Cultural Heritage Survey and Management Plan - \$2,000/km. An allowance has been made for cultural heritage surveys. Cost estimates are based on rates provided for similar surveys for a new trail being undertaken elsewhere in Victoria.

The tables on the following page indicate in summary form the totals for the major items of construction for each of two sections of the trail: Alexandra to Thornton and Thornton to Eildon.

Table 5: Estimates of Probable Costs – Alexandra to Thornton

Section 1 – Alexandra to Thornton (13.8km)	
<i>Item</i>	<i>Cost</i>
Trail and/or path construction	919,525
Bridges and boardwalks	1,422,000
Signage	47,300
Clearing/revegetation	70,680
Drainage (culvert pipes etc)	87,500
Road crossings	31,000
Miscellaneous items/tasks	29,700
Sub-Total	\$2,607,705
<i>Contingency and Project Management (15%)</i>	391,155
Total	\$2,998,860

Table 6: Estimates of Probable Costs – Thornton to Eildon

Section 2 – Thornton to Eildon (11.5km)	
<i>Item</i>	<i>Cost</i>
Trail and/or path construction	951,000
Bridges and boardwalks	658,500
Signage	38,300
Clearing/revegetation	25,240
Drainage (culvert pipes etc)	0
Road crossings	9,000
Miscellaneous items/tasks	33,100
Sub-Total	\$1,715,140
<i>Contingency and Project Management (15%)</i>	257,270
Total	\$1,972,410

The expected cost for the development of the entire trail is around **\$4.97 million**.

7.0 Business Case

7.1 Introduction

It is always difficult to predict the economic impact of a new trail. Visitor numbers on the Bibbulmun Track (in WA) grew from 10,000 when the new alignment was first opened in 1997 to 137,000 in 2004 (*Colmar Brunton 2004*) to over 167,000 in 2008 (*Colmar Brunton 2009*). This was on a trail that had existed in its entirety for many years, but was substantially altered and reopened in 1997 (although new sections of it had been opened prior to its grand opening). Visitors included those on 'local trips', day trips and overnight or longer stays (including those who travelled from end to end).

A dramatic increase in visitor numbers such as experienced by the Bibbulmun Track can be, in part, attributed to very good marketing of the track. The economic impact of the proposed Alexandra, Thornton and Eildon Trail Link is primarily dependent on the extent to which the trail is marketed and promoted (if it proceeds).

A trail such as the Alexandra, Thornton and Eildon Trail Link will have attraction to visitors – day-trippers (primarily from Melbourne and Regional Victoria), and overnight visitors (particularly those who are already staying in the area – at Eildon in particular). However, it will also add to the stock of existing trails for local people – people who live in Alexander, Thornton and Eildon. Some of these people will use the trail for exercise – these 'back gate' users may not be significant in terms of expenditure but they are significant in terms of numbers as they would use the trail many times a year.

7.2 Visiting Trail Users

There is no doubt from available evidence that recreation trails attract visitors who may come to a region specifically to do a trail (for example in 2004, 50% of visitors to South Australia's Riesling Trail came to the Clare Valley specifically to walk or ride the trail – the other 50% used the trail as a secondary activity to their trip to the Clare Valley).

The Alexandra, Thornton and Eildon Trail Link has the potential to add to the number of existing visitors – to attract new day trippers (day trippers in this instance would be different from local residents), to convert existing day trippers into overnight visitors and to encourage existing overnight visitors to extend their stay as it provides another attraction for the region.

It is worth reiterating key points about visitors from Section 4.

- Murrindindi Shire attracted around 693,000 visitors in 2013 (approximately a quarter of those being overnight stays), a figure that has gone up and down over the past five years. Total visitation generally grew in the period 2009-2012; 2013 shows a significant decline in total numbers compared with the previous lowest year in that period (740,000 in 2010). However, the share of overnight visitation has grown in that same period – after a low of 15.6% in 2010 (no doubt as a result of the devastating Black Saturday bushfires in the previous year), overnight visitors were over 25% of all visitors in 2013.
- Key markets for the Shire are Melbourne and Regional Victoria. 73% of overnight visitors and almost 60% of day-trippers come from Melbourne, while the comparative figures for Regional Victoria are just over 21% (overnight visitors) and almost 39% (day-trippers).
- The short break market (1-3 days) remains a key market for visitors to the Shire.

7.2.1 Visiting trail users - predicting user numbers

What is a reasonable forecast for trail user numbers (some existing visitors will stay longer to experience the trail and some will come to the region as new visitors simply to use the trail)? Nature visitors who participate in the types of activities undertaken on tracks and trails provide a pointer to the market potential for a trail such as the proposed Alexandra, Thornton and Eildon Trail Link. Tourism Research Australia estimates that 51% of domestic overnight nature visitors take part in bushwalking / rainforest walks, whilst 39% of domestic day visitors and 37% of international visitors enjoy this type of activity (*Loddon Mallee Trails Strategy*). While the proposed trail does not necessarily provide a bushwalking experience, it does provide an opportunity for nature visitors.

Victoria attracted 380,000 cycle tourists (domestic and international) in 2010 (*Victoria's Cycle Tourism Action Plan 2011-2015*). A proportion of these would be interested in off-road cycle touring on a trail such as the Alexandra Thornton and Eildon Trail Link.

7.2.2 Projected User Scenarios - Day-trip Usage

Any trail has the potential to add to the number of day-trippers. 25% of visitors to Eildon surveyed by the Marysville and Eildon Visitor Profile and Satisfaction Survey (2012) were day-trippers. 75% of visitors to Murrindindi Shire in 2013 were day-trippers (*TRA 2013*). The day trip market is well established and will be a significant market for a trail.

The Mundaring Shire trail network (in WA) is just under 1 hour from the Perth CBD. In the Mundaring case, 180,000 visitors (from outside the Shire) make over 900,000 visits/year (an average of 5 visits/person). The majority of these visitors come from Greater Perth (a population of 1.5 million at that time) and are day-trippers. Some 12% of Perth residents visit the trail network.

Both Eildon and Alexandra are 2 hrs from the heart of Melbourne but much closer to the northern and eastern parts – where major growth is expected in the future. The Northern sub-region will grow over 50% by 2031 taking its present population from 830,000 to 1.28 million, while the Eastern sub-region will grow by almost 20% taking its population to 1.21 million by 2031. These are significant numbers in relatively close proximity to the proposed trail's location.

Based on these figures, it is reasonable to argue that the residents of Northern and Eastern Melbourne in particular provide a significant pool of potential day-trip trail users. Market Equity's work in South Australia shows that a significant percentage of cyclists on surveyed trails are more prepared than walkers to travel to use a trail (36% of cyclists interviewed on the five trails were non-locals). (*Market Equity 2004*)

It is difficult to predict with any certainty what effect development of any trail will have on the day trip market in the region as comparative work on other trails simply does not exist. However, the Lilydale Warburton Rail Trail provides a reasonable 'shadow' market for making some estimates. The trail attracts a large number of day-trippers, with 100,000 of the 105,000 annual visitors being day-trippers. The Trail is in an established tourism area – the Yarra Valley and Ranges – with a wide range of tourist infrastructure and attractions. The area is a very attractive natural environment, another positive factor attracting trail users. A trail linking Alexandra and Eildon, while not having the same physical appeal of the Lilydale Warburton Rail Trail, would have other similar characteristics – notably its location in an established tourist area with a

range of tourism infrastructure and an established day trip market. This Feasibility Study recognises that there are differences in proximity to Melbourne (and therefore visitor numbers) between the Lilydale Warburton Rail Trail and the proposed Alexandra, Thornton and Eildon Trail Link.

Taking all these factors into account, it is reasonable to estimate that the Alexandra Thornton and Eildon Trail Link, if developed, would attract in the order of 2,000 additional day trippers/year. This represents less than 0.5% of the existing day-tripper market.

Expenditure is also quite significant. As noted in Section 4, day-tripper expenditure (based on a number of studies) is \$72.45/day with \$23.53 (or 30%) of this spent on food and beverage – most of which is likely to be spent in the Shire.

Increasing day-trippers to the region by 2,000/year will result in an injection of some \$144,900 into the local economies per year (based on the average figures of \$72.45).

7.2.3 Converting day trips to overnight trips

Trail development may also turn day-trippers into overnight trippers with consequent rise in economic benefits. The trail provides an additional activity for visitors – an overnight stay will give visitors time to walk, cycle or ride the trail in addition to their other activities. Overnight visitors to trails are spending an average of \$123.13/person/day (as discussed in Section 4).

The likely scenario would be that some visitors to the region may turn day trips into overnight stays. Murrindindi Shire received an average of 183,000 overnight visitors over the previous 5 years (compared with an average of 614,000 day trippers/year over the same period). It is not unreasonable to assume that some of these visitors may convert day trips to overnight trips if a trail is provided as an additional activity. Using the Lilydale Warburton Rail Trail as a proxy is useful; some 4.7% of trail users (5,000 users) stayed overnight.

If the trail converted 1,000 day-trippers into overnight visitors, this would inject an additional \$246,260/year into the economy based on overnight visitor expenditure of \$123.13/day (if they stay 2 days to undertake the trail journey – they would undertake other activities as well over the 2 day period).

7.2.4 Encouraging existing overnight visitors to stay longer

It is likely that the key market for this trail (in terms of visitors) will be in providing an additional facility for visitors already coming to the Shire. Such an additional facility will encourage them to extend their stay to allow an extra day (or part of a day) to use the trail (perhaps on a supported trail ride or a ride and canoe experience as discussed elsewhere in this report). Visitation to Eildon is quite high, particularly in the summer months. Unfortunately, there is no specific data available on a town basis to determine the numbers of visitors to Eildon; however, the following anecdotal evidence paints a picture of summer visitation:

- There are 700 licensed houseboats on Lake Eildon. These have varying capacities in terms of number of people.
- The boat ramps at Jerusalem Creek, Fraser Camping Ground and at the dam wall that are full to capacity over most of the summer indicate that a very high volume of other pleasure craft/fishing boats are in the area.

- Approximately 1,500 – 2,000 people move into the Blue Gums Caravan Park on the Back Eildon Road over summer.
- There are 2 more caravan parks/camping grounds in Eildon, 3 on Lake Eildon and 1 in Thornton and 1 in Alexandra that are also fully booked over summer.
- There are approximately 200 residential properties in the Taylor Bay area that are almost fully utilised in summer and the holiday homes, bed and breakfast establishments, and motels/hotels in Eildon are also very well tenanted in this period.

While numbers are hard to pin down, Eildon would be a key attraction for many of the existing overnight visitors to Murrindindi Shire.

In addition, while a trail connecting Alexandra and Eildon is not a long trail, a package which included the trail (with the Great Victorian Rail Trail or other proposed tourist trails in the Shire such as the Giant Trees Trail) could attract users. A trail would be a good inclusion in a package with other tourist attractions. Such a package makes an appealing weekend away or an incentive to stay a day or two longer.

If 3,000 visitors stay an extra day to use the trail (or use a package of trails including the Alexandra Thornton Eildon Link Trail), this would represent just over 3% of existing overnight visitors. Attracting this number of users would see an additional \$217,350/year injected into the economy. (These users are counted as day-trippers for the purpose of calculating this benefit – they may be staying overnight because of the trail, but it is not the reason they are visiting in the first place).

Good marketing of such a package would mean that overnight stays in the region would increase accordingly. This has a significant impact on economic benefits, as people who stay overnight spend considerably more than those who come for a day only. With such an outcome, the economic benefits estimated above would only be a small part of the overall economic benefit to the region.

In summary, predicted visitor numbers are shown in the following table.

Table 7: Predicted visitor numbers

Category	Predicted visitor numbers/year	Predicted expenditure/year
New day trippers	2,000	\$144,900
Day trippers converting to overnight stays	1,000	\$246,260
Overnight stays being extended by a day to use the trail	3,000	\$217,350
Total visitor numbers	6,000	\$608,510

These numbers are less than 1% of the existing visitor numbers to the Shire.

How does this figure compare to what is happening on other trails in Australia?

Research figures are limited and tend to focus on iconic trails – the Bibbulmun Track (167,000/yr) and the Munda Biddi Trail (21,000/yr) in WA, the Murray to the Mountains Rail Trail (60,000/yr), the Great Ocean Walk (100,000/yr) and the Wilsons Promontory Walk (60,000/yr) – all in Victoria.

Other less iconic trails provide good pointers to likely use of the Alexandra Thornton Eildon Trail Link.

- In 2005, South Australia's Riesling Trail attracted 11,000 visitors/year. Recent trail counters over the last 3 years (2011-2013) show that over 40,000 people passed through 4 trail counters each year. While this does not necessarily translate to 40,000 users (as many would pass more than one counter), it suggests more users than the 2005 figures. This trail is 2 hrs from Adelaide in the renowned tourist area of the Clare Valley.
- Over 23,000 users passed through counters on the Old Beechy Rail Trail in 2013. Again, this does not necessarily translate as over 23,000 users, but it gives an indication of use rates.
- Around 27,500 users passed through counters on the Great Victorian Rail Trail in the first quarter (*January-March*) of 2014, with around 6,800 of those passing counters in Murrindindi Shire. Again, this does not necessarily translate as 6,800 users, but it gives an indication of use rates (per quarter).

These numbers are an "end state" of user numbers. Trail numbers will build in the first 5 years of a trail section being opened (after 5 years a trail is a "mature product"). It is assumed that trail use will increase by steady increments. The available evidence is limited and tends to show that trail use starts slowly but grows very quickly at some point - the Bibbulmun Track for example grew from 10,000 in 1997 to 137,000 in 2003 to 167,000 in 2007. It may be that the growth of social media will see trails reach an "end state" of use much faster than previously.

7.2.5 Providing additional user numbers through outdoor education

As noted in Section 4, development of the trail will enhance the ability of OEG and other outdoor providers to offer bike riding and walking opportunities and potentially expand their suite of activities for school children. This will contribute to the economic benefits of the trail; it is impossible to provide a reasonable estimate of numbers and consequent expenditure.

7.3 Local Trail Users

Every regional trail is a local trail. Therefore, it is important not to overlook the contribution of local residents to the success of a trail. In 2001, the Mundaring Shire trail network was used by over 200,000 people (*Jessop and Bruce 2001*), having grown from a low base when the network was first fully opened. Only 10% of these users were locals (residents of Mundaring Shire) with many other users drawn from the Perth metropolitan area. The total annual visits (people generally use trails more than once a year) were a staggering 2.454 million visits annually, with local residents accounting for 63% of these visits. The average number of trips per year per local resident was 75 (compared to the 10-30 trips used in the following forecasts).

7.3.1 Estimating local user numbers

What is the likely scenario for local trail users? The Mundaring figures show 63% of the local population making an average of 75 trips/year. Three possible scenarios can be used in calculating likely local user numbers. These are:

- A Low/low scenario - 10% of the population of Alexandra, Thornton and Eildon (on the trail) making 10 visits/year to the trail.

- A medium/medium scenario - 20% of the population of Alexandra, Thornton and Eildon (on the trail) making 20 visits/year to the trail.
- A high/high scenario - 30% of the population of Alexandra, Thornton and Eildon (on the trail) making 30 visits/year to the trail.

The next step is to estimate total trip numbers. In the Mundaring study, the average number of trips per year per local resident was 75. Table 8 provides three visitation scenarios taking a far more conservative approach compared to the actual visitation rate coming from the Mundaring study.

*Table 8: Potential Total Annual Visits by residents
(Population of the three towns along the trail – 3,392)*

	Low trail usage : 10% of residents	Med trail usage : 20% of residents	High trail usage : 30% of residents
Low (10 visits/yr)	3,392	6,784	10,176
Medium (20 visits/yr)	6,784	13,568	20,352
High (30 visits/yr)	10,176	20,352	30,528

Local users also spend money while using trails. Expenditure per trip by local residents is always lower than for visitors, as locals are closer to home and more likely to either take all that they need or come home to eat and drink following a trail visit. The expenditure figures from the Mundaring study (\$1.44/person/trip in the Shire – mainly food and drink) are a legitimate base to work from (and have been converted to 2013 dollars - \$2.00/person/trip).

Using this figure in combination with visitation scenarios generated in Table 8 gives a range of expenditure estimates. Table 9 shows a simplified set of three scenarios: low usage / low number of trips, medium usage / medium number of trips, and high usage / high number of trips.

*Table 9: Potential Total annual expenditure in the vicinity of the trail by residents
(low, medium and high refer to the use rates developed in Table 8 above)*

Use Scenario	# of person visits	Total spent (\$)
Low/low	3,392	\$6,784
Medium /medium	13,568	\$27,136
High / high	30,528	\$61,056

What is the likely scenario for local trail users? The Mundaring figures show 63% of the local population making an average of 75 trips/year. A number of factors influence the choice of scenarios:

- The Alexandra, Thornton and Eildon Trail Link will not be the only trail across the three towns - the FutureFish Trail at Eildon appears well used and the Great Victorian Rail Trail provides a facility in Alexandra. Some people will already be using these existing trails. It is difficult to work out precisely how many of the potential trail users are new local trail users and how many are existing users who will just switch trails, thereby providing no additional trail use or expenditure. In Thornton, any user is likely to be a new user as there is no

existing infrastructure. Comments from the 'open houses' indicate that people will use the trail, particularly in Thornton as a way of providing some "independence" for local children.

- Trails take time to be adopted for use by local communities. Trail numbers build in the first 5 years of a trail section being opened (after 5 years a trail is a "mature product"). It is assumed that trail use will increase by steady increments of 20% (i.e. Yr 1 20% of end use, Yr 2 40% etc) until 100% is reached in Year 5 of operation.
- On the upside, these figures represent potential scenarios from the existing populations. Murrindindi Shire is forecast to grow to 17,000 by 2031, a 35% increase over the 2011 population. Consequently, there will be a number of potential new trail users moving to the area.

Given these figures and comments, it would seem the medium/medium scenario of 13,568 person visits (i.e. 20% of the 'local' population using the trail for 20 visits per year) is a reasonable, if very conservative, scenario to adopt (conservative when compared with the Mundaring data). **Such visitor numbers would inject \$27,136/year into the local economy.** Due to the small local population, economic benefits flowing from local trail use will be relatively low.

7.3.2 Local trail users - how long will they spend on the trail

The evidence is that most trail users spend up to 4 hours on a trail (walking or cycling). However, local people using the trail as part of an exercise regime are likely to have different time use patterns. The most recent Exercise, Recreation and Sport Survey (2010) shows that those who regularly exercise do so for between 2 and 5 hours/week and the median number of exercise "events" was 1.6 times/week. It is reasonable to assume (for the purposes of calculating potential hours of exercise on the trail) that each use will be for 1 hour.

Using this assumption and combining it with the forecast user numbers, it is likely that there will be an additional 13,568 hours of additional physical activity in the local communities along the trail.

7.4 Projected User Scenarios - Summary

With the right marketing, the trail will attract local users, day-trippers and visitors. Under a relatively conservative scenario, the following outcomes are achievable:

- Significant local use – over 13,000 local users/year is a reasonable expectation. **This will result in an economic injection of \$27,136/year;**
- Expansion of the existing day-tripper market to the region. **2,000 day-trippers/year will yield an injection of \$144,900/year.**
- With a new significant recreation attraction, some day-trippers may stay overnight, generating a new income stream. **If the trail converted 1,000 day trippers into overnight visitors, this would inject an additional \$246,260/year into the economy.**
- **If 3,000 visitors stay an extra day to use the trail (or use a package of trails including the Alexandra, Thornton and Eildon Trail Link), this would represent just over 3% of existing overnight visitors. Attracting this number of users would see an additional \$217,350/year injected into the economy.**

The total injection of dollars into the local economies from local, day trip and overnight visitors may be of the order of **\$0.635 million per year** (under a range of conservative scenarios).

It should be emphasised that user and visitor numbers will not necessarily be realised in the first years of operation if the trail proceeds (particularly if the trail is constructed in sections). The Bibbulmun Track took ten years to reach its current figure of 167,000 from an initial base of 10,000.

It should also be emphasised that further development along the corridor, and within close proximity to the corridor will without a doubt lead to increasing use of outdoor recreation resources such as a trail and a commensurate increase in economic benefits to the communities along the corridor.

7.5 Business Benefits

The completion of a trail would not simply provide an injection of funds to stabilise and grow existing and new businesses. The psychological impact on businesses can also be very important. Work done for the Riesling Trail included some qualitative research via business operator Focus Groups (*Market Equity 2004*). The key responses included:

- A belief amongst business providers that the trail contributes to economic activity in the region.
- The trail is seen to attract a variety of visitor types to the region, with wine as well as non-wine interests.
- The trail is seen as highly important to businesses in the area. Businesses were passionate about the trail and believed it contributed to their businesses as well as helping to position the area as an authentic leisure holiday destination. The exact impact in measurable terms could not be clearly ascertained, as it is so intrinsically linked to businesses in the region, but there was a definite opinion that the Clare Valley would not be the same without the trail and that it had contributed to business formation as well as business growth.

Business opportunities were discussed in Section 4 but it bears reiterating that the trail offers a range of new business opportunities and the opportunity for existing businesses to extend their offerings (both in scope and seasonality). The trail has the potential to increase 'year-round' tourism to the region and thereby improve the sustainability of businesses reliant on tourism. The trail also creates opportunities to build on (or showcase) the strengths of key industries in the region, namely outdoor education, tourism, and farmgate enterprises (aquaculture, wine and local produce) – as noted in Section 4.

7.6 Realising the Investment Made in the Great Victorian Rail Trail and Other Trail Projects

As noted in 4.1, Murrindindi Shire Council, Goulburn Valley Water and the State Government have invested in existing paths and trails in the vicinity of the proposed trail, notably the trail alongside Ultima Thule Creek in Leckie Park (Alexandra) and the FutureFish Eildon Fishing Trail. Importantly, a significant investment has been made in the Great Victorian Rail Trail. An extension to Eildon is likely to create higher use of the Great Victorian Rail Trail – particularly the spur from Alexandra to Cathkin. The proposed trail would build on these investments and attract more users to the existing trail and path network, thus better realising the investment made. This is an unquantifiable benefit.

7.7 Non-economic Benefits

7.7.1 Health-related economic benefits to the wider economy

- Data from the USA indicates that every \$1 of funds spent on recreational trails yield direct medical benefits of \$2.94.
- The trail will encourage people to exercise – the economic benefit to society of getting an inactive person to walk or cycle is between \$5,000 and \$7,000/year. The economic benefit to society of getting an active person to walk or cycle is between \$850 and \$2,550/year. Increasing recreational options for local communities will aid overall community wellbeing.
- Participation in trail activities can improve physical and mental health, assisting with disease prevention particularly cardiovascular, musculoskeletal, respiratory, nervous and endocrine systems as well as reducing obesity, hypertension, depression and anxiety. The obesity epidemic alone is now estimated to cost Australia \$1.3 billion/year (*Australian Bicycle Council*). One heart attack is estimated to cost in the vicinity of \$400,000 in direct and indirect costs. A cost-benefit analysis in Norway (*Institute of Transport Economics 2002*) assessed cycle network improvements that encouraged commuting and local exercise and costed their economic value to society. The study found that there was a significant reduction in severe diseases stemming from increased exercise activity on cycle networks. The costs savings to society from this reduction made up 50-66% of the total benefit of investment in cycle networks.

7.7.2 Quantifiable Benefits to individual residents

There are a number of benefits that accrue to residents of the region from a trail development over and above those that accrue to the regional economy (and therefore a select number of people) and to the wider economy (health benefits in particular).

- Medical research has shown that 1 hour of moderate exercise can add more than 1 extra hour of high quality life to an individual.
- Cycling and walking as recreation activities can be cheaper than alternative forms of exercise such as gym classes. Yearly memberships to gyms are around \$600 in many instances – the cost of a good hybrid bike, which has a life of more than one year.

7.7.3 Non-quantifiable benefits to the community and to individuals

There are a number of unquantifiable benefits to individuals and the community. These are listed here so that a complete picture of benefits can be considered when weighed up against project costs. It is difficult to cost them for a range of reasons.

7.7.3.1 Health and wellbeing

Trails are an accessible form of recreation. Trail-based recreation is generally free, self-directed and available to all people, all day, every day. Good quality, accessible trails encourage physical activity and improved health. Increasing recreational options for local communities will aid overall community wellbeing.

Physical activity has also been shown to improve mental health and help relieve stress. The economic cost of mental illness is high in Australia - estimated to be approximately \$20 billion per year.

People can use trails in a variety of ways, depending on their abilities and preferences. Physical health benefits are discussed above. Social health benefits include:

- Trail activities facilitate participation and social interaction between a diversity of community members, age groups, individuals and families e.g. community walking groups, voluntary trail maintenance and conservation work;
- Trails can offer a wide range of opportunities to a diverse group of people. Depending upon design, trails can accommodate the elderly, people with disabilities or satisfy those seeking challenging adventures and a sense of achievement;
- Participation in trail activities has a relatively low cost to participants;
- Trails can introduce participants to other recreational and participation offerings in the community; and
- Trails help to connect people and places and to develop community pride.

Market Equity (2004), in its report on trails in South Australia, found that using trails to get a sense of well-being (95% of survey respondents) and using trails as a means to unwind and relax (91% of respondents) were the two main drivers getting people out on recreation trails. The psychological health benefits of trails remain under-estimated.

7.7.3.2 Liveability

Quality recreational facilities, such as trail networks, can help create attractive places to live and visit. Walking and cycling are relatively cheap modes of transport. Further, well-planned trail networks can make it easier for people to move around, granting an alternative to the use of private cars (providing environmental benefits). Trails also provide a low impact means of travelling through the landscapes and play an important role in connecting people with nature.

Local users of the trail will enjoy social interaction within the community and with greater social interaction, the social capital of the area may be boosted. There are a number of benefits of enhanced social capital. It improves the capacity for people to trust others (*ABS 2012 cited in SGS 2013*). This strengthens the social cohesion in a community as it provides the opportunity for socially isolated individuals to integrate into the community. Greater social capital also facilitates networking, thus creating more efficient economic networks, and helps reduce crime.

A trail linking the three towns will improve community connectivity via a safe pedestrian, cycle and horse trail connection between the Alexandra, Thornton and Eildon townships. This benefit was raised in 'open house' sessions.

Trail projects help build partnerships among private companies, landowners, neighbouring municipalities and local government. Each trail contains elements of local character and regional influence, and reflects the hard work, enthusiasm, and commitment of individuals, organisations and elected officials. In addition, when residents are encouraged to become involved in a trail project, they feel more connected to the community (*Warren 1998 cited in SGS 2013*).

7.7.3.3 Education

Trails present a unique opportunity for education. People of all ages can learn more about nature, culture or history along trails. Of particular importance, trails provide

firsthand experience that educate users about the importance of the natural environment and respect for nature by leading users into a natural classroom.

Enhanced, active education along trails is achieved through the use of comprehensive trail guides and signage to encourage awareness of the natural, cultural and historical attributes of the trail.

Trails have the power to connect users to their heritage by preserving historic places and by providing access to them. They can give people a sense of place and an understanding of the enormity of past events.

7.7.3.4 Environmental and Cultural Benefits

Trails provide a number of environmental and cultural benefits. These include:

- Opportunities for the community to experience natural and cultural environments;
- Protection of the adjacent environments by localising impacts and facilitating management of visitation effects;
- Educational and interpretive opportunities and increased environmental and cultural awareness and appreciation. An allowance has been made in the estimates of probable costs for interpretive panels to be produced and installed along the trail.
- It provides opportunities for people to travel on utility trips – shopping, visiting friend etc. This issue was raised in one open house – a local resident thought the trail would provide opportunities for her children to travel safely from home to school and to visit friends in Alexandra. While numbers would be small (given the small local populations), this factor is still an identifiable benefit;
- Increased community ownership which helps to preserve natural and cultural values; and
- Opportunities for community participation in conservation and revegetation work.



Local landcare groups are involved in managing areas along the Great Victorian Rail Trail. It is likely that groups may also get involved in managing the proposed trail between Alexandra and Eildon.

7.8 Summary

A trail link from Alexandra to Thornton and Eildon will provide a number of benefits to residents and businesses of Murrindindi Shire. Some of these are quantifiable. Increased visitor numbers in the order of 6,000 will inject in excess of \$600,000 into the Shire's economy. Local use rates of over 13,000 people/year will see the injection of an additional \$27,000/year. These are not necessarily large numbers but they represent an injection of money. The proposed trail offers a range of significant other benefits to these communities that cannot be quantified but are equally important to consider when assessing the project's merits. These are:

- The trail offers a range of new business opportunities and the opportunity for existing businesses to extend their offerings (both in scope and seasonality). The trail has the potential to increase 'year-round' tourism to the region and thereby improve the sustainability of businesses reliant on tourism.
- The trail creates opportunities to build on (or showcase) the strengths of key industries in the region, namely outdoor education, tourism, and farmgate enterprises (aquaculture, wine and local produce). This can lead ultimately to expenditure (and possibly investment) in the Shire. This takes time as a trail matures.
- The trail may encourage visitors to stay a little longer when visiting Eildon in particular by offering another activity (or series of activities).
- The trail provides a critical link in safe walking and cycling infrastructure between the three towns. This has a number of flow-on benefits. It encourages parents to allow their children some independence, riding from one town to another for school and to visit friends for example. It allows outdoor education providers such as OEG to offer another safe bike riding opportunity as part of their program.
- The proposed trail would build on existing trail investments (notably the Great Victorian Rail Trail) and attract more users to the existing trail and path network, thus better realising the investment made. An extension to Eildon is likely to create higher use of the Great Victorian Rail Trail – particularly the spur from Alexandra to Cathkin.



The Great Victorian Rail Trail is already well used by local people (and visitors). Developing another trail project in the region is likely to stimulate additional usage of the GVRT and provide options for trail users.

- Increasing recreational options for local communities will aid overall community wellbeing, and in the long-term reduce health costs (a saving to the State Government).
- A trail will create more attractive communities along its route. A trail linking the three towns will improve community connectivity via a safe pedestrian, cycle and horse trail connection between Alexandra, Thornton and Eildon.
- A trail will provide firsthand experience that educate users about the importance of the natural environment and respect for nature by leading users into a natural classroom.

In economic analysis, it is important to consider the opportunity cost of investment – the cost (foregone opportunity) of money invested in one project rather than in another. Much of the money that will be spent on this project, should it proceed, will be sourced from specific grants for tourism and/or recreation projects. It will not be available for other types of projects. There is limited opportunity cost for funds.

It has not been the role of this feasibility study to assess the relative merits of this trail project when compared with other trail projects in the Shire (such as the proposed Giant Trees Trail). It may be that other trail projects provide greater benefits.

8.0 Feasibility Statement

8.1 The Recommendation

To establish whether the proposed trail is a feasible proposition, this Feasibility Study sought to answer several questions (as set out earlier):

Is there a viable trail route? Yes. The investigation of a series of alternative trail route options has concluded that a route following the Goulburn Valley Highway and Back Eildon Road is the preferred route. It is easily achievable along the verges of the roads with minimal obstacles and barriers, apart from two crossings of the Goulburn River and a number of shorter low-lying (wet) areas where boardwalks will be required.

Is there a market for the proposed trail? Yes. All attendees at the three 'open houses' conducted during this Feasibility Study supported the development of the trail. However, those who attended represent a relatively small sample of the overall population of the Murrindindi Shire Council area. There are groups who will benefit from the development of the trail, namely school groups who attend one of the camps in the region, members of groups such as the Murrindindi Cycle Club, and visitors who come to the area for the purposes of riding the Great Victorian Rail Trail or boating on Lake Eildon. In addition, there is likely to be many individuals in the community (Alexandra, Thornton and Eildon) who will make use of the trail should it be built.

It is highly likely that the proposed Alexandra, Thornton and Eildon Trail Link will become a popular addition to the suite of trails available to those who actively seek out these recreational opportunities.

Is there a supportive local government? Indeterminate. The Murrindindi Shire Council has considered the Issues and Opportunities Paper prepared during the course of this project.

The Council will need to determine whether it can meet the ongoing cost of maintaining the proposed new trail (in view of other recently 'gifted assets' and the existing maintenance cost of the Great Victorian Rail Trail).

Support for the proposed new trail will be based on several factors including: the project being considered achievable and feasible; if there is general community support for the project; if capital costs for construction are found from external sources (i.e. not the Council's funds) and the ongoing maintenance costs being minimised through the input of volunteers and other low-cost labour sources.

Are there supportive/strong advocates (trail proponent)? Yes. Individuals and groups within the community are very pro-active and supportive of the project. They most certainly believe the project is worth pursuing.

Is there a supportive community? To some extent yes. There have been numerous expressions of support from the community. Feedback received from those who attended the 'open houses' indicated strong support for the project. As mentioned above, these attendees represent a small proportion of the overall Shire population.

What is the user experience (terrain/landscape/history)? The experience to be gained by users on the proposed trail would be of high order. Although the majority of the recommended trail route is situated within road verges, and sometimes relatively close to the sides of roads, the surrounding topography is undulating and very scenic;

the landscape is varied and attractive; and the proximity of the Goulburn River is a major attribute. The numerous boardwalks and bridges (over the Goulburn River) would add considerable interest to the experience. A significant portion of the proposed route follows the alignment (and embankments and cuttings) of the former Alexandra to Rubicon timber tramway.

Would the trail be value for money? Yes. Trails repeatedly demonstrate that there are numerous benefits to be gained through their construction: economic benefits to the towns through which they pass; a boost to businesses associated with the trail; social and physical health benefits; and a range of environmental and cultural benefits.

Is there a commitment to maintenance ("friends of ..." group or support network)? Yes. The OEG has indicated that it will maintain a section of the proposed trail that it would use on a regular basis. Various individuals have indicated that they would get involved in maintaining sections of the trail. The experience of the other Victorian Rail Trails indicates that community groups (such as Landcare groups) will help to maintain sections of the trail, or areas through which the trail would pass.

Will the trail provide a unique experience? Yes. The landscape associated with this proposed trail is attractive and adds significantly to the range of trail opportunities available to walkers, cyclists and horse riders. The proximity of the Goulburn River, the attractive vistas available all along the proposed trail route, and the variety of land uses along the route add interest.

The brief for this project required that the proposed trail be evaluated against the following criteria:

Attraction – the quality of the trail user's experience of the natural, cultural and landscape values of the area.

Financial viability – the whole of life costs (including construction) to Council of the trail extension.

Environmental sustainability – the environmental impacts/risks associated with the construction and use of the trail.

Land security – the complexity/ease of establishing land tenure arrangements necessary to secure the trail route.

With regard to the **attraction** or attractiveness of the recommended trail route, the paragraphs above indicate that the route will provide for a high order experience (despite the proximity to the Goulburn Valley Highway and Back Eildon Road). The recommended route follows a significant length of the former Alexandra to Rubicon tramway, with cuttings and embankments which provide for a typical rail trail experience. The scenery to be observed from the trail route is excellent with views of nearby hills and distant mountains. Much of the trail route passes close to (or over) the Goulburn River and the adjoining land uses are varied and interesting. Numerous boardwalks and bridges will add to the user's experience. Interpretation of the cultural and natural values of the area will add to the user's experience. Costs for the production of interpretive panels have been included in the project costs.

The **financial viability** of the trail is set out in Section 7 (Business Case). In summary, it can be reliably anticipated that development of the proposed trail will result in increased visitor numbers in the order of 6,000 who will inject in excess of \$600,000

into the Shire's economy. Local use rates of over 13,000 people/year will see the injection of an additional \$27,000/year. These are not necessarily large numbers but they represent an injection of money.

Most of the recommended trail route follows cleared road verges or follows the former alignment of the Alexandra to Rubicon timber tramway. As such, a minimal amount of clearing will be required. The **environmental sustainability** of the proposed trail will very much be dependent on quality construction (including clearing of parts of trail route) and the ongoing maintenance of the trail by Council and/or volunteers. The recommended trail route (following road verges) will not require significant amounts of clearing (due to many of the road verges being devoid of vegetation already, and due to the fact that the preferred trail route follows already cleared routes through vegetated areas). An allowance has been made in the costs tables for offset revegetation.

Land security is not an issue. The recommended/preferred trail route utilises the verges of constructed roads and does not pass through any private property.

Following consideration of the major issues pertaining to the development of a trail between Alexandra and Eildon (via Thornton), and taking into account the views of key stakeholders, groups and individuals consulted (and background information obtained during the course of the project), this Study finds that development of the trail would result in benefits to the towns through which it passes and the people who may use it.

The conditions upon which the trail could proceed are:

1. The Murrindindi Shire Council seeking funding from external sources for the construction of the proposed trail (and the detailed trail development plan that will need to be prepared prior to construction);
2. Detailed design development plans for the trail to be prepared, which will involve a thorough examination of the entire corridor, the preparation of detailed works lists and cost estimates;
3. The preparation of a community-driven Corridor Management Plan before construction, including a comprehensive maintenance program (detailing the ongoing maintenance) for the trail and corridor;
4. The preparation of a Bush Fire Risk Management Plan for the corridor; and
5. A commitment to ongoing maintenance of the trail being given by the Murrindindi Shire Council, a Committee of Management and volunteers (which may involve the formation of a strong advocacy group ie. a "Friends of" group).

8.2 Factors Supporting the Decision

In formulating a decision about whether the proposed link trail is feasible or not, due consideration has been given to a range of factors (as noted elsewhere in this report).

From a trail users' perspective, the proposed Alexandra, Thornton and Eildon Trail Link is attractive. It offers a combination of positive factors. It is located within an attractive landscape with some spectacular views out over the surrounding landscape. It is reasonably flat and will therefore accommodate the full range of cyclists, as well as walkers and horse riders (should they desire to ride alongside the roads). The total length (at around 25 km) would comprise a full day's walk, and a relatively easy cycle ride. The full length need not be accomplished as a whole, as the location of Thornton at a half way point provides the opportunity to undertake shorter rides and walks.

There are a number of other reasons why the proposed trail can be considered as a viable and do-able proposition:

- The preferred route has been selected after a careful consideration of the likely target market. The recommended trail route, following the Goulburn River valley, is flat with few inclines and is therefore ideally suited to most trail users (and especially suited to those who use rail trails);
- It is situated in a very scenic landscape, with wonderful views of the Goulburn River, hills and valleys, forested areas and a variety of farmland;
- The proposed trail offers a wonderful experience and, coupled with the ideal distance between towns, and the opportunity to be promoted with other (existing and potential) trails of the region in the future, could become a significant trail destination in Victoria;
- The trail will improve non-motorised transport connections between the three towns, promoting walking and cycling among local people (and enabling safer transport options between the towns for children);
- The trail will provide increased recreational opportunities for local people;
- The region is easily accessible from Melbourne and other major population centres of Victoria. It is within a two-hour drive from Melbourne and the trail is located between towns/areas that are popular with tourists. Adding another attraction will potentially bring additional visitors and keep visitors longer in the area;
- The trail does not have a complicated route through and getting out of the towns, nor does it have any difficult crossings of the Goulburn Valley Highway or other roads. All proposed road crossings have been situated along straight lengths of road where visibility in both directions is excellent;
- The trail will utilise the former Alexandra to Rubicon tramway (the formation, cuttings, embankments) which will add considerably to the appeal, and is a natural extension to the Great Victorian Rail Trail (constructed on a former railway);
- The region has a good variety of accommodation options for visitors coming to the towns to ride/walk the trail;
- The surrounding farmland and various other land uses, the natural qualities of the region, and a host of other interesting subjects results in a potential for interpretation along the trail – adding to and enriching the experience of trail users; and

- The corridor provides for a variety of lengths of walks and rides and there is great flexibility of use options. The possibility of utilising sections of the Goulburn River for canoeing, and cycling the return journey, is one possibility raised by groups and people in the region.

9.0 Project Implementation

9.1 Trail Development Planning

This project is a feasibility study examining the broad feasibility of the Alexandra, Thornton and Eildon Trail Link proposal. By necessity, indicative costs and possible solutions are included. It does not provide detailed trail development planning that seeks out solutions to all specific issues, nor does it articulate design solutions. It does provide estimates of probable costs, based on a detailed examination of the preferred trail route which identified likely works required (trail construction, bridges, boardwalks, signage, clearing etc).

With respect to individual trail planning, there are two basic elements:

- Individual Trail Feasibility Study – refines potential trail routes; identifies issues/challenges to trail development; identifies the possible market for the trail; broadly identifies costs; provides feasibility statement on the practicalities of developing the trail; and
- Trail Development Plan – identifies precise route of proposed trail; identifies construction techniques and materials; provides reliable costs estimates and detailed works lists; identifies signage requirements and costs; provides trail inspection and maintenance schedules.

State or Regional Trails Master Plan	Local Government Trails Master Plan	Individual Trail Feasibility Study	Trail Development Plan	Trail Construction	Trail Maintenance
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The Alexandra Thornton and Eildon Link Trail project is at the "feasibility" stage of the trail planning and development spectrum. If proven feasible, further detailed trail planning will be required.

Following the establishment of trail feasibility and the preparation of a detailed trail development plan, trail construction can begin. This process ensures a maximum return on public (and private) investment in trail development work. Far too often, people leap to construct trails without any idea of who uses them, why, when, how much it is going to cost, how to market a trail etc. The result is often trails that are underused and eventually "return to the bush".

The preparation of a detailed trail development plan will deliver a high quality, locally focussed and well-managed and maintained trail for use by residents and visitors. The approach has been recognised in North America (through work by the well-respected Rails-to-Trails Conservancy) and Western Australia (through its trail funding under the Lotterywest program overseen by the Department of Sport and Recreation) as one that ensures that trails are well designed and the trail manager will maximise its return on the investment in a trail.

If the decision to proceed is taken, the preparation of a trail development plan is the next logical step. It is estimated that a **budget of \$100,000** will be required, sufficient to allow for bridge and boardwalk designs and other components of the trail's design.

9.2 Trail Construction Stages

Development of trails can often be staged so that parts of trails are developed in line with available funding sources. It is often not possible to open the full length of a trail simultaneously as significant physical, financial, community and institutional work needs to be undertaken. This is the case in many recreational trails around Australia. It has not detracted from their utility or the enjoyment of them by users; however there is a need to be conscious of how stages are marketed. Promotional material needs to clearly articulate what sections are open and what this means for users.

A staged approach to planning and development is often the best approach as it better suits the capacity of the entity charged with delivering the project (in this case, Murrindindi Shire Council). Trails can take up to 10 years to develop from initial planning stages. The "new" Bibbulmun Track in WA was some 4 years in the detailed planning and construction (see www.bibbulmuntrack.org.au/the-track/history/ for a potted history). This was a significant trail project with backing by the State Government – it stands out as a track planned and built relatively quickly. Rail trail projects provide better illustrations of a realistic timeframe. A Feasibility study for the Great Victorian Rail Trail was prepared in 2004; the trail opened in 2012. The Port Fairy Warrnambool Rail Trail (a 37km trail) was subject to various studies and plans from 2002; it was opened in 2010.

The criteria used to determine the recommended stages of development for this proposed trail linking Alexandra with Eildon were:

- Trail sections anchored in towns (or at best at major attractors); this provides easier access for users and builds on associated infrastructure investments already made.
- Construct cheaper sections earlier than expensive ones (affordability).
- Finish the most complete sections first (complete sections may also include current works or planning underway by stakeholders).
- Economic impacts.
- Finished product logic.
- Ease of access for users
- Detailed negotiations can take time; where these are needed, they necessarily alter the construction schedule.

Assessment of potential stages was done in a broad sense against all these criteria, rather than assessing each section against each individual criteria. Combined with the field assessment, consideration of these elements allows the determination of the implementation schedule.

The recommended stages are:

- Stage 1: Complete the trail from the existing terminus of the Great Victorian Rail Trail into Alexandra. This is a cheap option (approximately \$27,000) and is likely to deliver immediate benefits to Alexandra as rail trail users can easily access

businesses in town which they may utilise (particularly food and beverage outlets).

- Stage 2: Complete the trail from Eildon to Thornton (approximately \$1.9 million). This is less expensive than the section from Alexandra to Thornton. It has the significant advantage of passing the majority of businesses that will immediately benefit (along Back Eildon Road) especially the caravan parks, and it links the two OEG camps therefore addressing OEG's concerns about safety of their students while cycling. As Back Eildon Rd is a Council road, there is limited negotiation with other agencies (such as VicRoads). It was suggested in consultation that, should cost be an issue, the initial stage could be from Eildon to the OEG camp, which would also pass Blue Gums Caravan Park. While this has merit (notably from a cost perspective, as it means that no bridge over the Goulburn River is required), its main disadvantages are that that it 'dumps' trail users in the middle of nowhere (while serving the needs of OEG and the caravan park trail users), it provides very limited benefits (economic and non-economic) to Thornton, and provides very limited opportunities for bi-modal experiences (which involve canoeing and cycling) as there are no publicly accessible exit points on the northern side of the river between Point Hill and Thornton.
- Stage 3: Complete the trail from Thornton to Alexandra. This is the most expensive element (approximately \$2.6 million) and requires negotiation with other parties.

9.3 Trail Approvals

There are two key elements in the approval process should the decision be made to proceed with the development of the Alexandra, Thornton and Eildon Trail Link.

These are:

- Impacts on native vegetation and requirements for offsets
- Impacts on cultural heritage

9.3.1 Impacts on Native Vegetation

Trail construction will require the removal of a number of trees, particularly in the Alexandra-Thornton section. Three general principles apply:

- Avoid adverse impacts, especially through vegetation clearance.
- If impacts cannot be avoided, impacts should be minimised through planning and design.
- If clearing must occur, the clearing must be offset through the No Net Loss process.

Clearing will be required, particularly in the area between the Dame Pattie Menzies Centre in Alexandra and Mount Pleasant Road. Removal of large trees along the Goulburn Valley Highway west of Mount Pleasant Road to Thornton may also be required but this should be minimised through good design.

The Murrindindi Shire Planning Scheme requires the issuing of a permit prior to any removal, destruction or lopping of native vegetation. The trail project will also require the completion of an "Environmental Risk Assessment of Development Works". Impacts

on biodiversity should be considered under the *Permitted clearing of native vegetation – Biodiversity assessment guidelines*.

The objective for the permitted clearing of native vegetation is that it results in no net loss, meaning that permitted clearing has a neutral impact on Victoria's biodiversity. Consequently, a native vegetation offset is required when a permit is granted to remove native vegetation. When native vegetation removal is permitted, an offset must be secured which achieves a no net loss outcome for biodiversity. The type and amount of offset required depends on the native vegetation being removed and the contribution it makes to Victoria's biodiversity.

The offset requirements are specified as a condition on the permit to remove native vegetation. Under the guidelines, the no net loss principle needs to be applied to projects such as any trail development.

Whilst vegetation losses will not be significant, no net loss principles will need to be observed and will influence trail costs. An allowance has been included in the trail construction costs tables.

9.3.2 *Impacts on Cultural Heritage*

Under the *Aboriginal Heritage Act 2006*, trail construction is likely to be considered a high impact activity. The 'activity' area crosses creeks and rivers – these are defined as areas of cultural heritage sensitivity under the *Aboriginal Heritage Regulations 2007* (Div 3). Consequently, a Cultural Heritage Management Plan (CHMP) is likely to be required. According to the requirements of the *Aboriginal Heritage Act 2006* a CHMP must, at a minimum, comprise a desktop assessment. If the findings of the desktop determine that it is possible that Aboriginal heritage may be present then the assessment must move to standard assessment (which includes archaeological survey of the area). If the findings of the standard assessment are that it is likely that Aboriginal heritage is present then the assessment must move to complex assessment (involving subsurface archaeological test excavations).

It is important to note, however, that complex assessment may be required if the desktop assessment or standard assessment shows that Aboriginal cultural heritage is, or is likely to be, present in the activity area; and it is not possible to identify the extent, nature and significance of the Aboriginal cultural heritage in the activity area unless a complex assessment is carried out. Therefore, it may be necessary to complete a complex assessment in order for the CHMP to be approved under the *Aboriginal Heritage Act 2006*.

A cost estimate based on rates provided for similar surveys for a new trail being undertaken for Parklands Albury Wodonga is \$2,000/km (though the study is likely to be limited to areas around creek and river crossings). An allowance has been included in the trail construction costs tables.

10.0 Trail Management

10.1 Overview

If a decision is taken to proceed with the development of the proposed Alexandra, Thornton and Eildon Trail Link, decisions will need to be made about the management regime that will be put in place to manage and maintain the trail. A serious commitment to long term management by the trail's proponents will be required, particularly as there is likely to be a significant investment of Government funds.

The responsibility for overseeing the preparation of this Feasibility Study has rested with a Project Control Group formed mostly from representatives of the Murrindindi Shire Council.

Assuming funding for the trail is obtained and detailed planning and construction commences, ongoing management of the construction program and operation of the trail will be crucial in achieving a sustainable and well-used facility. Options are available for future management of the trail.

While legislative regimes differ, the operations of many trails across the country are marked by a common set of features. Some common characteristics about all aspects of operation include:

- Most trails have incorporated Committees of Management; many (but not all) of these draw support from 'Friends of' groups.
- Community involvement in positions of influence i.e. on a Committee of Management is critical to community buy-in.
- In Victoria in particular, all Committees follow a template for setting up the organisation and, to a certain extent, pursue the same activities (due to the requirement under legislation and guidelines established by the Department of Environment and Primary Industries).
- All trails predominantly use public land – mostly State Government land.
- There are no charges to enjoy any trail.
- Most trails opened are section-by-section (i.e. a staged process) while keeping the big picture in mind. However, there is a need to be conscious of how stages are marketed.
- All trails make the most of official 'opening ceremonies' – bridges, sections, etc.

10.2 Committee of Management

A formal Committee of Management should be established; these have been successful in managing trails elsewhere in Victoria. Committees of Management have traditionally absorbed the responsibility for pursuing the development of a trail including preparation of concept plans and business plans.

The Victorian State Government has set down a uniform process for establishing Committees of Management. It involves an Expression of Interest period where applicants prepare and submit their applications. The State Government, in consultation with relevant Local Governments, selects members depending on skill sets required. The existing Victorian model with representatives of Local Government and the community is appropriate; additional representation from the State Government is

desirable but not necessarily essential.

At a general level, skill sets that would be useful for the committee to have as a whole include:

- Leadership skills – critical to hold the committee 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;
- Business skills – skills to understand and tap into locally based businesses – the capacity to communicate to businesses in ways that garner their support;
- Entrepreneurial skills – a business-like approach to running a trail is critical;
- Administrative skills – expertise and knowledge of government grants, and how to apply for them. General administration skills are also critical;
- Environmental/scientific skills – understanding of native flora and fauna and wider environmental issues. The ability to communicate these to a wider audience is desirable;
- Engineering skills – the capacity to understand design and construction of all manner of trail infrastructure;
- Governmental skills – the ability to liaise with and understand government departments and politicians; and
- Users – it is essential that the Committee understand the needs and requirements of various targeted user groups.

These 'selection criteria' needs to be considered in selecting committee members. Project initiation skills are important in the early stages whereas ongoing management skills are more appropriate once the trail is established.

10.2.1 Responsibilities of the Committee of Management

Management Committees have traditionally absorbed the responsibility for pursuing the development of a trail including the preparation of business and maintenance plans. The fundamental responsibilities of a Management Committee are:

- day to day management and ongoing development of the trail;
- preparation and implementation of a business plan;
- development and achievement of trail objectives; and
- developing future budgets; and overseeing activities and ensuring active participation of any sub-committees.

10.3 The Future - Friends of the Trail

At some point in the development of the trail, consideration needs to be given to the formation of community support networks, usually achieved through a 'Friends of the Trail/s' group/s. Many recreation trails draw support from friends' groups.

The best summary of the roles of 'friends of' groups comes from the Rails-to-Trails Conservancy in the USA. From "Designing Rail Trails for the 21st Century" (Flink *et al* 2001) comes the following advice:

"The single most important function of a Friends organisation is to act as an advocate for the trail, defending it when necessary and promoting it the rest of the time. Funding

decisions often depend on public pressure, and money is generally allocated to projects with high public visibility.”

Other services of Friends groups include:

- Physical labour for maintenance organised a number of different ways. The Rails-to-Trails Conservancy recommends the use of an adopt-a-trail (or section of trail) program – a good approach for trails of anything over 5km. The Appalachian Trail, the Bibbulmun Track, the Munda Biddi and the Great Southern Rail Trail all use this particular approach;
- Eyes and ears surveillance and reporting of any problems, danger or inappropriate activity;
- Fund-raising to pay for trail structures, amenities or to protect threatened environmental areas on or adjacent to the trail;
- Developing maps, newsletters and other publications; and
- Promoting the trail as a tourist attraction.

The Rails-to-Trails Conservancy recommends that the trail managing agency maintain legal separation from a friends group; they should however coordinate activities and programs to avoid duplicating efforts or pursuing divergent goals.

As the needs of trail development change from creation to ongoing support, the skills set of the 'friends' board may need to change (a process to be handled thoughtfully). Tourism, corporate, financial and service agent communities become more important.

It is important to clearly specify the purpose and mission of Friends organisations.

In relation to the establishment of a "Friends of" group, it is important that the issue of insurance cover for volunteers be clarified, and that a incorporated association be established for liability reasons (unless the volunteers are to be managed by the respective local governments)

10.3.1 What Do Friends Groups Do?

In Australia, 'friends of' trails groups undertake any number of tasks. A selection of tasks is discussed below. It should be noted that, in the cases cited below and most other cases, the 'friends of' groups are not the trail manager. This responsibility falls to a formal committee of management, a State Government agency or a local government.

The Bellarine Rail Trail (in the City of Greater Geelong, Victoria) has an active friends group. Its primary task is revegetation along the corridor. It aims to develop the environment of the trail, rehabilitate flora and fauna, and encourage trail users to appreciate the environment

The Munda Biddi Trail Foundation (the Munda Biddi Trail is Western Australia's long distance mountain bike trail) assists with planning, developing, marketing and maintaining the trail. It enlists paid memberships, enrolls and manages volunteers, holds trail and community events, and provides information and resources to enhance the quality of the trail experience. Over 85% of that trail is maintained by volunteers.

The Friends of the Lilydale to Warburton Rail Trail involves the community in the development and maintenance of the trail, enhances landscape and conservation values of the trail, and promotes the use of the trail. Activities include revegetation, weed eradication, protection of remnant species, and building and restoration work.

Parklands Albury Wodonga is a cross-border, community-based, not for profit organisation, undertaking conservation, recreation, cultural heritage and tourism projects for the benefit of the community. They are focused on providing opportunities for people to access and experience the extraordinary range of "bush parks" in and around Albury-Wodonga. They undertake the conservation of these areas from an ecological perspective, whilst allowing sympathetic recreational access.

10.3.2 Bibbulmun Track Foundation

The Bibbulmun Track is Western Australia's premier long-distance walking track. Completed in 1997, the 962 km track links Perth and Albany. Sections of the track were used by over 167,000 users in 2008 (the most recent survey), a significant increase from 10,000 users in 1997. Part of this success can be put down to the efforts of the Bibbulmun Track Foundation. The Bibbulmun Track Foundation is probably the most successful 'Friends of' Group in Australia, with a paid-up membership in excess of 2,100 (in a number of categories). The main membership categories are individual and family – at \$40 and \$65/year, these memberships provide a good income flow for the Foundation.

The Foundation is not the trail manager – this job is done by the Department of Parks and Wildlife (DPAW). The Foundation is a not-for-profit community based organisation established to provide support for the management, maintenance and marketing of the Bibbulmun Track. The Foundation encourages community participation, ownership and education, develops opportunities for tourism, employment and training, advocates the protection of natural and historical values of the Track, attracts funds and other resources, and promotes the track as accessible to all.

The Foundation is managed by a volunteer Board of Management with 10 members, 7 of whom are elected by general members. Current board members include the Managing Director of Mountain Designs, WA (chair), three representatives from the 'community' (two business people and one educator), two representatives from DPAW, one representative from WA Tourist Commission, one representative from the Department of Premier and Cabinet (the Premier is the Patron), and one representative from the Great Southern Development Commission (a statutory authority). It has a full-time paid Executive Director and a large number of volunteer staff.

Corporate sponsorship has made possible its "Eyes on the Ground" maintenance volunteer program – volunteers adopt a section of the track and ensure it remains well maintained. Approximately 780 km (80%) of the Track is "managed" in this way by volunteers – a Herculean effort in this time-poor modern environment. They carry out basic maintenance activities such as pruning, clearing minor obstacles, replacing trail markers and keeping campsites clean and report regularly on conditions likely to affect walkers or the long-term future of the Track itself to the track manager (DEC). The maintenance volunteers have developed the same sense of ownership of 'their' section of Track. There are also office and field activity volunteers.

The Foundation has a number of corporate sponsors and also receives funding from the Lotterywest Trails Grants Program (WA Lotteries). Importantly, the Foundation has developed a number of paying events on the Track to support its ongoing work.

10.4 Maintenance of the Proposed Trail

Ongoing maintenance of trails and sites along trails is a crucial component of an effective trails management program. Countless trails and tourist sites have badly degraded because no one planned a maintenance program and no one wanted to fund even essential ongoing repairs. It is therefore essential that funds be set aside in yearly budgets for maintenance of the proposed trail - to ensure user safety and enjoyment and to minimise liability risks for the land managers.

In all trail and site development proposals, the opportunity exists to minimise future maintenance demands through careful planning and construction. Building a trail well in the first place is the best way of minimising future problems and costs.

The goals of a Maintenance Plan are to:

- Ensure that trail users continue to experience safe and enjoyable conditions;
- Guard against the deterioration of trail infrastructure, thereby maintaining the investment made on behalf of the community;
- Minimise the trail manager's exposure to potential public liability claims arising from incidents which may occur along the trails; and
- Set in place a management process to cover most foreseeable risks.

Repairs to bridges and boardwalks, the trail surface and damage to signs are likely to be the greatest maintenance activities along the proposed trail. The maintenance plan needs to include not only the replacement of damaged facilities but also preventative maintenance and the replacement of deteriorated facilities. Providing these effects are attended to early, they are largely labour intensive rather than capital expensive.

Maintenance along the proposed trail will be divided between regular inspections and simple repairs, a one (or two) person job, and quarterly programs undertaking larger jobs such as significant signage repairs or weed / vegetation control. A range of basic machinery, tools and equipment will be required for this work.

The trail manager should keep clear records of each activity / inspection. A pro-forma sheet outlining maintenance tasks to be performed along the trails should be completed with each inspection. Such pro-formas serve to maximise user safety and minimise liability risks, as well as providing a valuable record of works undertaken and make for efficient use of maintenance resources over time. Pro-forma maintenance forms will need to be prepared for each trail section upon completion of the proposed trail, when all infrastructure items are in place and their exact location known.

10.4.1 Bibbulmun Track Volunteer Maintenance Program

The Bibbulmun Track Foundation (BTF) takes great pride in having a world-class walking track in Western Australia. With 1,000 kilometres of track to maintain, along with many associated activities to administer and deliver, the Foundation enlists the support of its members to ensure that the Track remains a well-used, well-maintained and well-loved world class facility for future generations to enjoy.

The Bibbulmun Track Volunteer Program relies on the bushwalking community, and Bibbulmun Track walkers in particular, to commit their time to assist in the maintenance and delivery of the Foundation's Programs and services. The Volunteer Program supports the key objectives of the BTF:

- To encourage community participation and 'ownership' of the Bibbulmun Track.
- To promote the Track and the experience it offers.
- To maintain a safe and quality walking experience.
- To protect the Track's natural and cultural values.
- To preserve the Track's assets and public/corporate investment.

Volunteers contribute their time to the BTF for a variety of reasons, including:

- Wanting to 'play a part' after their enjoyable walking experiences.
- Feeling they have something, such as skills, to offer the Foundation.
- Meeting like-minded people.
- Wanting to be fit, to be outdoors and to be involved with nature.
- Developing skills in leadership, Track maintenance and guiding.
- Helping to conserve and maintain the Track.
- Accessing training opportunities to develop new skills.
- Helping to 'spread the word' and raise people's awareness of a world-class facility that is freely available for everyone to use.

What does a Bibbulmun Track Maintenance Volunteer do?

- Undertakes a range of light maintenance tasks including pruning, clearing debris from the Track, replacing missing trail markers, installing water bars, removing litter and monitoring the campsite. All major maintenance tasks are carried out by DPAW.
- Attends to their section at least 4 times per year (i.e. once every 3 months). In areas closer to Perth, or on sections that require a higher level of maintenance, more frequent visits are preferred. If four visits per year are not possible, the responsibility may be shared between two teams, enabling volunteers to attend their section less often.
- Attends a Maintenance Field Day each year. These are held annually in each DEC district. In addition to practical maintenance training, these days provide a chance to meet the Volunteer Coordinator, DPAW staff and other volunteers.
- Submits a report to the Volunteer Coordinator after each maintenance visit. These reports are vital in assisting the Bibbulmun Track Foundation and DPAW in dealing with immediate problems and in planning for the future of the Track.
- Records the number of hours contributed (including travelling time) on a time-sheet that is submitted to the Volunteer Coordinator at the end of each quarter.
- Volunteers supply their own tools - secateurs, a small saw and a hammer are usually sufficient. If required, DPAW will supply a rake-hoe for the team, and this is returned to DPAW when the team 'retires'.

It is estimated that around 80% of the Bibbulmun Track is maintained by volunteers in this program. Hence, an enormous amount of money is saved as the volunteers carry out many of the inspections and minor repair work.

A similar volunteer maintenance program for the proposed trail between Alexandra and Eildon is crucial, as the projected maintenance costs (as set out in the tables in Section 10.7) are substantial.

10.4.2 Costs of Maintenance

Estimating the cost of maintaining a trail in any area is particularly difficult due to the unpredictability of events such as floods, fires, high winds and stormwater runoff, as well as the tenure and management arrangements for the trail. And, as noted above, volunteers can be organised (through a coordinated program) to carry out much of the work at no cost to the management authority.

The Rails-to-Trails Conservancy in the USA conducted a survey of 100 rail trail managers in the USA on a wide variety of trail maintenance and operations issues. The report "*Rail-Trail Maintenance and Operations: Ensuring the Future of Your Trail—A Survey of 100 Rail-Trails*" was prepared by the Rails-to-Trails Conservancy, Northeast Regional Office in 2005). Some of the principal findings are set out below:

- Who performs trail maintenance is closely tied to who owns the trail, as that entity has the greatest interest in keeping the trail safe and attractive;
- While trail ownership and maintenance are closely correlated, it is also common for a trail to be owned by a government entity but maintained by volunteers. This is a win-win relationship. Most non-profit trail groups avoid owning land due to liability concerns.
- The government, which has much more wherewithal to address legal issues, takes ownership in exchange for low-cost maintenance.
- So what does trail maintenance cost? That's still going to be a tough question to answer. Only 39 respondents provided a lump-sum amount either budgeted or actually spent, and a mere handful provided any kind of breakdown. This suggests the cost to maintain many trails is still hard to determine. Why? There seem to be two general answers to this question. First, the trail may be part of a larger budget for a single park or even an entire parks and recreation department. Specific costs for the trail aren't broken out. Second, small trail groups, though run by competent and extremely dedicated volunteers, tend to be seat-of-the-pants operations. Maintenance is done "as needed," funds are raised "as needed," and the people are volunteering because they love the trail, not because they love doing administrative tasks like budgeting. Reported maintenance and operation (M&O) costs will also vary based on a number of factors including the use of paid staff as well as the respondent's definition of what constitutes M&O costs.
- Maintenance responsibility does appear to significantly affect cost. Approximately 60% of trails reporting costs were maintained primarily by a government agency, implying paid staff and/or contractors. The other 40% of trails were primarily maintained by a non-profit or volunteer organisation. Annual costs for government-run trails were just over \$2,000 per mile. This is not much more than the overall average of \$1500, but it nearly triples the average for volunteer-run trails of just under \$700 per mile.

10.5 Estimated Maintenance Costs for the Trail

On the proposed trail between Alexandra and Eildon there will be numerous items that will require ongoing attention and maintenance. Trail furniture (such as bench seats, trail directional marker posts and interpretation) should be installed (during the construction process) in substantial concrete footings sufficient to withstand floods. These should require minimal ongoing maintenance.

The presence of trees along some sections of the proposed trail means that time will be spent removing damaged and fallen trees and branches in the aftermath of a storm. The most frequent maintenance task will be attending to signage. Replacing stolen or damaged trail signage may be required, but how much time spent on this task is guesswork.

The biggest maintenance costs involved are obviously maintenance of the items that initially cost the most to install: the trail surface itself (due to erosion from stormwater runoff and usage) and maintenance of bridges and boardwalks.

Even though some of the trail network is in place (ie. constructed trails to be used as a part of the trail route), it is difficult estimating the costs involved in maintaining a trails network until every last bridge or boardwalk is in place and every trail directional marker has been installed.

The following tables make an attempt at estimating an amount that may be required on an annual basis for maintaining the proposed trail.

The use of volunteers to undertake many of the routine repairs and cleaning tasks can substantially reduce the costs to the management authority.

Table 10: Estimate of Maintenance Costs (Alexandra to Eildon – 25.3km)

<i>Task</i>	<i>Frequency / note</i>	<i>Possible Costs</i>
Inspection and replacement of signage and facilities at trailhead: including trailhead signs / map panel.	Average repairs of \$500 per site per year.	\$1,500
Allowance for repairs to trail surface (incidental repairs to, and upgrading of, trail surface).	Allowance of 2% of replacement cost (ie. 2% of \$1,870,525).	\$37,410
Inspection and routine maintenance of bridges and/or boardwalks.	Allowance of 0.5% of replacement cost of bridge and/or boardwalks (ie. 0.5% of \$2,080,500).	\$10,400
Inspection and replacement of Emergency Markers.	Allowance for replacement of one sign per year / 10km.	\$750
Check miscellaneous signs along trail (eg. Road Ahead, Give Way, trail name, distance signs, etc).	5 replacements per 10km section per year.	\$380
Inspection of and allowance for replacement of trail directional marker logo/arrow plates.	5 replacements per 10km section per year.	\$380
Allowance for repairs to trailside furniture and occasional replacements (when required).	Inspection and minor repairs every 6 months. 1 replacement per year.	\$1,000
Check side vegetation growth and overhead vegetation and cut back where required.	Allowance of 3 person days per 10km section per year (@ \$500/day).	\$3,750
Check interpretation along trail for damage and structural stability.	Allowance for replacement of 1 panel per year.	\$1,000
Preparation of annual Hazard Inspection Report.	1 person days @ \$1000/day.	\$1,000
\$57,570 excl GST (per annum)		

This equates to a rate of approximately \$2,275 per kilometre per annum.

11.0 Resources & Funding Opportunities

It is noted that funding programs can change and that the information presented in this report is current at the time of writing. Funding opportunities will need to be reviewed if the trail construction does not proceed for some time. Once the decision is taken to proceed, one of the first tasks will be to seek development funding. All funding sources available at that time will need to be identified and funding applications prepared as soon as possible and dedicated resources made available.

11.1 Commonwealth Government

Commonwealth Government programs are currently the subject of various reviews and some announced grants have been withdrawn (an illustrative example is Round 2 of the Tourism Industry Regional Development Fund, grants from which were withdrawn in mid November 2013). Such decisions make the need to review this section at the time of seeking grants critical.

The Commonwealth Government has indicated its desire to support demand-driver infrastructure for the tourism industry. Through this programme, the government will seek to ensure that the benefits of any government investment can be multiplied across the tourism, hospitality and accommodation sectors. The program was planned to come into effect from 1 July 2014. Details on this program are yet to be made public. The other major tourism funding source which has been previously accessed for these types of projects – the T-QUAL grants; tourism quality projects – is now finished. The 2013 round (which partially funded this study) was the final round. The Regional Development Australia Fund is also under review.

The other critical element is that a number of government decisions in recent months have had significant impacts in regional Australia; history suggests that often such decisions are followed up by positive opportunities for other projects in regional Australia. Coupled with a Victoria state election due in late 2014, funding opportunities may arise that are not foreseen at this stage.

11.2 Victorian Government

11.2.1 Advancing Country Towns initiative

The Department of Planning and Community Development has invested \$9.4 million to create new opportunity and improve quality of life for local people living in communities experiencing complex disadvantage. The program will work on improving links between local, regional and rural services in nine locations across the state.

The four-year program (2011-2015) will focus on achieving better economic outcomes and ensure local people are able to take advantage of education, skills and training opportunities.

This program builds upon the solid work already under way in regional areas. All of the funded communities are addressing priorities linked to Community Plans, Regional Strategic Plans and other regional initiatives.

One of the Advancing Country Towns area is the Alexandra cluster. Given the conclusion that development of the link trail is a viable proposition, that further funding for the development of the trail should be sought through the Advancing Country Towns initiative.

11.2.2 Other Victorian funding possibilities

The Regional Growth Fund has a series of programs under its broad banner. The Fund is managed by Regional Development Victoria. The programs – Building Strategic tourism and cultural assets, and Transforming and Transitioning Local Economies – are programs that may fund the trail's development. Previously, the Gippsland Plains Rail Trail and the Bellarine Rail Trail have received funding from the Growth Fund – it has a relevant track record. (see www.rdv.vic.gov.au/regional-growth-fund).

The Department of Transport, Planning and Local Infrastructure has a Community Facility Funding Program where major facilities can receive up to \$650,000 to develop or upgrade major sport or recreation facilities. This funding program is available to Local Governments. Funding is provided on a dollar for dollar basis to rural councils. There are also grants of up to \$50,000 for regional planning initiatives that demonstrate inter-municipal needs and financial support from multiple local government authorities. (see www.dpcd.vic.gov.au/home/grants/all-grants/community-facilities-funding-program).

11.3 Private Sponsorship

Sponsorship is big business – and very competitive. Two main options exist: either negotiate with local/national corporate entities which have a geographical and social connection with the area through which a trail passes or go after the 'big' players for big projects. Many large companies have formalised sponsorship programs.

Elsewhere in Australia, funding for trail development has been received from a number of major (and minor local) companies.

- Alcoa has been a major contributor to Western Australia's two premier long distance tracks – the Bibbulmun Track (walk) and the Munda Biddi Trail (mountain bike).
- BHP Billiton provided over \$200,000 for the Coast to Crater Rail Trail in western Victoria to help construction.
- GlaxoSmithKline Australia has donated \$10,000 to the development of the Warrnambool to Port Fairy rail trail project to encourage employees to combine their physical exercise with commuting to work. GSK has stated "We are proud to contribute to the establishment of the Port Fairy rail trail through our Community Partnerships Program. We see this project as being of benefit not only to our own employees, but also to the local community as a whole."

Significant sums can be gained if benefits can be proven. Any company with an operation within the region would appear to be a potential sponsor.

Companies are looking to be good local citizens and being associated with a positive asset such as a trail can be good for business. Companies should be approached with the message that such a project will bring a number of benefits to the Shire. Any approaches to corporate sponsors should focus on a main message that trails and the company products provide an alliance of healthy sustainable living and healthy sustainable products (if such a link exists).

Corporate entities are looking to make community commitments in a number of ways other than direct funding. The Macquarie Bank Foundation looks to supply time and expertise as well as funding. Many other banks have both a competitive grants program

and a volunteer scheme that provides paid volunteer leave to every employee. Organisations such as the ANZ and National Banks also look for community development options for their staff e.g. corporate team building days are held on a trail.

What is important in dealing with potential corporate sponsors is to have:

- a clear trail development plan (the next stage of work should the trail proceed);
- a well-developed message;
- clear pointers as to what and where their engagement might be; and
- a clear indication of how they might benefit from their involvement.

11.4 Other Trail Resourcing Opportunities

11.4.1 Heart Foundation

The Heart Foundation Kellogg Local Government Awards are held each year to acknowledge projects and initiatives that local councils and organisations are delivering in their communities to promote and improve heart health. While not a significant source of funds, there is a \$10,000 prize for the overall winner and a \$1,000 prize for each State winner. The award also offers positive promotional opportunities. The award is for Local Governments rather than community-based organisations; this does provide a “hook” for councils to become involved in a trail project.

The Murray to the Mountains Rail Trail has won the Best Overall project. Lake Fred Tritton, an artificial lake in Richmond Shire (Qld) with a significant walk trail constructed around its edges, won the Best Overall project and the Recreation Infrastructure Project in 2004. The Peninsular Pathlinks Program, a program to develop 77 kilometres of new trails and walkways in the 42 communities in the Mornington Peninsula Shire (Victoria) won the Best Overall project and the Recreation Infrastructure Project in 2005. For further details, the Heart Foundation’s website is www.heartfoundation.com.au.

11.4.2 Green Corps

Green Corps is a federally funded “Young Australians for the Environment” program. A major project provides a host partner agency with 10 trainees and a supervisor for 14 weeks within a 26 week program. All materials, tools and technical supervision, accommodation and some other basic requirements must be provided.

11.4.3 Work for the dole

Schemes to provide meaningful work experience and some training for long-term unemployed are provided under the Work for the dole scheme. The program generally only supplies labour – the host agency is responsible for tools, materials, technical supervision etc. (Both Work for the dole and Green Corps programs are being updated to reflect new Commonwealth government arrangements).

11.4.4 Conservation Volunteers Australia

Conservation Volunteers Australia provides small crews of volunteers, with a supervisor, to undertake environmental activities. Teams of between five and eight people work for one to two weeks. An administration fee is imposed by CVA. Materials, tools and technical supervision need to be provided by the host agency. CVA has been involved in trails project elsewhere in Australia – they were heavily involved in construction of a new walking track around the base of Mt Tibrogargan in the Glasshouse Mountains in

South East Queensland. This trail is of the highest quality and is a testimony to their skills as trail builders.

11.4.5 Minimum Security Inmates

Crews of minimum security inmates have worked extensively in trail construction in Western Australia in the last 15 years. In the Northern Territory and NSW, prison crews have been successfully used recently on trail and park projects.

11.4.6 Volunteers

Volunteers are often the last thought-of resource but are often the most effective. Many trails are only built – and then kept alive – by volunteer input. The way forward is to either establish a specific local ‘Trail Volunteers’ or ‘Friends of...’ group, or tap into existing community organisations such as service clubs, progress associations, schools, scouts etc. There is also a growing network of trail advocates whose experience is extremely worthwhile. Concerns have been expressed in a number of forums (including popular media) about getting volunteers in a time when people have very busy lifestyles. This is acknowledged, however the Bibbulmun Track in Western Australia provides an encouraging lesson. This is discussed in Section 10 in some detail.

Volunteer labour can also be used in innovative ways to benefit a number of community sectors. The Lilydale Warburton Rail Trail (Victoria) needed bridge construction and put out a public tender for the work. The tender was won by the local branch of the Country Fire Authority, which needed a new fire engine. Labour in bridge construction was “swapped” for a new fire engine.

11.4.7 Philanthropy

There are a number of philanthropic organisations in Australia (though not in the same numbers as the USA). The brief has not permitted time to extensively research all these.

The Macquarie Bank Foundation currently contributes more than \$2.5 million a year in community grants. Its core areas include the health care and research, the environment and the arts (trails can address each of these core areas).

The Ian Potter Foundation has a number of interests, including environment and conservation (details can be found at www.ianpotter.org.au). Its’ Environment and Conservation program supports small projects that combine elements of biodiversity and ecology preservation, volunteerism and community education. A trail development could fall within this mandate

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Appendix 1

Trail Design and Development Considerations

General Considerations for Sustainable Trails

This section of the Report addresses a series of matters relating to trail design and development – to achieve a trail that is constructed with minimal disturbance to the natural environment, is sustainable and requires minimal maintenance.

In general, the following general design and location considerations should be taken into account before and during construction of any trail or path:

- ✚ Following existing tracks/trails where possible to minimise disturbance to the landscape.
- ✚ Avoiding poorly drained areas.
- ✚ Ensuring local drainage is maintained along natural watercourses where possible.
- ✚ Avoiding dense understory where possible.
- ✚ Avoiding areas of dense vegetation that may require heavy clearing.
- ✚ Avoiding environmentally sensitive areas (eg. areas of endangered flora).
- ✚ Using debris from trail clearing to prevent use of unwanted paths.
- ✚ Removing conflicting inappropriate vegetation if necessary and as approved.
- ✚ Avoiding localised high points to ensure even path grades.
- ✚ Avoiding long straight sections with long steady grades. Trail to meander to take advantage of natural and man made features and to create interest.
- ✚ Avoiding areas with high erosion potential.
- ✚ Locating path/trail near to points of interest.
- ✚ Taking note of safety hazards and avoiding where possible.

Drainage and control of erosion are fundamental issues when developing this trail. Effective drainage will be essential along the proposed trail. Nothing is more devastating to a trail surface than extensive use in wet, boggy conditions. Such use in wet periods on unstable areas may loosen the trail subsurface and will create an ongoing maintenance problem. Extra fill will be required to raise the proposed trail above the low-lying conditions found along many of the road verges.

Similarly, allowing water to flow down the trail without creating 'run-off' opportunities is quite clearly going to produce erosion problems. Siting of the trail route on higher (level) ground should always be the aim.

Culverts and other drainage controls should be used to direct run-off away from the trails where needed. It should be noted that some slope is desirable on shared-use trails. A perfectly level trail will hold water (ponding), creating mud holes that then become maintenance problems.

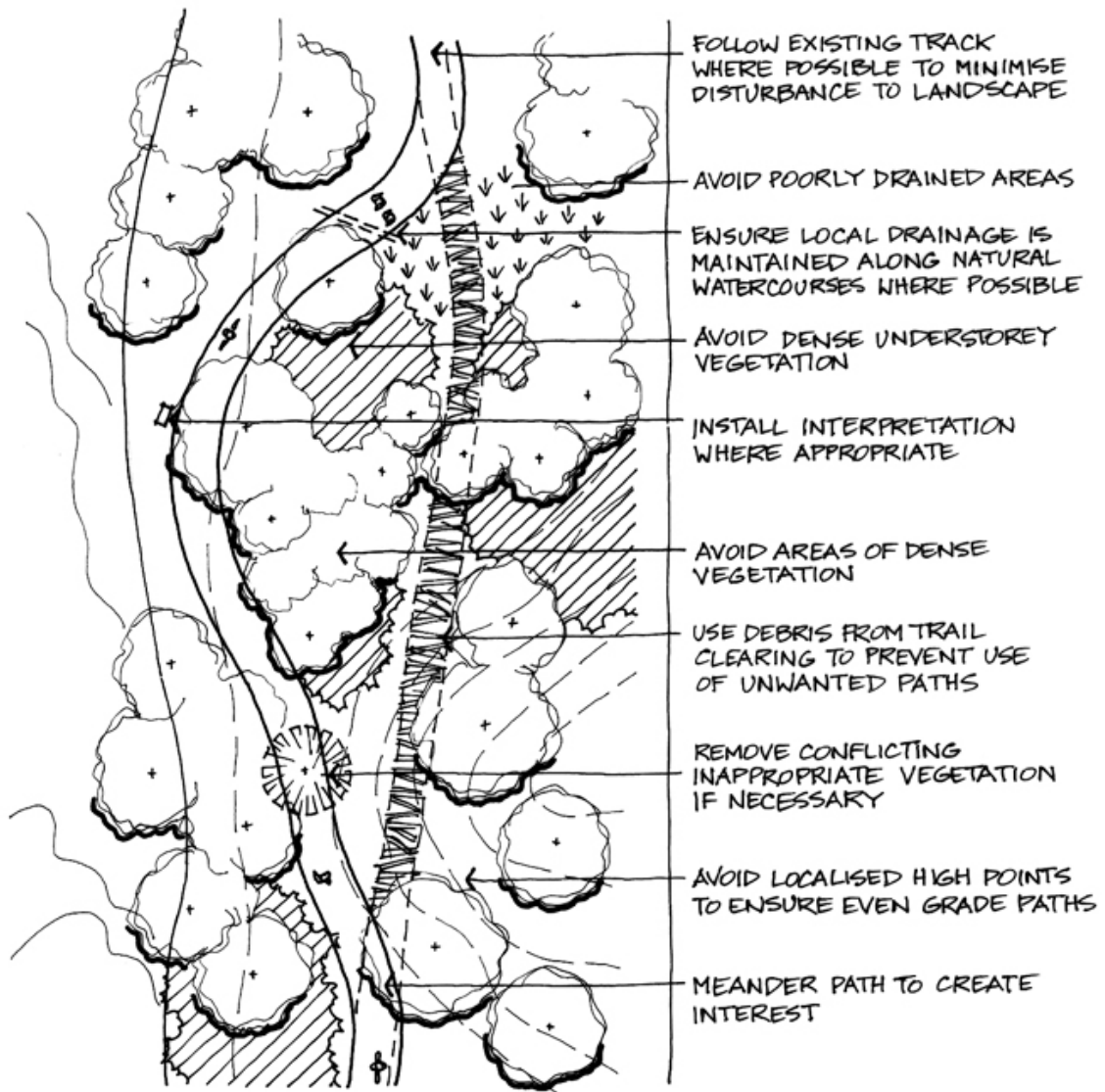
Trail Width and Height

To function effectively, shared-use trails should have a minimum trail width of 2.5 metres.

Maintaining consistency of width is important – particularly when cyclists are likely to be the main user group using a trail.

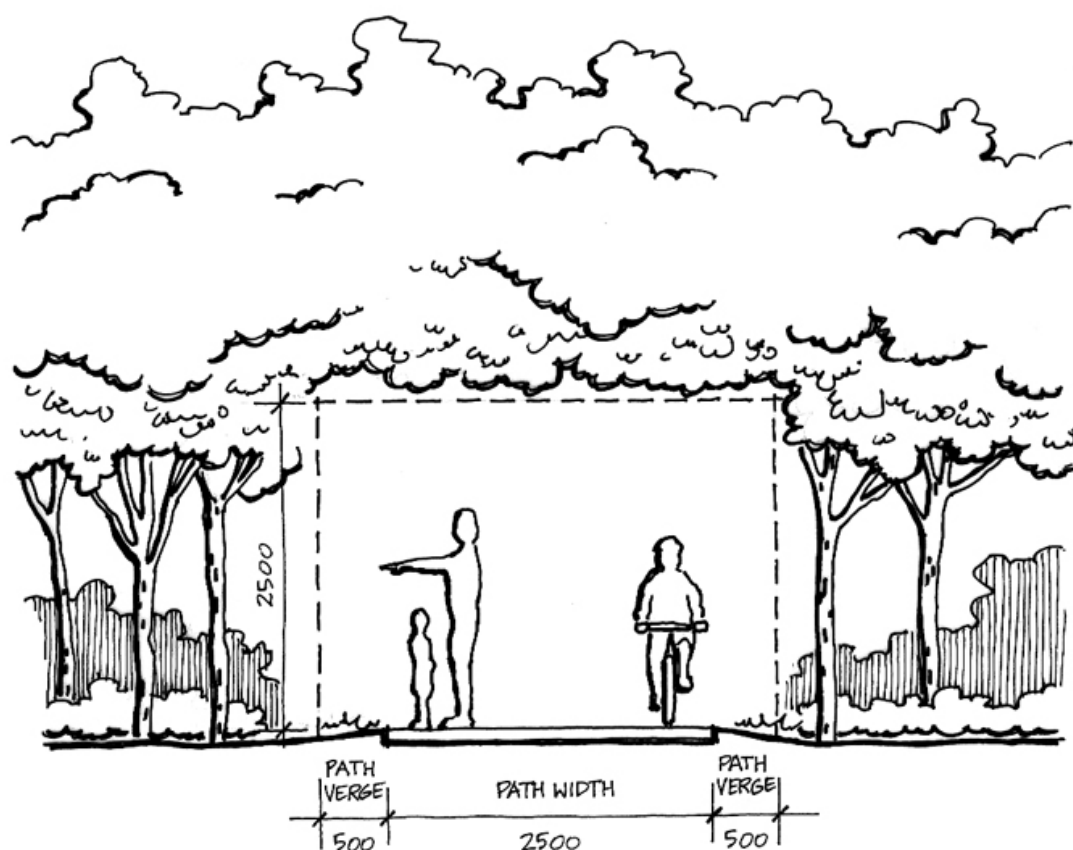
It is important to ensure that the entire trail is available for a wide range of users (including people with disabilities, parents with prams, etc) rather than having the trail solely for able-bodied walkers.

People in wheelchairs, and cyclists, need ample space to pass each other without having to divert off a path or trail.



TRAIL ALIGNMENT GUIDELINES

Overhead clearance should be maintained to approximately 2.4 metres from the trail surface, except where horse riding is permitted (when the head height will need to be 3.0m). All overhanging vegetation – and that which intrudes from the sides into this 'corridor' should be cut back on a regular basis. Care should be taken that sharp and dangerous 'points' are not left in this pruning process.



Trail Surface Material

A smooth compacted surface is most appropriate for a shared-use trail. The surface should be firm enough to provide cyclists with a relatively smooth ride. A separate bridle trail could be developed, parallel with the main bicycle/walking trail surface.

Most trails developed in Australia use a locally available earth surface (gravel, decomposed granite, crushed limestone, etc) to produce a firm surface easily capable of accommodating walkers and cyclists. Use of such material provides a high quality natural surface without the expense of a hardened (ie. sealed) surface.

Safety Considerations

The most significant safety issue is that which relates to possible conflicts between different types of trail users – legal and illegal - for example, walkers and trail bikes or 4WD's, or cyclists and walkers. Effective signage will greatly limit this potential problem. The incidence of conflict with mountain bikers and horse riders is likely to be low, given their low usage levels. Greatest conflict will occur with motorised users, such as trail bikes.

A 'dismount and walk' policy for horse riders on the bridges should be implemented, with signage directing them to dismount on bridges (and possibly on the proposed boardwalks). This is recommended to guard against riders being thrown off horses on structures likely to be intimidating to horses (and young and novice riders). This policy should prove quite adequate to manage what is statistically likely to be a relatively small number of potentially dangerous situations.

Road Crossings

Road / trail crossings always present a special hazard which must be addressed carefully. A crossing should have enough space cleared and levelled on both sides of the road to allow cyclists travelling together to gather in a group and cross en masse. One-at-a-time crossing greatly increases the overall time in the roadway and therefore increases the likelihood of encountering a vehicle. The crossing should ideally be at a straight, level area allowing both trail user and vehicle driver good visibility and the driver ample stopping distance (if possible).



Above left and right: Road crossing signage is very important for trail users to alert them to the dangers ahead. On all major road crossings, a "Road Ahead" and a "Give Way" (or "Stop") sign are warranted. On minor road crossings, the use of a "Give Way" sign is considered sufficient. On-road "Trail Crossing" signs are also recommended at all road crossings.

Details pertaining to shared path crossings of roads can be found in Austroads Guide to Road Design Part 4: Intersections and Crossings – General (Australia).

Generally, the treatment required includes:

- Installation of signage on the trail (both sides of the road crossing) advising / warning of the upcoming crossing of a road. These could be either (or both) "Give Way" signs and "Road Ahead" signs (depending on whether road is a 'major' or 'minor' road). A "Stop" sign is recommended where the trail crosses a particularly busy road;
- Warning signage on the road (both sides of the trail crossing) warning road users of the upcoming trail crossing;
- An asphalt "apron" - an area of hard standing (asphalt) that provides trail users with a smooth transition between the gravel trail surface and the bitumen or asphalt road surface; and
- Miscellaneous signage (including Trail name and logo; distance signs; Emergency Marker signs; road name signs; "Unauthorised Vehicles Prohibited" signs; "Trail Bikes Prohibited" signs, etc).

Signage

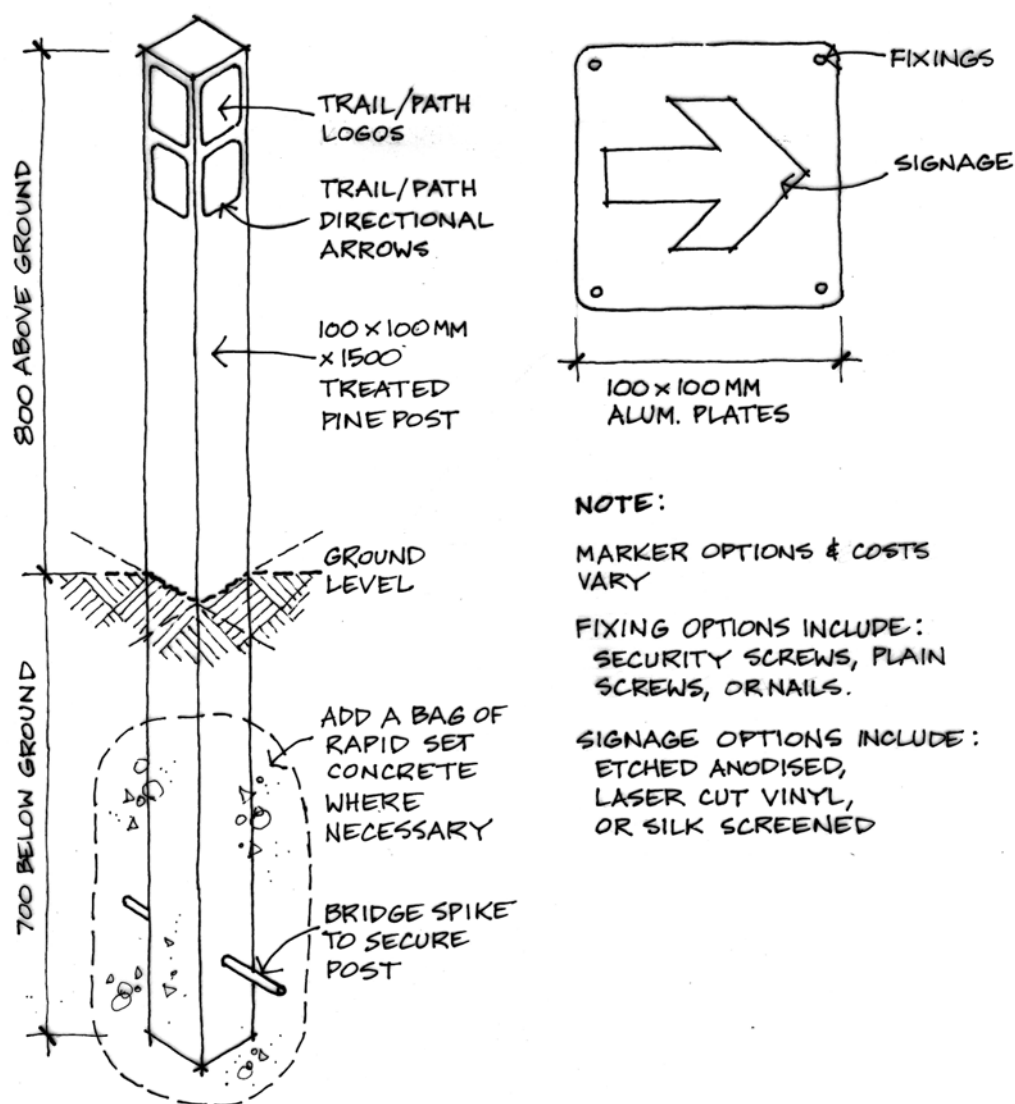
Several kinds of signage are required on trails including distance, directional, warning, promotional, etiquette and interpretive signs. Trail signage should be standardised across the Murrindindi Shire Council area (possibly using signage designs being

developed for the Great Victorian Rail Trail). It should accord with relevant local or Australian 'standards' or practices.

Trail markers need to be placed at regular intervals along each route – and particularly at corners and junctions. The spacing and location of these markers will depend on the local factors, and intended user groups. A unique colour scheme could/should be considered. The trail markers should have a distinguishing symbol or logo.

Directional Signage

Trail markers need to be placed at regular intervals along all trails – particularly at corners and junctions. It is recommended that directional markers be placed on post totems every 500 metres. The pine posts should be 125-150mm diameter, 1.5 metres in length, and buried 600mm in the ground. At these recommended spacing's they should minimise confusion and uncertainty. The standard colour scheme is black on a yellow triangle, but given the uniqueness of the locality a situation-specific colour



TRAIL/PATHWAY DIRECTIONAL SIGNAGE

scheme should be considered. The trail markers should have a distinguishing symbol. Markers are usually not required along straight sections of trail as the trail is usually clear and obvious, but given the fact that the trails will attract entry-level trail users, it is recommended that additional trail and directional markers be used to assist these users. The use of a higher number of directional trail markers will result in even the most inexperienced of users feeling confident that they can remain on track. Markers should be either vertical (straight ahead) or horizontal (turn here). They must be affixed with at least 2 nails (on pine posts) to prevent them being turned or removed by vandals. Alternatively, the direction markers could be affixed with glue/silastic. Direction markers should be a triangle, made of aluminium, not less than 1.6mm thick, 80mm wide at the base, and 110mm high.

Distance Signage

Recognising that users will join the trail at any number of points, installing distance and direction signs at road crossings will not only benefit those joining the trail at that location, but provide additional information for users already on the trail. The plate should indicate the distance to the upcoming localities along the trail. In addition, such signage provides good reference points for emergency services (in addition to the Emergency Marker signs - see below).

Trail distance signage will need to be placed at regular intervals along the route. The obvious location is at each road crossing (and trailhead) where trail users are likely to join the trail.

Warning Signage

There are a number of locations along the proposed trail that demand warning signage, primarily at the many road crossings facing trail users. In the case of road crossings, a "Road Ahead" yellow diamond warning sign (W6-8) some 50-70 metres before a crossing has been recommended (on a stand-alone post), with a triangular "Give Way" sign (R1-2) on the verge at the road crossing (on a stand-alone post - or affixed to the timber posts or panels of the chicane). Bicycle/pedestrian warning signs (W6-9) with arrow (W8-23) are recommended for installation on roads, either side of a trail crossing. These should be located approximately in the same location as the original railway Level Crossing signs (which are to be removed).



Above from left to right: Typical "Road Ahead" sign (W6-8); "Give Way" (R1-2); "No Motor Vehicles" and "No Trail Bikes" to be used on totem posts along the proposed rail trail.

The proposed trail has numerous road crossings along the route, and some of these provide both challenges and opportunities for trail development. The challenges come in

ensuring that these crossings are safe for future trail users, while the opportunities surround the passing road users who can be alerted to the trail's presence. Such 'opportunistic' promotion can only be good for the future of the trail in raising awareness and increasing user numbers.

Permitted User Signage

Signs (in the form of pictograms – see above) indicating user groups that are permitted (or not permitted) on the various sections of the trail should be installed at every road crossing and entry point, in recognition of the expected pattern of use (potentially) by all three primary user groups (walkers, cyclists, horse riders). These small signs can easily be installed on the totem posts at the edge of the road. Other signage could include "No Motor Vehicles", "No Motor Bikes", "No Smoking", "No Alcohol" and "Dogs on Leash". The installation of "No Motor Vehicles" and "No Motor Bikes" (as illustrated above) are recommended at the outset, and the trail manager will ultimately determine what other signage may be required.

Interpretive Signage

On-trail interpretation is becoming more and more of a feature of trails built in recent times. When well done, it can add significantly to the depth of the user's experience. It can also generate a sizeable cost, and can be subject to ongoing vandalism in urban and rural areas.

It is therefore important for the trail manager, should the trail proceed, to give serious thought to planning and implementing interpretation in the early stages of the project development. This does not necessarily imply that interpretation material has to be in place from the trail opening though this would be a commendable outcome. However, interpretation should be an integral part of any trail's development process.

The works tables and estimates of probable costs make allowance for the placement of a number of panels along the trail.



An Emergency Marker sign on the Lilydale-Warburton Rail Trail in Victoria.

Emergency Management Signage

Distance signage provides good reference points for emergency services. It gives anyone who needs emergency assistance an easy reference point. On other projects, consultation with ambulance officers in particular highlighted this need. When people panic (as they often do in an emergency situation), normal cognitive processes do not work. On-trail signage should be as helpful as possible and minimise likely stress. Consequently, distance signs should be installed at regular intervals, with distances to the next trailhead or major town (on either side of the post). This enables people to quickly identify where they are by travelling a very short distance from the emergency situation.

All road crossings should also have a GPS reference/identifier on the chicane (or on a separate post) for use in emergencies, again as a location aid for those in stress. There

is also a need to include the emergency telephone number at all trailheads (on the trailhead interpretive panels) and clearly identify that one number will contact all three emergency services (police, ambulance, fire). While the emergency number from a landline is 000, the emergency number that works best from a mobile phone is 112. Information on what to do in an emergency, the location of public phones, and the capacity for a flip-down sign indicating trail closure (due primarily to fire, flooding or maintenance work) should also be included at each trailhead.

Elsewhere in Victoria, Emergency Marker signs (see photo above) have been installed along numerous trails, and in natural areas (such as forests, National Parks and along the coastline).

It is recommended that "Emergency Markers" be installed along this trail in the future.

Trail Furniture

There are a number of locations, such as trailheads, well suited to the placement of facilities that would benefit all trail users. This furniture could include picnic tables and seating in appropriate best location available at the trailhead. Care should be taken in the selection of styles of seating and tables. Many styles commonly used on trails are more suited to backyard gardens, or city parks. Few look 'right' in the natural environment. Placement of simply constructed seats at intervals along the trail will benefit all trail users. The works lists allow for the installation of trailside furniture.

Trailheads and Parking

A trailhead is usually defined by the existence of a car parking area, often with picnic facilities, interpretive signage, a map panel of the trail network showing sites of interest and distances to features along the trail and a Code of Conduct. It is a location where a (short or long) trail walk or ride can begin or end, as distinct from the actual beginning or end of the trail (usually called a trail "terminus"). Given that much of the usage of the trail is likely to come from walkers and mountain bikers from other regions and from horse riders who float or ride horses to the section of trail (where horse riding will be permitted), formal 'trail-heads' are important.

Basic facilities such as parking, and a picnic table or seats in the shade, interpretive information and mapping showing distances to features and towns along the trail, and connections with other trails, is important and will prove useful to all trail users. These elements are all included in the costed works tables.

Codes of Conduct

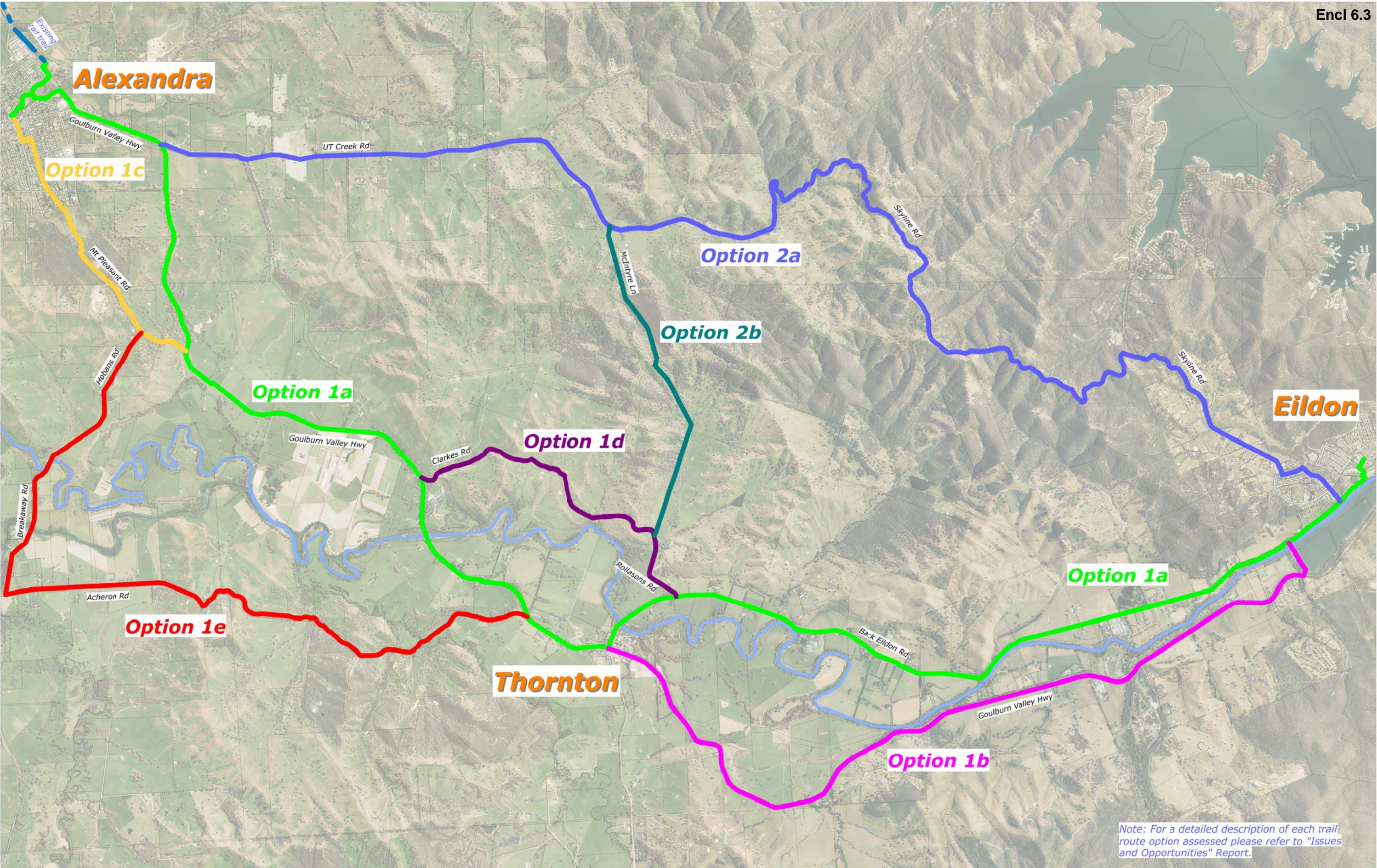
A Code of Conduct for each user group provides all trail users with guidelines to minimise their impact on the environment, and on other trail users.

Codes of Conduct help to:

- Prevent soil erosion;
- Minimise trampling;
- Prevent the introduction and spread of noxious and exotic plants;
- Protect waterways;
- Reduce the risk of fire;
- Protect significant and environmentally sensitive sites;
- Minimise potential conflict with other users of the trail; and
- Ensure the safety of all trail users.

Appendix 2

Plan 1 - Trail Route Options



Appendix 3

“Before” and “After” - Artists Impressions



*Above: The verges of some roads have small creeks to cross.
Below: Several small bridges will be needed to cross the creeks and depressions.*





Above: An old tramway formation exists alongside the Goulburn Valley Highway.
Below: The preferred trail route would follow the already-cleared tramway embankment.





*Above: Much of the preferred route follows cleared tracks alongside the Highway.
Below: Minimal clearing would be required for the proposed trail.*





*Above: Wide cleared road verges make trail construction a relatively easy task.
Below: The preferred trail would be located as far from the Highway as possible.*





*Above: Wide verges alongside roads provide opportunistic trail alignment options.
Below: The preferred trail route, although alongside the Highway, provides scenic views.*



December 2014

INDEPENDENT AUDIT ADVISORY COMMITTEE ANNUAL REPORT

This report prepared by the undersigned outlines the activities carried out by the Audit Advisory Committee for the calendar year 2014. The report covers the obligations of the Committee as set out in the Charter of the Audit Committee, which was approved by the Council on 23rd January 2013.

Annual Agenda

- Meetings were scheduled to coincide with the relevant Council reporting
- The Committee will have met 4 times during the calendar year in compliance with the Charter
- No additional meetings of the Committee were held. (Refer to Additional Activities, below)

Reporting

- Minutes of each Audit Committee Meeting were forwarded to the Council after each meeting
- The Annual Report (this report) has been prepared as the Committee's summary of activities for the calendar year

Duties and Responsibilities

- An Internal Audit Committee Annual Plan was prepared at the beginning of 2014 and was updated to embrace some changes in May 2014. To a large extent the Audit Committee Plan was followed. In some instances, the items scheduled for review were not presented at the scheduled meeting, however all items will be presented by the end of the calendar year. There has been a significant improvement in adherence to the Audit Plan this year.
- During the year the Audit Committee has been involved with the following activities:
 - Quarterly Financial Reviews
 - Review of Annual Budget and Council Plan
 - Review and recommendation for approval of the Financial Statements for FY2014
 - Review of Risk Register
 - Review of a number of policy and other guidance documents
 - Review of legislative changes that may effect the operations of the Council
 - Review of Excessive Annual Leave
 - Review of Long Service Leave
 - Review of Internal Audit Reports and Management Responses
 - Discussion with External Auditor and reviews of Audit Strategy and Final Management Letter

Membership

- The Committee Membership remained unchanged for the 2014 calendar year.
- The writer continued his appointment as the Chairman for the entire year.

Committee Performance

- Actions arising from the 2013 Self Assessment were implemented in 2014
- The 2014 Self Assessment is due Q4 2014 and actions arising will be implemented in 2015.

Additional Activities

- In addition to scheduled activities, the Independent Chairman was a member of the Bid Evaluation Committee for the selection of the Internal Audit Company for the next 4 year period.

Conclusion

The Audit Advisory Committee has fulfilled its obligations with respect to the Charter of the Audit Committee during 2014. Nothing of significant concern was identified during the reviews that were conducted. The level of governance is high. The Committee acknowledges and supports the Council's continuous improvement intent, which is demonstrated through the internal and external audit outcomes and the Council's response to the issues raised. We look forward to the benefits of the continuing stability and enhanced experience of the committee members in 2015.

On behalf of the Committee, I wish to thank the CEO, Margaret Abbey and her leadership team in providing an open, honest and supportive environment for the Committee to carry out its work. I also thank my fellow committee members for their diligence and thoroughness in executing their tasks during the year

Ian McKaskill
Chairman
Audit Advisory Committee

Title:	Procurement
Type:	Council
Adopted:	"[Insert Date]"
File No:	SF/491 TRIM Reference: 14/35410
Attachments:	Procurement Guidelines (TRIM: 14/38862)

1. Purpose

The purpose of this policy is to provide principles, processes and procedures that will apply to all purchases of goods, services and works by Council.

2. Rationale

The objective of this policy is for Murrindindi Shire Council to:

- 2.1 achieve value for money and continuous improvement in the provision of services for the community
- 2.2 ensure that Council resources are used efficiently and effectively to improve the delivery of Council services that benefit the local community
- 2.3 achieve compliance with relevant legislative requirements
- 2.4 demonstrate accountability to rate payers
- 2.5 achieve high standards of probity, transparency, accountability and risk management, and
- 2.6 use procurement to effectively advance the objectives of Council in the areas of local economic development and sustainability

3. Scope

This policy applies to all contracting and procurement activities at council and is binding upon councillors, council officers, temporary employees, contractors and consultants while engaged by council.

4. Policy

4.1 Ethics and Probity

4.1.1 Tender Processes

All tender processes will be conducted in accordance with the requirements of this policy, the procurement guidelines, relevant legislation and the Act.

4.1.2 Fair and Honest Dealing

Prospective suppliers will be treated fairly in an open and transparent manner, with the same access to relevant information about the proposed procurement to enable them to submit quotations/tenders on an equal basis.

Impartiality must be maintained in selecting suppliers to fulfil Council's requirements.

4.1.3 Disclosure of Information

Councillors and staff will protect commercial information by refusing to publicly release or discuss commercial in confidence information and pre-contract information including but not limited to information provided in quotes and tenders or subsequently provided in post contract negotiations.

Procurement

Councillors and staff will avoid specific references to current or proposed contracts in discussions with acquaintances or outside interests relating to commercial or sensitive information.

Discussion with potential suppliers during tender or quotation evaluations should not go beyond the extent necessary to clarify questions pertaining to the tender or quote.

4.2 Responsible Financial Management

The availability of existing funds within an approved budget, or source of funds, shall be established prior to the commencement of any procurement action for the supply of goods, services or works.

Council officers must not authorise the expenditure of funds in excess of their financial delegations.

Council funds must be used efficiently and effectively to procure goods, services and works and every attempt must be made to achieve optimum value outcomes without compromising any of the procurement principles set out in this policy.

4.3 Methods

4.3.1 Purchase Order

The primary method for the procurement of goods, services or works shall be by issuing a purchase order in the electronic purchasing system following a quotation or tender process. Officers should require suppliers to include the purchase order number on any tax invoices issued to Council.

4.3.2 Creditor Creation

Creditors will only be created and maintained in the electronic purchasing system if they are to be used to supply goods, services or works in excess of \$5,000 in value or for more than twelve (12) transactions in each financial year.

4.3.3 Informal Contract

Through issuing a purchase order officers are signifying acceptance of an offer and commitment to pay thereby creating a contract between Council and the supplier. Officers must be cognisant of the implications for Council in entering into contracts for the supply of goods, services or works.

4.3.4 Lump Sum Contract

If a lump sum contract has been executed a single purchase order should be raised to cover the entire works to be delivered under the contract.

4.3.5 Schedule of Rates Contract

If a schedule of rates or annual supply contract has been executed then purchase orders should be raised in accordance with the price schedule of the contract as soon as the quantity required has been determined and prior to any delivery of goods or services being affected.

4.3.6 Panel Contract

If a panel of providers has been established for a category of goods, services or works then a purchase order should be issued to a supplier on the panel only after the engagement guidelines for that particular panel contract have been undertaken. This option includes industry run tender processes, such as the MAV debt procurement process. Council will look to engage in these processes wherever benefit can be obtained.

4.3.7 Corporate Credit Card

Procurement

The corporate credit card shall be used for minor, infrequent or ad hoc expenditure with suppliers that are not maintained in the electronic purchasing system.

4.3.8 Petty Cash

The use of petty cash is a non preferred method of procurement however it may be used for minor infrequent expenditure with suppliers that are not maintained in the electronic purchasing system.

4.3.9 Employee Reimbursement

The use of employee reimbursement through the payroll system is only permitted in exceptional circumstances.

4.3.10 Exceptions

There are exceptions where the use of the above methods is onerous and other controls are in place. Only exceptions that are documented in this policy are allowed, they are;

4.3.10.1 Insurance - The procurement of insurance policies will be undertaken by the Procurement Unit and approved by the CEO.

4.3.10.2 Utilities - Utilities procured by Murrindindi Shire Council are Electricity and Water. The procurement of these utilities will be undertaken by the Procurement Unit and approved by the responsible officer.

4.4 Procurement Processes and Thresholds

4.4.1 Treatment of GST

All amounts included in this policy are to be interpreted as inclusive of Goods and Services Tax.

4.4.2 Tenders

Before Council enters into a contract for the purchase of goods, services or works estimated to equal or exceed \$150,000 for goods and services or \$200,000 for works it must first give public notice of the purpose of the contract and invite tenders or an expression of interest (unless exempt under the act). Estimated values must be inclusive of any reasonable contingency allowances and options for contract extension.

4.4.3 Quotations

Before Council enters into a contract for the purchase of goods, services or works for less than the above amounts quotations should be sought as follows;

Contract Value	Procurement Process
\$0 to \$5,000	A minimum of one recorded quote
\$5,001 to \$15,000	A minimum of three written quotations. Documents to be saved in TRIM and Record Numbers noted on invoices as part of Goods Receipting process.
\$15,001 to \$149,999/\$199,999	Issue a written Request For Quotation to a minimum of three potential suppliers. Responses must be evaluated and documents saved in TRIM with Record Numbers noted on invoices as part of Goods Receipting process.

4.4.4 Cumulative Spend

Procurement

Council shall monitor cumulative spend with suppliers at least annually. If expenditure with a supplier or a number of suppliers providing similar goods, services or works is ongoing in nature and the cumulative spend is likely to exceed the legislated threshold over a two year period, then Council shall review the opportunity to pursue a contract for such goods or services through a competitive process.

4.4.5 Supplier Selection

When procuring by quotation whenever criteria other than price are to be used there should be some documentation of these other factors that will influence choice.

4.4.6 CEO Exemption

In rare circumstances the situation may arise where insufficient quotations are received to satisfy the above requirements. In this instance approval must be sought from the CEO by way of completing a Certificate of Exemption. Such approval must be sought prior to raising a purchase order. All Certificates of Exemption must be lodged with the procurement unit through Council's electronic document management system (TRIM) for the purpose of reporting to the audit committee or Council's auditors as required.

4.5 Financial Delegations

Officers must operate within approved purchasing limits. Limits for approval of purchase orders and entering into contracts are as follows;

Position	Limit
CEO	\$150,000 Goods and Services \$200,000 Works
General Manager	\$50,000
Department Manager	\$20,000
Co-ordinator	\$10,000
Officer	\$5,000

For amounts in excess of \$150,000 for Goods and Services or \$200,000 for Capital Works, Council approval must be obtained.

4.6 Procurement Plan

Procurement processes with an estimated value of \$100,000 or greater require a procurement plan to be approved by the Executive Management Team prior to engaging the market.

4.7 Tender Conduct Plan

If the approved procurement plan involves a tender process a tender conduct plan must be approved by the Executive Management Team prior to advertising the tender.

4.7.1 Tender Opening

A minimum of three officers shall be present for the opening of tenders, at least one of whom should be a manager. Members of the evaluation panel are not permitted to be present for the opening.

4.7.2 Tender Evaluation

All tenders deemed to have been received complete and on time by the tender opening panel should be evaluated against the evaluation criteria and their weighting contained within the Request For Tender document.

Evaluation criteria and their weighting will be determined as part of the procurement planning process.

The following criteria will be considered as mandatory for every tender undertaken by Council:

Procurement

- Occupational Health and Safety Management (Compliant or Non-compliant)
- Capability to deliver the product/service (weighting applied)
- Price (weighting applied)
- Economic Contribution to the Shire of Murrindindi (weighting applied)

Other criteria may be considered, as deemed appropriate and specific to the good or service required by Council, including:

- Capacity to deliver the product/service (weighting applied)
- Environmental Management (weighting applied)
- Social Benefit (weighting applied)

Tenders shall be evaluated using the weighted attribution method.

4.8 Contract Management

4.8.1 Record Keeping

All contracts with an estimated value of \$100,000 or greater must be documented and retained in an electronic contract file.

4.8.2 TRIM

The format for contract files in TRIM is "CONT YY/XX". This folder must be obtained prior to market engagement and be used in all correspondence relating to that contract.

4.8.3 Contract Register

The contract register is maintained by the procurement unit. Officers must provide information required to be in the contract register to the procurement unit in a timely manner.

4.8.4 Contractor Evaluation

At the conclusion of each contract an evaluation of contractor performance shall be carried out and retained on the contract file.

6. Related Policies, Strategies and Legislation

- 6.1. Capital Works Expenditure Policy
- 6.2. Confidentiality and Privacy
- 6.3. Corporate Card Policy
- 6.4. Councillor Code of Conduct
- 6.5. Employee Conduct
- 6.6. Financial Delegations Policy
- 6.7. Fraud Prevention and Control
- 6.8. Petty Cash
- 6.9. Risk and Safety
- 6.10. Using Consultants

7. Council Plan

This report is consistent with the Council Plan 2013-2017 goal – 'Our Council' – to provide effective governance that supports the aspirations of our community.

8. Management and Review

The executive management team is responsible for monitoring compliance with this policy. The procurement unit will prepare reports to assist management in carrying out that responsibility.

Procurement

This policy will be reviewed at least annually by Council.

9. Consultation

Consultation has been undertaken internally with relevant stakeholders.

10. Human Rights Charter

This policy has been developed with consideration of the requirements under the Charter of Human Rights and Responsibilities.

DRAFT



Procurement Guidelines

December 2014

1. Introduction

These guidelines have been produced to provide a set of principles and practices that represent the most efficient and prudent course of action for developing and maintaining best practice procurement processes for Murrindindi Shire Council, in order to;

- achieve value for money and continuous improvement in the provision of services for the community;
- ensure that Council resources are used efficiently and effectively to improve the delivery of Council services that benefit the local community;
- achieve compliance with the relative legislative requirements;
- demonstrate accountability to rate payers;
- achieve high standards of fairness, openness, probity, transparency, risk management and accountability; and
- use procurement to effectively advance the objectives of Council in the areas of local economic development and sustainability.

These outcomes can only be achieved through a properly planned process, as procurement operates in an environment which is becoming increasingly complex.

These guidelines are just that, a guide. They are not intended to answer every possible question or address every possible situation. If officers are in any doubt as to the correct process, further counsel should be sought from the Procurement Unit.

2. Principles

2.1. General

The procurement activities of Council are governed by a general set of principles contained in Council's Procurement Policy. Complying with Council's Procurement Policy should be considered the *minimum* requirement.

2.2. Value for money

Obtaining value for money does not mean Council is obliged to accept the lowest price. Section 186(4) of the Act specifically provides that Council does not have to accept the lowest tender.

The concept of '*value for money*' involves taking into account both price and non-price factors including;

- advancing Council's priorities as outlined in the Council Plan;
- fitness for purpose;
- quality;
- service and support; and
- whole-of-life costs and transaction costs associated with acquiring, using, holding, maintaining, renewing and disposing of goods, services or works, also known as Total Cost of Ownership and Operation (TCOO).

2.3. Sustainability

Council has embraced the use of procurement as one vehicle to achieve its goals around sustainability. This means that officers are asked to consider extrinsic cost considerations alongside the conventional procurement criteria of price and quality.

Examples of sustainable procurement practices include, but are not limited to;

- strategic use of local suppliers to encourage economic development;
- minimising Council's environmental footprint by purchasing goods and services with less harmful impacts on the environment; and
- generating local employment amongst disadvantaged residents and promoting social inclusion.

It is important when undertaking sustainable procurement that Council properly articulates the benefits to the community, including financial benefits.

2.4. Local economic development

Council has communicated through the Council Plan the desire to “support the sustainable growth of Murrindindi Shire’s businesses and the local economy”.

In terms of procurement this means that where appropriate officers should give weight to the contribution potential suppliers make or will make to the local economy. The method that Council has chosen to achieve that by is to include local economic contribution as one of the criteria used to evaluate tenders and quotations with the appropriate weighting. Further guidance is provided in **Section 8.2.2**.

2.5. Social

Procurement may be used as a vehicle to improve the quality of life for disadvantaged members of our community.

2.6. Continuous improvement

Council aims to improve the efficiency of service delivery over time. The way in which officers can achieve this is to adopt strategies to avoid unnecessary consumption and manage demand. In addition officers should evaluate the performance of suppliers periodically especially at the conclusion of contracts. The over arching aim of continuous improvement is to do more with less.

3. Section 186 of the Local Government Act

There are two basic requirements contained within Section 186 of the Local Government Act 1989 (“the Act”); to have a procurement policy and when to tender.

3.1. Procurement Policy

Section 186A of the Act says that Council must have a procurement policy and that it must *comply* with that policy. It also says that “procurement policy” means the principles, processes and procedures that will apply to all purchases of goods, services and works by Council.

It is a minimum requirement that all officers with a financial delegation to approve purchases have read and comply with the procurement policy.

3.2. Requirement for public tender

Section 186 of the Act relates to a restriction on the power of Council to enter into contracts which primarily says that all contracts above the threshold value must be subject to a publicly advertised request for tender.

3.2.1. Thresholds

The thresholds for public tender are currently \$150,000 for goods and services and \$200,000 for works. It is generally accepted that these amounts are inclusive of Goods and Services Tax.

3.2.2. Assessing the value of a contract

The value of all contracts for the purposes of compliance with section 186 of the Act includes:

- costs for the full term of the contract, including any options for either party to extend the contract;
- applicable goods and services tax (GST);
- anticipated contingency allowances or variations; and
- all other known, anticipated and reasonably foreseeable costs.

3.2.3. Cumulative Spend

Where significant amounts are spent in aggregate on one supplier, or for one service, over time it is often possible to achieve greater savings by leveraging this aggregate spend, rather than treating each discrete arrangement as a separate procurement exercise, whether undertaken competitively or not.

3.2.4. Public notice

The requirement under the Act to give public notice has two elements. The notice must:

- give the purpose of the contract; and
- invite tenders (or expressions of interest) from persons wishing to undertake the contract.

Public notice is defined as a notice published in a newspaper generally circulating in the municipal district of the council chosen by the council for that purpose. The statutory publications chosen by Murrindindi Shire Council are;

- The Alexandra, Eildon & Marysville Standard;
- The Yea Chronicle;
- The North Central Review; and
- The Marysville Triangle.

Council is also required to ensure that any public notice required to be given by Council is published on its website.

Where there are publications or forums which target particular markets it may be desirable to also access these, at the council's discretion, with additional notices whether in hardcopy or

electronic form. Further, the advertising for bid proposals does not have to be restricted to procurements which reach the threshold.

Obtaining a competitive price and transparency would be best served by ensuring that the period of public notice is reasonable and sufficient to enable bidders to adequately respond. This period will vary according to the nature of the contract and the length of time it will take tenderers to prepare adequate proposals. The minimum period to be considered for a tender should be two weeks with the standard period being four weeks. Longer periods should be considered for more complex tenders.

3.3. Exemptions

3.3.1. Ministerial approval

The Minister for Local Government has discretionary power to approve as an arrangement for the purposes of the Act, a contract which a council wishes to enter into without first exposing that contract to public tender (commonly known as Ministerial exemptions or Ministerial Approved Arrangements).

The Minister for Local Government will not act to restrict competition by exercising his or her powers to grant exemptions which will limit competition. Ministerial Approved Arrangements should only be sought in exceptional circumstances.

The Minister for Local Government has given approval for Council to access a range of State Purchase Contracts and MAV Contracts.

3.3.2. Use of agents

The Act allows for Councils to form groups for the procurement of goods, services or works and to appoint one of the Councils or a third party acting as an agent. It is important for officers to satisfy themselves that the process undertaken by the agent on behalf of Council complies with the Act.

3.3.3. Novated contracts

Contracts that are being novated to Council are exempt from the requirements of the Act provided that the initial contract was entered into in compliance with section 186 of the Act and Council has undertaken due diligence in respect to the new party to the contract.

3.3.4. Legal Services

The legislation allows for contracts which have been prescribed (in a regulation) to be exempted from complying with section 186(1) of the Act. At this time only contracts for legal services have been exempted.

The prescribed exemption for legal services does not prevent a Council forming a panel of legal advisors by first placing a public notice. The process of engaging legal services must still meet the tests of achieving value for money and transparency and accountability.

Murrindindi Shire Council has appointed a panel of providers for legal services following a tender process.

3.3.5. Insurance

Where the value of a contract (that is, the premium over the life of the contract) for insurance

cover is estimated to reach the threshold amount (inclusive of GST), Council must undertake a public tender.

There are, however, some exceptions to this requirement:

- the public liability and professional liability insurances taken out by Council which becomes a member of, or participates in, a scheme approved by the Minister for the purposes of section 76A of the Act
- statutory compulsory monopoly insurance schemes such as motor vehicle compulsory third party and WorkCover insurances.

Where insurance cover is procured through an insurance broker, a council is in fact entering into two separate contracts:

1. the contract with the insurance broker, the value of which is represented by the brokerage fee
2. the contract with the insurance underwriter, the value of which is represented by the insurance premium and all associated statutory charges.

As both the above contracts are contracts for services, both are subject to section 186 of the Act, if the value of either contract reaches the thresholds.

3.3.6. Loans

Loans are considered to be contracts of loan and not contracts for goods, services or the carrying out of works. They are therefore not subject to section 186 of the Act.

Notwithstanding, officers should consider both the mandatory value for money and transparency and accountability requirements when raising loan funds. Officers should also consider requesting quotations from the banks located within the shire.

3.3.7. Leases and licences

Section 186 of the Act does not generally apply to leases, although there are exceptions.

A **finance lease** is generally one where the lessor effectively transfers to the lessee substantially all the risks and benefits incidental to the lease, but where legal ownership of the goods may, or may not, be transferred **to the lessee**. Section 186 of the Act is likely to apply in the case of finance leases only where, under the terms of the lease, Council will acquire the goods under lease (and hence there is contract for goods; a lease not otherwise being a contract for services) and, of course, the lease is over the threshold amounts.

Notwithstanding the general non-application of section 186 of the Act to finance leases, officers must consider legislative requirements to ensure **value for money** and transparency and accountability.

Under an **operating lease** the lessor leases the asset, generally a vehicle or plant and equipment, to the lessee generally for a fixed monthly amount, and also assumes the residual value risk of the vehicle. The asset under an operating lease does not vest in Council and therefore section 186 of the Act does not apply. In this context section 186 is generally concerned with the purchase of goods and services and entering an operating lease is not a purchase of a good or service.

As with finance leases officers should consider undertaking a competitive process, in the context of the overriding requirement for Council to ensure value for money, transparency and accountability.

Software licences are contracts for services. By making available a product to a council, the owner of the software licence is providing a service. Often this service would also extend to troubleshooting problems on behalf of the licensee, providing software updates and otherwise assisting the licensee to utilise the software. The fact that a software licence may amount to a limited grant of rights does not change the fact that its provision will amount to a service. Section 186 of the Act therefore applies.

Where Council establishes electronic systems and is subsequently (after the initial contract period) renewing software licences (or upgrading systems), and the cost reaches the section 186 thresholds, it is open to it to seek a Ministerial Approved Arrangement to a public tender process (see **Section 3.7.3** Ministerial Approved Arrangements) where there is only one supplier of the software.

A **property lease** or a **licence to occupy** where the council is the lessee is not viewed as the purchase of a service as the licence fee being paid to the council is in return for the right to use and manage the subject property. It is therefore not subject to section 186 of the Act. Councils will note that separate legislative provision requires that certain property leases by council are subject to public notices.

3.3.8. Purchase of land

Contracts for the purchase of land do not attract the requirements of section 186. 'Goods' means movable personal property, especially merchandise used in trade or commerce and requiring carriage from one place to another. Land is not a good and not subject to section 186 of the Act.

3.3.9. Sale of goods

Contracts for the **sale** of goods by Council (for example, recyclables under waste contracts) are not contracts for the **purchase** of goods or services or for the carrying out of works. Sale of goods are therefore not subject to section 186 of the Act. Officers should, of course, in entering contracts for sale of goods, be mindful that they are still required to avoid waste and therefore should obtain proper value for goods sold.

3.3.10. Grants

Where expenditure is funded from State or Federal Government grant monies the requirement to comply with section 186 of the Act remains unless there are grant conditions which provide alternative arrangements. This may arise where council's role in the funding arrangement is that of 'fund manager' and passes on funds from another level of government or other body.

3.3.11. Expenditure by special committee

Where Council provides funding to a special committee appointed under section 86 of the Act for purchase of a good or service or undertaking of works, then expenditure by that committee is subject to section 186 of the Act. The actions of a committee appointed under section 86 are, in law, the actions of Council itself and subject to the same legislative requirements. Such special committees should comply with the Council procurement regime.

3.3.12. Emergencies

Council may enter into a contract, the value of which reaches the threshold amounts, for the provision of goods, services or works without first putting that contract to public tender if Council resolves that the contract must be entered into because of an emergency.

Best practice would indicate that Council should set the scope, timeframe and value of works to be covered by a contract entered into because of an emergency and to report this publicly in the interests of transparency.

The Act does not define what constitutes an emergency situation. However, for the purposes of these guidelines the usual meaning of the term is used and an emergency should be taken to be a *sudden or unexpected occurrence requiring immediate action*.

As a matter of policy and principle, the use of this emergency provision, should be limited to situations where a real emergency has arisen. Situations where this might occur include:

- the occurrence of a natural disaster such as flooding, bushfire or epidemic which may require the immediate procurement of goods, services or works to provide relief;
- the occurrence of an event such as flooding or fire at a council property which may require the immediate procurement of goods, services or works to ensure business continuity;
- the unforeseen cessation of trading of a core service provider due to bankruptcy and a need to appoint a replacement service provider on the grounds of public safety; and
- any other situation which is liable to constitute a risk to life or property.

Faced with a potential emergency situation, it is preferable for officers to take all reasonable steps/actions to avoid the use of the emergency provisions of the Act to enter into a contract. When a situation ceases to be unforeseen or no longer requires action to protect lives or property then the basis for use of this power also ceases.

In the context of achieving value for money and demonstrating transparency and accountability, contracts entered into under the emergency provisions must be limited in scope to that which is necessary to deal with the emergency. The period for any contract should only be sufficient to enable officers to call for tenders for a new contract or replacement service provider. The emergency provisions cannot be relied upon for extended works and services after the need for an emergency response has passed. Best Value principles may also require officers to take steps to assess best options prior to an emergency occurring, particularly where the risks of such an emergency are cyclic.

4. Strategy and organisation

As Murrindindi Shire Council strives to achieve better strategic outcomes from its procurement activity it has adopted a centre-led procurement structure. Council has a commitment to a coordinated and cooperative approach to procurement. Being a small rural council with limited resources it is imperative that a collaborative approach to procurement is used to optimise the efficient and effective use of resources and to ensure transparency and accountability.

4.1. Organisational model

The organisational model refers to the way in which procurement is carried out within the organisation. Typically organisations have either a decentralised or centralised structure. Decentralised procurement means that all activity is undertaken by the business units independently with no coordination or oversight. Centralised procurement means that all activity is undertaken by the procurement unit, with no purchasing authority in the business units. Centre-led procurement is a blend of these two.

4.1.1. Centre-led structure

A centre-led model allows procurement action to take place in the department whilst policy, procedures, strategy, technology, best practice and networking are led by a centralised unit.

4.1.2. Procurement unit

The procurement unit at Council sits within the Business Services department. It consists of a Procurement Coordinator and a Contracts Officer.

4.1.3. Role of procurement unit

The procurement unit at Council has several roles; compliance, probity, reporting, assistance and procurement of common use categories.

It is the responsibility of the procurement unit to ensure that Council complies with the Local Government Act and their own procurement policy. The primary method of ensuring compliance is to early involvement in the planning phase. The procurement unit also monitors the purchasing and accounts payable systems however this often results in discovering non-compliance after the fact.

The probity role of the procurement unit is to approve procurement plans that contain adequate separation of duties within the planned procurement due ensure that no one person can apply undue influence to the outcome of the process for complex procurement activity.

It is the responsibility of the procurement unit to report on contracts that have been entered into above the prescribed thresholds without first going through a competitive process. The procurement unit maintains the contract register and prepares contract status reports quarterly for the Executive Management Team. In addition the procurement unit reports quarterly on exemptions from the procurement policy issued by the CEO to the Internal Audit Committee.

The procurement unit provides assistance to all delegated officers with significant procurement. Early involvement of the procurement unit in complex procurement activity is vital to ensuring a successful outcome. The procurement unit can assist in areas such as the gathering of market intelligence, access to State Government, MAV Procurement or Procurement Australia contracts, encouragement of new suppliers entering the market and collaboration with other councils. The procurement unit also coordinates the process for setting up and using panel contracts.

Responsibility for the procurement of common use expenditure categories such as insurance and utilities rests with the procurement unit.

4.2. Strategic procurement

Over time the role of the buying function has moved from a back-end purchasing activity focused primarily on reactive, transactional processing of requisitions, and on acquisition price for each purchase, to a strategic function.

However, the term 'strategic procurement' is applied to several different concepts including:

- a coordinated approach by an organisation to influence supply markets to support the business objectives;

- the purchase of high value, high risk, important and complex goods, services or works, often a multi-faceted project;
- long-range plans for ensuring timely supply of goods and/or services that are critical to a firm's ability to meet its core business objectives; and
- the process which is used to take a project from its early planning phase through to completion.

At Murrindindi Shire Council strategic procurement refers to the coordinated approach for non project related third party spend in order to achieve Council's objectives. This approach involves two steps; spend analysis and the development of a category management strategy.

4.2.1. Spend analysis

Spend analysis refers to the process of determining how much Council is spending on what goods and services. It involves examining all of Council's third party spend and categorising that spend by the goods or services provided, the suppliers of those goods and services and the number of transactions involved.

4.2.2. Category management

Once the different categories of spend have been determined through the spend analysis process a procurement plan is developed for each category. The procurement plan will examine what the market structure is for the category and therefore what Council's best approach to market will be.

4.3. Delegations

4.3.1. Requirement

Delegations define the limitations within which Council officers are permitted to work. Delegation of procurement authority allows specified council officers to approve certain purchases, quotation, tender and contractual processes without prior referral to Council. This enables Council to conduct procurement activities in an efficient and timely manner whilst maintaining transparency and integrity.

Procurement delegations ensure accountability and provide confidence to Council and the public that purchasing activities are dealt with at the appropriate level. As such, Council has delegated responsibilities as detailed below relating to the expenditure of funds for the purchase of goods, services and works, the acceptance of quotes and tenders and for Contract Management activities.

4.3.2. Delegations

4.3.2.1. Council Officers

Council maintains a documented scheme of procurement delegations, identifying the Council officers authorised to make such procurement commitments in respect of goods, services and works on behalf of the council and their respective delegations contained in Financial Delegations policies:

- acceptance of tenders;
- acceptance of quotes;
- contract term extensions (within authorised budget);
- contract amendment (non-financial);

- contract amendment (financial);
- appointment to register of pre-qualified suppliers;
- credit card purchases; and
- procedural exceptions.

4.3.2.2. Delegations Reserved for Council

Commitments and processes which exceed the CEO's delegation and which must be approved by Council are;

- initial signing and sealing of contract documents
- tender recommendations and contract approval for all expenditure over \$150,000 for goods and services and for all expenditure over \$200,000 for works
- all contract term extensions requiring additional budget

4.4. Training

Regular training will provide guidance to officers to allow consistency and continuous improvement in procurement activities. Officers will be required to attend training in order to retain their financial delegation.

5. Probity

When council approaches the market to procure goods, services or the carrying out of works, we have a responsibility to obtain value for money. This must be achieved by acting in an unbiased and ethical manner. The community expects council business to be conducted ethically, displaying honesty, integrity, diligence, fairness, trust and respect when dealing with others. The law imposes a standard of 'good faith' in contract matters, which can be discharged if parties to a contract act honestly and reasonably.

This section of the guidelines is concerned primarily with the behaviour of council officers and highlights associated ethical issues, ensuring the proper conduct of procurement services to:

- facilitate the achievement of value for money;
- reduce the risk to council of being exposed to legal action and financial loss;
- provide potential contractors with confidence about fair treatment, with consequential improvements in competition and performance; and
- guard against collusion and fraud.

5.1. Definition

In the context of procurement process, probity is a defensible process which is able to withstand internal and external scrutiny – one which achieves both accountability and transparency, providing tenderers with fair and equitable treatment. Probity is about ensuring the procedural integrity of the procurement process.

5.2. Conflict of interest

Conflict of interest has particular implications for Council officers. The prescriptive nature of legislation covering conflict of interest in Victorian local government requires careful consideration. The importance of this aspect of procurement cannot be over-emphasised, as significant penalties and consequences may follow a breach.

In simple terms, the law provides that a staff member holding a delegation or advising council or a special committee, or a meeting of Council or a special committee, has a conflict of interest which they must disclose in writing when they have a direct or indirect interest of the type specified in the legislation.

Separately, the Act provides that Council staff must in the course of their employment:

- a) act impartially
- b) act with integrity including avoiding conflicts of interest

Murrindindi Shire Council has a separate Conflict of Interest policy which officers should refer to if they believe they may have a conflict of interest.

5.3. Confidentiality

Officers should follow procedures adopted for receiving and managing tender and supplier information which should ensure the security and confidentiality of all information including intellectual property and proprietary information of the tenderers as well as the integrity of the procurement process. The test of security is that tender documentation must not be disseminated beyond members of the panel.

Appropriate security and confidentiality measures commence with preparation of the tender documentation. The documentation should remain confidential until released to the marketplace in order to maintain fair competition.

From that point forward in the procurement process discussions and documentation should remain secure and confidential, particularly through the council/committee agenda preparation phase, at least until a decision on a tender is made public.

5.4. Tender opening

The opening of tenders should be coordinated with the procurement unit. They will ensure that the appropriate probity steps are in place to ensure confidentiality and impartiality in the consideration of tenders for evaluation.

5.5. Tender evaluation

It is imperative that during the evaluation process that no information contained in tender submissions is disseminated beyond the panel. Any clarifications that are required from tenderers about their submissions are required to be documented and coordinated through the chair of the evaluation panel.

5.6. Grievances

A complaint or grievance is a negative expression generally of resentment or faultfinding and is distinct from an enquiry or request for information.

Where a complaint is received, open communication will assist in resolving complaints to the satisfaction of the tenderer or supplier.

Grievances should in the first instance be directed to the Procurement Coordinator who will investigate complaints.

The chair of an evaluation panel should keep detailed notes so that helpful feedback can be provided to losing bidders.

5.7. Communication

Any communication with tenderers should be coordinated between the chair of the evaluation panel and the Procurement Coordinator.

5.8. Training

Training in probity will be offered on a regular basis to officers that are involved in the tender process.

6. Accountability

6.1. Definition

Accountability in this section of the guidelines means that officers are responsible for the actions and decisions they take in relation to procurement and for the resulting outcomes. Officers are answerable for such activities through the established lines of accountability ultimately to the CEO.

The following key policies which Council has in place to support accountability in procurement support the requirements of Council undertaking procurement activities on behalf of Council:

- Fraud Prevention and Control;
- Employee Conduct; and
- Corporate Credit Card

6.2. Fraud

Fraud is the crime of obtaining a financial benefit by deception which involves some form of material loss to the entity defrauded.

Officers should familiarise themselves Council's Fraud Prevention and Control policy.

6.3. Gifts and hospitality

If gifts or hospitality are intended to influence decisions about how work is done, contracts let or goods purchased (or perceived as such) they should not be accepted. Offers of gifts, donations or entertainment expenses, even if declined, must be disclosed to the CEO office where they are recorded on a register, which is available to the public.

6.4. Use of credit cards

Corporate cards are provided as a more convenient and acceptable form for the payment of goods and services at the time of receipt when an officer's role involves transacting minor purchases on a frequent basis. They are also a suitable method of paying suppliers with whom Council purchases from on an infrequent basis.

They are not intended to be used for the purpose of settling monthly accounts from suppliers already in Council's accounts payable system as a creditor.

Officers issued with credit cards are required to familiarise themselves with the Corporate Credit Card policy before use.

6.5. Internal controls

Internal controls are the systems the organisation has in place to ensure sound financial management and effective and efficient service delivery. The primary vehicle for the controls that Murrindindi Shire Council has in place is the Authority purchasing system.

6.5.1. Segregation of duties

This requires that different staff be assigned responsibility for different elements of related activities. In the context of Council this means that the officers that issue purchase orders and or receipt goods are not also able to pay the supplier.

6.5.2. Authorisation

It is imperative that the appropriate authorisation is in place prior to a purchase order being issued to a supplier. There are steps that officers can use to ensure this done in an efficient and timely manner.

6.5.2.1. Approval to proceed

This should be obtained from the officer who will actually be approving the purchase order prior to the order being raised.

6.5.2.2. Procurement process reports

Due to the hierarchical system of approvals for purchase orders that Council has in place the CEO is required to approve purchase orders with a value higher than \$50,000. To provide the CEO confidence that these orders comply with the procurement policy, a procurement process report should be completed and submitted along with the request to approve. The template for this report is available on Council's intranet.

6.5.3. Documentation

Officers should ensure that quotations received in line with the procurement policy are saved in Council's Electronic Document Record Management System (TRIM) with the Purchase Order number in the title to allow Council officers and auditors to find them easily.

6.5.4. Reporting and monitoring

Regular reporting from the Authority purchasing system is used to monitor compliance with the procurement policy.

7. The procurement cycle

7.1. Definition

The procurement cycle refers to the process of planning, implementing, managing and evaluating procurement activity. Whilst it applies to all procurement it is only used formally for more complex or major procurement activity.

7.2. Timetable

One of the keys to a successful procurement outcome is to prepare a timetable of steps in the process and to adhere to that timetable. The Procurement Plan and Tender Conduct

Plan templates referred to in **Sections 8.2** and **8.3** further on in these guidelines contain a timetable.

7.3. Authority

7.3.1. Purchasing

The purchasing module of Authority allows officers to raise purchase orders against suppliers that are already set up as creditors within the system. The benefits of this system is that it creates a commitment within the ledger where the budget is located and allows Council to track not only actual expenditure against budget but also expenditure that is already committed and therefore gives an indication of available funds within a budget.

If officers take time to enter adequate and accurate information into the purchase orders they raise then the payment of invoices is much more efficient. For example if multiple invoices will be received against one purchase order then by creating a separate line item for each delivery in the purchase order will assist in the good receipting process.

Also an accurate description of the goods will assist in later spend analysis. The words “goods”, “services” or “as per quotation” are not adequate descriptions.

7.3.2. Contract Register

The contract register in the Authority system is used to manage contracts from inception to completion. It records information about the tender opening, evaluation, award, execution, progress and evaluation of a contract. It is imperative that officers involved in contract management provide relevant information to the Contracts Officer in timely manner for entry to the contract register.

7.4. TRIM

TRIM is the electronic document management system used by Council. It has allowed Council to put in places better processes for managing the documentation that is required to be retained to demonstrate compliance with the procurement policy.

Council has developed naming conventions within the business classification system for tenders and contracts. Officers filing documents in TRIM for procurement below the thresholds should take care to include the purchase order number in the document title so that they can be easily matched to the eventual payment.

8. Planning

8.1. Objectives

The objectives of the planning phase of the procurement cycle are to:

1. ensure the goods, services or works being procured meet council’s needs;
2. ensure both the legislative requirements and our procurement policy are followed and a successful value for money outcome is achieved;
3. manage the risks associated with the procurement; and
4. ensure that timelines are delivered.

The approach to each of these objectives, and the steps necessary to implement them, will depend on the scale of the procurement. Most of the guidance which follows applies to significant procurements in terms of value, complexity or risk. Murrindindi Shire Council

defines a significant procurement as one exceeding \$100,000.

This section of the guidelines covers activities from the decision to undertake procurement through to the close of tenders however it takes into consideration the steps and time required from close of tenders to obtaining Council approval to enter into a contract.

8.2. Procurement Plan

The objective of the procurement plan is to communicate to the Executive Management Team why you are doing what you are doing and that you have taken into consideration all of your options. A clear procurement plan will assist in defining timelines, budget, responsibilities and key deliverables through a procurement project.

8.2.1. Scope of Requirement

Prior to preparing a specification of needs it is essential to identify the need in the context of the proposed procurement's contribution to the council's objectives.

In the context of the legislative requirement to avoid waste and extravagance in council spending, there is also an element of justification in assessing need.

The process of identifying need for significant value procurements involves:

- confirming the origins of the business need which can derive from circumstances such as a council decision based on the council plan, council budgets or simply the need to continue to provide existing services. Consultation with stakeholders to identify and substantiate the need is important at this stage
- identifying the goods, services or works to be procured, what is it that Council actually needs
- analysing the supply market to determine if the goods, services and works proposed to be procured are available – to gain a thorough understanding of the range or scope and pricing/costs of goods, services or works that may meet the business need, and to identify a range of viable procurement options (see **Section 8.2.3 Market Analysis**)
- preparing a realistic, evidence-based assessment of the costs, benefits and risks associated with each procurement option. A business case should clearly identify any assumptions made and provide clear evidence of the basis for these assumptions.

The effort devoted to the process of identifying need, and particularly the extent of any business case, will depend on the complexity, value and risk of the procurement.

A significant project will generally call for a full business case. Alternatively, completion of a strategic procurement plan will address most of the business case requirements.

8.2.2. Evaluation criteria

The evaluation criteria are how Council communicates to the market place how it is defining *value* for this particular procurement. They are specific to each particular procurement activity. It is necessary that they are set individually for each procurement activity as a way of saying *“this is what has value for Council in the procurement of these particular goods, services or works”*

8.2.2.1. Setting

In setting the criteria, only use those criteria which you will actually score and that are important and relevant to this particular procurement activity. Keep in mind that a contract is essentially an allocation of risk between the principal and the contractor. The evaluation criteria are a way of choosing which contractor is most suited to accepting the risk that Council wishes to allocate to it.

Importantly, the evaluation criteria which are included in Requests for Tenders (“RFT”) or Requests for Quotations (“RFQ”) must include all factors which Council proposes to take into account when evaluating a proposal

8.2.2.1.1. Price

Price, in the form of a lump sum or a schedule of rates, is generally always part of the evaluation criteria unless there are exceptional circumstances such as industry agreed rates or statutory charges. If price is not overly important it is still used as a criterion but allocated a low weighting.

8.2.2.1.2. Mandatory

Mandatory criteria are those that unless a tenderer meets a minimum requirement their offer will not be considered regardless of how attractive their offer is in terms of the price or qualitative criteria. Common criteria set as mandatory are Occupational Health and Safety systems, insurance cover, trade licences (building, electrical or plumbing) for example.

8.2.2.1.3. Qualitative

There are many and varied qualitative criteria and this is where the real communication of what Council regards as value for each particular procurement activity is achieved.

Examples of common qualitative criteria are;

Criteria	Meaning
Capability	<p>The ability of the contractor to perform the work required under the contract</p> <p>This may include the knowledge and skills of the tenderer, past history of timely tender/project completion to the required quality, the tenderer's systems for monitoring and managing projects, organisational systems and processes including ability to manage relations and resolve issues and disputes, the tenderer's appreciation of the tender requirements, where applicable, systems of governance and the methodology (including innovation) the tenderer proposes to use to complete the tender requirements. If there are environmental aspects to the tender, then the tenderer's system for managing these should be assessed.</p> <p>Capability is measured by the tender proposal supported by reference checks of the principals of previous contracts undertaken by the tenderer.</p>
Capacity	<p>Measures resources which the bidder has available to it and can devote to undertake the tender. These may include labour (professional, trade or manual), material, plant and equipment, staff structure, availability of staff</p>

	with expertise and support staff and subcontractors. Capacity is measured by an assessment of the tenderer's resources detailed in their tender proposal and possibly some testing of those proposals.
Personnel	The relevant skills, experience and availability of key personnel.
Availability	Is the contractor able to perform the work within the required time-frame. This is particularly relevant to seasonal conditions or budget cycles.
Financial	The financial viability of the contractor to deliver the contract, particularly the capacity to manage the cash flow implications of paying sub-contractors before progress payments are due.
Technical Merit	This is particularly relevant for design and construct contracts or in some instances plant or equipment purchases.
Schedule of Works	The contractor's proposed schedule of works will give an indication if they can deliver the project effectively and efficiently.
Experience	Whilst not always a guarantee of future performance it is a good indicator.
Equipment	Officers should assess the suitability of the contractor's plant and equipment where that is important to the delivery of the works.
Qualifications	Particularly relevant to professional services.
Industry Knowledge	Council delivers over 100 different services and often requires specialist skills.
Quality Assurance	Of critical importance to most procurement is the contractor's systems of ensuring that their products and services conform to Council's requirements
Previous Projects	This will give an indication of what similar projects a contractor has delivered that relate to the outcomes Council is trying to achieve from this procurement
Local Government Experience	This is of importance in some procurement because local government operates under legislation, laws and regulations that other organisation do not
Local Content	Murrindindi Shire Council has through the Council Plan stated that local economic development is an important outcome of any Council activity. Where relevant procurement can be used as a vehicle to build capacity in the local economy. Where there is no local provider of local provision is not practical then the criteria should not be used, for example photocopiers. However where local providers exist or could exist with the benefit of Council spend, it is preferable that this criterion be included in the evaluation.
Located in Shire	If a business has their headquarters in the municipality.
Employ Locals	If a business does or will employ Murrindindi residents.
Source Locally	If a business will source the majority of the materials required for the delivery of the contract from suppliers located within the municipality. This criterion may also be used to encourage contractors from outside the shire to use local suppliers.
Community Contribution	This criterion may be used if it is relevant to encourage

	contractors to support local community groups in the delivery of the contract.
Sustainability	For certain procurement activity it may be relevant to ask the contractors to provide evidence of procedures they have adopted to promote sustainability in their products or services.
Environmental Management	Evidence may be provided of systems used to ensure no adverse impacts on the environment will occur in the delivery of the contract.
Environmental Impact	Contractors may have methods in place that reduce the consumption of precious resources such as water or reduce waste to landfill. In addition they may have ways of reducing the emissions generated by their products or in the delivery of their services.
Social Contribution	This criterion may be used if it is relevant to encourage contractors to encourage disadvantaged groups in the community as part of delivery of the contract. For example using sheltered workshops to make components.
Risk Management	For high risk activity it may be essential that contractors have in place a formal system for risk identification and mitigation or minimisation.
Fitness For Purpose	Proposed goods to be provided should be assessed against their required purpose with reference to their ability to deliver their required outcomes.
Maintenance and operating costs	Total cost of ownership and operation can be taken into account as part of the price evaluation or the operating costs can be assessed separately as part of the qualitative criteria.

It is recommended that no less than four and no more than eight criteria be selected. Generally five criteria is a good number to use in addition to price to evaluate tenders.

8.2.2.2. Weighting

The weighting of evaluation criteria is how Council communicates to the market the relative importance of each of the criteria in this particular procurement. A table is provided below to guide officers in setting the weightings for each of the criteria including price;

Weighting	Message to the market
>80%	This is extremely important to Council, nothing else matters
60% - 80%	This is really important and unless it is really close the other criteria will not have much influence
40% - 60%	This is the most important criterion although other things will be taken into consideration.
20% - 40%	This is important to Council so you should take the time to respond to this criterion carefully
10% - 20%	This will be taken into consideration so please provide an adequate response.
5% - 10%	We will have a look at this but it is not overly important.
< 5%	Don't bother

8.2.2.3. Communicating

The evaluation criteria should be stated clearly at the beginning of the Request for Tender or Quotation and also be clearly linked to the returnable schedules. That is, the information we are asking the tenderers to provide should be clearly related to the evaluation criteria.

8.2.3. Market analysis

Apart from the scope of the requirement, this is perhaps the most important part of the procurement planning process. What is the market's ability to meet the requirements of this procurement activity?

The process of determining if the goods, services or works are available in the marketplace will arise with new or atypical, rather than routine, procurements, although the procurement unit will generally also monitor the supply market for routine procurements.

Supply market analysis can also provide an understanding of the range and pricing of the required goods or services and assist in identifying the range of alternative procurement options.

Analysis will allow officers to develop an understanding of the range of suppliers in the market, the factors driving supply conditions and how they may affect the procurement. This is important for developing the requirements and specifications and in determining the strategy to encourage optimal market participation and thereby achieve value for money.

Once the market analysis has been completed the method of engaging the market to provide the goods, services or works that council requires should become clear.

8.2.4. Market engagement

8.2.4.1. Request For Quotation (RFQ)

If the value of the procurement is less than the thresholds and the risk involved is relatively low then a simple RFQ may be the most effective way to proceed especially if the specification is clear and the market is competitive. Officers should still be clear on the form of contract to be used and the criteria against which the offers will be evaluated.

8.2.4.2. Request For Tender (RFT)

Request for tender is the primary vehicle for seeking competitive bids from prospective suppliers where tender threshold values are reached.

Where a decision is made that a formal tender or expression of interest process is to be undertaken then officers should proceed to the preparation of a tender conduct plan.

8.2.4.3. Expressions of Interest (EOI)

An expression of interest is a two-step process. An expression of interest process *does not* replace the need to call tenders. It simply *precedes* the calling of tenders and generally seeks to constrain the number, and focus the quality and detail, of tenders received. An expression of interest process is generally structured with the following components:

- overview of requirements;
- invitation to submit an expression of interest;
- criteria for evaluating expressions of interest; and

- form of expression of interest submissions (respondents form).

An expression of interest should be used in circumstances such as where:

- there is likely to be many tenderers, tendering will be costly or the procurement is complex and Council does not wish to impose the costs of preparing full tenders on a large number of potential tenderers; or
- there is uncertainty as to the interest of suppliers or vendors or their capacity to offer the potential products or services or to undertake the proposed works.

8.2.4.4. State Government Contracts

The Minister for Local Government has approved the use of a number of State Government Contracts for Council. The advantages with this approach is that it gives council the ability to leverage the enormous buying power of state government in categories such as stationary, photocopiers and passenger vehicles. In other categories it allows council to procure goods or services above the threshold without having to tender.

8.2.4.5. Third Party Agent Tender

Procurement agencies such as MAV Procurement and Procurement Australia have gone to market on behalf of a number of councils to procure common use items. Different contracts have different merits for council. Officers should seek the advice of the procurement unit as to the suitability of these contracts and which ones provide most benefit to council during the planning phase.

8.2.4.6. Collaborative Tender

On occasion it may be beneficial for Council to join with other councils to procure common requirements. The most recent example of this is the waste management services tender run between a group of Hume region councils where Mitchell Shire Council acted as the tendering agent.

8.2.5. Risk management

The assessment of risk is an essential part of planning for any procurement activity. The procurement plan template used by Council has a risk assessment template which allows officers to differentiate between low, medium and high levels of risk for a number of areas.

Just as important as the assessment of risk is having strategies in place to mitigate or manage areas of medium or high risk. If in doubt officers should consult with the procurement unit or the Risk and Improvement Coordinator.

8.3. Tender Conduct Plan

Good planning at the beginning of the tender process can significantly reduce cost and risk to Council. It is a requirement of the CEO that prior to any tender being advertised that a tender conduct plan has been approved by the Executive Management Team.

8.3.1. Timetable

It is imperative that officers take into consideration that each step of the tender process takes time and that there is a critical path to completion that requires that certain parts of the process be completed before the next task can begin. For example advertisements should not be lodged until the documents are ready to be issued via Council's website.

8.3.2. Documentation

8.3.2.1. Request For Tender

Where a decision is made that a formal tender or expression of interest process is to be undertaken then officers need to ensure they have the necessary documentation in addition to the specifications.

The composition of the documentation will generally be as follows;

- introduction
- invitation to tender
- conditions of tendering (the rules for tendering, including evaluation criteria)
- form of tender and pricing schedules or tables
- proposed contract
- tender response schedules
- conditions of contract (and sometimes special conditions)
- specification for the goods, services or work sought which may or may not include drawings and technical definitions of need.

Tender documentation is most important. Poor, faulty, or inadequate documents will increase the risk to the success of the procurement and discourage bidders.

8.3.2.2. Tender Response Schedules

It is imperative that the tender response schedules reflect the information that officers require in order to assess the offer against the stated criteria. Officers should take care when using standard documents that they do not include requests for information that will not be evaluated. It is equally important that officers use schedules that allow tenderers to provide information that is required to assess their offers against the criteria.

8.3.2.3. Standard Documents

Council has available for use a suite of contract templates prepared by Russell Kennedy. Officers should consult with the procurement unit with respect to the best template to use for their particular circumstances.

8.3.2.4. Publishing on Council's Website

Council's preferred method of prospective tenderers obtaining tender documents is to download them from Council's website. It is therefore imperative that the documents be provided to the Communications unit prior to lodging advertisements with advertising agencies or publishers.

8.3.3. Advertising

Officers will need to take into account publishing dates and advertising deadlines in order to comply with the requirements of giving public notice as discussed in Section 3.2.4 above and to give prospective bidders adequate time to respond.

8.3.4. Briefings and inspections

Officers need to incorporate sufficient time into their work breakdown schedule to allow for tender briefings or site inspections if the procurement activity warrants it.

A tender briefing allows prospective bidders to ask questions about the proposed contract in order to clarify the requirements. A site inspection allows prospective bidders to satisfy themselves as to the scope of works.

It is important for officers to take notes and document discussions that take place in these meetings. It is also important to review the information provided to those in attendance and consider if that information should be provided to all registered tenderers in the form of an addendum. The procurement unit can provide advice in this area.

8.3.5. Enquiries

Officers will from time to time receive enquiries from the market whilst a contract is out to tender. Officers should take care to differentiate between clarifying enquiries where prospective bidders are seeking to clarify information that is already in the tender and enquiries for additional information that is not in the tender document. If additional information is provided in response to an enquiry it should be provided to all by way of an addendum. The procurement unit can provide advice in this area.

8.3.6. Addendums

Addendums may be corrections to the tender document, response schedules or specifications or they may be information that was omitted from the original tender. In either case in addition to making them available for download on Council's website, officers should contact all prospective bidders that have previously registered and interest, advising them that an addendum has been issued. A list of prospective bidders that have downloaded the tender documents can be obtained from the Communications unit for a small fee.

8.3.7. Opening

The opening of tenders should be coordinated with the procurement, information management and information technology units. This is discussed further in Section 9.2 below.

8.3.8. Lodgement and close of tenders

Officers are advised that the preferable method of lodging tenders is currently in Council's electronic tender box by emailing them to tenders@murrindindi.vic.gov.au.

Officers are advised that the preferable time for tenders to close is noon on a Wednesday. This provides the best opportunity to avoid public holidays and ensure the availability of staff so that tenders can be opened in a timely manner.

9. Implementing

9.1. Objectives

The objectives of the implementation phase of the procurement cycle are to ensure that the;

- selected bidder can deliver a value for money solution
- selected bidder is capable of providing the goods and services being sought or the carrying out of works specified
- procurement process is transparent, fair, robust, and that decisions are justified and adequately documented

This section of the guidelines covers activities from the close of tenders through to the execution of a contract.

9.2. Opening and registration of quotations and tender

The opening and recording of tenders, including downloading electronic tenders, should be conducted by staff that are *independent* of the tender and preferably include a member of Council's senior management team. The inclusion of a senior member of staff conveys to all participants that tender processes are a significant aspect of a council's procurement practice and demonstrates leadership in this regard.

All tender submissions, both physical and electronic will be opened at the same time. As each tender is opened the tenderer's name and price offered will be entered into the electronic Tender Opening Confidentiality Statement. After all tenders are opened and the details recorded the Tender Opening Confidentiality Statement should be printed, signed by all members of the opening panel and scanned back over the original document in TRIM.

The acceptance of tenders is at the sole discretion of the tender opening panel.

9.3. Late tenders

As a matter of policy Murrindindi Shire Council will not accept late tenders.

In exceptional circumstances the tender opening panel may at their sole discretion elect to accept a late tender if they are satisfied that a genuine attempt to lodge in accordance with the conditions of tender has been made by the prospective bidder.

The condition that late tenders will not be accepted must be included in the request for tender documentation.

Once tenders have closed late tenders should be kept unopened in a secure location pending a decision on acceptance. Late tenders which are rejected should be returned to the tenderer unopened with appropriate accompanying advice.

9.4. No tenders received

In the event that Council undertakes a compliant public tender process and does not receive any tenders or rejects all tenders on the basis they did not meet council's specifications outlined in the tender document, it has two options:

1. recall tenders – either with or without amending the procurement requirements and the tender documents
2. seek an alternative means of delivering the service or works required under the tender without changing the requirements (including undertaking the service or works itself). If council seeks to appoint another tenderer (under what is sometimes called a selective tender) who did not submit when tenders were originally called it must ensure:
 - the grounds for rejecting the tender(s) received are on the basis they did not meet council's specifications outlined in the tender document, and/or did not provide value for money to council, and
 - it is highly unlikely that another competitor would submit a tender if council retendered for the goods, services and/or works, and
 - the terms on which council intends to engage the third party contractor are the same as the specifications in the original tender documents, and

- engaging the third party contractor will provide value for money to council.

If council amends the scope or intent of its requirements for goods, services or works so that it is materially different this would constitute a new contract. Council should then call new public tenders.

9.5. Tender evaluation panels

Tender evaluation panels should be formed in order to evaluate formal tenders and expressions of interest. All persons forming the evaluation panel should be involved in the actual assessment. The process should be robust and under no circumstances should tenders or expressions of interest be considered by a single person panel.

Evaluation panels must adhere faithfully to the tender conditions including applying the selection criteria set out therein.

Evaluation panels should appoint a chair who will be responsible for collating the scores of the panel and preparing the tender report.

The membership of a panel should be appropriate to the operational and technical aspects of the tender and preferably represent stakeholders as well as those officers who will be responsible for supervision of the ultimate contract. Where technical expertise is required, this may involve including one or more external persons on a panel.

The inclusion of a panel member who is independent of the organisational area conducting the contract should be considered where it is central to, or will improve, the objectivity of the panel.

The tender evaluation panel should be formed before tenders are issued. Conflict of interest and confidentiality requirements should be satisfied at this time. The panel should review the tender documentation before it is issued and confirm it will achieve the objectives of the proposed contract.

As part of this review the panel must confirm the selection criteria will allow the meaningful assessment of the tenders. Weightings should be assigned to each of the scored selection criteria (as distinct from the conformity and mandatory requirements) and should be reflected in the tender documentation.

The number of persons on a panel is dependent on the value or risk of the tender. A benchmark size for a panel is three persons for tenders up to \$1 million in value and a larger panel for higher values.

9.6. Non conforming tender

The evaluation panel must first satisfy itself that each tender is a conforming bid.

In order for a tender to be conforming a tender response should include the information requested in the tender documentation. This may include:

- the schedules required to score the tender;
- statements of conformance;
- conflict of interest declaration;
- compliance with the Victorian Government Code of Practice for the Building and Construction Industry (for building and construction tenders); and
- any other mandatory requirements listed in the tender submission document.

9.7. Tender evaluation

The evaluation panel must ensure that sufficient detail and analysis is undertaken and recorded during the tender evaluation in order to justify the awarding of tenders. The objective is to create an audit trail and a set of supporting documentation to justify the evaluation process and final decision.

The evaluation process should provide a fair comparison between the responses and be conducted in accordance with the approved evaluation methodology and criteria. The same evaluation method should be applied to each response. Bids must be evaluated in a systematic and consistent manner.

The evaluation panel should first assess each of the tenders against any mandatory criteria on a “pass” or “fail” basis. Any tenders that fail any of the mandatory criteria should receive no further consideration.

The financial assessment should be scored out of ten such that the lowest lump sum price or the most competitive schedule of rates receives ten points and the rest of the tenders are given a score relative to that depending on how much higher their price is. The formula for this is;

- $(\text{best offer/tenderers offer} \times 10)$.

Council's preferred scoring system is for each tender to be given a score between zero and ten against each of the qualitative criteria as follows:

Scoring	Meaning
0	Non-Compliant. Fails to satisfy specified requirements.
1-3	Marginally adequate, does not satisfy all requirements. Successful completion uncertain. Concerns regarding ability to successfully fulfil the requirements.
4-6	Acceptable and mainly compliant, generally meets the requirements except for minor aspects and shortcomings. Successful completion likely.
7-9	Very good, negligible risk of failure. Satisfies the selection criterion in all respects. Highly competent and above average.
10	Superior, beyond expectations. Offers an excellent level of performance that exceeds notional requirements. Represents industry best practice.

The scores against each criterion will then be adjusted by the weighting for that criterion in such a way to facilitate the total score being a score out of 100.

9.8. Further information

It is necessary and appropriate from time to time that the tender evaluation panel may require further information from a tenderer in order to evaluate their tender.

Generally this information is only required to seek clarity around the tenderer's offer. If it is information that was not requested in the original tender then all tenderers should be given the opportunity to provide that information.

9.9. Best and final offers

One option for Council officers to consider is to invite a best and final offer from each shortlisted tenderer. A best and final offer allows Council to invite shortlisted tenderers to submit their best and last technical and priced offer on the basis of the tender requirements. It is particularly useful when two or more bids are difficult to separate following the evaluation.

Council must reserve the right to conduct negotiations with a preferred tenderer in its tender documentation and for shortlisted tenderers to be invited by council to submit a best and final offer.

Council should clarify that it may rely on the information submitted in the initial tender without inviting best and final offers and that tenderers must therefore submit their best and final offer in the first instance.

A best and final offer may replace the need for negotiations with bidders.

Officers would write to each bidder citing the areas where their proposal was deficient and ask them to re-submit a proposal that improves those areas. The key is that the revised proposal can only change areas nominated by council.

A consideration with both post-tender negotiations and a best and final offer is that they increase the risk that a council will move away from the original contract specifications and thereby risk creating a contract which is 'materially different' to that which was the subject of the public tender process.

9.10. Recommendation

The evaluation panel should make a recommendation to Council of their preferred tender in the form of a tender evaluation report.

9.11. Council Report

A tender evaluation report should, as a minimum contain:

1. identification and brief description of the contract
2. background and scope of the contract
3. names of the tender evaluation panel
4. conflict of interest declaration outcomes and record of confidentiality agreements
5. procurement methods – request for tender or expression of interest
6. council's budgetary estimate of the cost of the tender and the date the estimate was prepared
7. date of public notice and tender closing
8. summary of bids received – bidder's name and price
9. conformance requirements
10. mandatory selection criteria and results, including financial viability and capacity of the tenderers (identify pre-qualified tenderers)
11. selection criteria, weightings and scoring (ranked)
12. risk associated with the preferred contractor
13. social implications
14. environmental implications
15. risk management implications
16. transition matters
17. recommended tenderer(s) and justification.

The report of the evaluation panel is made to council or to the staff member holding the delegation to make a decision on awarding the contract. The report prepared for a council meeting will generally comprise a summary of the above detail.

9.12. Advice to tenderers and public announcements

Both successful and unsuccessful tenderers should be advised of the outcome. Best practice is for the chairperson of the evaluation panel to speak with each unsuccessful tenderer and explain how they could improve their proposals in order to increase the prospect of being successful in future.

A direct personal approach to unsuccessful tenderers may well avoid subsequent grievances and more importantly may improve the quality of proposals received in response to future requests for tenders.

9.13. Contract Execution

The careful execution of the contract documentation is vital to the validity of the contract. The contract should be executed by each of the parties prior to works commencing.

There are rare circumstances where Council may seek to accelerate the commencement of services or works by the issuing of a *letter of intent*. Letters of intent are problematic and increase Council's exposure to risk and non-compliance with the proposed contract. They will only rarely be considered a binding contract and should therefore not be used to accelerate the commencement of works. It is preferable to prepare contract documentation promptly, rather than use a letter of intent. CEO approval must be obtained before a letter of intent can be entered into.

Works should not commence until a purchase order has been issued. A purchase order should not be issued until the contract has been executed.

9.13.1. Preparing Contract Documents

The contract documentation assembled for execution must represent the contract as intended. If there are changes as a result of negotiations these must be incorporated in the executed documentation. If these vary from the conditions of tender, amendments must be made to ensure consistency.

The documents generally consist of;

- Form Instrument of Agreement
- General Conditions of Contract
- Annexure
- Specifications
- Tender Submission

9.13.2. Contractor to Sign

All contract documentation is to be developed and tracked through TRIM.

An unbound copy of the contract is to be provided to the contractor to sign and return.

9.13.3. Council Seal

When a contractor returns a signed contract, this version is now able to be scanned back into TRIM checking for conformity to the original contract.

The signed contract can then be forwarded to the CEO's office to be signed by the CEO and the Council Seal applied in the presence of a Councillor.

9.13.4. TRIM

After the signed and sealed contract document is returned from the CEO's office it is then scanned to TRIM for the final time as a vital document. This is Council's copy of the contract and is regarded as the official record.

9.13.5. Return Contractors Copy

The hard copy is then returned to the contractor as their copy.

10. Managing

10.1. Objectives

The aim of the management phase of the procurement cycle is to ensure that goods and/or services are provided, or works are delivered in accordance with the contract. This involves ensuring that all parties to a contract meet their respective obligations under the contract.

10.2. Roles

10.2.1. Superintendent

Contracts should provide for the appointment of a superintendent by Council. This is the contract manager. The superintendent is obliged to follow the provisions of the contract documents; must interpret and administer the contract in accordance with the documents; and must act ethically and with due consideration for their intent.

If the contract document does not nominate the superintendent then once an appointment is made the contractor should be advised. The superintendent's role is to manage the interaction between the contractor and council.

The key roles of the superintendent under the contract should be set out in the conditions of contract. The superintendent is responsible for the day-to-day administration of the contract and key tasks including:

- issuing directions to the contractor
- negotiating disagreements
- monitoring, recording and reporting
- assessing claims made against the work undertaken and certifying payments.

10.2.2. Procurement Unit

The role of the procurement unit in contract management is the maintenance of information in the Contract Register.

Contract managers should provide the following information to the procurement unit in a timely manner to allow this to be done;

- Start Date
- End Date
- Contract Value
- Council Report
- Insurance Details

10.3. Certificates of completion

If the contract allows for progress payments the contractor's invoices for these payments must be accompanied by a certificate of completion issued by the council officer responsible for the contract or a person appointed to represent Council. It is imperative that the officer responsible for approving the payment verify that the works have indeed been completed in line with the payment being claimed.

10.4. Variations

The conditions of contract will generally prescribe the circumstances in which a variation might arise. The method of calculating the value of variations should also be contained within the conditions of contract.

In order to maintain budget control Murrindindi Shire Council requires that a single variation exceeding 10% of contract value or where the cumulative value of variations for a contract exceeds 10% of contract value that approval be sought from the original approver of the contract. If the original approver of the contract was Council then a briefing note should be prepared for their information.

10.5. Completion

A contract is considered complete when all activity associated with the contract has been accomplished, all work is done and all accounts have been paid.

11. Performance management and reporting

11.1. Objectives

The objective of this process is two-fold; firstly to give feedback to the contractor and secondly to provide information for officers to consider when looking to appoint that contractor for future work.

11.2. Contractor evaluation

Officers should prepare a report evaluating the contractor's performance in accordance with the contract, the scope of works and the specification. This report should include an evaluation of the contractor's management of safety and environmental issues if relevant.

11.3. Documentation

Before a contract file is closed it is imperative that responsible officers assure themselves that all relevant information is placed in the associated TRIM folder such that any future audit requirements can be satisfied.