

Cardwell Mountain Bike Strategy

Economic Advice

Prepared for World Trail

19/04/21

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Version	Version No.	Author(s)	Date	Review
Draft report	1	HC	26-11-20	MC YB
Draft #2 l report	1	HC	5-02- 21	MC YB
Final	1	HC	19-04-21	MC

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Executive summary

This study has been undertaken to identify and assess the economic benefits which would accrue to the local Cardwell community in the Cassowary Coast region should a multi trail recreational Mountain Biking facility be constructed.

The product proposed will incorporate a range of recreation activities, however, this assessment will focus on the proposed world class facility. There has been an emergence of formal bike parks and mountain bike trail networks nationally, with regional areas in particular reporting a significant increase in tourists and visitors who are seeking to diversify their mountain biking experiences as a direct result of the trails and facilities provided. The economic and social benefits observed in such areas can be considerable and are becoming more widely recognised. It is important to recognise the benefits of such developments on regional towns, noting that economic benefits differ for each regional area.

An Economic Impact Assessment (EIA) examines the effect of an event / project on inputs and outputs to the local economy in a specialised area. It usually measures changes in economic outputs, jobs and other key indicators. Initial investment will translate into a first round of benefits, realised as increased construction output and employment. ABS Input-Output (I-O) tables are used as a basis for calculating the economic benefits of initial capital expenditure upon the local and wider economy in the construction sector both directly and indirectly. ABS I-O tables are also used for estimating economic benefits upon project completion, i.e., tourism / recreational industry employment and outputs both directly and indirectly. The (EIA) approach has been used for the quantifiable impacts.

On analysis of the proposed Cardwell Mountain Bike Trail Network, it is expected that a \$5.5m investment in that project will generate over \$9.9 million worth of new economic benefits initially in the construction period and \$18.13 million revenue after the construction phase (two-years) for the local Cassowary Coast area due to increased demand for accommodation/food and recreational experiences in the region. Cassowary Coast Local Government area will benefit from 5 direct full-time equivalent (FTE's) jobs created during each year of the construction phase which is expected to be two-years, with an additional 16 indirect full-time equivalent jobs created throughout Queensland during each year of the construction phase. In total this represents 10 direct full-time equivalent jobs created in the local economy and 32 indirect jobs created throughout Queensland over the construction period. During operation of the project, 97 direct full-time equivalent jobs will be created throughout Cassowary Coasts Local Government Area, with an additional 99 indirect full-time equivalent jobs created throughout Queensland on an ongoing basis after construction is completed.

There are obvious health and social benefits arising from such physical outdoor activity for visitors and locals. There are also economic benefits arising from the investment including an increase in demand for short-term accommodation and retail spending, all leading to a boost in the local and regional and state-wide labour market.

This investment will assist in the reinvigoration of Cardwell's tourism and will serve as catalyst to local economic activity and the broader regional economy. Our analysis shows that the development of a Mountain Bike Trail in Cardwell is a unique opportunity to complement the range of existing tourist and visitor activities within Cassowary Coast, generating employment, strengthening social and economic opportunities, and diversifying the economic base of the region and more widely, Queensland. With implementation of the Mountain Bike Trails, Cardwell can offer a more diverse, robust and multidimensional social and economic base for the region.

Construction Phase

The total expenditure of \$5.5 m during the construction phase (two-years) of the Mountain Bike Trails will generate:

- \$9.9m increased output across the Cassowary Coast LGA, and \$17.3m across the state of Queensland;
- 5 direct Full-time equivalent (FTE's) new jobs created each year of construction (10 total) for the Cassowary Coast LGA (16 indirect jobs created for QLD during each year of construction); and
- \$0.9m direct income for the Cassowary Coast LGA (\$1.9m indirect income for QLD).

Operational Phase

During the ongoing operational phase of the Mountain Bike Trails, a boost in demand for services in both Accommodation & Food/Beverage and Arts & Recreation industries will generate 97 jobs for the community, and annual revenues of \$18.13m, detailed in real terms below:

Accommodation and Food Services

- Annual revenue of \$10.5m
- Increased total output of \$25.7m a year for the Cassowary Coast LGA, representing a multiplier effect of 2.4 x (total output of \$30.4m or a 2.9x multiplier for QLD);
- 67 direct new jobs for the Cassowary Coast or a multiplier of 1.6x (57 indirect jobs or 1.8x for QLD); and
- Direct income of \$3.4m for Cassowary Coast and indirect income \$6.4m for QLD.

Arts and Recreation

- Annual revenue of \$7.6m
- Increased total output of \$14.8m a year for the Cassowary Coast, representing a multiplier effect of 1.9 x (total output of \$21.0m or a 2.8x multiplier for QLD);
- 30 direct new jobs for the Cassowary Coast LGA or a multiplier of 1.7x (42 indirect or 2.4x for QLD); and
- Direct income of \$1.2m for Cassowary Coast and indirect \$2.8m for QLD.

Multiplier analysis is comprehensive in assessing the economic impacts of a project or decision, as the model traces successive rounds to provide a more accurate estimation of the total value accretion of a project. Overall, higher multipliers represent higher value accretion over the entire impact life cycle of a project, and from the above analysis, development of the Mountain Bike Trails in Cassowary Coast has a unique opportunity for generating employment, output and income for the region and more widely for Queensland.

Qualitative

Several qualitative economic, social and environment benefits will also be created as result of the construction and operation of the mountain bike facility. These however are problematic to measure and estimate owing to their unique non-monetary nature and to their scale. Nonetheless, they will contribute to the improved welfare and quality of living for both residents and for visitors to the new complex. Benefits include:

1. Supporting a sense of place (contributing to the identity and broader awareness Cardwell and a positive perception);
2. Supporting a sense of community (the local mountain biking community, local working bees, events);
3. Increased diversity in recreation and lifestyle options accessible to local youth, schools, interest groups, residents, and visitors;
4. Encouraging exercise and social activities within and adjacent the trails;
5. Increased awareness of the natural environment and its values, in particular the proposed Conservation Area and Indigenous Cultural significance;
6. Broader appreciation of the location and geography, given elevated views over Cardwell and Hinchinbrook (towns, rivers, coastline, and the rural hinterland); and
7. Protection of the environment through the passive supervision of tracks and trails, which deters crime and neglect, and encourages user activity.
8. Through the employment generation created by the construction and operation phases of the Mountain Biking facility the labour market will be strengthened and there will be potential to decrease unemployment.
9. The Mountain Bike Trails will diversify the Cassowary Coast overall tourism offer and help to build an all-year round activity.
10. Health benefits will accrue as the participants enjoy the benefits derived from exercise.
11. Due to the increase in demand opportunities to invest in upgrading existing accommodation i.e. hotels, motels, bed & breakfast, Airbnb, and potential to develop niche market such as farm stay etc. This investment may also assist in increasing visitors' length of stay at Cardwell.
12. Establishment of major Mountain Bike Trails events, including business conference / events, group / school / education related outdoor recreation, programmable spaces and event, and associated catering etc.
13. The profile of the local area will be raised as the marketing of the Mountain Bike Trails matures and the likelihood of events and activities are conducted throughout the year. This may lead to further investment and job generating opportunities for ancillary business

opportunities such as a Craft Brewery and/or other food and beverage (F&B) establishments, bicycle sales and services stores/workshops. A range of additional F&B opportunities, including those tied in with Mountain Bike Trails catering events may also be created.

14. It is considered that the inclusion of a well-designed and managed Mountain Bike Trails facility will boost amenity, which will assist to promote an increased level of liveability for the local residents and visitors.

By providing a well-designed and managed Mountain Bike facility, upgraded accommodation, new F&B, and other cultural / recreational facilities, there is potential to attract more visitation, grow and diversify the level of activities, increase length of stay and generate more expenditure and more employment for Cardwell and the Cassowary Coast area.

Introduction

Macroplan has been commissioned by World Trail to undertake a study investigating and assessing the economic benefits which would accrue to the Cassowary Coast Regional Council Area, specifically the benefit to Cardwell's community.

With the emergence of formalised bike parks and mountain biking trail facilities throughout Australia, this study presents the findings of Macroplan's analysis and where possible quantifies the economic benefits arising from delivering such a product within the Cassowary Coast region.

Both direct and indirect benefits will be generated during the construction and operation phases of the Mountain Bike Trails project. These will be estimated by Macroplan's input-output model. An analysis of demand for the facility will also be undertaken. Assumptions regarding the potential cost of the project will be confined to a per million-dollar amount.

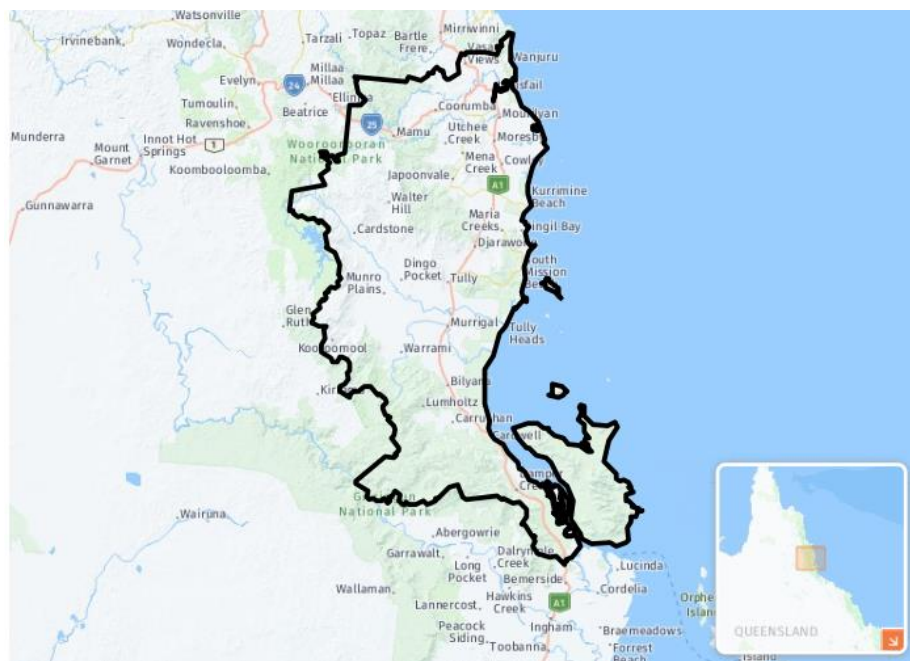
A successful network of trails is seen as a feasible way of creating a more diverse economy for Cardwell in the Cassowary Coast through Mountain Bike tourism. This study measures the economic benefits that arise from increased demand for local hotel accommodation, retail expenditure, food & beverage and increased tourism visitation and expenditures. The estimation of the potential value of developing a trails network will extend beyond measurement of direct project - related financial considerations, to include more qualitative benefits such as an enhanced sense of place and community, improved physical health and general wellbeing.

Local Context

The Cassowary Coast is a prosperous, growing and investment ready region in Tropical North Queensland. The Cassowary Coast Regional Council area is strategically located in Far North Queensland, about 90 kilometres south of the Cairns CBD and 112 kilometres north of the Townsville CBD. The Cassowary Coast Regional Council area is bounded by the Cairns Regional Council area in the north, the Coral Sea in the east, Hinchinbrook Shire in the south, and the Tablelands Regional Council area in the west.

The region includes significant areas of national park and state forest, rural areas and urban areas. The Council area encompasses a total land area of 4,700 square kilometres with the largest township being Innisfail, with the next largest population centres being Tully, Cardwell, and Mission Beach. Urban areas include residential, commercial, industrial, entertainment and tourist land use. Rural land is used for agriculture, particularly sugar cane farming and banana growing, with some tropical fruit and vegetable growing, cattle grazing, timber production and fishing. Tourism is an important industry, with world-heritage rainforests, beaches, tropical islands, coastal ranges, and numerous resorts.

Map 1.1 Regional Context



Source: EconomicsID; Macroplan 2020

Local Infrastructure

The Cassowary Coast Regional Council area is served by the Bruce Highway, the Palmerston Highway, Mourilyan Harbour, Dallachy Aerodrome, Tully Aerodrome, Mundoo Aerodrome, and the North Coast railway line. The major industrial precincts include Innisfail (Goondi Bend) and Tully (east of Bruce Highway).

It is considered the Mountain Bike Trails project will reinvigorate Cardwell and Port Hinchinbrook. Access to the Mountain Bike Trails will be supported by improvements to major road transport. There are some notable major State projects with Commonwealth support which are underway that will improve connectivity and mobility in an around Far north Queensland.

Regional Infrastructure and Government Investment

Cairns Ring Road project is part of the Bruce Highway Upgrade with a value of \$359 million dollars. The Bruce Highway terminates in the Cairns CBD at the corners of Florence and Sheridan Street. The Cairns Ring Road would extend the Bruce Highway from its current terminus to the intersection of the Captain Cook and Kennedy Highways at Smithfield. This would create a ring road through Western Arterial Road connecting back to the northern most part of the Bruce Highway. In 2019, the Federal Government committed \$287.2 million for the project with the Queensland State Government expected to contribute \$82.8 million.

Cairns South Access Corridor project – Stage 3 with a value of \$418 million dollars, will involve duplicating 10 kilometres of the Bruce Highway between Edmonton and Gordonvale from two to four lanes. This will incorporate an existing four lane section at Meringa and will see existing local road intersection with the Highway be partially or fully closed: diverting traffic to safer access points. Stage 3 also includes: a four-lane bridge to be built over several creeks, installing an off-road shared pathway for cyclists and pedestrians. A section of the North Coast Rail Line will also need to be moved to accommodate the works.

Aboriginal History and Population

The original inhabitants of the Cassowary Coast area were the Bandjin, Djiru, Girramay, Gulnay, Jirrbal and Mamu Aboriginal people. European settlement dates from the 1860s when the township of Cardwell was established as a port. Land was used for crop growing, grazing and timber production. Population growth took place from the late 1800s into the early 1900s, aided by growth in the sugar cane industry and the establishment of the townships of Innisfail and Tully. Expansion continued during the 1920s and 1930s when many Italian migrants settled in the area and the north coast railway line was opened. Significant development occurred from the post-war years, with the population of the Council area increasing from 17,000 in 1947 to about 21,000 in 1961, to about 26,000 in 1986, and then to 30,000 in 1996. The population was stable between 1996 and 2011, and then increased slightly too about 28,726 in 2016.

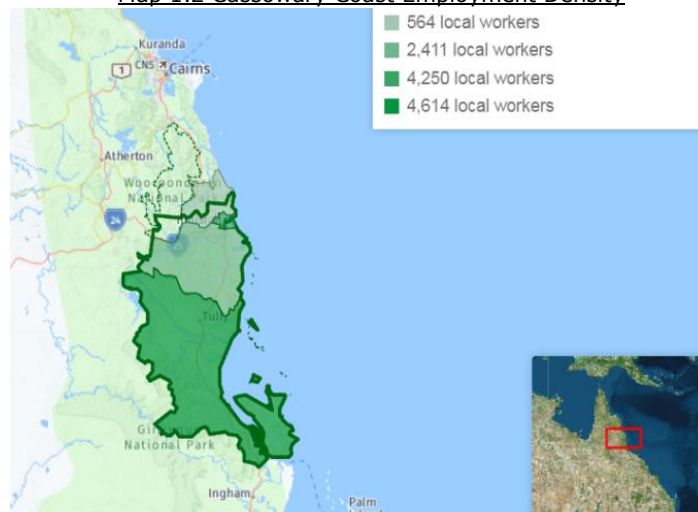
Agriculture

The Cassowary Coast supports a nationally significant food production industry. The region is home to about 80% of Australia's banana industry. It is a significant contributor to the production of sugar and a recognised premier growing region for tropical fruits and vegetables, cattle, and fisheries. Combined with a readily available agricultural land, abundant rainfall, rich soils, favourable climatic conditions and plentiful sunshine, the Cassowary Coast is highly suitable for agribusiness.

Employment and Education

The Cassowary Coast provides a comprehensive range of education services for all ages and supports life-long learning which can be closely aligned to business needs. Several institutes offer both public and private education across the region. Access to tertiary education is delivered via James Cook University in Cairns and Townsville. Access to vocational education and training is delivered via TAFE at its campus in Innisfail. Known for its lifestyle attributes, the Cassowary Coast is likely to attract an increase in retirees who relocate to the region. This increase has directly prompted the development of several aged-care services and medical facilities. The Cassowary Coast has a long-standing history in manufacturing and light industry. Several long-established professional services organisations exist within the region. Organisations such as Hogan & Associates CPA provide services both within the Cassowary Coast region and in a broader Far North Queensland context. A desirable lifestyle combined with the major agriculture and tourism industry provide opportunity for small to medium-sized professional services businesses. The region's proximity to Cairns and Townsville, with their growing populations, gives businesses in the Cassowary Coast's professional services sector opportunity for growth. The Cassowary Coast boast a series of towns that support the retail sector. This is made up of small retail outlets, with larger chain stores part of the mix.

Map 1.2 Cassowary Coast Employment Density



Source: economicsID (2020); Macroplan (2020)

The map above presents employment density in the Cassowary Coast. The lightest areas have a maximum of 564 jobs while the darkest regions having the maximum employment density of 4,614 jobs. Cardwell – Port Hinchinbrook provide the most significant employment area contributing 39% of the local employment.

Much of the Cassowary Coasts employment growth has been driven by Agriculture, accounting for 23.1% of the growth between 2006 and 2016. This is counter to the trend for Queensland and Queensland tourist regions in general where there has been a significant decline in Agriculture and improvement in Accommodation and Food services, Education and Health. The unemployment rate as of the June 2020 quarter was 6.1%.

Cassowary Coast Local Government Area (LGA) Sociodemographic

Population Projections

The 2016 (Census 2016) population figure for the Cassowary Coast region was 28,726 residents. The largest proportion of residents were aged between 50-59 years old, making up 15.3% of the cohort. According to the Australian Bureau of Statistics (ABS), the Cassowary Coast region is expected to have a population of 31,502 residents by 2036. This is an increase of 2,106 residents (7.71%) over the 10-year period.

For the Cassowary Coast region, couple families with children made up 24.6% of the local population, compared to the average of 30.7% across Queensland. Couple families without children made up 32.1% of the local population, compared to the average of 28.5% across Queensland.

Age Profile

People of working age (15 to 64) made up 62.1% of the local population, compared to the average of 65.3% across Queensland. Children (aged up to 15 years) made up 18.3% of the local population, compared to the average of 19.4% across Queensland. Older people (aged 65 years and older) made up 19.6% of the local population, compared to the average of 15.3% across Queensland.

Dwelling Structure

Cassowary Coast had 12,397 dwellings in 2016, of which, 74.2% were separate houses, 1.8% were semi-detached dwellings (including duplexes, triplexes and villas) and 6% were flats, units or apartments. In 2016, 14.3% of the dwellings were unoccupied.

Tenure Type

Dwellings that were fully owned (i.e., without any mortgage debt) in 2016, made up 38.1% of all occupied dwellings, compared to an average of 28.5% across Queensland. Dwellings being purchased in 2016, made up 25.7% of all occupied dwellings, compared to an average of 33.7% across Queensland. Rented dwellings in 2016, made up 32.1% of all occupied dwellings, compared to an average of 34.2% across Queensland.

Income

Median individual incomes in the Cassowary Coast were \$567 per week in 2016 compared to \$660 across Queensland. Median weekly family incomes in 2016 for the Cassowary Coast were \$1,305 compared to \$1,661 across Queensland. Median household incomes were \$1,068 per week in 2016 compared to \$1,402 across Queensland.

Housing Expenses

The median monthly mortgage payments in the Cassowary Coast in 2016 were \$1,300 compared to \$1,733 across Queensland. In 2016, the median weekly rental payments were \$230 compared to \$440 across Queensland.

Education and Level of Qualification

In 2016, there were 8,015 people attending an educational institution in the Cassowary Coast. People attending a TAFE, made up 3.7% of all students in the Cassowary Coast in 2016. This compares to an average of 5.3% for Queensland. University and other tertiary students made up 4.4% of all students in the Cassowary Coast in 2016, compared to an average of 14.8% in Queensland. Residents of Cassowary Coast with bachelor or higher degrees in 2016 made up 8.7% of the total population with some level of formal qualification. This compared to an average of 18.3% in Queensland. Residents with certificate or diploma qualifications made up 26.4% of the total population with some level of formal qualification, compared to 26.9 as the average across Queensland.

Table 1.3: Change in Industries – Cassowary Coast

Cassowary Coast		2016		2011		Queensland	Change
Industry	Number	%.	Queensland	Number	%.	d	2011 - 2016
Agriculture, Forestry and Fishing	2514	21.9	2.8	2091	17.4	2.7	423
Mining	57	0.5	2.3	47	0.4	2.6	10
Manufacturing	937	8.2	6	1053	8.8	8.4	-116
Electricity, Gas, Water and Waste Services	122	1.1	1.1	146	1.2	1.2	-24
Construction	553	4.8	8.9	1138	9.5	9	-585
Wholesale Trade	200	1.7	2.6	284	2.4	3.6	-84
Retail Trade	1072	9.3	9.9	1335	11.1	10.7	-263
Accommodation and Food Services	781	6.8	7.4	856	7.1	7	-75
Transport, Postal and Warehousing	531	4.6	5.1	523	4.4	5.2	8
Information Media and Telecommunications	51	0.4	1.2	62	0.5	1.2	-11
Financial and Insurance Services	129	1.1	2.5	160	1.3	2.7	-31
Rental, Hiring and Real Estate Services	117	1	2	167	1.4	1.8	-50
Professional, Scientific and Technical Services	307	2.7	6.2	314	2.6	6.5	-7
Administrative and Support Services	294	2.6	3.5	241	2	3.2	53
Public Administration and Safety	622	5.4	6.5	643	5.4	6.7	-21
Education and Training	938	8.2	9	842	7	7.9	96
Health Care and Social Assistance	1153	10	13	1187	9.9	11.9	-34
Arts and Recreation Services	127	1.1	1.6	114	0.9	1.4	13
Other Services	424	3.7	3.9	443	3.7	3.9	-19
Industry not classified	566	4.9	4.3	352	2.9	2.4	214
Total persons	11495	100	100	12005	100	100	-510

Source: ABS Census; Macroplan 2020

Table 1.4: Change in Occupations Tourism Industry - Cassowary Coast

Tourism Occupations (as per 2009 ABS Classifications) Occupation (ANZSCO 4 Digit)	Full Time Employment			Part Time and Away from Work Employment			Total Employment (incl. Away from Work)		
	2011	2016	Growth (No. of Jobs)	2011	2016	Growth (No. of Jobs)	2011	2016	Growth (No. of Jobs)
Other Accommodation and Hospitality Managers	20	23	3	12	6	-6	32	29	-3
Other Mobile Plant Operators	9	5	-4	0	0	0	9	5	-4
Other Specialist Managers	21	19	-2	5	3	-2	26	22	-4
Automobile Drivers	17	12	-5	3	10	7	20	22	2
Bar Attendants and Baristas	31	24	-7	48	57	9	79	81	2
Cafe and Restaurant Managers	42	37	-5	14	14	0	56	51	-5
Cafe Workers	12	8	-4	24	15	-9	36	23	-13
Caravan Park and Camping Ground Managers	15	16	1	0	4	4	15	20	5
Bus and Coach Drivers	4	13	9	26	34	8	30	47	17
Chefs	29	40	11	8	11	3	37	51	14
Housekeepers	7	10	3	17	32	15	24	42	18
Conference and Event Organisers	3	6	3	0	0	0	3	6	3
Cooks	29	23	-6	32	39	7	61	62	1
Sports Coaches, Instructors and Officials	4	4	0	10	14	4	14	18	4
Other Hospitality Workers	0	0	0	0	0	0	0	0	0
Travel Attendants	0	0	0	0	0	0	0	0	0
Archivists, Curators and Records Managers	0	0	0	0	0	0	0	0	0
Gaming Workers	0	0	0	0	0	0	0	0	0
Air Transport Professionals	12	8	-4	0	10	10	12	18	6
Hotel and Motel Managers	43	42	-1	8	9	1	51	51	0
Receptionists	59	52	-7	58	66	8	117	118	1
Hotel Service Managers	7	4	-3	0	0	0	7	4	-3
Kitchenhands	26	17	-9	84	117	33	110	134	24
Licensed Club Managers	4	5	1	0	0	0	4	5	1
Other Personal Service Workers	3	3	0	7	0	-7	10	3	-7
Ticket Salespersons	3	0	-3	0	4	4	3	4	1
Gallery, Museum and Tour Guides	8	4	-4	11	12	1	19	16	-3
Tourism and Travel Advisers	12	0	-12	5	5	0	17	5	-12
Transport Services Managers	13	21	8	0	0	0	13	21	8
Retail Managers	207	180	-27	43	39	-4	250	219	-31
Waiters	11	15	4	49	43	-6	60	58	-2
Animal Attendants and Trainers	5	0	-5	3	6	3	8	6	-2
TOTAL	656	591	-65	467	550	83	1,123	1,141	18

Source: ABS Census; Macroplan 2020

Employment

The most common occupations in the Cassowary Coast region included laborers 20.7% (2,499), Managers 15.3% (1,847), Technicians and Trades Workers 13.9% (1,680), Professionals 10.9% (1,317), Clerical and Administrative Workers 10.1% (1,220), Community and Personal Service Workers 9.7% (1,176), Machinery Operators and Drivers 9.4% (1,140) and Sales Workers 8.2% (989).

Analysis of the jobs held by the residents in Cassowary Coast region shows that the three largest employment industries in 2016 were Agriculture, Forestry and Fishing (2,514 local workers 21.9%), Health Care and Social Assistance (1,153 local workers 10.0%), and Retail Trade (1,072 local workers 9.3%). In combination, these three industries employed 4,739 people in total or 41.2% of local workers. In comparison, Queensland employed 2.8% in Agriculture, Forestry and Fishing; 13.0% in Health Care and Social Assistance; and 9.9% in Retail Trade.

The major differences between the jobs held by local workers of the Cassowary Coast and Queensland were:

- A larger percentage of local workers employed in Agriculture, Forestry and Fishing (21.9% compared to 2.8%)
- A smaller percentage of local workers employed in Construction (4.8% compared to 8.9%)
- A smaller percentage of local workers employed in Professional, Scientific and Technical Services (2.7% compared to 6.2%)
- A smaller percentage of local workers employed in Health Care and Social Assistance (10.0% compared to 13.0%)

The largest changes in the jobs held by local workers between 2011 and 2016 in the Cassowary Coast were for those employed in:

Construction (-585 local workers), Agriculture, Forestry and Fishing (+423 local workers), Retail Trade (-263 local workers)

Industry not classified (+214 local workers).

Socio-demographic summary

It is notable that the area has a significant aging population with residents aged 65 + contributing 19.6% of the local population compared to 15.3% of the Queensland benchmark. This has a substantial impact to both individual and household income which is also significantly lower than the Queensland benchmark.

This also is reflected in the number of local residents who attend tertiary education. The development of Mountain Bike Trails could positively impact incomes for both individuals and households. This type of development could entice the younger cohort, potentially slowing the aging demographic profile, through enhanced job and recreational opportunities.

Tourism

National, Queensland and Local Tourism Trends

In Queensland overall, the economy has undergone a transformation from an agricultural/mining economy to one that is services related, with education and health being the main drivers. Accommodation and Food Services (a key indicator for the tourism industry) has lagged in regional centres compared to the Queensland and tourist region's averages as shown in (www.abs.gov.au). This has been most significant in the Cassowary Coast where there has been a decline in the number of persons employed in the Accommodation and Food Services sector between 2006 and 2016. While this may be partly because of the GFC and cyclone events, other regions have also experienced adverse weather events and the effects of the GFC.

The Queensland and tourist region trends indicate that there are potential gains in the contribution that tourism can make to the regions. In 2012-13 tourism directly accounted for 140,000 jobs (or 5.9%) and indirectly accounted for 101,000 jobs, or in total 10.3% of employment in the state. This is more than the mining sector (74,000 direct jobs) and agriculture, forestry, and fishing (66,000 direct jobs). Cafés, restaurants, and takeaway food services had the largest share of tourism employment (26%), followed by retail trade (18%) and accommodation (13%). (Source: Tourism Research Australia - State Tourism Satellite Accounts 2012-13, Queensland Government Office of Economic and Statistical Research).

The international tourism sector is increasingly important to the Australian economy. In 2013-14, international tourism contributed one per cent of Australia's GDP (about \$11 billion) and comprised just over 60 per cent (\$36 billion) of total service exports (Australia's International Tourism Industry Productivity Commission). While potential growth in the overseas tourist market is large, there is also potential growth in the Australian market. In Queensland alone, the state's population is expected to reach 7.1 million in 2036, from 4.7 million in 2014. At the same time, the proportion of aged persons is expected to increase. To capitalise on this significant growth in a potentially available tourist market, significant industry changes are likely to be expected over time to meet the expectations of these new markets and to stay competitive.

The Australian tourism industry has had sustained growth over the last decade from both the domestic and international markets. Over the 10 years since 2009:

- International visitors increased 69%, and spend increased 79%
- Domestic overnights trips increased 74%, and spend increased 77%

Table 2.1 Domestic Overnight and International Spend



This strong increase in visitation has attracted ongoing investment into Australia's tourism industry. The investment pipeline has been consistently valued at over \$40 billion over the past 3 years. Continued investment has helped ensure Australia's supply of accommodation, transport, and entertainment meet domestic and international tourists' needs.

Short-term tourism disruptions due to COVID-19

The COVID-19 pandemic has caused severe disruptions to demand for tourism, both globally and in Australia. The industry experienced: A sudden halt in international visitation; Restrictions on domestic mobility; and Increased health and safety concerns. Australia's proactive management approach to the pandemic has played a key role in protecting domestic demand for tourism. The general success in containing the virus has further improved the perception of safety for Australian tourism destinations.

National Tourism investment monitor 2019-20

Arts, recreation, and business services are a key driver of visitor demand. They are the services and attractions that continue to enable and enhance the visitor experience. They also provide a city, town, or region with a unique tourism profile. In 2019-20 there were 69 arts, recreation and business services projects in the pipeline valued at \$14.3 billion. This was \$1.6 billion lower than 2018-19. This fall in value was most driven by the completion of Stage 2 of the Melbourne Olympic Parks redevelopment and the Cultural and Social Museum in Perth. These are valued at more than \$760 million combined. The COVID-19 pandemic impacts on the Australian tourism landscape may continue over the near term. Although there is still uncertainty, the flow of national projects transitioning through the pipeline is likely to slow. Interestingly, despite this uncertainty, only one stand-alone accommodation project and 7 mixed-use projects have been abandoned. Instead, most investors who are re-evaluating their projects have deferred or placed projects on hold until there is more certainty.

Cassowary Coast Tourism

The Cassowary Coast is recognised as one of Australia's premier holiday destinations located in the centre of two World Heritage areas – the Great Barrier Reef and the lush rainforests of the Wet Tropics, "where rainforests meet the Coral Sea". The Cassowary Coast includes Mission Beach and 14km of other golden beaches. With recent showings in domestic travel and leisure programs, the region's tourism industry is well positioned for further growth. Tourism currently contributes \$100 million per annum to the region economy and has significant room to grow. The Cassowary Coast is attractive for its relaxed tropical lifestyle attributes bringing a balanced approach to work and life.

Its regional services benefit from its close proximity to two airports (Cairns and Townsville), access to seaports in Mourilyan (Cassowary Coast), Townsville and Cairns, and road and rail transport infrastructure. Major research universities are located nearby. The region features competitive business establishment costs and overheads, offers competitive labour costs and can draw on a significant pool of labour.

The region is home to several world-class accommodation facilities such as Castaways Resort & Spa, the Elandra and Bedarra Island Resort. The region also features national parks and campsites. In addition, Paronella Park tourist attraction and Hinchinbrook Island are in the region.

Events

The Cassowary Coast is also known to be an adventure tourist activity region with white-water rafting, skydiving, sea kayaking and scuba diving on the Great Barrier Reef notable among its tourism offer. The proposed Mountain Bike Trails would be an ideal complement to these activities. Key tourism events and other features of the local tourism industry include;

- Feast of the Senses (displaying primary industries and their produce as well as home-grown talent, including a market day and dining events.)
- Feast of the Three Saints (a religion and cultural festival that transforms the small sugar cane town of Silkwood)
- Tully Gumboot Festival (a celebration of the Tully region's high rainfall, includes gumboot-tossing etc)
- On a Mission Multi-Sport Adventure Race (an adventure race that takes in Mission Beach and Dunk Island and includes paddling, running and mountain biking.)
- Aboriginal Culture – The Girringun Experience – Aboriginal Art Centre (Representing nine Traditional Owner Groups
Djiru, Gulnay, Jirrbal, Girramay, Bandjin, Warungnu, Warragamay and Nywaigi, The Keeping Place Museum and Gallery has a comprehensive display of tools and objects and contemporary artworks created by people of the rainforest.
- Cardwell UFO Festival
- Mission Beach Aquatic Festival (A family-friendly festival that celebrates the sea, beach, and rainforest.)
- Great Green Way

- Tully Gorge National Park
- Red Bull Defiance Race

Local Indigenous Tourism

Visitors can purchase work by artists from nine Traditional Owner groups from the surrounding regions at Girringun Aboriginal Art Centre in Cardwell. In Tully, visitors can experience a rainforest Australian Aboriginal cultural experience with the Jirrbal Indigenous rainforest people, the oldest civilisation on earth who lived in this rainforest for over 40,000 years. The regions tourist potential could be tapped through the establishment of an Indigenous cultural and rainforest interpretation and learning experience to educate, raise awareness and promote cultural and environmentally sustainable research, practices, and learnings. Support in developing Indigenous tourism products will provide business growth opportunities for existing operators, and expanded employment opportunities across the industry.

Challenges and Opportunities

The region is rich in existing and prospective tourism opportunities. The previous model for regional tourism relied heavily on tourists discovering the area and accepting it for what it could deliver at the time. With the ever-changing dynamics of globalisation and rapid increases in the global 'middle class' demographic, competition for tourism dollars is rising. Cohesive industry-led and industry-responsive strategic planning and delivery of services is forming a defining part of successful tourism industry development and prosperity growth in regional communities. Working collaboratively and strategically across the sector and the region to grow the range and quality of experiences on offer is expected to become a key contributing factor. This project will clearly assist in maturing the region's tourism offer and serve to update the existing regional tourism model. Events listed above including the Multi-Sport Adventure Race, Aboriginal experiences and Red Bull defiance races are some of the events that could be hosted at the new facility providing further exposure to riders locally and abroad.

Strategic Planning

The following section provides a brief overview of local planning and strategic documents to reveal government goals and objectives for the region, specifically in relation to local recreational activities.

State and Federal Government Policy

The Queensland Government has recognised tourism and agri-business as cornerstones for the economic development of its regions. Both are significant and can complement each other within the region. The Commonwealth Government, through tourism Australia, also recognizes the importance of tourism and the need to build its resilience and competitiveness to grow its economic contribution as referred to the Tourism 2020 Strategy. Alignment of the region's tourism strategy with federal and state government policy as well as a united regional industry is likely to be a key determining factor in attracting government support to catalyse the strategic tourism projects, provide improved certainty and enhance potential private investor confidence.

Cassowary Coast

Cassowary Coast Regional Council's economic development plan states: Vibrant and sustainable tourism economy: ensuring tourism experiments meet current and emerging market opportunities and expectations that add to the prosperity of the region while maintaining its character and the balance between conservation and industry.

And states that: Tourism as a gateway for regional prosperity: recognise the role that tourism can play in displaying the region for its beauty and lifestyle and its attraction for sustainable investment. Cassowary Coast as its own regional destination: promote the destination and not solely as a drive through (grab and go) market for visitors travelling through the region.

Activate Cassowary Coast – Development Incentive Scheme

The economic activation of the region is an essential element of the core business of Cassowary Coast Regional Council. In particular, the Cassowary Coast Regional Council is committed to promoting and encouraging new forms of employment generating business and tourism activity to the region. To promote and encourage such forms of development, the Council has developed development incentive policies to attract and provide support to projects and businesses that will deliver the greatest economic benefits to the Cassowary Coast and its residents in the long term. Amongst the number of development incentives put forth by council the reduction in infrastructure charges policy would be most significant

A summary of the four development incentive schemes, relevant policies, guidelines, and applications forms are provided below:

1. Reduction in Infrastructure Charges Policy (Policy No. PRD005)

The aim of this policy is to encourage development that achieves certain strategic objectives for the Cassowary Coast by allowing a reduction in the infrastructure charges payable of up to 100% in relation to certain types of development that are completed within three (3) years of the date of the approval taking effect.



2. Façade Improvement Incentive Scheme Policy (Policy No. PRD001)

The aim of this policy is for Council to encourage commercial building owners and business operators to invest in façade renovations and storefront improvements for their buildings by Council providing a fund to contribute to a portion of the renovation costs. Improving building facades can positively influence the perception of the Cassowary Coast and create a more inviting and interesting place to live, work, shop, dine, invest, and experience. All improvement works must be external and visible for the street and local businesses and licensed tradespeople must be enabled to undertake the associate work. Please note this policy is not currently active.



Regional Catchment (Townsville & Cairns Statistical Area 4) – Local Cycling Catchment

Townsville

Townsville City is in North Queensland, about 350 kilometres south of the Cairns CBD and about 1,300 kilometres north of the Brisbane CBD. Townsville City is bounded by the Coral Sea in the north, Burdekin Shire in the east, the Charters Towers Regional Council area in the south and west, and Hinchinbrook Shire in the north-west. Townsville City is a growing urban area, with significant rural areas and some industrial and commercial land use. Townsville includes Magnetic Island and many smaller islands and rock shoals. The City encompasses a total land area of about 3,740 square kilometres, including beaches, rivers, rainforests, national park, and other significant parklands. Most of the urban areas are in the east, in and around Townsville. Rural land is used for cattle grazing, sugar cane farming, pineapple growing and orcharding, with some mining. Townsville City is served by the Bruce Highway, the Flinders Highway, Townsville Airport, the Port of Townsville, the Spirit of Queensland train, and the Magnetic Island Ferry.

Cairns

The Cairns Regional Council area is in Far North Queensland, about 1,700 kilometres north of the Brisbane CBD, and 350 kilometres north of the Townsville's CBD. The Cairns Regional Council area is bounded by Douglas Shire in the north, the Coral Sea and Yarrabah Aboriginal Shire in the east, the Cassowary Coast Regional Council area in the south, and the Tablelands Regional Council area and Mareeba Shire in the west. The Cairns Regional Council area includes significant areas of national park and state forest, rural areas and growing urban areas. The Council area encompasses a total land area of about 1,700 square kilometres. The main urban centre is Cairns, with smaller urban areas in Babinda, Gordonvale, and various small towns. Urban areas include residential, commercial, industrial, institutional, entertainment and tourist land uses. Rural land is used for sugar cane farming. The Cairns Regional Council area is served by the Bruce Highway, the Captain Cook Highway, Cairns Airport, the Port of Cairns, and the North Coast (Brisbane - Cairns) railway line.

Regional Socio-demographic Context

The following socio-demographics are benchmarked against the Townsville and Cairns Statistical Area 4, Queensland non-metro area and Australian average. This catchment was expanded from the local government area of Cassowary Coast to fully capture the tourism demand. Refer to appendices to view table.

The 2016 population figure for the Townsville and Cairns local area was 482,800 residents, as of 2020 504,840 residents. The largest proportion of residents were aged 60+ making up 23.9% of the cohort. According to the Australian Bureau of Statistics the Townsville and Cairns local region is

expected to have a population of 585,850 by 2031. In the Townsville and Cairns region, couple with dependent children made up 41.4%, with couple without a child at 24.7%, while one parent with dependent child made up 11.8% of couples compared to 10.3% across Queensland. The average age for the region is 37.9 slightly younger than the average across QLD of 39.6. Older people aged 60 years and older made up 20.1% of the local population compared to the average of 23.9%. For the Townsville and Cairns region the average household income is \$84,027 per year in 2016 compared to \$80,653 across Queensland and \$101,610 across Australia. The housing status has 28.4% households own their homes outright with 33.2% households have a mortgage and 37.7% are renting. The birthplace for residents in the Townsville and Cairns region is 82% of residents being Australian born and the Queensland non-metro average being slightly higher at 88%.

An aging population can potentially lead to a shortage of workers resulting in businesses seeking staff outside the local government (LGA). This can lead to greater escape of expenditure as the wages and salaries that are normally spent on goods and services locally are spent outside of the LGA. To address the issue of the aging demographic in a local economy, it is important to recognise that young adults are the most mobile age groups in the population as they tend to move to attend educational institutions, seek work, and express a change in lifestyle. The mountain biking infrastructure would provide an opportunity particularly for young adults and more active demographic of the community to participate in a sport that is both recreational and competitive. This has significant social and health benefits for the community. It would attract younger adults who are interested in the sport into the region while also providing young residents in the community with an activity to participate in. The competitive nature of the sport attracts events and competitions providing employment for the younger demographic as well. This is quite significant when looking at the growth in the mountain biking, particularly in Queensland.

Demand

This section estimates the domestic demand in the surrounding regions to the Cassowary Coast Local Government Area and Tully Statistical Area 2. This Statistical Area is a smaller localised study area that includes Tully and Cardwell townships. This is to determine if there is a demand from inside the state of Queensland that will support the development. A catchment using the Cairns and Townsville Statistical Area 4 which encompasses the Cassowary Coast Local Government Area and Tully Statistical Area 2 was also analysed to understand domestic 'day' demand. The analysis undertaken for the tourist market draws upon domestic and international nights in both catchments and domestic day for the Cassowary Coast. This was limited by the availability of data.

Table 7.1 Key Tourism Metrics

KEY TOURISM METRICS FOR Cassowary Coast (A)	INTERNATIONAL	DOMESTIC OVERNIGHT	DOMESTIC DAY
Visitors ('000)	47.00	192.00	403.00
Nights ('000)	366.00	595.00	-
Average stay (nights)	8.00	3.00	-
Spend (\$m)	31.00	76.00	42.00
Average spend per trip (\$)	647.00	399.00	105.00
Average spend per night (\$)	84.00	128.00	-
Average spend (commercial accommodation) per night (\$)	90.00	165.00	-
International	Cassowary Coast LGA	Cycling FNQ Catchment	
Visitors	47,000	93,253	
Nights	366,000	1,446,653	
Spend (\$)	\$31.00	\$60.33	
Domestic	Cassowary Coast LGA	Cycling FNQ Catchment	
Visitors	192,000	-	
Nights	595,000	50,441	
Spend (\$m)	\$76.00	\$14.83	

Source: TRA, ABS (2018); Macroplan (2020)

Macroplan used the Tourism Research Australia (TRA) data for the Cassowary Coast Local Government Area for 2019 as the basis for this component of the analysis. This provided the estimate of the number of visitors who cycle.

This shows the demand for different markets – domestic and international – as the development is believed to be more attractive to the domestic market. The data details the significance of expanding the catchment to fully quantify tourism cycling demand in Far North Queensland.

Benefits

Macroplan's estimate of benefits focusses on expenditure related to tourism and accommodation. These expenditures were selected for our analysis because they are measurable, unlike a range of other, less tangible benefits. The key groups examined include domestic day trippers, overnight and International tourists. Expenditure by these groups in terms of accommodation, food and retail represent quantifiable metrics.

To estimate the quantitative benefits of the project a demand model was developed. The model calculated the expected increased expenditure that will occur because of constructing the project. The model considers the increase in tourist expenditure and demand for hotel accommodation in Cardwell. The project is expected to bring in 30,000 new domestic day visitors, domestic overnight and international visitors per annum. This was based on a review of visitation to existing successful Australian facilities such as Derby.

This demand will flow into the hotel accommodation market and into recreational experiences provided in the region. A 90% figure was applied to domestic day visitors on the spend that would be 'new' to the area due to the project. This is a benchmark based on Macroplan's experience in estimation of expenditure which is new to the region as a consequence of an investment for the Mountain Biking Trails facility.

Table 8.1 Expenditure from Domestic Day Riders

Benchmark

Local Riders	45.00%
Intrastate Visitors (within state)	25.00%
Other Visitors	30.00%
Other Visitors Outside State (Australian)	15.00%
Other Visitors Outside State (International)	15.00%
	30,000

Development	Visitors	Domestic Day Spend	New
Domestic Day	13,500	\$1,417,500.00	\$1,275,750.00
Domestic Overnight	12,000		
International Overnight	4,500		

Source: TRA, ABS (2018); Macroplan (2020)

Table 8.1 details the domestic day spend regarding the potential demand for the project. The new accounts for 90% of the total domestic day spend that will occur locally to Cardwell on an annual basis upon completion. The analysis undertaken for the tourism market draws upon the domestic and international nights in the local catchment that is shaped by the availability of data. Macroplan

used the Tourism Research Australia (TRA) data for the Tully Statistical Area 2 from 2016 to 2018 as the basis for this component of the analysis.

Through analysis of the accommodation market a measure of the impact on domestic and international tourism can be established.

Macroplan determined the number of domestic and international nights in the local catchment. Where the new development will contribute an additional 36,000 nights for each domestic and international market. This was based off the above assumption that the project will draw 30,000 visitors in the first year after construction.

Table 8.2 Expected Additional Demand by Domestic Overnights and International Nights

Domestic/International Split		Average Nights Stay	Additional Number of Nights in Tully SA2
Domestic Day	13,500		
Domestic Overnight	12,000	3	36,000
International Nights	4,500	8	36,000

Source: TRA, ABS (2018); Macroplan (2020)

Table 8.3 Domestic & International Tourism Accommodation

Tully International Overnight Trips	Tourism Metric Average Spend	3-Year Average of Nights	Expected Uplift
Luxury hotel or luxury resort (4 or 5 star)		1,733	1,733
Standard hotel/motor inn (below 4 star)		7,061	7,061
Serviced apartment		1,638	1,638
Guest house or Bed & Breakfast		886	886
Rented house/apartment/flat or unit		1,258	1,258
Additional Nights Required After Project			36,000
International Overnight Spend	\$90	12,575	48,575
International Overnight Spend		\$1,131,785.55	\$4,371,785.55
Difference			\$3,240,000.00

Tully Domestic Overnight Trips (000)	Tourism Metric Average Spend	3-Year Average of Nights	Expected Uplift
Luxury hotel or luxury resort (4 or 5 star)		14,419	14,419
Standard hotel/motor inn (below 4 star)		21,464	21,464
Serviced apartment		788	788
Guest house or Bed & Breakfast		1,521	1,521
Rented house/apartment/flat or unit		9,363	9,363
Additional Nights Required After Project			36,000
Domestic Overnight Spend	\$165	47,555	83,555
Domestic Overnight Spend		\$7,846,521.73	\$13,786,521.73
Difference			\$5,940,000.00

Source: TRA, ABS (2018); Macroplan (2020)

Table 8.4 Domestic & International Tourism Activities

Tully Domestic Overnight Activity (000)	Tourism Metric Average Spend	Latest 3-year Average	Expected Uplift
Go whale or dolphin watching		13,745	13,745
Visit farms		9,612	9,612
Visit the reef		14,453	14,453
Other outdoor activities nfd		1,094	1,094
Golf		1,094	1,094
Scuba diving		12,595	12,595
Snorkelling		32,724	32,724
Water activities / sports		26,871	26,871
Cycling		8,519	8,519
Play other sports		5,042	5,042
Additional Nights of Activities			36,000
Domestic Night Spend	\$128.00	125,749	161,749
		\$16,095,836.95	\$20,703,836.95
Difference			\$4,608,000.00

Tully International Overnight Activity (000)	Tourism Metric Average Spend	Current	Expected Uplift
Go whale or dolphin watching		19,263	19,263
Visit farms		16,037	16,037
Visit the reef		29,429	29,429
Other outdoor activities nfd		24,714	24,714
Golf		3,093	3,093
Scuba diving		20,029	20,029
Snorkelling		44,617	44,617
Water activities / sports		43,086	43,086
Cycling		8,392	8,392
Play other sports		8,779	8,779
Additional Nights of Activities			36,000
Overnight International Spend	\$84.00	217,439	253,439
		\$18,264,878.95	\$21,288,878.95
Difference			\$3,024,000.00

Source: TRA, ABS (2018); Macroplan (2020)

Macroplan has utilised Tourism Australia data to understand domestic tourists and international tourists who are likely to use the facility. This also provides an average spend from these different tourists to estimate the uplift for tourism from the facility.

Tables 8.4 and 8.5 detail the revenue benefit that comes from the uplift in demand when the project is completed. By understanding the demand and the tourist spend, Macroplan has modelled the potential benefit in terms of total improved accommodation and activity revenue mostly impacting cycling, however, will also impact other activities/experiences that are located locally.

The analysis divided the expected benefits into domestic day, domestic overnight and international tourism demand. After the two-year construction of the facility and once operational, the facility is expected to have an uplift to the local economy of \$10.5m in the Accommodation and Food/Beverage Industry and an uplift of \$7.63m in the Arts and Recreation Industry from domestic day, domestic overnight and international tourists. This totals \$18.13m per annum of economic benefit to the local economy when the project is operational.

Input-Output Model

Macroplan's estimation of benefits to the Cassowary Coast economy is derived from our input-output model. The model quantifies benefits - direct and indirect that are generated because of the facility. Assumptions regarding the potential cost of the project will be confined to a per million-dollar amount. It is considered that the project will assist in the reinvigoration of Cardwell's tourism offerings and will serve as catalyst to the broader local economy. In other locations, for example, the businesses that emerge/grow are typically café's, food and beverage, tourism services (information desks) and accommodation. This is expected to occur in Tully Statistical Area 2 which encompasses Cardwell where investment in Food and Beverage, mountain biking related businesses (servicing & sales etc) as well as, synergistic opportunity for other tourism such as fishing, and snorkelling has the potential to reinvigorate the region.

To demonstrate the benefits of this catalytic effect, the model shows the impacts generated by each \$1 million in expenditure in both the construction phase and operational phase of the project through key industries (Construction, Accommodation and Recreational Activities). These economic benefits are defined in terms of value-add and employment – full-time equivalents (FTEs). Benefits are derived for both the local Cassowary Coast area and for Queensland. It is expected the build will cost \$5.5m which will boost the local expenditure in Accommodation/Food by \$10.50m and Recreational Services by \$7.63m per annum.

Figure 7: Economic Outputs for Cassowary Coast LGA

Cassowary Coast (LGA)		Mountain Bike Trails - Cardwell		
		Construction	Operation Accomodation/F&B	Operation Recreation
OUTPUT \$'million	Direct	5.5	10.5	7.6
	Indirect	4.4	15.2	7.1
	Total	9.9	25.7	14.8
	Multiplier	1.8	2.4	1.9
JOBS Number	Direct	10.7	67.5	29.9
	Indirect	11.6	43.1	21.8
	Total	22.3	110.6	51.8
	Multiplier	2.1	1.6	1.7
INCOME \$'million	Direct	0.9	3.4	1.2
	Indirect	0.3	4.9	1.1
	Total	1.2	8.2	2.3
	Multiplier	1.3	2.4	1.9
VALUE ADDED \$'million	Direct	1.7	5.0	4.6
	Indirect	1.3	7.2	2.7
	Total	3.0	12.3	7.4
	Multiplier	1.8	2.4	1.6

Figure 8: Economic Outputs for Queensland State

Queensland (STATE)		Mountain Bike Trails - Cardwell		
		Construction	Operation Accommodation/F&B	Operation Recreation
OUTPUT \$/million	Direct	5.5	10.5	7.6
	Indirect	11.8	19.9	13.4
	Total	17.3	30.4	21.0
	Multiplier	3.1	2.9	2.8
JOBS Number	Direct	10.7	67.5	29.9
	Indirect	32.1	56.9	41.7
	Total	42.9	124.3	71.6
	Multiplier	4.0	1.8	2.4
INCOME \$/million	Direct	0.9	3.4	1.6
	Indirect	1.9	6.4	2.8
	Total	2.8	9.8	4.4
	Multiplier	3.1	2.9	2.8
VALUE ADDED \$/million	Direct	1.7	5.0	2.9
	Indirect	3.7	9.5	5.1
	Total	5.4	14.5	8.1
	Multiplier	3.1	2.9	2.8

Results

There are different measures of impact – value of output, jobs, incomes, and value added. Value of output is the gross value of production; jobs are measured as the equivalent of full-time work for one person for a year; income is the total of payments to wages and salaries and business owners; value added is the total of income plus taxes paid net of subsidies on products. Impacts have been modelled for each of the measures.

Figures 7 and 8 present the overall economic impacts of the construction expenditure and estimated revenues from the operational phase on the Cassowary Coast Local Government Area and Queensland.

Construction Phase

The total expenditure of \$5.5 m during the construction phase (two-years) of the Mountain Bike Trails will generate:

- \$9.9m increased output across the Cassowary Coast LGA, and \$17.3m across the state of Queensland;
- 5 direct Full-time equivalent (FTE's) new jobs created each year of construction (10 total) for the Cassowary Coast LGA (16 indirect jobs created for QLD during each year of construction); and
- \$0.9m direct income for the Cassowary Coast LGA (\$1.9m indirect income for QLD).

Operational Phase

During the ongoing operational phase of the Mountain Bike Trails, a boost in demand for services in both Accommodation & Food/Beverage and Arts & Recreation industries will require 97 jobs for the community, and annual revenues of \$18.13m, detailed in real terms below:

Accommodation and Food Services

- Annual revenue of \$10.5m
- Increased total output of \$25.7m a year for the Cassowary Coast LGA, representing a multiplier effect of 2.4 x (total output of \$30.4m or a 2.9x multiplier for QLD);

- 67 direct new jobs for the Cassowary Coast or a multiplier of 1.6x (57 indirect jobs or 1.8x for QLD) in each year of operation; and
- Direct income of \$3.4m for Cassowary Coast and indirect income \$6.4m for QLD.

Arts and Recreation

- Annual revenue of \$7.6m
- Increased total output of \$14.8m a year for the Cassowary Coast, representing a multiplier effect of 1.9 x (total output of \$21.0m or a 2.8x multiplier for QLD);
- 30 direct new jobs for the Cassowary Coast LGA or a multiplier of 1.7x (42 indirect or 2.4x for QLD) in each year of operation; and
- Direct income of \$1.2m for Cassowary Coast and indirect \$2.8m for QLD.

Multiplier analysis is comprehensive in assessing the economic impacts of a project or decision, as the model traces successive rounds to provide a more accurate estimation of the total value accretion of a project. Overall, higher multipliers represent higher value accretion over the entire impact life cycle of a project, and from the above analysis, development of the Mountain Bike Trails in Cassowary Coast has a unique opportunity for generating employment, output, and income for the region and more widely for Queensland.

Qualitative Benefits

Several qualitative economic, social and environment benefits will also be created as result of the construction and operation of the mountain bike facility. These however are problematic to measure and estimate owing to their unique non-monetary nature and to their scale. Nonetheless, they will contribute to the improved welfare and quality of living for both residents and for visitors to the new complex. Benefits include:

1. Supporting a sense of place (contributing to the identity and broader awareness Cardwell and a positive perception);
2. Supporting a sense of community (the local mountain biking community, local working bees, events);
3. Increased diversity in recreation and lifestyle options accessible to local youth, schools, interest groups, residents, and visitors;
4. Encouraging exercise and social activities within and adjacent the trails;
5. Increased awareness of the natural environment and its values, in particular the proposed Conservation Area and Indigenous Cultural significance;
6. Broader appreciation of the location and geography, given elevated views over Cardwell and Hinchinbrook (towns, rivers, coastline, and the rural hinterland); and
7. Protection of the environment through the passive supervision of tracks and trails, which deters crime and neglect, and encourages user activity.
8. Through the employment generation created by the construction and operation phases of the Mountain Biking facility the labour market will be strengthened and there will be potential to decrease unemployment.
9. The Mountain Bike Trails will diversify the Cassowary Coast overall tourism offer and help to build an all-year round activity.
10. Health benefits will accrue as the participants enjoy the benefits derived from exercise.
11. Due to the increase in demand opportunities to invest in upgrading existing accommodation i.e. hotels, motels, bed & breakfast, Airbnb, and potential to develop niche market such as farm stay etc. This investment may also assist in increasing visitors' length of stay at Cardwell.
12. Establishment of major Mountain Bike Trails events, including business conference / events, group / school / education related outdoor recreation, programmable spaces and event, and associated catering etc.
13. The profile of the local area will be raised as the marketing of the Mountain Bike Trails matures and the likelihood of events and activities are conducted throughout the year. This may lead to further investment and job generating opportunities for ancillary business opportunities such as a Craft Brewery and/or other food and beverage (F&B) establishments, bicycle sales and services stores/workshops. A range of additional F&B opportunities, including those tied in with Mountain Bike Trails catering events may also be created.

14. It is considered that the inclusion of a well-designed and managed Mountain Bike Trails facility will boost amenity, which will assist to promote an increased level of liveability for the local residents and visitors.

By providing a well-designed and managed Mountain Bike facility, upgraded accommodation, new F&B, and other cultural / recreational facilities, there is potential to attract more visitation, grow and diversify the level of activities, increase length of stay and generate more expenditure and more employment for Cardwell and the Cassowary Coast area.

Appendices

Economic Analysis Benchmarks

From the literature a set of benchmarks are available for informing the basis of our assumptions into the modelling of the economic benefits Cardwell Mountain Biking Trails. With the growing mountain biking market, several places across Australia have been investing and developing MTB trails networks, such as George Town, Derby, The Hill, and You Yangs.

One successful example is Derby in Tasmania with the \$3.1M investment in the Blue Derby mountain bike trails stage 1, it estimated up to 30,000 visitors and a total of \$39M economic return per annum. In absence of public and private investment, Cardwell may lose its opportunity to be a competitive player and attract its market share of the Australian MTB market. It is important to note that the George Town Bike Trail Network is in the research and development stage with construction expected to commence in April 2021. In accordance with George Town, the benchmarks provided were researched estimate. Research into each facility detailed the following:

Constructions costs

\$4.4 million for the George Town Mountain Bike Trails Development

\$3.1 million for the Blue Derby MTB Trail.

Adopted cost: informed from World Trail

Growth

Between 2015 and 2018, visitors that engaged in MTB activity is up 18% in accordance with Tourism Australia Visitation Growth range of growth 3.5% to 7% p.a

Adopted growth: 5% p.a.

Visitation

30,000 visitors p.a. in Blue Derby – This has grown to 40,000-50,000 visitors (2020)

16,000 – 26,000 projected George Town Mountain Bike Trails Development

Adopted visitation: 30,000 estimated with reference to both studies

Visitation duration

Ride only, Single day, Single night, multiday

Adopted duration if needed: 45: 30: 25 George Town Mountain Bike Trails Development and Blue Derby

Visitation source

Local riders, Intrastate Visitors, Other visitors

Adopted source: 45: 25: 30 in accordance with Blue Derby.

Expenditure

A range of expenditure across all visitors between \$94-\$131 (GTCMTB)

TRA ranges from \$92.62 for domestic day spends, \$209 domestics overnight spend, and \$78.55 average spend per night for Internationals.

Adopted expenditure: Tourism Australia estimates.

Expenditure benefits

Direct expenditure benefits of \$6.4 million p.a. in George Town Mountain Bike Trails Development

Return on Investment (ROI) of \$39 million p.a. in Blue Derby

Adopted expenditure: There are no adopted expenditure benefits. The estimated expenditure benefits are presented in the results derived from the model developed for World Trail presented later in the Demand section of this report.

Case studies and Benchmarks

The following provides an overview of a selection of contemporary articles and papers regarding MTB in Australia. Please note that that key benchmarks drawn from these and other source which are relied upon for our analysis are provided in the Appendices of this report.

Mountain Bike Australian Report Summary (MTBA 2018)

The last 12 month have been successful for Mountain Bike Australia, as the organisation works through its MTBA Strategic Plan. By doing so, MTBA has significant enhancements and progress towards the development of opportunities and outcome in all areas for the MTB community.

Membership continues to rise above expectations. Membership, affiliations, and participation numbers have increased on the previous year with financial members increasing by 13.7% to over 15,000. Whilst the sport and organisation continue to thrive in so many areas, it is still unfairly recognised by the Federal government for support and funding.

The Rise of Blue Derby (MTBA Case study 2018)

The Tasmanian Cycle Tourism Strategy aims to establish Tasmania as the cycle tourism capital of Australia and is backed by \$6 million fund. The \$3.1 million, 80km is attracting more than 30,000 visitors every year. The return on investment has been estimated at \$39 million per year. A \$2.5 million Federal Government grant enabled the project, aiming to develop a new industry to help the region recover from the collapse of the forestry industry. Further investment is planned for stage 2, a 66km network south of St Helens program has been established to encourage young people in St Helens who have limited alternative options for recreation. The North West is predicted to attract over 138,000 visitors.

St Helens Mountain Bike Trails

The St Helens Mountain Bike Trails project is a development of two world class mountain bike trail projects. The St Helens Stacked Loop feature 10 loops of varying length and difficulty, three descents, and a town link, which is a shared use trail for pedestrians and riders. The iconic Bay of Fires Trail is a 40+ kilometre adventure trail that starts at Poinmenia and finishes at Swimcart Beach. The trails connect with the existing Blue Tier Trail. Both trails will be completed by November 2019. Already, Tasmanian destinations such as Blue Derby and Maydena Bike Park have seen significant increase in visitors. St Helens is well positioned to accommodate the needs of visitors either seeking adrenaline rides or a fun activity for families. St Helens is set to be a perfect base for both the Derby and St Helens trails with accommodation, shuttles, food, drinks, massages, bike servicing, and

equipment. The goal is to work together as a community to attract mountain bikers to the town to spend their money in the community.

According to stats from East Coast Regional Tourism Organisations, the east coast of Tasmania is the six-month dependent region on tourism in Australia. Tourism contributes over \$120 million to the East Coast economy and directly employs 1,500 people, and 600 indirectly. The East Coast saw 653,000 visitors in 2018, with over half of these visitors being from the mainland or overseas. Tasmanian destinations such as Blue Derby and Maydena Bike Park have seen a significant increase in visitors. St Helens is well positioned to accommodate the needs of visitors either seeking adrenaline rides or a fun activity as part of a beachside family holiday. St Helens is set to be a base for both Derby and St Helens trails with accommodation, shuttles, food, drinks, massages, bike servicing, and equipment, within the attractive East Coast seaside town.

Forrest Mountain Bike Trails – Investment Scenarios Assessment, Otway Colac Shire Council (Macroplan 2018)

This report was prepared by MacroPlan and presented a high-level, cost-benefit analysis relating the Forrest Mountain Bike Trails project. Council sought funding to implement the Forrest Mountain Bike Trails Strategic Plan. It required evidence of costs and related economic, social, and environmental benefits associated with the project to support its funding pitch and market call process. MacroPlan was engaged by Council to test the potential economic, social, and environmental benefits under three investment scenarios Council has proposed, from minimum intervention to comprehensive redevelopment. The Forrest Mountain Bike Trails were once considered some of Australia's best, and arguably led the industry as Australia's first true mountain bike town. Lack of maintenance, capital renewal and new trail development has seen the area progressively relegated lower down the list of competitive mountain bike destinations through the past several years. Despite the current issues within the trail network, and the loss of market position, there remains a strong opportunity to re-establish Forrest as a leading mountain bike destination. Re-establishment of a competitive suite of trail products and supporting facilities, will require an acceptance of and focus on Forrest's competitive strengths and key site attributes. These strengths and attributes are;

- Potential for world-class beginner-intermedia flow trails
- The mountain bike town concept, where trails depart and return immediately from the town
- Showcasing of high-quality natural environments available throughout the target area
- Focus on a family, schools, weekend warrior and corporate markets
- Short format descents and climbs that capital on maximum available elevation

This detailed design plan provides design and implementation plans designed to create a range of improved and new trail experiences and supporting facilities, which will attract significant new visitation. The proposed development pathway leverages Forrest's key competitive strengths to create a trail based destination that will drive a significant increase in visitation, and economic impact for the town and broader region. Stage one construction was over \$2.5 million. Colac Otway in December 2020 received \$1.57 million investment into the expansion of the Forrest Mountain.

Mount Buller (Victoria)

Have investment over \$2m over a four-year period in developing predominantly all-mountain and cross-country mountain bike trails. Data for the resort as of June 2014, recorded a total rider count of 40,000-50,000 visitors over a nine-month period.

You Yangs (Victoria)

Have recorded rider numbers of approximately 150,000 per annum in 2011, though a higher true count is expected due to the various entry points used for the park.

Mountain Bike Track – Dungog Hunter Valley

The Dungog Common is 263 hectares of pristine land on the western edge of Dungog. The Common has over 22km of single track. The Common also has a purpose-built fund track and currently has 2.2km of groomed flow track, with more being developed during 2020. An amenities facility for mountain biking has been completed. Broken down into a three-tiered grading system; easy, intermediate, and difficult. Volunteer group “Ride Dungog”, along with the common’s managers, arranged for the construction of two mountain biking flow tracks. The community reserve is studded with bushland and offers views of the surrounding countryside, all the way to the distant Barrington Tops. For many years, the areas were used for recreational activities with relaxation and exercise common. Ride Dungog and the common’s managers also commissioned the design and construction of two flow tracks. As well as riding the cross-country tracks, mountain bikers can now challenge themselves on these shorter trails. It is understood that local businesses are contributing their own funds towards the tracks as their businesses in some cases have seen an increase in revenue of 200% since the track's establishment. The Mayor of Dungog, has noted that all the commercial spaces have been taken up in the main street “with only one left to rent.”

Map 1.1: DungogCommon Track



Source: DungogCommon (2019); Macroplan (2020)

Socio-demographic Tables and Graphs

Chart 1.2: Population Characteristics

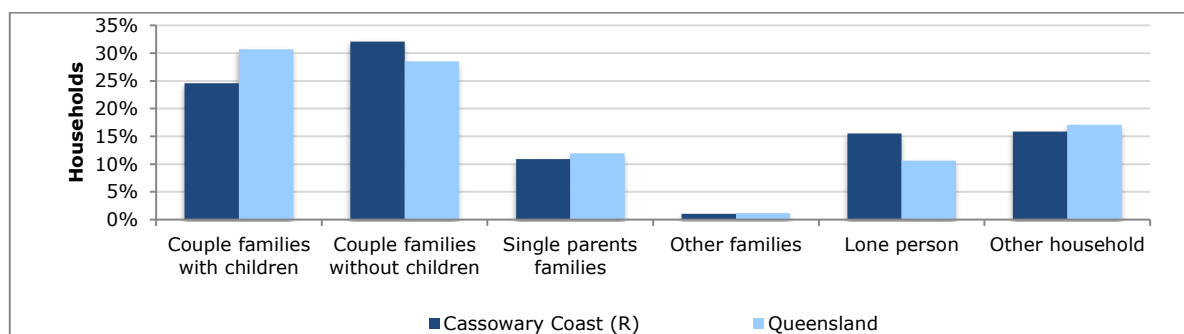


Table 1.3: Population Characteristics

Census item	Cassowary Coast (R)	Queensland
Household (no.)	10,764	1,688,123
Average household size	2.4	2.6
- Family households	7,385	1,221,148
Couple families with children	2,646	518,494
Couple families without children	3,450	481,451
Single parents families	1,176	201,308
Other families	114	19,898
- Non-family households	3,379	466,975
Lone person	1,670	179,046
Other household	1,709	287,929

Graph 1.4: Age Distribution

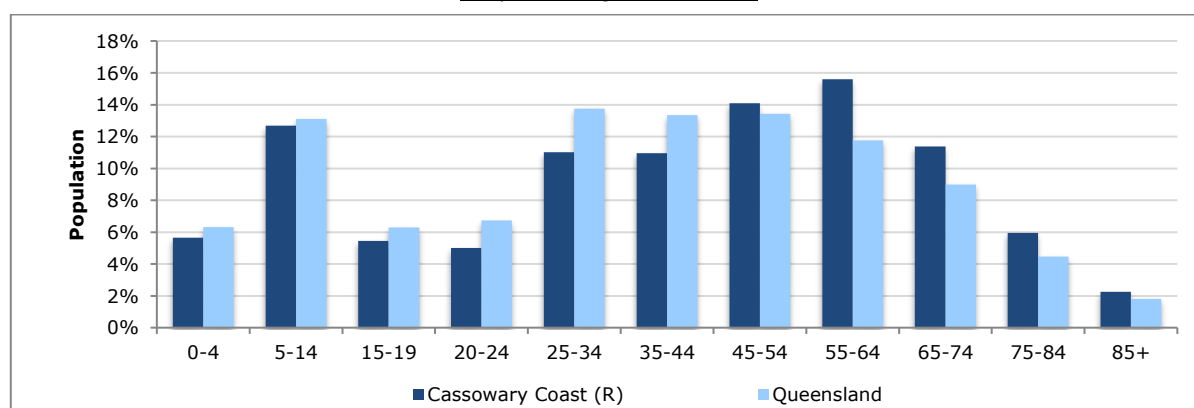


Table 1.5: Age Distribution

Census item	Cassowary Coast (R)	Queensland
Population	28,726	4,703,193
• Children 0-14	5,266	912,702
• Working age 15-64	17,842	3,072,556
• Seniors 65 and over	5,625	717,947

• Indigenous population	2,799	186,482
• Non-Indigenous population	25,927	4,516,711

Graph 1.6: Dwelling Structure

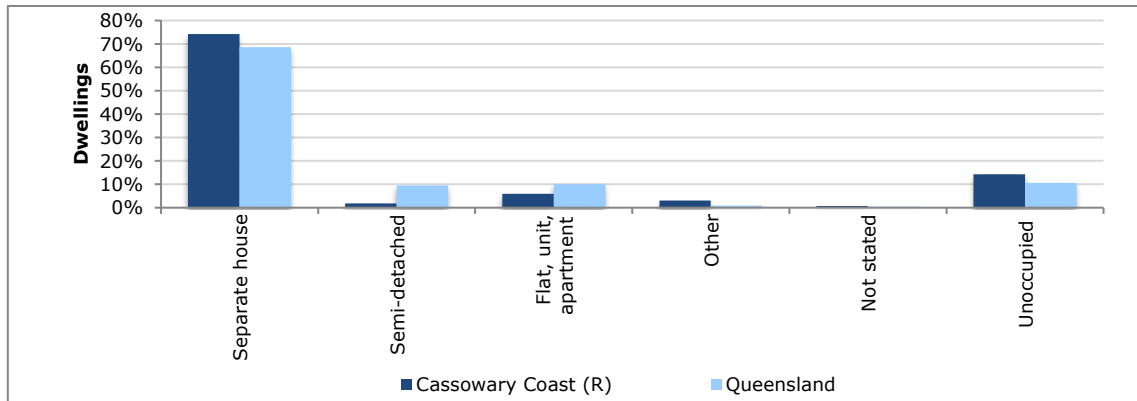
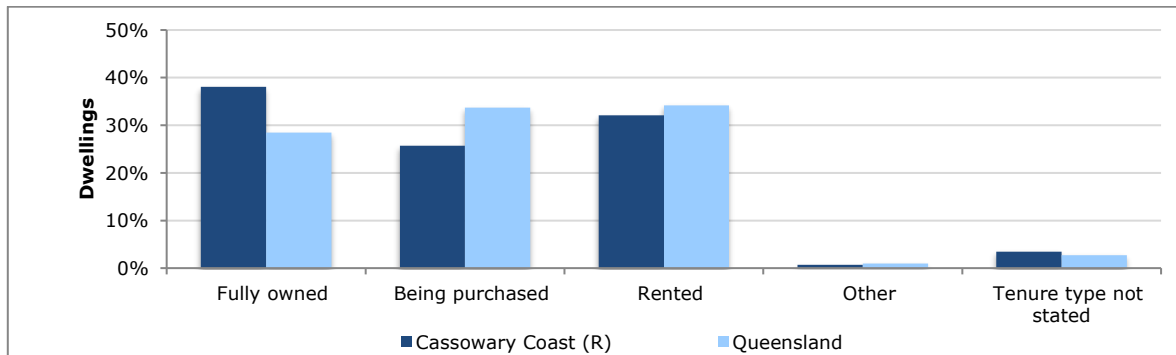


Table 1.7: Dwelling Structure

Census item	Cassowary Coast (R)	Queensland
Dwelling structure	12,397	1,852,402
Separate house	9,198	1,269,653
Semi-detached	226	174,984
Flat, unit, apartment	742	186,778
Other	377	16,815
Not stated	87	8,602
Unoccupied	1,767	195,570

Graph 1.8: Tenure Type

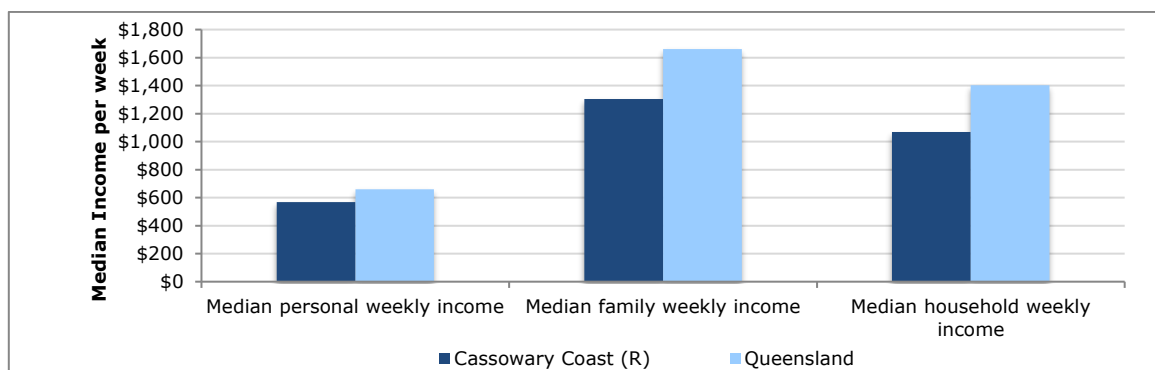


Graph 1.9: Tenure Type

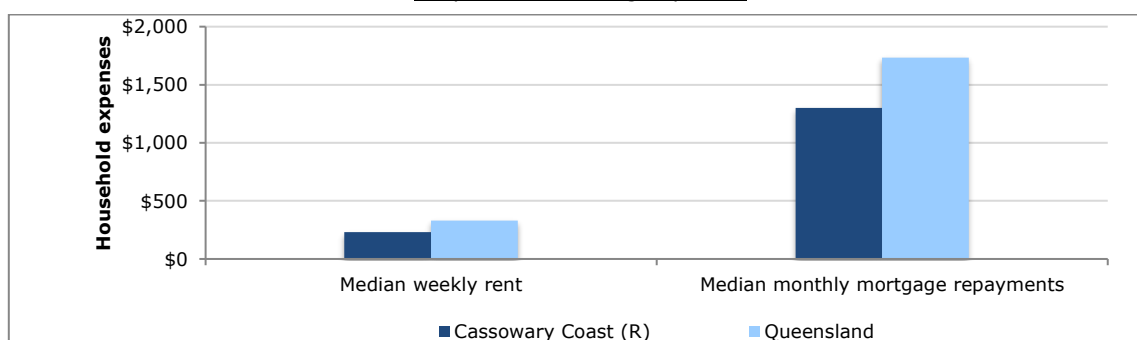
Census item	Cassowary Coast (R)	Queensland
Tenure Type	10,620	1,656,834
<u>Fully owned</u>	<u>4,046</u>	<u>471,407</u>
<u>Being purchased</u>	<u>2,727</u>	<u>558,439</u>
<u>Rented</u>	<u>3,407</u>	<u>566,478</u>
Real estate agent	1,567	352,216
State or territory housing authority	271	52,858
Person not in same household(c)	1,064	114,992

Housing co-operative/community/church group	101	8,675
Other landlord type(d)	294	28,143
Landlord type not stated	114	9,597
Other	76	15,566
Tenure type not stated	364	44,944

Graph 1.10: Income



Graph 1.11: Housing Expenses



Tourism Catchment trade area - socio-demographic profile, 2016

Census item	Tourism Catchment	Non-metro Qld avg.	Aust. avg.
Per capita income	\$34,001	\$33,141	\$39,800
<i>Var. from Non-metro Qld bm:</i>	2.6%		
Avg. household income	\$84,027	\$80,653	\$101,610
<i>Var. from Non-metro Qld bm:</i>	4.2%		
Avg. household size	2.5	2.4	2.6
<u>Age distribution (% of population)</u>			
Aged 0-14	19.9%	20.0%	18.7%
Aged 15-19	6.5%	6.0%	6.1%
Aged 20-29	13.2%	11.3%	13.8%
Aged 30-39	12.9%	11.8%	14.0%
Aged 40-49	13.9%	13.0%	13.5%
Aged 50-59	13.5%	14.0%	12.7%
Aged 60+	20.1%	23.9%	21.1%
Average age	37.9	39.6	38.6
<u>Housing status (% of households)</u>			
Owner (total)	<u>61.6%</u>	<u>65.0%</u>	<u>67.4%</u>
• Owner (outright)	28.4%	34.6%	31.9%
• Owner (with mortgage)	33.2%	30.4%	35.5%
Renter	37.7%	34.2%	31.8%
<u>Birthplace (% of population)</u>			
Australian born	82.7%	88.0%	71.9%
Overseas born	<u>17.3%</u>	<u>12.0%</u>	<u>28.1%</u>
• Asia	4.5%	2.5%	11.2%
• Europe	6.8%	5.1%	9.6%
• Other	6.0%	4.4%	7.4%
<u>Family type (% of population)</u>			
Couple with dep't child.	41.4%	40.1%	44.8%
Couple with non-dep't child.	6.2%	6.5%	7.7%
Couple without child.	24.7%	26.5%	22.8%
One parent with dep't child.	11.8%	10.3%	8.8%
One parent w non-dep't child	3.6%	3.3%	3.7%
Lone person	11.3%	12.4%	11.0%
<u>Car ownership</u>			
% 0 Cars	6.4%	5.6%	7.7%
% 1 Car	37.7%	35.6%	36.1%
% 2 Cars	37.7%	39.0%	37.5%
% 3 Cars	12.2%	13.1%	12.2%
% 4 plus Cars	6.1%	6.7%	6.5%

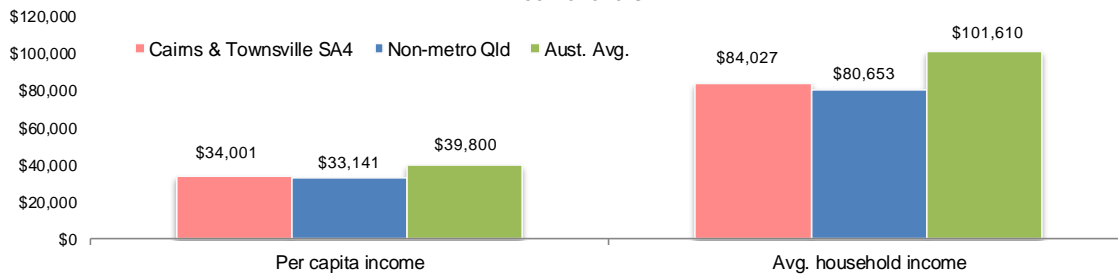
Source: ABS Census of Population & Housing, 2016; Macroplan

Tourism Catchment trade area - socio-demographic profile, 2016

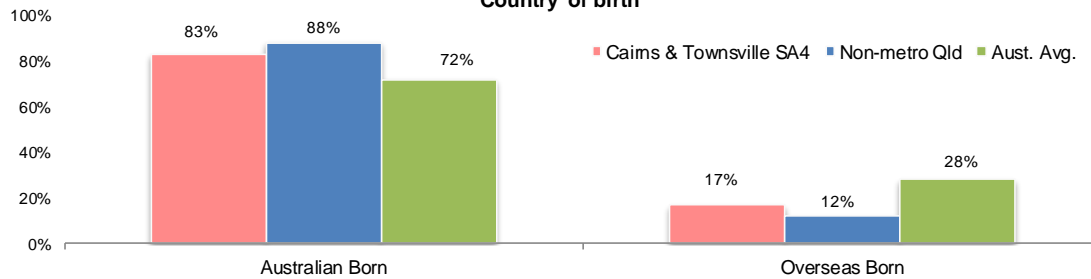
Age distribution



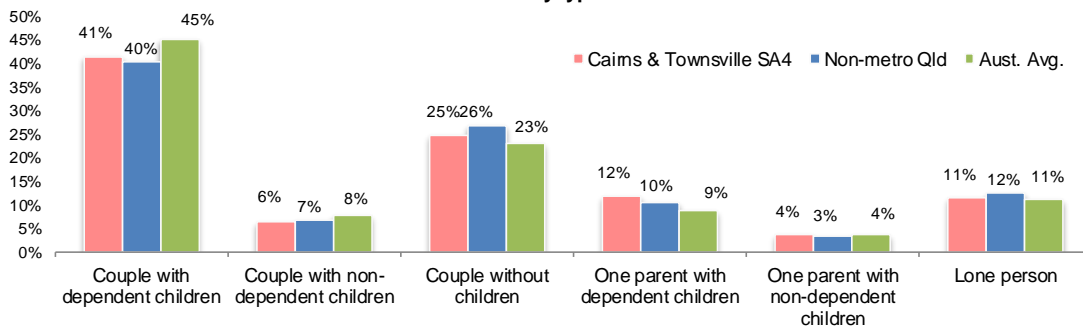
Income levels



Country of birth



Family type



Source: ABS Census of Population & Housing, 2016; Macroplan

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