



Legislative Council Environment and Planning Committee

Hearing date: 6/05/2026

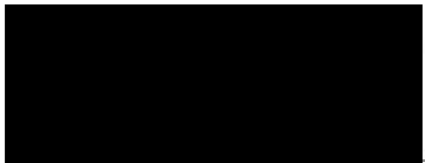
Questions taken on notice

- 1. Mark FLORENCE:** We have made a submission to Regional Development Victoria, on their request, and we have mapped out a staged approach for the resurrection of the trail. I think if you went from right at the very start to right at the very end, it is something like \$30 million, but we have staged it so that there are key parts that could be done. I would recommend that the committee has access to that.

Melina BATH: Could you provide that?

Mark FLORENCE: Sure.

The submission has been provided by return email to the Secretariat.



Mark Florence

Director Community and Planning

HIGH COUNTRY RAIL TRAIL: REIMAGINE. DIFFERENTIATE. REBUILD. BUSINESS CASE

TOWONG SHIRE COUNCIL | FEBRUARY 2026

The *High Country Rail Trail: Reimagine. Differentiate. Rebuild.*
Business Case Report was prepared by Urban Enterprise in
collaboration with Towong Shire Council.

VERSION

1

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Urban Enterprise is located on Wurundjeri Woi Wurrung Country. We pay our respects to elders past, present and emerging and also acknowledge all Traditional Owners of Country on which we work.



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CONTENTS

| | |
|--|-----------|
| EXECUTIVE SUMMARY | 1 |
| 1. BACKGROUND TO THE BUSINESS CASE | 4 |
| 1.1. PROJECT BACKGROUND | 4 |
| 1.2. PURPOSE OF THE BUSINESS CASE | 4 |
| 1.3. ABOUT THE HIGH COUNTRY RAIL TRAIL | 5 |
| 1.4. INVESTMENT LOGIC MAPPING | 6 |
| 2. PROBLEM DEFINITION AND RESPONSE | 7 |
| 2.1. ECONOMIC DRIVERS | 7 |
| 2.2. PROBLEM DEFINITION | 9 |
| 2.3. PROJECT BENEFITS | 10 |
| 2.4. ALIGNMENT OF BENEFITS TO STRATEGIC POLICY | 13 |
| 3. PROJECT CONCEPT DETAIL | 15 |
| 3.1. PRELIMINARY CONCEPT AND COSTINGS | 15 |
| 4. ECONOMIC BENEFITS | 16 |
| 4.1. ESTIMATED HIGH COUNTRY USERS | 16 |
| 4.2. COST BENEFIT ANALYSIS | 17 |
| 4.3. ECONOMIC IMPACT ASSESSMENT | 18 |

FIGURES

| | |
|--|----|
| F1. HIGH COUNTRY RAIL TRAIL: REIMAGINE. DIFFERENTIATE. REBUILD. PROJECT INVESTMENT LOGIC MAP | 6 |
| F2. HIGH COUNTRY RAIL TRAIL: REIMAGINE. DIFFERENTIATE. REBUILD. PROJECT ELEMENTS AND COSTS | 15 |

TABLES

| | |
|---|----|
| T1. ESTIMATED HCRT USERS – 2027 TO 2037 | 16 |
| T2. FORECAST HCRT EXTENDED TRAIL USER EXPENDITURE | 16 |
| T3. COST BENEFIT SUMMARY - TOWONG DEVELOPMENT ONLY | 17 |
| T4. COST BENEFIT SUMMARY - TOWONG DEVELOPMENT AND LINK TO THE YACKANDANDAH RAIL TRAIL | 17 |
| T5. CONSTRUCTION PHASE IMPACT | 18 |
| T6. CONSTRUCTION PHASE IMPACT | 18 |
| T7. ONGOING ECONOMIC IMPACTS | 19 |
| T8. ONGOING ECONOMIC IMPACTS | 19 |

ACRONYMS

| | | | |
|------|---------------------------------|------|----------------------------|
| AAGR | Annual Average Growth Rates | NVS | National Visitor Survey |
| ABS | Australian Bureau of Statistics | P.A. | Per Annum |
| BCR | Benefit Cost Ratio | ROI | Return on Investment |
| GMW | Goulburn Murray Water | SA2 | Statistical Area Level 2 |
| HCRT | High Country Rail Trail | SQM | Square Metre |
| IVS | International Visitor Survey | TRA | Tourism Research Australia |
| LGA | Local Government Area | YE | Year Ending |
| M2M | Murray to Mountains | | |
| NPV | Net Present Value | | |

GLOSSARY OF TERMS

| | |
|--------------------------|--|
| Direct Impacts | Direct output or value of development or construction activity. |
| Employment | Employment data represents the number of people employed by businesses/organisations in each of the industry sectors in a defined region. Employment data presented in this report is destination of work data. No inference is made as to where people in a defined region reside. |
| Indirect Impacts | <p><u>Supply-Chain effects</u> – The increased output generated by servicing industry sectors in response to the direct change in output and demand.</p> <p><u>Consumption effects</u> – As output increases, so too does employment and wages and salaries paid to local employees. Part of this additional income to households is used for consumption in the local economy which leads to further increases in demand and output region.</p> |
| Input-Output Model | This method is based on the interdependencies and relationship between industry sectors and is widely used across the public and private sector to estimate the direct and flow on economic impacts of a project or activity to an economy (using industry multipliers). |
| Output | Represents the gross revenue generated by businesses/ organisations in each of the industry sectors in a defined region. Gross revenue is also referred to as total sales or total income. |
| Statistical Area Level 2 | SA2s are medium-sized, general-purpose, geographical areas. Their purpose is to represent a community that interacts together socially and economically. Data from TRA and the ABS are available at an SA2 level, noting that the SA2 is the smallest area for the release of data. |

EXECUTIVE SUMMARY

PROJECT BACKGROUND

This Business Case report assesses the strategic benefits and the economic, financial, and social impacts of the High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project. The analysis evaluates two scenarios:

1. The development in Towong Shire only, and
2. The full project consisting of the development within Towong Shire, plus connection to the Yackandandah Rail Trail; by extension, integration with the Murray to Mountains Rail Trail network.

About the Project

The *High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project* will deliver comprehensive civil reconstruction works to restore sections of the High Country Rail Trail severely damaged by the 2026 Towong Shire bushfires and subsequent flooding resulting from vegetation loss. The project will include trail reconstruction, the construction of multiple new bridges, sealing of the trail surface, and the delivery of multiple innovative, site specific art installations that elevate the trail beyond functional infrastructure.

These art installations will be integrated along the corridor and at key nodes, celebrating the trail's rich rail and landscape heritage while commemorating the iconic trestle bridges and natural assets lost during the bushfire. Together, the infrastructure upgrades and curated artistic elements will establish the trail as a distinctive, immersive and world class experience, comparable with leading international rail trails where culture, storytelling, and contemporary design are integral to the visitor journey.

The restoration will be completed to a world class standard, incorporating high quality materials, universally accessible design, contemporary trailheads, enhanced safety features, and cohesive road wayfinding and interpretive signage. The combination of resilient infrastructure and innovative public art will significantly enhance visitor engagement, length of stay, and repeat visitation.

This project represents the culmination of a long term vision pursued by Towong Shire Council for more than a decade. Delivery of this vision will include extending the trail along the existing rail corridor to Cudgewa, with a further extension connecting through to Corryong, significantly expanding the trail's reach and economic impact. A signature light projection artwork at the Koetong Trailhead will acknowledge the substantial losses experienced in this locality and serve as a landmark attraction designed to draw visitors and stimulate overnight stays.

To support timely delivery and responsible development, Native Vegetation Assessments and a Cultural Heritage Management Plan have already been completed for the proposed extensions.

Once complete, the High Country Rail Trail (HCRT) will be firmly positioned as an iconic, world class destination, capable of attracting domestic and international visitors. The project includes a preferred option to include connecting the Trail to the Yackandandah Rail Trail, providing a seamless link to Victoria's premier cycling hub of Bright, and forming part of a broader, high quality regional trail network. This connectivity, combined with standout art, heritage storytelling, and resilient infrastructure, will deliver enduring economic, social and cultural benefits at a local, regional, state and international level.

Impact of HCRT Loss

Approximately 30 kilometres of the High Country Rail Trail between Bullioh and Shelley has been destroyed in the January 2026 Towong Shire bushfires, including 13 trestle bridges that once defined the character and appeal of this section. The fires, followed by erosion and flooding, caused extensive damage to trail surfaces, signage, trailheads, fencing and raised structures, leaving large areas unsafe, inaccessible and non-compliant with contemporary standards. The loss of these heritage assets has not only disrupted the continuity and safety of the trail but has fundamentally altered its identity and significantly diminished its capacity to operate as a viable tourism and community asset.

The impact of this disaster extends beyond the trail itself, affecting visitor numbers, regional recreation opportunities and the wellbeing of communities, particularly Tallangatta residents who relied on this section for both recreation and economic activity. The loss of this segment, which supported approximately 20,000 visitors in 2024, is estimated to result in a loss of \$1.2 million in visitor expenditure and a broader economic impact of \$2.7 million in regional output, along with the loss of 14 jobs. Restoring this section is therefore critical to Towong Shire's recovery, supporting local businesses, protecting township vitality and re-establishing the trail as a key driver of community and economic resilience.

PROJECT DRIVERS

- Reimagine loss as legacy through innovative artistic interventions that commemorate the trestle bridges destroyed in the January 2026 bushfires and create a distinctive, world-class trail experience.
- Accelerate economic recovery and confidence following the devastating January 2026 bushfires by stimulating public and private investment across the region.
- The pre-bushfires HCRT's visitor experience fell short when compared to other major rail trails in the region.
- Build on the proven success of rail trails in Victoria, which have demonstrated strong returns as sustainable, adaptive reuses of industrial and transport heritage assets.
- Address the competitive gap between the High Country Rail Trail and other major rail trails in North East Victoria, where visitor experience, infrastructure quality, and amenity currently outperform the HCRT.
- Close a critical missing link in the North East Victoria cycling and trail network by completing and extending the HCRT.
- Leverage the rapidly growing cycling tourism market and the established strength of the Ride High Country brand to attract new and repeat visitors.
- Expand participation in the family and recreational cycling market, increasing accessibility, inclusivity, and year-round use.
- Respond to a shortage of community and recreation infrastructure in Towong Shire, supporting improved liveability, health, and wellbeing outcomes.
- Strengthen connections between towns and settlements to better disperse tourism activity and economic benefit across the region.
- Unlock the full tourism and investment potential of the HCRT as a signature regional asset.
- Improve signage, wayfinding, and trail branding, removing barriers to use and increasing safety, legibility, and visitor confidence.
- Mitigate safety and asset-damage risks posed by inadequate trail access points, road crossings, gates, and bridges.
- Provide essential supporting infrastructure and amenities to increase visitor length of stay, spend, and overall economic yield.
- Create a nationally iconic trail network by proceeding with the option to link to the Murray to Mountains (M2M) Rail Trail, delivering one of the longest and most compelling rail trail experiences in Australia.

CONCEPT

Reimagining the High Country Rail Trail:

Fundamentally rethink the High Country Rail Trail as a contemporary, resilient, and distinctive community and tourism asset in response to the impacts of the 2026 bushfires - moving beyond reinstatement to create a trail that is stronger, more compelling, and future-focused.

Resilient reconstruction following bushfire loss:

Rebuild damaged trail infrastructure to a substantially enhanced standard, addressing bushfire and flood impacts through climate-resilient design, improved alignment, and durable construction in vulnerable and low-lying locations.

Differentiation through design and experience:

Integrate multiple innovative, site-specific art and interpretation elements that replace lost heritage infrastructure, embed storytelling, and differentiate the trail as an iconic, immersive experience rather than a purely another functional corridor.

Trail transformation and surface renewal: Deliver a high-quality sealed or premium gravel trail surface along the full corridor, enabling universal accessibility, family participation, and reliable year-round use.

Bridge reconstruction for continuity and impact:

Construct and reconstruct multiple bridges along the corridor to restore trail continuity, enhance safety, and contribute to the character and visual identity of the trail.

Re-designed access, trailheads, and nodes: Rebuild trailheads, access points, and rest locations as welcoming, high-quality gateways, incorporating consistent branding, clear wayfinding, shelter, seating, water refill points, and cyclist service infrastructure.

Network reconnection and expansion: Extend and reconnect the trail to Corryong and integrate it within the wider North East trail network, positioning the HCRT as a critical spine within a nationally significant cycling system.

Economic and community-led recovery: Deliver a catalyst project that supports post-bushfire recovery by driving visitation, dispersing economic benefit, strengthening community pride, and improving liveability and health outcomes across Towong Shire.

PROJECT COSTS

The preliminary total project cost including trail surfacing, crossings, signage and amenity works for *The High Country Rail Trail: Reimagine. Differentiate. Rebuild*. Project is estimated at \$29,986,679.

Should the project also include the Yackandandah to Huon Rail Trail link, linking the High Country Rail Trail to the Murray to Mountains Rail Trail (and hence Bright), the cost is estimated at \$40 million.

PROJECT BENEFITS

LOCAL COMMUNITY BENEFITS

- Catalyst for bushfire recovery and renewal - restoring confidence, pride and optimism in communities impacted by the 2026 summer bushfires.
- Improved liveability, health and wellbeing - providing safe, accessible opportunities for walking, cycling and outdoor recreation for residents of all ages and abilities.
- Local jobs and skills development - generated through construction, maintenance, arts delivery, tourism services and ongoing trail operations.
- Increased patronage of local businesses - including accommodation, hospitality, retail and service providers, driven by higher visitation and longer stays.
- Stronger community connection - linking towns and settlements via a shared, high-quality public asset that encourages social interaction and place-based identity.

REGIONAL BENEFITS

- Significant growth in cycle and nature-based tourism - capturing a share of the rapidly expanding domestic and international cycling market.
- Improved visitor dispersal - spreading economic benefit beyond key centres into smaller townships and rural settlements across Towong Shire and the wider region.
- Completion of a critical missing link - in the North East cycling network, strengthening regional connectivity and enabling multi-day touring experiences.
- Diversification of the regional economy - reducing reliance on seasonal or single-sector tourism and increasing resilience to future shocks and disasters.
- Preservation and productive reuse of heritage assets - reinterpreted through contemporary design, art and storytelling to create distinctive regional character.

STATE BENEFITS

- Strengthened visitor economy outcomes - supporting Victoria's reputation as a leader in cycling, walking and nature-based tourism.
- Creation of a nationally iconic trail network - linking the High Country Rail Trail with the Murray to Mountains Rail Trail and Victoria's premier cycling hub at Bright.
- High return on public investment - with rail trails proven to deliver strong economic, social and health outcomes relative to capital cost.

- Alignment with State priorities - in disaster recovery, regional development, active transport, preventative health and cultural infrastructure.
- Enhanced accessibility to regional Victoria - encouraging low-carbon travel and dispersal of visitation beyond metropolitan areas.

NATIONAL AND INTERNATIONAL BENEFITS

- Positioning Australia as a world-class rail trail destination - capable of competing with leading international trail experiences through scale, quality and innovation.
- Attraction of international visitors and events - leveraging the trail's length, connectivity, art integration and landscape setting.
- Contribution to national health outcomes - supporting active lifestyles and reducing long-term health system pressures.
- Demonstration of best-practice post-disaster rebuilding - showcasing how infrastructure can be reimagined to deliver stronger economic, social and cultural outcomes.
- Support for sustainable tourism and climate resilience - reinforcing Australia's commitment to low-impact, high-value visitor experiences.

ECONOMIC IMPACT

CONSTRUCTION PHASE IMPACTS

| | Output | Jobs |
|---|---------|------|
| <i>HCRT: Reimagine. Differentiate. Rebuild.</i> Towong development only | \$67.3M | 155 |
| <i>HCRT: Reimagine. Differentiate. Rebuild.</i> Towong development and link to the Yackandandah Rail Trail. | \$90M | 208 |

ONGOING IMPACTS YEAR 1

| | Total Trail Visitors | Jobs | Output |
|--|----------------------|------|----------|
| <i>HCRT: Reimagine. Differentiate. Rebuild.</i> Towong development only | 85,895 | 82 | \$17.2 M |
| <i>HCRT: Reimagine. Differentiate. Rebuild.</i> Towong development and link to the Yackandandah Rail Trail | 99,395 | 118 | \$24.9 M |

1. BACKGROUND TO THE BUSINESS CASE

1.1. PROJECT BACKGROUND

Towong Shire has experienced repeated and compounding impacts from major bushfire events, placing extraordinary strain on local communities, the environment, and the regional economy. The Shire was severely impacted by the 2019–20 Black Summer Bushfires, which caused widespread environmental damage, loss of tourism confidence, and long-term disruption to community wellbeing and economic activity. Before full recovery could be realised, the region was again significantly affected by the 2026 Towong Shire Bushfires, compounding existing vulnerabilities and further damaging critical community and tourism infrastructure.

Among the most significant infrastructure losses in the most recent bushfires, was extensive damage to the HCRT. Approximately 30 kilometres of trail were destroyed or severely compromised as a result of fire and subsequent flood and erosion events caused by the loss of ground cover. Of particular significance was the loss of 13 historic trestle bridges, which were central to the trail's character, heritage value, and identity. These structures represented both the region's railway history and a major drawcard for visitors, and their destruction marked a profound cultural and economic loss for the community.

The impact of the bushfires was particularly devastating given the long-standing importance of the HCRT to Towong Shire. Even prior to the fires, the upgrade, completion, and extension of the trail was identified by the community as Towong Shire's highest priority tourism and economic development project. The rail trail has long been viewed as a cornerstone of regional prosperity, community wellbeing, and a catalyst for investment and visitation.

Over the past two decades, Towong Shire Council, in close partnership with neighbouring Councils, local community organisations, volunteers, and stakeholders, has worked progressively to deliver approximately 80 kilometres of completed rail trail along the former railway corridor. This sustained effort reflects strong community ownership and advocacy for the project, with the HCRT widely recognised as a shared regional asset built through collaboration, persistence, and local commitment.

Prior to the 2026 bushfires, Council was actively advancing plans to upgrade the quality, safety and amenity of the existing trail, while also progressing long-term works to extend the trail and complete critical missing links. Community consultation, stakeholder engagement and technical planning were well underway, reinforcing that the trail's future was not simply about maintenance, but about realising its

full potential as a connected, high-quality, region-defining asset.

Most recently, Council completed a Cultural Heritage Management Plan and Native Vegetation Assessment to support the planned extension of the rail trail to Corryong, demonstrating both project readiness and a commitment to responsible, well-planned delivery. These works reflected Council's proactive approach and long-term vision for the trail, positioning it for expansion prior to the disruption caused by the bushfires.

The 2026 bushfire event, while devastating, has also created a critical point of inflection. Rather than simply reinstating what was lost, the community and Council now have an opportunity to reimagine, rebuild and differentiate the High Country Rail Trail - transforming it into a more resilient, distinctive and world-class asset that reflects both the region's heritage and its future aspirations. The *High Country Rail Trail: Reimagine. Differentiate. Rebuild*. Project responds directly to this moment, honouring the trail's history while delivering a stronger foundation for long-term recovery, growth and prosperity across Towong Shire.

1.2. PURPOSE OF THE BUSINESS CASE

The purpose of this Business Case is to provide a clear, evidence-based framework to inform decision-making on the *High Country Rail Trail: Reimagine. Differentiate. Rebuild*. Project.

Specifically, the Business Case seeks to identify the existing visitor experience, safety, connectivity and infrastructure challenges currently limiting the performance and potential of the HCRT, and to articulate the strategic responses required to address these challenges.

It will define and evaluate a range of potential interventions, including their scope, components, and alignment with community, economic, tourism and recovery objectives, and assess the economic, social, environmental and cultural benefits that can be realised if the identified problems are effectively addressed.

The Business Case will recommend a preferred solution, supported by an assessment of environmental and social impacts and a robust economic analysis, including consideration of capital costs, value-for-money, and long-term economic return.

Ultimately, this Business Case is intended to enable Towong Shire Council and funding partners to make an informed decision on the cost-benefit, strategic merit, and investment value of delivering the *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project as a transformational piece of infrastructure that supports recovery, resilience and long-term regional prosperity.

However, the 2026 bushfires resulted in extensive damage to large sections of the existing trail and the destruction of key heritage infrastructure, fundamentally altering the condition and future trajectory of the project.

1.3. ABOUT THE HIGH COUNTRY RAIL TRAIL

The High Country Rail Trail was originally proposed in 2000 as a shared-use trail following the alignment of the former Wodonga to Cudgewa railway line, which had been closed to rail services. The trail was planned as a two-stage project: the first segment extending from Wodonga to Shelley, and the second from Shelley to Corryong.

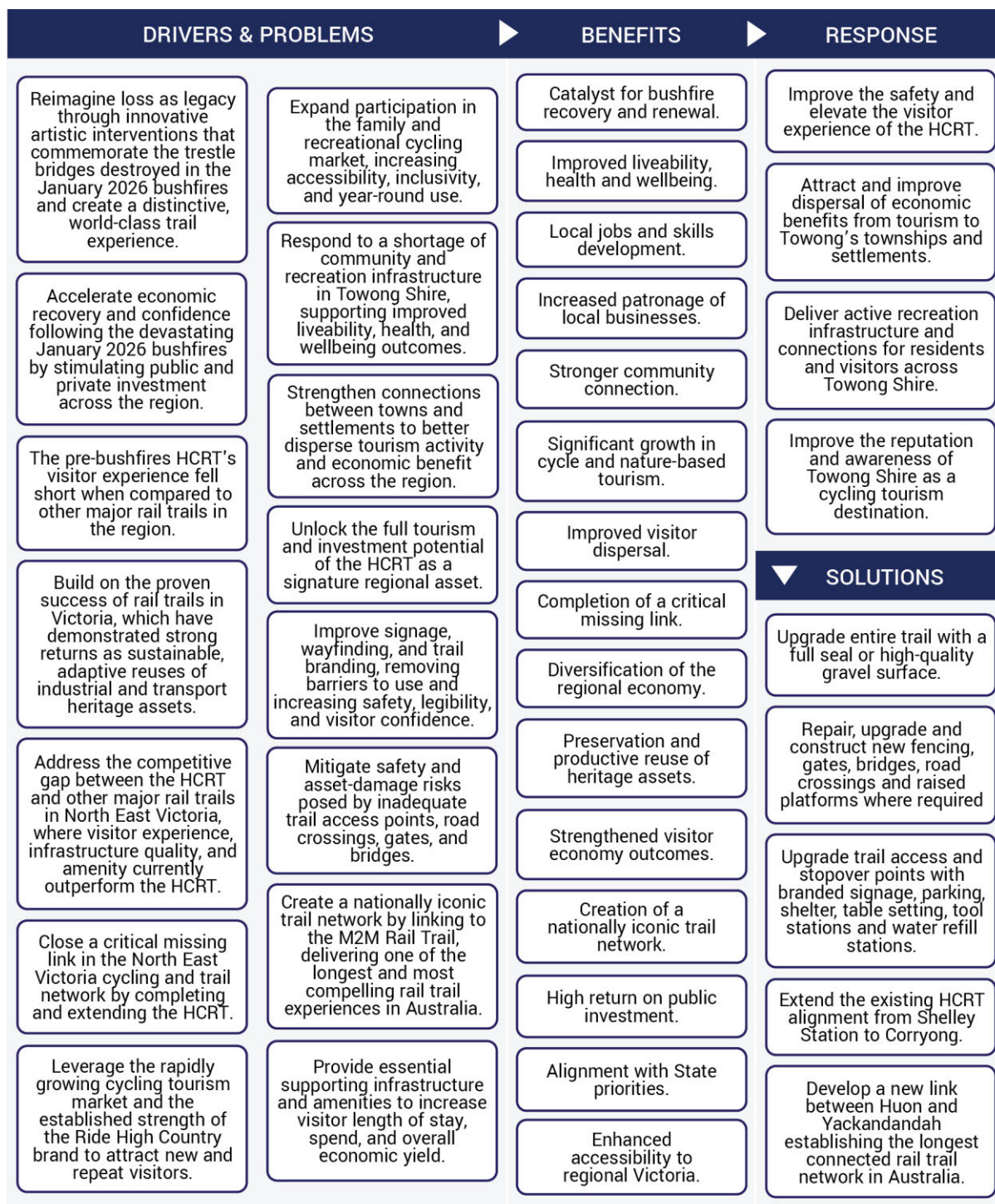
Prior to the 2026 Towong Shire bushfires, the majority of the first segment - from Wodonga to Shelley, approximately 80 kilometres in length - had been constructed and was in operation. This section of the trail was managed by a Committee of Management comprising Parklands Albury Wodonga and local community groups, reflecting strong community involvement and stewardship.

The delivery of the remaining 53.5-kilometre Shelley to Corryong section was intended to complete the 128-kilometre Wodonga to Corryong High Country Rail Trail, establishing one of Victoria's longest continuous rail trails and a significant regional tourism asset.

1.4. INVESTMENT LOGIC MAPPING

The overall rationale for the *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project is summarised in the Investment Logic Map (ILM) provided below. The project drivers, benefits, problems and solutions outlined in the ILM are described in more detail in subsequent sections of this report.

F1. HIGH COUNTRY RAIL TRAIL: REIMAGINE. DIFFERENTIATE. REBUILD. PROJECT INVESTMENT LOGIC MAP



2. PROBLEM DEFINITION AND RESPONSE

2.1. ECONOMIC DRIVERS

Proven economic returns from rail trail investment

Rail trail projects across Victoria have demonstrated consistent success as an adaptive reuse of industrial heritage assets, transforming disused railway corridors into high-value recreational and tourism infrastructure. In recent years, these projects have delivered substantial tourism investment, employment opportunities, and social and health benefits, particularly in communities experiencing long-term disinvestment or economic shock.

The *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project represents a significant opportunity to replicate and build upon this proven model by transforming abandoned rail infrastructure and underutilised nature reserves in Towong Shire into high-quality open space and recreation assets that serve both residents and visitors.

Responding to a competitive and maturing rail trail market

The visitor experience previously offered by the High Country Rail Trail has fallen short when compared with other major rail trails in the region. Over the past decade, significant public investment has been made across North East Victoria and neighbouring southern New South Wales, delivering rail trail infrastructure to a high standard with strong appeal to domestic and international markets.

Major trails in close proximity to the HCRT - including the Murray to Mountains Rail Trail, the Great Victorian Rail Trail (GVRT), and the recently completed Rosewood Rail Trail in Tumbarumba - are all held in high regard by visitors and have helped set elevated expectations around trail quality, amenity, safety, signage and experience.

To remain competitive and grow visitation, the HCRT must be reimagined and differentiated, delivering a contemporary, high-quality experience that meets or exceeds these expectations and positions the trail as a destination in its own right.

Closing a critical gap in the North East cycling network

The incomplete High Country Rail Trail remains a key missing link in the broader North East Victoria cycling trail network, limiting connectivity, visitor dispersal and economic yield.

Victoria's High Country is widely recognised as Australia's premier cycling destination, supported by iconic landscapes, established cycling infrastructure and a strong visitor brand. The region is anchored by two major rail trails; the Murray to Mountains Rail Trail (116 km) and the Great Victorian Rail Trail (134 km), both of which have been highly successful in encouraging multi-day travel through towns and rural landscapes.

Completion and extension of the High Country Rail Trail will fill a critical network gap, connecting visitors through Towong Shire and creating a more robust, continuous trail system. This enhanced connectivity will further consolidate North East Victoria's reputation as Australia's leading cycling region and significantly increase the economic footprint of cycling tourism.

Leveraging a rapidly growing cycling market and established brand

Cycling tourism is one of the fastest-growing segments of the visitor economy. The Victorian High Country currently attracts more than 160,000 cycling visitors annually, generating an estimated \$131 million in visitor expenditure, with demand forecast to grow at 5.5% per annum, compared to 1.2% growth in overall visitation¹.

The project presents a strong opportunity to capture a greater share of this growth by continuing to invest in high-quality trail infrastructure and maintenance. It will also leverage the Ride High Country brand, the established marketing platform of Tourism North East, which actively promotes cycling experiences across the region to domestic and international markets.

¹ High Country Rail Trail Masterplan - Shelley to Corryong, Terrain Trails for Towong Shire Council, January 2022.

Growing the family and recreational cycling market

The family cycling market represents a key growth segment for the region. Recent cycle tourism research undertaken by Tourism North East identified that 45% of rail trail users prefer family-friendly 10-20 km trails, ideally in loop formats.

The proposed rail trail extensions and network connections will deliver shorter loop opportunities that align strongly with this demand, encouraging increased participation from families, first-time riders and local users. This broader user base will support higher visitation frequency, greater local use, and more consistent economic activity throughout the year.

Catalyst for bushfire recovery and economic resilience

Towong Shire and the wider North East Victoria region have experienced repeated and compounding shocks, including the 2019-20 Black Summer Bushfires, the COVID-19 pandemic, floods in 2022-23, and most recently the January 2026 bushfires. These events have resulted in the loss of homes and businesses, damage to community facilities and schools, destruction of tourism infrastructure - including rail trail assets - loss of livestock and agricultural land, and disruption to emergency and communications infrastructure².

Strategic investment in a transformational tourism asset such as the High Country Rail Trail will play a critical role in supporting recovery, restoring confidence, and providing a long-term economic stimulus for local businesses and communities.

Addressing gaps in community and recreation infrastructure

Towong Shire has a limited supply of community and recreation infrastructure to support liveability, health and wellbeing outcomes. The rail trail passes through and connects several townships, including Colac Colac, Cudgewa and Corryong, providing a rare opportunity to deliver shared infrastructure that benefits multiple communities.

Community consultation has consistently identified the need for improved recreation facilities and better connections between towns to strengthen social cohesion and improve quality of life. The reimagined rail trail will respond directly to this need.

Dispersing tourism and economic benefit across the Shire

There is a strong need to disperse tourism activity and economic benefit from larger regional centres such as Albury and Wodonga into smaller townships within Towong Shire. By improving connectivity and completing the trail network, the HCRT will encourage visitors to travel further, stay longer, and spend more across multiple settlements.

Unlocking private investment and long-term economic activation

High-quality rail trail products have demonstrated strong capacity to stimulate private investment, including accommodation, food and beverage, tour services, and cycling-related businesses. To date, the High Country Rail Trail has not reached its full potential as a catalyst for such investment due to incomplete infrastructure and inconsistent visitor experience.

Targeted public investment is required to jump-start activation, improve amenity and confidence, and create the conditions necessary to attract private sector investment and long-term economic growth.

Creating Australia's longest connected rail trail network

The preferred option of creating a link to Yackandandah will connect the High Country Rail Trail to the Murray to Mountains Rail Trail, creating the longest connected rail trail network in Australia. This nationally significant outcome will reinforce the Victorian High Country's position as Australia's premier cycling destination and provide a powerful point of differentiation in domestic and international tourism markets.

² Towong Municipal Recovery Plan 2019-2021, Towong Shire Council

2.2. PROBLEM DEFINITION

Widespread bushfire damage and loss of critical infrastructure

The January 2026 Towong Shire bushfires caused widespread and compounding damage across the region, significantly impacting farms, residences, businesses and community infrastructure. The HCRT was heavily affected, with extensive damage to trail surfaces, fencing, signage, trailheads, points of interest, and the destruction of multiple bridges and raised trail structures.

The loss of historic trestle bridges and trail infrastructure not only disrupted continuity and safety, but also removed key heritage features that defined the character and visitor appeal of the trail. Combined with post-fire erosion and flood impacts, large sections of the trail are now unsafe, inaccessible, or non-compliant with contemporary standards, rendering the trail unable to function as a viable tourism or community asset in its current state.

Need for post-disaster recovery and economic renewal

Towong Shire has experienced repeated and compounding disaster events, including the 2019-20 Black Summer Bushfires, COVID-19 impacts, floods in 2022-23, and most recently the January 2026 bushfires. These events have placed sustained pressure on the local economy, reduced visitor confidence, and damaged critical tourism infrastructure.

There is an urgent need for targeted investment in recovery, not only to replace damaged assets but to rebuild stronger, differentiated infrastructure capable of supporting long-term economic renewal. Without strategic intervention, the HCRT risks remaining under-utilised and unable to fulfil its potential as a catalyst for visitation, investment and regional resilience.

Inadequate signage, wayfinding and trail identity

The existing HCRT has historically suffered from insufficient signage, wayfinding and cohesive branding, a problem exacerbated by bushfire-related asset loss. There is currently no clearly defined or consistently presented trailhead signalling the commencement of the rail trail in Wodonga, reducing legibility and first-time user confidence.

While Ride High Country directional signage exists in parts of the region, it lacks critical information for trail users, including trail length, route type, difficulty, amenities, nearby attractions and safety guidance. The fragmented and inconsistent approach contributes to confusion, uncertainty and reduced trail usage, particularly among less experienced riders and visiting families.

Further complexity arises from trail access points located along State-controlled road corridors, such as the Murray Valley Highway, where signage approvals are time-consuming and costly. Collectively, these issues undermine the user experience and discourage both repeat visitation and new users.

Inconsistent and deteriorating trail surfaces

Significant variation exists in the type, quality and condition of trail surfaces along the HCRT, with bushfire and flood impacts accelerating deterioration. While some sections were previously sealed (including Wodonga to Kiewa Valley Highway and Ebdon Reserve), other segments, particularly between Bullioh and Shelley, have experienced degradation due to poor drainage, livestock impacts where the trail is unfenced, and surface instability.

The lack of a consistent, resilient trail surface limits accessibility, reduces ride quality, and discourages longer or multi-day trips. Without substantial intervention, ongoing deterioration will increase maintenance costs and further erode the trail's competitiveness within the regional rail trail network.

Unsafe trail access, crossings and connecting infrastructure

The HCRT remains a well-known and highly visible asset, and despite its damaged condition, members of the public are continuing to attempt to access and use the trail. Following the January 2026 bushfires, large sections of the trail pose significant and unacceptable safety risks to users.

Trail surfaces have been destabilised, bridges and raised structures have been destroyed or compromised, vegetation loss has increased erosion and flood risk, and key safety features have been removed or rendered ineffective. In several locations, trail continuity has been lost entirely, creating sudden hazards where users encounter washed-out sections, missing structures, or unprotected drop-offs.

In its current state, the trail's condition presents a high likelihood of serious injury to cyclists and pedestrians who assume the corridor remains passable. Without urgent reconstruction and risk mitigation, the HCRT represents a latent public safety hazard, particularly given its accessibility, community familiarity, and continued informal use.

Loss and inadequacy of bridges and raised trail structures

Numerous bridges and raised platforms along the HCRT were destroyed or compromised by the 2026 bushfires or were previously constructed to standards

that no longer meet safety, accessibility or resilience requirements.

Several remaining structures are low-lying, flood-prone, or constructed from materials that pose slip hazards, resulting in frequent closures and reliability issues. The absence or inadequacy of bridge infrastructure disrupts trail continuity and significantly diminishes the overall visitor experience.

Lack of supporting infrastructure and visitor amenity

There is a significant shortfall in supporting infrastructure and amenities to service trail users along large sections of the HCRT, particularly between Tallangatta and Shelley. Key gaps include parking, shelter, seating, water refill stations and bike maintenance facilities at township nodes and key access points.

This lack of amenity limits visitors' ability to undertake longer rides, discourages exploration of surrounding towns, and reduces overall length of stay and visitor expenditure. In addition, off-trail tourism attractions and local businesses are poorly signed from the trail, constraining flow-on economic benefits to surrounding communities.

In its current condition, the HCRT is fragmented, inconsistent, and unable to meet contemporary safety, accessibility or visitor experience expectations. The impacts of the January 2026 bushfires, combined with pre-existing infrastructure and amenity gaps, have significantly undermined the trail's function as a tourism asset and community facility. Without a coordinated, transformational response to reimagine, rebuild and differentiate the trail, Towong Shire risks losing one of its most important opportunities for long-term recovery, economic activation and community wellbeing.

2.3. PROJECT BENEFITS

LOCAL COMMUNITY BENEFITS

Catalyst for bushfire recovery and renewal

The project directly responds to the devastation of the January 2026 fires by rebuilding the High Country Rail Trail as a safer, stronger and more compelling asset than before. It restores confidence, draws visitors back, and provides a visible, shared focus for recovery, converting destroyed infrastructure and degraded reserves into high-quality public space. By moving beyond like-for-like replacement to a reimagined experience, the project delivers long-term social, cultural and economic renewal for communities most affected.

Improved liveability, health and wellbeing

A consistently surfaced, clearly signed, and safe trail creates everyday opportunities for walking, cycling and accessible recreation for all ages and abilities, including prams, mobility aids and wheelchairs. Increased physical activity brings well-documented benefits: improved mental health, lower chronic disease risk and reduced long-term health costs. With limited public transport in the area, the trail also provides a safe, off-road link between communities, supporting social inclusion and daily mobility.

Local jobs and skills development

Construction, landscaping, bridge and drainage works, wayfinding, maintenance and ongoing operations will generate local jobs and supplier contracts. The project also creates pathways for skills development in civil works, trail management, visitor services, interpretation and arts delivery - building local capability that endures beyond the build phase. This employment stimulus supports households immediately and strengthens the regional workforce over time.

Increased patronage of local businesses

Better surfaces, wayfinding and amenities lead users to ride further and stay longer - translating into higher spend on accommodation, food and beverage, retail, fuel and cycling services. Trail counters recorded a 103% activity increase after the Wodonga segment was sealed in 2019; comparable uplift is expected as quality and connectivity improve again. Clearer links to off-trail attractions ensure surrounding businesses benefit, not just those on the corridor.

Stronger community connection

The HCRT functions as shared civic space where locals meet, exercise and participate in community events. New trailheads, shelters and rest nodes create welcoming micro-hubs that encourage interaction across towns and generations. Co-design of interpretation and local stories further strengthens place identity and pride after successive disasters.

REGIONAL BENEFITS

Significant growth in cycle and nature-based tourism

High-quality rail trails consistently unlock growth in visitation and yield. Re-surfacing, safer crossings, better signage and family-friendly loops will broaden the user base - from touring cyclists to first-time riders and families - while encouraging multi-day itineraries. Nature-rich settings, layered storytelling and improved access combine to lift satisfaction, advocacy and return visitation.

Improved visitor dispersal

Completion and reconnection of the trail distributes visitors across more townships, Colac Colac, Cudgewa, Corryong and beyond, rather than concentrating activity in gateway centres. Upgraded wayfinding to experiences and amenities off the corridor increases local stop-offs and spend. Dispersal spreads benefits, eases pressure on hotspots and supports smaller businesses.

Completion of a critical missing link

The HCRT currently represents a gap in the North East trail network. Rebuilding and extending it closes that gap and restores continuity, enabling safe, car-free movement across the Shire and seamless connections to regional routes. This network effect materially increases trip options, lengths of stay and overall economic impact.

Diversification of the regional economy

Towong's economy is heavily agriculture-weighted, which heightens exposure to climate and market shocks. A reimagined HCRT accelerates tourism diversification - stimulating new and expanded businesses in accommodation, hospitality, guiding, events and cycle services. Diversification improves resilience and smooths seasonal demand.

Preservation and productive reuse of heritage assets

The project safeguards and reinterprets culturally significant places along the former Wodonga - Cudgewa line - honouring First Nations histories, early settlement, agriculture and timber industries, the Snowy Hydro scheme, Hume Dam construction, Bonegilla Migrant Camp, "the town that moved" (Tallangatta), mining and more. Where trestle bridges and features were lost, sensitive design, interpretation and artistic interventions retain heritage meaning while improving safety and durability. The corridor remains productive open space with stronger cultural value.

STATE BENEFITS

Strengthened visitor economy outcomes

By elevating quality to contemporary standards, the HCRT will increase visitation, trip length and spend per visitor - key drivers of regional yield. Safer crossings, resolved road diversions and consistent surfaces reduce friction in the experience, converting "considerers" into active users. A stronger product mix helps attract private investment and repeat visitation, compounding returns.

Creation of a nationally iconic trail network

The preferred option of linking the HCRT with the Murray to Mountains Rail Trail via Yackandandah will create one of Australia's longest, most connected trail systems. Scale, landscape diversity and coherent branding will position the network as a must-ride experience for domestic and international markets. This iconic status supports marquee itineraries, media exposure and sustained market presence.

High return on public investment

Rail trails typically deliver outsized returns relative to capital cost by leveraging existing corridors and delivering multi-sector benefits (tourism, health, transport, culture, resilience). The 2019 usage uplift after sealing works demonstrates the sensitivity of demand to quality improvements. Rebuilding to a higher standard maximises lifetime benefits while reducing future maintenance and recovery costs.

Alignment with State priorities

The project advances Victorian priorities in disaster recovery, regional development, visitor economy growth, active transport, preventative health, sustainability and cultural heritage. It supports policy goals to disperse visitation, reduce emissions through mode shift, and deliver resilient infrastructure. Co-design and interpretation provide avenues for First Nations engagement and storytelling consistent with State frameworks.

Enhanced accessibility to regional Victoria

Consistent surfaces, universal-design nodes, safe road crossings and clear wayfinding welcome first-time riders, families, older users and people with mobility limitations. Better trailheads, parking and amenities make regional trips easier to plan and enjoy, encouraging more Victorians to visit and return - without reliance on specialist equipment or advanced cycling skills.

NATIONAL AND INTERNATIONAL BENEFITS

Positioning Australia as a world-class rail trail destination

A reimagined HCRT - combining connectivity, safety, landscape drama and rich storytelling - meets the benchmarks set by leading trails in Europe, North America and New Zealand. Innovative interpretation and (where appropriate) artistic interventions create a distinctive signature, elevating Australia's profile in the competitive global cycle-tourism market.

Attraction of international visitors and events

A connected, high-standard network enables multi-day touring products, packaged itineraries and events that draw international participants and media. Reliable surfaces, wayfinding and services de-risk long-haul travel decisions and support partnerships with inbound operators. Event-led visitation provides shoulder-season demand and repeat travel.

Contribution to national health outcomes

By normalising everyday walking and cycling, the trail supports population-level health gains: increased physical activity, reduced inactivity-related disease, and improved mental wellbeing. Secondary benefits include lower congestion and parking demand in towns, reduced emissions and noise, and positive cognitive and social outcomes for children and seniors.

Demonstration of best-practice post-disaster rebuilding

The project exemplifies "build back better": durable materials, climate-resilient drainage and structures, safer alignments, and inclusive design. It replaces vulnerable assets with infrastructure that performs better in fire, flood and heat, providing a replicable model for recovery projects across regional Australia.

Support for sustainable tourism and climate resilience

The trail promotes low-impact travel and adaptive reuse of existing corridors, reducing embodied and operational emissions. Raised structures, improved drainage and resilient surfacing lower closure risk and maintenance burden under more extreme weather patterns. Nature-based tourism is strengthened while environmental values are protected and interpreted for visitors.

2.4. ALIGNMENT OF BENEFITS TO STRATEGIC POLICY

Resolving the problems identified in Section 2.2 will help deliver a range of key local, state and federal policy initiatives, strategic directions and priorities that benefit the Victorian economy.

The following summarises the project alignment to relevant strategic documents which will support the project concept and development opportunities.

Experience Victoria 2033

Experience Victoria 2033 is a Victorian State Government policy designed to shape the state's visitor economy over the next 10 years. The plan identifies five priority products:

- Wellness
- Arts and culture
- First Peoples-led experiences
- Food and drink
- Nature

Experience Victoria also identifies Lifestyle Leaders and High-Value Travellers as the key target market segments in the domestic and international markets respectively.

The project aligns with several of the product priorities, including the promotion of nature-based experiences (through on-water activations), food and drink (through dining offerings) and wellness (through immersion in nature).

The delivery of these experiences would also align with the Lifestyle and High-Value Traveller markets who both seek authentic local experiences and quality food and wine.

Active Victoria - A Strategic Framework for Sport & Recreation in Victoria 2017-2021

The High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project supports:

- Strategic Direction One and the key area of change to increase capacity of facilities through 'maximised use of existing spaces... tracks and trails'

Victorian Public Health and Wellbeing Plan 2019-2023

The High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project provides opportunities to support the focus of active living and the support of walking and cycling.

Ovens Murray Regional Economic Development Strategy 2022

Relevant directions from the Strategy include:

- Strategic Direction 2: Strengthen and diversify the visitor economy through leveraging the region's nature and epicurean tourism industries.

The High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project will strengthen the visitor economy by providing infrastructure that supports nature-based experiences.

Hume Region Significant Tracks and Trails Strategy 2014-2023

The High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project will help deliver a project identified as being regionally significant.

Victoria's High Country Destination Management Plan 2023-2033

The High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project aligns with a key regional product pillar for the High Country, Cycling, which aims to maintain the region's leadership position across all disciplines of cycling. Direction is given to deliver the High Country Rail Trail Masterplan, a priority project in the Plan, including upgrades to existing trail sections and the extension of the trail through to Corryong.

Upper Murray 2030 Vision Plan

This Plan is designed to drive investment into the Upper Murray, to build regional long term sustainability, prosperity and health. It was prepared by Upper Murray Business Incorporated in partnership with Upper Murray Health and Community Services, Towong Shire Council, Snowy Valleys Council and key members of the local community.

The High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project is specifically highlighted in the Plan as:

- A key tourism opportunity project
- Supporting local tour opportunities in the report a link between the 'town trails' projects.

Hume Strategy for Sustainable Communities

Rail trails are listed as "Investment Ready" in the Hume Plan, strengthening the State's economy and improving the health, wellbeing and lifestyle of the community".

This project aligns with the following key strategic priorities:

- **Environment** - Protecting native habitat and biodiversity (nature tourism product and associated conservation works);
 - Priority Strategies 3.3 and 3.4
- **Community** - Strengthening communities, increasing resilience and enhancing liveability (community capacity building through steering committee and involvement);
 - Priority Strategies 6.1, 6.3, 6.4., 8.1 and 8.3
- **Economic** - Facilitating innovation in tourism to encourage new and evolving Business; Priority Strategy;
- **Transport** - Linking communities through improved public transport and transport linkages Priority Strategy; and
- **Land Use** - Maximising use of existing infrastructure; Converting existing railway infrastructure into a rail trail represents value for money.

Towong Shire Economic Development Strategy and Destination Management Plan 2021-2025

The *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project (or *HCRT Masterplan*) project is identified as a transformative project for the region in both the Economic Development Strategy and the Destination Management Plan.

Direction is given to deliver the High Country Rail Trail extension from Shelley to Corryong which will provide an important connection between Tallangatta and Corryong, and will deliver an iconic asset for the Shire.

Towong Shire Municipal Health and Wellbeing Plan 2025-2029

The delivery of the *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project will help in achieving priority area 5, increasing active living. Relevant actions within this priority include:

- Continue to build infrastructure, including access to cool, UV protective shade to enhance, enable and encourage activity in open spaces.
- Support and promote opportunities for active lifestyle choices.
- Support sporting clubs and community groups in championing physical activity.

Towong Shire Council Plan 2025-2029

The Towong Shire Council Plan focuses on six strategic objectives, including Community Wellbeing; Asset Management; Economic and Tourism Development; Land Use; Environmental Sustainability; and Organisational Improvement. Key strategies relevant to the project include:

- Tourism infrastructure and events to promote Towong Shire's attraction to visitors.
- To seek opportunities to develop tourism infrastructure, events and profile.
- To create safe, clean open spaces and playgrounds that allow for passive and active recreation activities.
- To improve the opportunities for residents and communities to participate in physical activity and recreation.
- Seek funding for the Shelley Wilderness Trail.
- Seek funding to extend the High Country Rail Trail from Berringama to Colac Colac.
- Seek funding to deliver a range of public toilets on the High Country Rail Trail (HCRT).

3. PROJECT CONCEPT DETAIL

3.1. PRELIMINARY CONCEPT AND COSTINGS

The following project and costings were prepared in February 2026 for the *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project with a project cost of \$29.9 million. Should the Yackandandah to Huon Rail Trail link be included the total project cost is estimated at \$40 million.

F2. HIGH COUNTRY RAIL TRAIL: REIMAGINE. DIFFERENTIATE. REBUILD. PROJECT ELEMENTS AND COSTS

| Segment | Distance | Estimate |
|---|----------|---------------------|
| High Country Rail Trail: Reimagine. Differentiate. Rebuild. | | |
| Tallangatta - Old Tallangatta | 8,000m | \$1,639,055 |
| Old Tallangatta - Koetong | 24,321m | \$6,007,031 |
| Koetong (Integrated information and bicycle station amenities facility) | - | \$1,694,000 |
| Koetong - Shelley Station | 1,637m | \$1,502,540 |
| Shelley Station - Mansells Wilderness | 21,889m | \$3,623,683 |
| Koetong - Mansells HCRT | 10,775m | \$2,076,428 |
| Mansells - Murray Valley Highway | 7,041m | \$1,669,870 |
| Murray Valley Highway - Whiteheads Road | 9,505m | \$2,207,144 |
| Whiteheads Road - Cudgewa Station | 3,982m | \$2,432,924 |
| Cudgewa Station - Back Cudgewa Road | 1,236m | \$615,386 |
| Back Cudgewa Road - Colac Colac | 5,788m | \$1,345,447 |
| Colac Colac - Corryong | 5,226m | \$1,261,865 |
| Contingency | - | \$3,911,306 |
| Subtotal Towong development only | | \$29,986,679 |
| Yackandandah to Osbournes Flat Hall to Huon Reserve | | \$10,000,000 |
| Total Towong development and link to the Yackandandah Rail Trail | | \$39,986,679 |

Source: Towong Shire Council, 2026.

4. ECONOMIC BENEFITS

4.1. ESTIMATED HIGH COUNTRY USERS

It is estimated that the HCRT attracted 67,634 tourist visitors in 2022/23, experiencing moderate growth at a 3.8% average annual growth rate (AAGR) since 2019/20. This is substantially lower than other comparable cycling product such as the GVRT which draws more than 92,000 users per annum³. This difference is likely attributed to the shorter trail length, as well as the lack of access to amenities and attractions along the existing trail.

It is expected with significant investment into the *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project, there will be a 27% increase in visitors to the existing HCRT section aligning to Murray to Mountains visitation.

The trail upgrades are also expected to encourage existing trail users to extend length of stay, and subsequently spend more in the region. Based on the added trail length and access to new attractions and services, it is forecast that new and existing users will extend their stay in the region by 0.5 nights.

Based on these forecasts, Table 2 shows the forecast expenditure of new and existing visitors to the region using the *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project.

Total trail users in year one are projected to increase to 99,395 upon completion of the total project, inclusive of the Yackandandah Rail Trail link.

T1. ESTIMATED HCRT USERS – 2027 TO 2037

| | Year 1 2027 | Year 10 2037 | Total Growth |
|--|---------------|----------------|--------------|
| Forecast HCRT AAGR | 3.8% | | |
| Forecast HCRT baseline user growth | 67,634 | 97,940 | +30,306 |
| Forecast Uplift in usage resulting from the <i>HCRT: Reimagine. Differentiate. Rebuild. Project</i> | +27%* | | |
| Forecast additional trail users post <i>HCRT: Reimagine. Differentiate. Rebuild. Project</i> per annum | +18,261 | +26,443 | +8182 |
| Forecast usage for Yackandandah to Huon Rail Trail link | +13,500* | +19,600 | +6,100 |
| Total Forecast HCRT users per annum | 99,395 | 143,983 | |

Source: Urban Enterprise, 2024.

*Based on difference between M2M and HCRT usage. Reflecting usage of a premium trail.

**Based on 15% capture of M2M usage.

T2. FORECAST HCRT EXTENDED TRAIL USER EXPENDITURE

| | No. Visitors per annum | Average Spend per Visitor | Total Trail User Expenditure |
|---|------------------------|---------------------------|------------------------------|
| Forecast Expenditure 2025 | | | |
| New Trail User Expenditure HCRT | +18,261 | \$116 | \$2,118,276 |
| Yack to Huon Expenditure | +13,500 | \$116 | \$1,566,000 |
| Existing Trail User Additional Expenditure HCRT | 67,634 | \$58^ | \$3,933,772 |
| Total Forecast Expenditure 2025 | | - | \$7,618,048 |
| Forecast Expenditure 2035 | | | |
| New Trail User Expenditure HCRT | +26,443 | \$116 | \$3,067,388 |
| Yack to Huon Expenditure | +19,600 | \$116 | \$2,273,600 |
| Existing Trail User Additional Expenditure HCRT | 97,940 | \$58^ | \$5,680,520 |
| Total Forecast Expenditure 2035 | | - | \$11,021,508 |

Source: Urban Enterprise, 2024.

*Spend per overnight cyclist per day, taken from Tourism Research Australia. ^Half day expenditure.

³ Great Victorian Rail Trail Strategic Development Plan, 2019.

4.2. COST BENEFIT ANALYSIS

HCRT: Reimagine. Differentiate. Rebuild. Towong development only

A cost-benefit assessment has been undertaken for the proposed *HCRT: Reimagine. Differentiate. Rebuild. Project* over a 10-year impact period. The assessment estimates the likely economic benefits and costs associated with the improvements and upgrades to the trail over the adopted period.

From this analysis, the overall Return on Investment (ROI) has been identified by calculating the Net Present Value (NPV) and Benefit Cost Ratio (BCR).

The proposed investment is estimated to deliver:

- Total economic benefits in the order of \$5.4 million (2026 dollars); and
- A cost to benefit ratio of 1.4

T3. COST BENEFIT SUMMARY - TOWONG DEVELOPMENT ONLY

| | <i>HCRT: Reimagine. Differentiate. Rebuild. Project Only</i> |
|---------------------------------|--|
| Project Benefits – Year 1 | \$5,452,314 |
| Project Benefits – Year 10 | \$7,749,268 |
| Operating Expenditure – Year 1 | \$599,734 |
| Operating Expenditure – Year 10 | \$716,737 |
| Total CAPEX | \$34,548,553 |
| NPV | \$14,977,071 |
| BCR | 1.4 |

Source: Urban Enterprise 2023

Total Project Package - *HCRT: Reimagine. Differentiate. Rebuild. Towong development and link to the Yackandandah Rail Trail*

A cost-benefit assessment has been undertaken for the *High Country Rail Trail: Reimagine. Differentiate. Rebuild. Project* (inclusive of the Yackandandah to Huon Rail Trail link). The assessment evaluates the likely economic costs and benefits associated with delivering the full project package over a 10-year impact period.

The analysis considers the likely benefits arising from the rebuild, and improved visitor experience over the adopted period.

From this analysis, the overall ROI has been identified by calculating the NPV and BCR.

The proposed investment is estimated to deliver:

- Total economic benefits in the order of \$6.8 million (2023 dollars); and
- A cost to benefit ratio of 1.4.

T4. COST BENEFIT SUMMARY - TOWONG DEVELOPMENT AND LINK TO THE YACKANDANDAH RAIL TRAIL

| | <i>HCRT: Reimagine. Differentiate. Rebuild. Project (inc. Yackandandah to Huon Rail Trail link)</i> |
|---------------------------------|---|
| Project Benefits – Year 1 | \$6,818,048 |
| Project Benefits – Year 10 | \$9,700,556 |
| Operating Expenditure – Year 1 | \$800,000 |
| Operating Expenditure – Year 10 | \$956,074 |
| Total CAPEX | \$46,085,201 |
| NPV | \$16,255,445 |
| BCR | 1.4 |

4.3. ECONOMIC IMPACT ASSESSMENT

The following examines the economic impacts of the project, including the short-term construction phase, as well as the ongoing operational phase that will be realised once the *High Country Rail Trail: Reimagine. Differentiate. Rebuild.* Project is complete and functional.

This assessment adopts the input-output method of analysis (I-O). The I-O method is based on the interdependencies and relationship between industry sectors and is widely used across the public and private sector to estimate the direct and flow on economic impacts of a project or activity to an economy.

The Productivity Commission of Australia states that “*input-output tables can be used to compute output, employment and income multipliers. These multipliers take account of one form of interdependence between industries — that relating to the supply and use of products. The numbers add up the direct and indirect impacts of a change in final output of a designated industry on economic activity and employment across all industries in an economy.*”

The economic impact area adopted for this assessment is the **State of Victoria**. All figures in this section are indicative only and based on an adopted set of assumptions. Definitions of economic terms can be found in the glossary.

The input output model used is Urban Enterprises proprietary model.

CONSTRUCTION IMPACT

HCRT: Reimagine. Differentiate. Rebuild. Towong development only

The construction cost, estimated at \$29.9 million, is expected to generate total output of \$67.3 million and support 155 jobs over the short-term construction phase.

T5. CONSTRUCTION PHASE IMPACT

| | Direct Effect | Indirect Effect | Total Effect |
|------------------|---------------|-----------------|--------------|
| Output (\$M) | \$29.9 | \$37.4 | \$67.3 |
| Employment (FTE) | 44 | 111 | 155 |

Source: Urban Enterprise, 2023

Total Project Package - *HCRT: Reimagine. Differentiate. Rebuild. Towong development and link to the Yackandandah Rail Trail*

The construction cost, estimated at \$40 million, is expected to generate total output of \$90 million and support 208 jobs over the short-term construction phase.

T6. CONSTRUCTION PHASE IMPACT

| | Direct Effect | Indirect Effect | Total Effect |
|------------------|---------------|-----------------|--------------|
| Output (\$M) | \$40 | \$50 | \$90 |
| Employment (FTE) | 59 | 148 | 208 |

ONGOING OPERATING IMPACT

HCRT: Reimagine. Differentiate. Rebuild. Towong development only

This turnover flows through the economy via the supply chain (i.e. businesses servicing the operation of the facility) and increased consumption - as businesses generate more income and employees receive higher wages.

As shown in Table T7, applying the turnover as additional visitor spend in the area is estimated to generate additional output of \$17.2 million, and support 82 jobs, annually.

T7. ONGOING ECONOMIC IMPACTS

| | Direct Effect | Indirect Effect | Total Effect |
|------------------|---------------|-----------------|--------------|
| Output (\$M) | \$7.6 | \$9.6 | \$17.2 |
| Employment (FTE) | 53 | 29 | 82 |

Source: Urban Enterprise, 2023

Based on the above analysis, the project is likely to generate economic benefit to the region through additional visitation, expenditure and commercial activity.

Total Project Package - HCRT: Reimagine. Differentiate. Rebuild. Towong development and link to the Yackandandah Rail Trail

This turnover flows through the economy via the supply chain (i.e. businesses servicing the operation of the facility) and increased consumption - as businesses generate more income and employees receive higher wages.

As shown in Table T7, applying the turnover as additional visitor spend in the area is estimated to generate additional output of \$24.9 million, and support 118 jobs, annually.

T8. ONGOING ECONOMIC IMPACTS

| | Direct Effect | Indirect Effect | Total Effect |
|------------------|---------------|-----------------|--------------|
| Output (\$M) | \$11 | \$13.9 | \$24.9 |
| Employment (FTE) | 76 | 42 | 118 |

Source: Urban Enterprise, 2023

Based on the above analysis, the project is likely to generate economic benefit to the region through additional visitation, expenditure and commercial activity.

