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## **Regional community entrepreneurship through tourism: the case of Victoria's rail trails**

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**Abstract:** Tourism is considered to be central to the development of many regional communities, however understanding the complex nature of tourism and its relationship with community development is often limited. Many require not only individual entrepreneurs to develop businesses, but also a community-based entrepreneurial approach is needed to fully realise the potential. To further understand this situation, this paper considers the case of the development of rail trails as a form of cycle tourism and recreation in regional Australia. Findings include evidence of the strong economic benefit these trails bring to regional communities as well as concluding that, in order for the economic and associated social benefits to be realised, community-based planning and support is necessary.

**Keywords:** community development; tourism; rail trails; cycling; regional development.

**Reference** to this paper should be made as follows: Beeton, S. (xxxx) 'Regional community entrepreneurship through tourism: the case of Victoria's rail trails', *Int. J. Innovation and Regional Development*, Vol. X, No. Y, pp.000–000.

**Biographical notes:** Since moving to academia some 14 years ago, Dr. Beeton has conducted tourism-based research into public land management, nature-based tourism, rural tourism, community development, cycle tourism and film-induced tourism. As well as producing numerous academic papers, she has published four books, *Beeton's Guide to Adventure Horse Riding*, *Ecotourism: A Practical Guide for Rural Communities*, *Community Development Through Tourism* and *Film-Induced Tourism*. She is an International Board Member of the Travel and Tourism Research Association (TTRA) and Co-convenor of the bi-annual International Tourism and Media conference (ITAM). Her current tourism research interests include cycle tourism, communities and tourism, film-induced tourism and tourist motivation.

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### **1 Introduction**

Tourism is often touted as the answer to the woes besetting regional communities, however in order for communities to develop through tourism, individuals as well as groups need to consider a more entrepreneurial, proactive perspective. Entrepreneurial approaches to tourism as a community development tool can result in positive benefits to

those communities. However, often such potential opportunities in regional communities are not realised due to an underlying notion that understanding tourism is easy. In addition, entrepreneurial activities undertaken by individuals without strong community links can be problematic. Among numerous cases of community entrepreneurial ‘failures’, Beeton (2002) relates two quite different attempts to incorporate the Australian community-based *LandCare* program into rural tourism development that were not successful, primarily due to a lack of understanding of the complexities of tourism and its relationship with public resources.

Beeton (2006) recommends a proactive, professional approach to community development through tourism, stating that

“[t]hose communities that have tourism thrust upon them, either by multinational organisations, well-meaning volunteers or the travellers themselves (who simply turn up), face many challenges if they wish to truly benefit from tourism. ... We cannot afford to wait for tourism to ‘do it *for us*’, as we run the risk of having tourism ‘do it *to us*’.” [Beeton, (2006), p.216].

The notion of ‘community-based entrepreneurship’ as applied in this paper attempts to address the issues noted above. In developing a definition of community entrepreneurship, Johannisson and Nilsson (1989) focused on the role of a community entrepreneur, arguing that this type of entrepreneur encourages other individual entrepreneurs in a community. Johannisson (1990) reaffirms this position, stating that

“the community entrepreneur is from the very beginning an organiser of many local people” [Johannisson, (1990), p.86].

While Johannisson and Nilsson have tended to focus on the entrepreneur in order to describe entrepreneurship, others consider entrepreneurship to be a process (Haugh and Pardy, 1999), enabling it to be applied to a community group. This raises the question as to the definition of ‘community’, which is even more diverse than that of entrepreneurship. Beeton (2006) notes that the term, community, is derived from the Latin *communitas*, which refers primarily to the ‘spirit’ of community, with all members being equal. While it is most common for communities to be defined spatially (such as a valley or government based statistical area), from an entrepreneurial perspective the notion of ‘spirit’ is significant. The community referred to in the study reported in this paper is geographically and spiritually focused, as it looks at the development of a trail that passes through numerous statistical regions (local government shires), but is united through notions of health, recreation and tourism.

Furthermore, the approach that the research described in this paper takes towards community-based entrepreneurship is similar to that of Korsching and Allen (2004), who view entrepreneurship from the broader perspective of community development. They see support from the community as the catalyst for entrepreneurial ventures, noting that they

“...have the characteristics of self-development projects, ... [generating]... economic development as well as enhancing local problem solving capacity.” [Korsching and Allen, (2004), p.386]

The case studied in this paper illustrates the entrepreneurial role that tourism can play in community development, by considering one tourism activity – that of cycling on rail trails.

### 1.1 Community development through tourism opportunities

With the increasing interest of cycling as a tourism and recreation pursuit, opportunities have arisen for entrepreneurs (individual and community-based) to leverage this relatively new tourism market. Rural businesses associated with cycle tourism are developing, from providing direct cycling services through to additional recreational and hospitality opportunities. One issue however, is who pays for the establishment and maintenance of the cycling trails that are primarily in public areas with free access, particularly when they travel through numerous political jurisdictions. It stands to reason that, if there are significant benefits to the broader community from cycling trails, the use of public funds on these trails can be supported, providing community as well as tourism assets.

An example of successful regional cycling trails are rail trails, which are multi-use tourism and recreation trails sited on abandoned railway lines for use usually by cyclists, walkers and horse riders. Such trails are becoming increasingly popular tourism and recreational assets, with numerous rail trails in operation in Australia. Railway lines are of particular interest to recreationists and tourists due to the fact that they are on a cleared and hardened track with no sharp rises, because of their need to cater to the limitations of the railway engines. In addition, many of the disused railways in Australia are in country areas, providing unprecedented access to and through some spectacular scenery and bushland. Furthermore, the actual regions they travel from, to and through are often desirable touring places and, apart from level crossings with intersecting roads, the trails are free of motor vehicles. According to the University of Massachusetts,

“Rail trails provide excellent recreation and transportation opportunities, preserve critical open space, create natural corridors for wildlife and enhance communities in the process. But rail trails do even more. They bring money into the communities through which they pass.” (University of Massachusetts, n.d.)

While they have existed in the USA for over 30 years through the *Rails to Trails Conservancy* (RTC) and in the UK as *Sustrans*, rail trails are a relatively new concept in Australia. The Australian ‘equivalent’ was established in 1994 by a group of railway history enthusiasts, supported by some state politicians in Victoria and Western Australia, as *Rail to Trails Australia*, which was later modified to *Railtrails Australia* (Bradshaw, 2002).

After outlining the aims and objectives of the study, the international cycling trail literature is reviewed, concluding with a comparative table of the economic contribution of such trails as published in the literature. The methodological approach is then briefly outlined, identifying and describing the study region and the limitations of the research. The results are discussed, not only in terms of the economic input, but also cycling and trail usage, the visitors’ experience and accommodation utilised. Prior to providing recommendations in the concluding section, the economic findings are compared with an earlier study by the author, providing some slightly more longitudinal data, seriously lacking in such studies to date.

## 2 Aims and objectives

The environmental benefits of utilising land for recreation and tourism that has already been hardened for other uses are recognised (see Brown et al., 1987; Hendee et al., 1990; Mercer, 1991; Newsome et al., 2002), as well as the social benefits relating to health and wellbeing of trail-related activities. However, the economic benefits of utilising disused publicly-owned land that (such as a rail line) for other purposes is not adequately quantified, especially in Australia. If it is to be utilised for tourism and recreation, the disused rail network requires development, maintenance and upgrading, however as it is on land owned and managed by a public agency (in the Australian case, the railways), there are few options to achieve this. Resources need to be allocated for trail development, which could be provided by state or local government, or the trails sold (or given) to not-for-profit community groups as in North America, or even to private entrepreneurs. However, with the relatively low population density and visitation in and to Australia, responsibility for such public amenities tends to fall to the government, on a federal, state or local scale.

Therefore, the ongoing cost of such projects needs to be balanced against the benefits (in this case, economic), which are many, but have not been adequately quantified. In a study in the USA, it was found that annual benefits ranged from US\$1.9 m to US\$8.5 m, averaging out at US\$4.81 to US\$49.80 per person per day, depending on the trail and the method of measurement, which in this instance attributed economic values to elements such as health benefits, aesthetic beauty and community pride (Siderelis and Moore, 1995).

It can be argued that, as a consequence of the small amount of relevant research regarding the specific economic benefits of rail trails, there have been limited resources applied to their development and maintenance. Once the value of utilising disused rail lines is established, local communities and their associated governments can plan and develop such resources for their regions into the future, enabling further entrepreneurial activities.

This paper outlines the results of a series of studies undertaken by La Trobe University into the economic benefits of rail trails in Victoria, Australia. The state of Victoria has the most developed rail trails in Australia, with 21 of the 47 major rail trails in Australia, accounting for more than half of the total rail trail length with some 600 km of trails (Railtrails Australia, 2006). In 2003, Beeton undertook an economic study of three disparate Victorian rail trails in order to ascertain the economic inputs into the communities the trails pass through (Beeton, 2003c). The study was conducted over the Easter school holiday period, shortly after a series of serious summer bushfires, which affected the results, with fewer people using the trails at that time. However, it was still found that these trails provided significant economic inputs into the communities through which cyclists passed (Beeton, 2003a, 2003b, 2003c).

In an effort to reduce the 2003 bushfire effect, as well as to understand the long-term benefits, growth and issues of rail trails by studying a well-developed trail during a peak user time, a further study utilising the same methodological approach was undertaken in Easter 2006 on one of the trails from the previous study, the Murray to the Mountains Rail Trail (MTM), which is reported in detail in this paper.

The primary aim of the study was to establish the economic benefits of the development of rail trails to the communities surrounding the trails, especially in terms of

direct and indirect employment and financial injection, enabling entrepreneurial opportunities for local communities.

### **3 A review of the current literature on rail trail cycling**

The following review is divided geographically, looking at economic impact literature from North America, Europe and Australasia. This is followed by a brief outline of the social dimension of rail trails, finishing with a summary table of the economic studies from around the world, including the 2003 Australian study.

#### *3.1 North American economic studies on multi-use trails*

The main group involved with the rails to trails network in the USA is the RTC who supports the development of rail trails through providing advice, assistance and advocacy. They claim that:

“Across the USA, trails and greenways are stimulating tourism- and recreation-related spending. .... Trail and greenway systems have become the central focus of tourist activities in some communities and the impetus for kick-starting a stagnating economy.” [RTC, (2003), p.2]

A report released in 1992 by the US National Park Service (NPS) recognised that understanding the economic effect of a trail is a complex process that needs to consider the expansion of existing businesses related to travel and accommodation, equipment, food, souvenirs and maps as well as the newly created direct jobs related to the trail (NPS, 1992). The study also looked at individual expenditure on three multi-purpose trails, finding that the average daily expenditure for those on trails in rural Iowa was US\$9.21 and Florida being US\$11.02, while an urban trail in California generated US\$3.97. Even though the urban trail was much lower, the higher visitation levels can make such expenditure significant to the region. The average economic activity for these multi-purpose trails was US\$1.5 m (NPS, 1992).

A local economic study found that visitors to a trail in Miami spent an average of US\$13.54 per visit on food, beverages and transportation to the trail. With an estimated 150,000 trail users a year, this is a significant injection into the local economy (Ohio-Kentucky-Indiana Regional Council of Governments, 1999). Visitors also spent around US\$277 a year on clothing, equipment and accessories to be used on their trip, however, this benefit accrues at their home base, not at the trail. In addition, the taxes from trail-related sales provide economic benefits for the state and local communities. An example from a rail trail in Maryland notes that the tax-income to the state was in the nature of US\$303,750, while the maintenance costs for the same period were US\$191,893 (University of Massachusetts, n.d.).

A further economic benefit seen in the USA has been the increase in property values around some popular trails. A Wisconsin study reported by the RTC found that lots adjacent to the Mountain Bay Trail sold at an average of 9% higher than similar properties not so located and that the trail-based lots sold much faster (RTC, 2003). In addition, a further NPS study notes that property values have increased along some trail corridors; however, their evidence appears to be anecdotal (NPS, 1995).

As noted in the introduction, cyclists are major users of rail trails due to their smooth surfaces and small gradients. Consequently, a study on the economic impacts of bicycle tourism in Maine (the Maine Report) is a valuable source of data, even though it does not focus specifically on rail trails (Wilbur Smith Associates et al., 2001). The study considered the direct, indirect, induced and total economic effects of cycle tourism, as well as forecasting the potential economic impact of expanding bicycle tourism in Maine. The Maine Report notes that the distribution of spending on bike tours is a quarter to a third on lodging, a little more on restaurants, bars and groceries and just under that on personal expenditure, including bike repairs. In a detailed discussion of measuring economic impacts, the report identifies two impact types, namely the direct impact and the multiplier (the sum of all locally provided indirect goods and services needed to produce the tourism product, plus the effects of increased household earnings). They estimated that self-guided bicycle tourists spent US\$55 per day, while guided tour cyclists spent around US\$115 per day, with a total estimated expenditure to be over US\$5.78 m in 1999. Direct expenditure for day-trippers was US\$27.5 m, with around 55% from out of the state. When considering the multiplier effect on these figures, they adopted a top-down approach from national input-output tables, estimating it to be less than 1.0, with US\$33.4 m in direct expenditure yielding a further US\$28 m.

### *3.2 European economic studies on multi-use trails*

Studies in the UK and Europe tend to support the results of the US studies reported above. National tourism surveys indicate that domestic cyclists spend around £9 on day trips, with £146 on overnight trips, with overseas tourists spending around £300 per trip (Sustrans, 1999). Sustrans also notes that the overall direct tourism and leisure expenditure is around £635 m per annum.

Surveys of cycle paths in the UK have reported average daily expenditures from £7.28 per person to £24.54 by holiday-makers (Lumsdon, 1996). In a study of a multi-use path around the south-west English coast, it was found that with over one million visitors a year the path brought more than £15 m to the regional economy, generating over 800 full-time jobs (SWCP Steering Group, 1997). In Switzerland, a study of the Veloland Schweiz National Cycling Routes in Switzerland found that an average of SFr.29 was spent per day on the cycling routes, with SFr.121 spent by those on a holiday. The higher rate for holiday-makers is interesting and supports the promotion of such trails to tourists, if increased economic benefits are required.

### *3.3 Australasian economic studies on multi-use trails*

Outdoor trail-based activities are prevalent in Australia and New Zealand, however it is difficult to find readily available publications of economic impact studies of trails from either country. In a study of the Otago Central Rail Trail in New Zealand, Blackwell (2001) found that it was the economic benefits that were most widely acknowledged community benefits identified by trail users and local residents. However, those studied believed that the extra income was small and seasonal. Accommodation providers and other businesses were unable to quantify the effect on their business, even though they felt that they were getting extra business from the trail. The actual economic impact was not measured or clearly understood by any of the businesses, demonstrating the need to

quantify economic benefits in order to assist in business and community planning as well as trail development, depending on the actual results.

As with New Zealand, actual economic studies of trails in general is extremely limited, with most reports referring to the US and UK research outlined above.

In 2003, three different rail trails in Victoria (the MTM, Warburton and East Gippsland trails) were studied (Beeton, 2003c). While clear differences were found between the type and level of economic injection for each trail, Beeton found that the overall economic effect of rail trails remains significant. For every visitor day at the rail trails, around \$200.00 of expenditure is injected into the economy, which is higher than most overseas studies, but does fit with anecdotal evidence from experts, as discussed later in the paper (Beeton, 2003c).

### *3.4 The social dimension of recreational use of rail trails*

While this study focuses on the economic elements of rail trails, it is important to recognise some of the social elements of the trails, as many of them are closely linked to the economic outcomes and success of community-based entrepreneurial operations. Sustrans, in the UK, recognises the social benefits of developing cycle tourism as being environmentally sustainable, reducing excess traffic (providing rural traffic-calming), making use of existing, under-utilised or redundant resources (such as disused rail lines), improved facilities for local people and enhancing personal health, fitness and wellbeing (Sustrans, 1999).

In Blackwell's (2001) study of the Otago Central Rail Trail, a series of personal, social and community benefits were identified by those interviewed, including:

- mental and physical wellbeing such as health, aesthetic appreciation, sense of achievement
- learning benefits such as an understanding of what it may have been like to work on the railway
- being together as a family
- meeting like-minded people
- bringing 'new faces' into small rural communities, enhancing social interaction
- sense of pride and community identity.

Revitalisation of local (especially rural) communities has strong currency throughout the world, with community development professionals being employed by many government departments to address the decline in many rural communities. Tourism is recognised as a significant element in community revitalisation and as such, rail trails are noted as important contributors (University of Massachusetts, n.d.; Mills, 1990). Urban-based rail trails also have the ability to enhance urban centres and connect people with places, creating a sense of local community in cities (RTC, 2003).

In addition, rail trails provide excellent opportunities for people with mobility disabilities, such as those using wheelchairs and special cycles, walk with support, are sight- or hearing-impaired. The traffic-free nature of rail trails, limited gradient and the ability to seal the surface provide an appealing alternative for mobility-impaired people.



In the UK, Sustrans has noted the popularity of structured cycle routes with wheelchair users, particularly on railway paths (Sustrans, 1998).

### 3.5 Summary

After undertaking the above review of the literature on cycling trails around the world in 2003 and subsequently in 2006 and 2008, it was found there was extremely limited data on the economic contribution of such trails to local communities. A summary of those findings is presented in Table 1.

**Table 1** Economic contribution of cycling trails around the world

<i>Country</i>	<i>Study</i>	<i>Average per day in Aust \$*</i>
<i>USA</i>	<i>NPS:</i>	
	Iowa	14.12
	Florida	16.90
	California (urban)	6.09
	<i>Ohio-Kentucky-Indiana Regional Council:</i>	
	Miami	20.76
	<i>Maine Report:</i>	
	Self-guided	84.33
	Tours	176.32
	<i>Europe</i>	<i>England National Study:</i>
Day trips		22.13
Overnight trips		358.98
<i>UK Cycle Paths Survey:</i>		
Day trips		17.90
Holiday makers		60.33
<i>Switzerland Cycling Routes:</i>		
Day trips		32.71
Holiday makers		136.48
<i>New Zealand</i>		No quantifiable studies available
<i>Australia</i>	<i>Consultant's estimate:</i>	
	Victoria	\$40.69
<i>2003 study:</i>	<i>East Gippsland Rail Trail</i>	\$343.84
	<i>MTM Rail Trail</i>	\$202.74
	<i>Warburton Rail Trail</i>	\$206.40
	<i>Victorian average</i>	\$276.49

Note: \*Australian dollar value calculated on international exchange rates at August 9, 2003.

Source: Beeton (2003b)

Surprisingly, five years on from the initial research there remains limited (if any) studies in the public domain relating to economic inputs and tourism demand, requiring groups

interested in developing rail trails to undertake their own research, which is usually not practical or possible. Many studies address the health benefits of cycling in general, but tend to ignore other aspects, particularly from an Australian perspective.

Krizek (2006) provides a concise summary of the available literature on cycling, yet only cites reports and papers from the US and Europe, some of which are over ten years old. He found that there are six basic themes in the research: mobility (transport), health, safety, decreased externalities and congestion, livability and fiscal. The fiscal discussion is brief, indicating the limited number of such studies, with very few focusing on the economic benefits to host communities. There is no mention of tourism or its economic benefits.

This ongoing study is one attempt to address this issue by concentrating not only on an overall economic contribution, but also on the host communities through which the rail trails travel.

#### **4 Methodological approach**

As noted earlier, most of the economic studies on rail trails have been conducted in North America, with some analysis being conducted on recreational trails in New Zealand and the UK. It is difficult to locate any such material from the Australian perspective; however, there have been economic analyses of nature-tourism enterprises on public land that has assisted in developing the 2003 research instrument and analytical process. For example, a feasibility study for the Department of Natural Resources and Environment (DNRE) on a canopy walk takes into account the direct income generated by the walk itself (ticket sales, souvenirs, etc.) as well as the regional economic benefit. The estimated potential of the regional economic benefit began at \$3.5 m in the first year, increasing to around \$8.3 m by the fifth year (DNRE, 2002). The economic assumptions made in the report have informed this project and are introduced in later sections, where relevant.

While the DNRE report outlines its methodology and assumptions, it does not discuss the rationale behind its choice of the economic multipliers. Many of the studies reported in the literature fail to provide any justification for their results or demonstrate methodological rigour, resulting in some questionable information.

##### *4.1 The study region: MTM Rail Trail*

Recognising the need to provide potential visitors to North East Victoria with a significant tourist attraction, in 1997 the shires of Alpine and Indigo along with the Rural City of Wangaratta, proposed to convert the historic path of the disused railways between the three townships of Wangaratta, Bright and Beechworth into a rail trail, with the railhead at Wangarratta providing the hub of the network. They argued that

“The rail trail would establish a nationally significant tourism product, link existing tourist attractions and preserve magnificent historical structures along the route.” (Railtrails Australia, 2006)

The MTM Rail Trail now links the townships of Wangaratta, Beechworth, Myrtleford, Porepunkah and Bright, each with their own heritage tourist attractions, as well as providing an introduction to the nearby high country.

Following historical railway lines, the MTM Rail Trail provides 98 km of sealed bitumen track well suited to cycling, horse riding and walking. The trail has been supported by the state and federal governments, primarily with development funds; however the ongoing maintenance and upgrading costs of the surrounding environment are generally supported by the three local government councils that the trail passes through.

The MTM Rail Trail was one of three trails used in the earlier 2003 study, where it was found that it was a significant trail that attracted visitors as well as local use, presenting some strong results. Through the work of the MTM management committee, the councils have worked cooperatively to develop and promote the trail and numerous businesses have taken advantage of the opportunities presented. By studying this trail, which is well developed and considered to be successful from a tourism perspective, an example of the effects of ‘best practice’ tourism and recreation development can be presented. The trail has also been successful in linking a number of small, historic towns into a contiguous tourism experience which, it is believed, has contributed significantly to the tourism development of the region in a manner that works with the local, host communities.

A self-completion questionnaire was designed, based on the 2003 survey with additional questions drilling down into levels of satisfaction and travel patterns on the trail.

**Figure 1** MTM Rail Trail (see online version for colours)



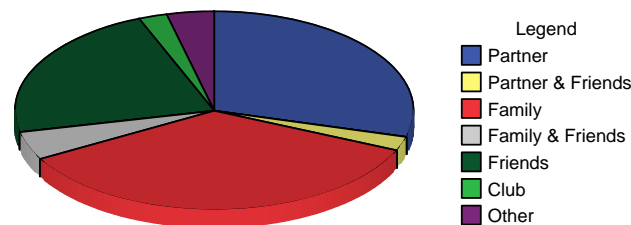
Source: Railtrails Australia (2006)

#### 4.2 Sample description

The surveys were distributed by members of the Alpine Cycle Club and Wangaratta Bicycle Users' Group under the supervision of MTM management. According to the data gathered by the MTM Rail Trail Management Committee, there were over 8,328 people estimated to be on the rail trail on the Saturday to Monday of the Easter 2006 period. A total of 140 individuals were surveyed, however as recreational cycling is often undertaken in groups, they actually represented 625 people. This brings the survey size to approximately 7.5% of the total estimated riders on the trail, providing a viable sample.

Of the 625 cyclists, there was a dominance of men, with 396 male and 239 female participants. As noted above, they all travelled in groups, segmented into the pie chart in Figure 2. The primary travelling groups consisted of a partner or family, which may reflect the particular nature of the Easter holiday period, falling as it does in school holidays, but also friends in general rated highly. Due to the developed nature of the trail and proximity to the towns, the MTM Rail Trail is also conducive to groups of mixed ability, such as families.

**Figure 2** Travel groups (see online version for colours)



Ages ranged from small children (one year old) to some in their 70s. The breakdown of age groups and gender is illustrated in Table 2. With 11% of participants being under ten years old, this reflects the strong family oriented nature of this activity, particularly during holiday times such as Easter.

**Table 2** Age and gender of cyclists on the trail

Age group	No. male	No. female	Total	% of total cyclists
01–10	37	23	60	11.17
11–20	51	43	94	17.5
21–30	4	11	15	2.79
31–40	46	61	107	19.93
41–50	71	51	122	22.72
51–60	68	43	111	20.67
61–70	18	7	25	4.66
70+	3	0	3	0.56
<i>Total*</i>	298	239	537	100

Note: \*These totals do not match the total travelling group numbers due to missing responses.

Most respondents were employed, with the main employment status of the cyclists being ‘professional’ (defined as doctor, lawyer, etc.), with just under half in this category. All visitors were domestic, with the majority from Melbourne, followed by rural Victoria, Sydney, rural NSW, Canberra and Adelaide. Table 3 illustrates the geographic breakdown of the market.

**Table 3** Origin of visitors

<i>Place</i>	<i>Percentage</i>
Victoria	85
Melbourne	61
Regional Vic	24
New South Wales	12
Sydney	8
Regional NSW	4
ACT (Canberra)	2
South Australia (Adelaide)	2

The sample as described above was discussed with local experts, including regional tourism groups, local residents and Rail Trail committee members, who concurred that it reflected their experience of the make-up of rail trail users.

### 4.3 *Limitations*

In order to capture a reasonable sample, this study was conducted during the Easter holiday break. However, as this is an extremely popular time for visitation to the North Eastern region of Victoria and is the last major break before winter, the results may not be consistent with other times of the year. Nevertheless, we are confident that the findings are sound and comparable to the 2003 study that was undertaken at a similar time.

A further limitation is the sole focus on cyclists on the rail trail – the trails were originally developed as multi-use trails for walkers and horse riders as well as cyclists. That said, the primary users amongst visitors are cyclists and focus here is on that activity. As noted in the literature review, cycle tourism has become a field of increasing interest.

Finally, there are always issues regarding the self-reporting nature of self-completion questionnaires. This is particularly the case in relation to economic data – people are often vague and at times resistant towards accurately reporting expenditure. For example, one respondent simply replied ‘lots’ in response to the expenditure questions. Due to time and financial issues of data collection, self-completion questionnaires were deemed as the most appropriate approach, but the results should be used with caution – according to some anecdotal evidence, they could be even higher.

## 5 Results of the study

Just under half (46%) of the sample were visiting the rail trail for the first time. The activity of cycling itself rated highly as the main reason for the trip, at 59%, while other reasons cited include the opportunity to take a holiday and visit friends and relatives, as shown in Table 4. This is also supported in Table 5 where participants responded to their reasons for visiting the overall region and in Table 10, where they nominated the most enjoyable part of their experience.

As this was an unprompted, open question, these reasons were top-of-mind for those who responded. Even though only one person mentioned the rail surface, this is of interest. Such reasons can be used in promotional material to encourage those not primarily focused on cycling to participate. Closely-related to this question was a further one relating to their reasons for visiting the overall region of North East Victoria. In many ways, this question was used to triangulate the responses to the previous one regarding cycling on the MTM Rail Trail as the motivator to visit.

**Table 4** Other reasons for visiting the trail

Holiday	15
Easter break	9
Visit friends and relatives	11
Relax	2
Ideal surface of path	1

**Table 5** Reasons for choosing to visit North East Victoria

<i>Reason</i>	<i>Percentage</i>
Location and ease of getting there	11
Range of accommodation	6
Variety of activities	13
All of the above	40
Other	29

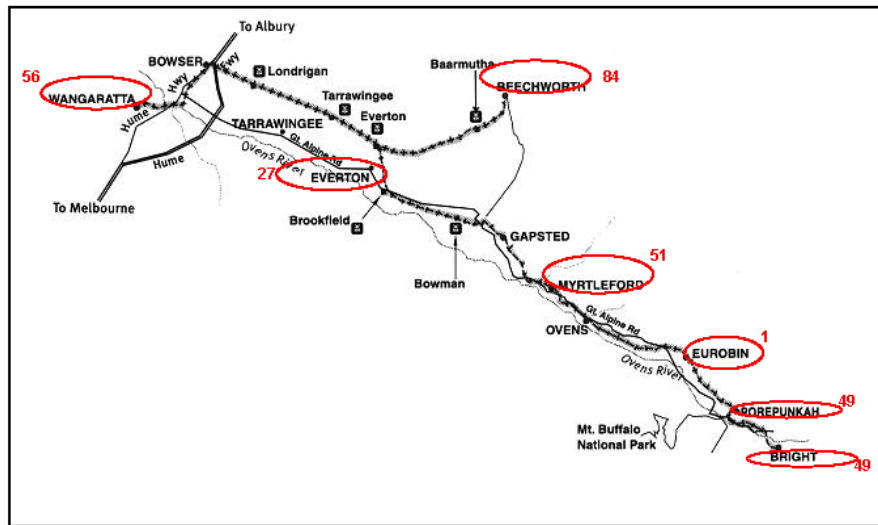
The ‘other’ reasons for visiting the region were predominantly to visit friends and relatives and the existence of the rail trail itself, which is important but not surprising as those surveyed were using the trail.

### 5.1 Cycling and trail usage

The proportion of time spent cycling varied from half days up to 30 for one group. However, the majority spent two to three days travelling, with an average of two days. As the Easter break is generally four days, the opportunity for visitors to cycle for longer periods and/or undertake additional activities is higher than other times of the year.

Figure 3 shows the total number of overnight stops along the trail. As noted earlier, the dominance of Wangaratta and Beechworth may reflect the existence of ‘cycle friendly’ accommodation close to the trail, but can also be due to the range of other attractions/activities in those towns. Beechworth is recognised as a strong historical town and has taken advantage of its status through its promotional activities.

**Figure 3** Total overnight stops on the trail for cycling groups (number) (see online version for colours)



**Table 6** Overnight stops for cycling groups (number)

Town	Thursday	Friday	Saturday	Sunday	Monday	Total
Wangaratta	11	15	13	14	3	56
Beechworth	9	27	27	20	1	84
Everton	1	6	6	4	10	27
Myrtleford	5	14	14	15	3	51
Ovens	0	0	0	0	0	0
Eurobin	0	0	0	1	0	1
Porepunkah	10	12	12	9	6	49
Bright	3	11	14	15	6	49
Off trail: local	1	8	8	8	6	31
Off trail: other	4	2	5	3	3	17
<b>Total</b>	<b>44</b>	<b>95</b>	<b>99</b>	<b>89</b>	<b>38</b>	<b>365</b>

As the trail passes through the towns listed in Figure 3, daytime stopovers were primarily in those towns, plus some picnics on the trail (particularly on Good Friday). Specific businesses that were nominated by respondents as stopover points include:

- Bright Berry Farm
- Gapstead Winery
- Boyntons Winery
- Milawa Cheese Factory
- Vine Hotel

- Beechworth Bakery.

Apart from Milawa, all are close to, if not directly on, the trail, emphasising the advantage of proximity to the trail for these businesses. Table 6 breaks down these figures into each night of the Easter period, peaking on Friday, Saturday and Sunday nights.

### 5.2 The experience

Respondents were asked to identify what they found to be the ‘best parts’ of their experience from a selection of the trail itself, the food and wine, safety, the scenery, the towns along the trail or a combination of them all. Not surprisingly, the highest response was for the combination (42%) as presented in Table 7, which supports the general belief that the entire environment of the rail trail is appealing.

**Table 7** The best part of the experience

	<i>Percentage</i>
The trail	31
Food and wine	4
Safety	3
Scenery	17
Towns along the trail	3
A combination of the above	42

### 5.3 Accommodation

A broad range of accommodation was used, with a strong emphasis on caravan parks and camping (Table 8), along with other self-catering options (house/apartment/cabin). In many ways, this reflects the family orientation of the holiday, where many are on a limited budget. In addition, being in the Australia autumn season, Easter is one of the last opportunities for camping and outdoor activities in Victoria due to the impending winter period. Also, autumn in the North East is stunning with a spectacular range of autumnal colours from non-native trees planted by the early settlers.

**Table 8** Type of accommodation

	<i>Thursday</i>	<i>Friday</i>	<i>Saturday</i>	<i>Sunday</i>	<i>Monday</i>	<i>Total</i>
Hotel/motel	14	13	7	7	0	41
B&B/guest house	3	3	9	4	1	20
Caravan park	18	26	28	25	13	110
Camping	13	20	22	19	9	83
Backpackers	1	1	2	1	0	5
House/apartment/cabin	1	6	8	4	4	23
Own home	9	9	10	11	6	45
Family/friends	3	7	8	10	4	32
Other	1	1	2	3	0	7



5.4 Economic input

Expenditure on food and beverages ranged from zero up to \$1,000. The range of expenditure for each travelling party on food and beverage is outlined in Figure 4. Just under a quarter did not spend on food and beverage, assuming that they brought supplies with them from outside the region. The high level of respondents staying in self-catering accommodation (including camping and caravan parks as well as houses and cabins) as shown in Table 11 may contribute to this as they may have brought their supplies with them.

In addition, 26 respondents spent money on bicycles, with an average expenditure of \$54.19, while 72 respondents reported their fuel and transport costs while in the region, averaging \$91.28. Taken over the entire sample, this represents 19% and 51% of the population respectively.

Figure 4 Food and beverage expenditure (see online version for colours)

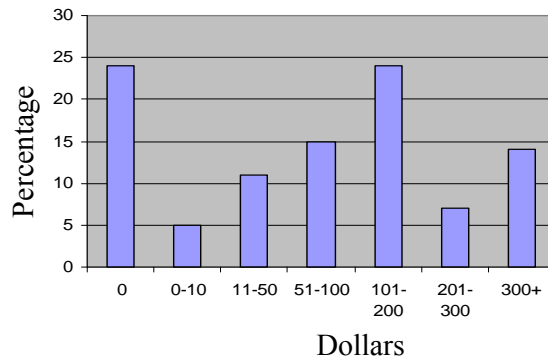
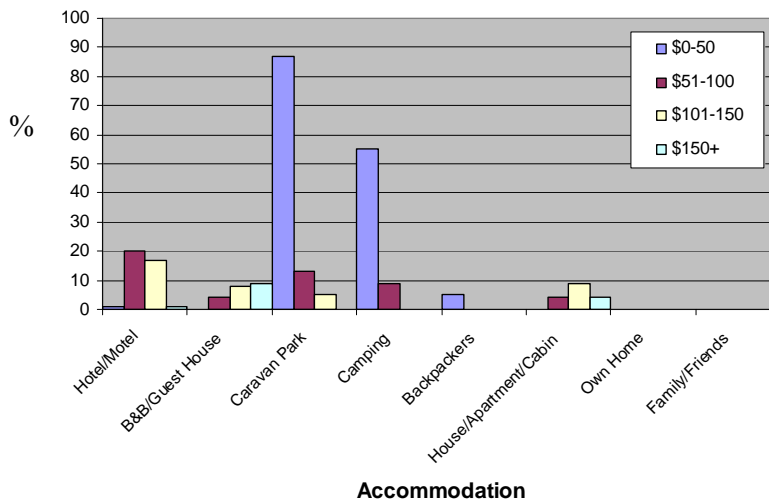


Figure 5 Overall accommodation expenditure (see online version for colours)



Accommodation was generally the most consistent cost item, with most parties staying in paid accommodation, as noted previously. Figure 5 outlines the range of expenditure on accommodation.

While the reporting was primarily for groups, it has been possible to estimate the average expenditure in the region by these riders, who were spending an average of two days riding on the trail, as outlined in Table 9. Once averaged out across the entire sample, the transport and cycling costs are lower than those cited earlier.

**Table 9** Average expenditure, per person per day, 2006

	<i>Accommodation</i>	<i>F&amp;B</i>	<i>Trans</i>	<i>Cycling</i>	<i>Other</i>	<i>Total</i>
Average cost per person per day	27.00	147.00	47.00	10.00	27.00	258.00

However, as noted previously, there are issues of accuracy in terms of self-reporting of expenditure. While a figure per person, per day, is attractive, it is recommended that the range of expenditure per group is a more reliable figure. That said, the following section continues to use the individual expenditure data in order to provide a comparison with the 2003 survey and present a 'bottom line' figure.

### 5.5 Comparison with 2003 study

An initial economic analysis of three Victorian rail trails undertaken in 2003 found that the MTM Rail Trail contributed significantly to the region, with the direct expenditure of people using the trail summarised in Table 10.

**Table 10** Average direct expenditure per day, 2003

	<i>Accommodation</i>	<i>F&amp;B</i>	<i>Trans</i>	<i>Cycling</i>	<i>Other</i>	<i>Total</i>
Average cost per person per day	22.00	60.33	11.77	7.01	11.88	112.99

Of particular interest to the region is understanding the level of the economic contribution in terms of the multiplier effect, where the money spent in the region 'trickles down' throughout the community. Acknowledging that multipliers are not the same for every region or sector, the Centre for Sustainable Regional Communities (2003) at La Trobe University developed a series of regional multipliers that can be applied to the rail trail. These have been done by local government area and sector. The relevant multipliers for the MTM Rail Trail are 2.00 for retail trade, 1.81 for accommodation, cafes and restaurants and 1.77 for cultural and recreational services. When these regional multipliers were included, the contribution to various sectors for 2003 and 2006 can be seen, as in Table 11.

**Table 11** Total economic contribution per person, 2003 and 2006

		<i>Accommodation</i>	<i>F&amp;B</i>	<i>Trans</i>	<i>Cycling</i>	<i>Other</i>	<i>Total</i>
Average contribution per person per day	2003	31.72	109.20	23.31	14.02	23.76	202.74
	2006	48.87	266.07	94.00	20.00	54.00	482.94

While some economists argue that the use of multipliers is simplistic and often over-exaggerated, the work of the CSRC Remplan is conservative and has been prepared for each local government area and sector and tested in these environments. As such, this provides a more accurate and realistic estimate of multipliers, which can be applied with some confidence (Beeton, 2003b).

The increase in food and beverage reflects changes between the two studies in the supply of opportunities for cyclists, particularly with local wineries including Brown Brothers in Milawa, Boyntons and Gapstead wineries. Gapstead in particular has improved its entrance from the rail trail and provides bicycle racks for visiting cyclists.

Many tourism advisors recommend focusing on smaller numbers of visitors who spend more than the 'mass' tourist, providing a greater dollar yield per person. This makes financial and economic sense, but there can be social costs if an enterprise (or destination) tries to actively discourage low yield visitors. In addition, the so-called 'high yield' market is limited. If everyone is chasing this particular type of visitor, competition will become fierce. However, often destinations consider their high yield tourist to be the one who stays in the more expensive accommodation, assuming that such expenditure will continue in all areas of their trip. This may not be the case and, as can be seen by the figures above, expenditure on accommodation on the MTM Rail Trail is not high in many cases due to the availability and use of camping grounds and caravan parks. However, these same people are spending significant amounts on food and beverages and should be considered as a relatively high yield market for this trail and region.

### *5.6 Employment*

According to Access Economics (2005), every \$99,000 spent by tourists creates one additional job in Victoria. The 8,300 Easter visitors alone contribute some \$2,141,400 ( $\$258.00 \times 8,300$ ) direct expenditure to the region. This represents 21.6 equivalent full-time jobs being generated by the Easter visitation.

## **6 Recommendations and conclusions**

This study demonstrates that the initial results in 2003 were conservative, as expected, with a significant growth in overall economic contribution from \$203.00 in 2003 to \$483.00 in 2006 per person per trip. This growth has occurred in all sectors, but primarily in the food and beverage area, which may be due to the increased entrepreneurial approaches and services now provided to people travelling on the trail. It should also be noted that tourism Victoria undertook an intensive bushfire recovery program in 2003–2004, which has assisted in producing such positive growth.

It can be assumed that the economic contribution of this rail trail will continue to grow, as long as the trail is adequately maintained, supported and promoted, providing a significant benefit to the region. However, the study went beyond simply considering economic data to look at trail use, places visited, aspects of most interest and so on.

The results indicate that the businesses adjacent to trails that have leveraged their position are attracting stop-overs particularly wineries and food outlets. It is significant to note that Gapstead Winery won the Best Tourism Winery Award at the 2006 Victorian Tourism Awards, underlying its commitment to tourism and recognition of its benefits.

Nevertheless, further work needs to be done, not only by these businesses, but also by others who are in the proximity of the trail.

Visitors responded positively to the provision of self-catering accommodation, particularly when travelling with family groups. Further studies focusing on their accommodation needs will yield promotional, community and business development opportunities in this area.

The health and wellbeing of cyclists and the local community is a positive benefit of cycle tourism. In addition, the value of interaction with others cannot be under-estimated, particularly in small rural communities. Such interaction can increase the sense of pride in the local community of their assets, including their human assets.

## **7 Implications and further research**

While it has been stated that it is not possible to directly transfer these results to other, less developed trails, particularly in terms of tourist visitation, the study illustrates potential of cycle tourism to rail trails and their host communities. Nevertheless, as found in the 2003 study, each case is different in terms of its economic leakages (and multipliers), infrastructure, access and the availability of other attractions and activities for visitors.

While adding to an extremely sparse body of knowledge from the practitioners' and entrepreneurial perspective, the study also contributes to the broader community development and tourism literature. By linking tourism and community development through the concept of 'community entrepreneurship', further theoretical development of the links between them can occur. It is anticipated that the findings from this paper, along with some studies currently underway on cycle tourism, will be considered in relation to participatory action research and other theoretical approaches.

Rail trails provide outstanding opportunities for tourism and recreation and can encourage outdoor activities and exercise due to the relatively gentle nature of the gradients and the attractive places many pass through. They also provide economic opportunities for the local host communities as well as the increased pride 'showing your place' to visitors creates.

However they require not only funds to be developed, but significant maintenance support. In addition, local businesses and communities need to proactively develop, manage and promote the trails to their markets. Successful tourism does not simply happen – there must be relevant government policies in order to facilitate long term planning and management and further research into the field of cycling trails, tourism and community development is certainly required.

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