



BUSINESS PAPER

EXTRAORDINARY MEETING

Tuesday 21 June 2022

1:30pm

Council Chambers

TABLELANDS REGIONAL COUNCIL'S VISION

To build and maintain sustainable communities while retaining the region's natural beauty.

COUNCIL'S MISSION

To provide services and facilities to enhance the quality of life and economic viability within the Council area.

COUNCIL'S AIMS

To perform services in a cost efficient, effective and friendly manner in order to achieve Council's Mission in meeting the annual objectives and performance targets of the principal activities Council undertakes on behalf of the community.

EXTRAORDINARY MEETING OF COUNCIL

The following items are submitted for consideration -

1	MAYOR	3
	1.1 Goulburn to Crookwell Rail Trail	4

1 MAYOR

The following item is submitted for consideration -

- | | | |
|-----|----------------------------------|---|
| 1.1 | Goulburn to Crookwell Rail Trail | 4 |
|-----|----------------------------------|---|

Mayor - 21 June 2022

ITEM 1.1 **Goulburn to Crookwell Rail Trail**

FILE REFERENCE **I22/178**

AUTHOR **Mayor**

ISSUE

Further consideration on the Goulburn to Crookwell Rail Trail project.

RECOMMENDATION That -

1. Council recognises and provides a letter of thanks to the Crookwell Goulburn Rail Trail Inc. on past years work on Goulburn to Crookwell Rail Trail project concept.
2. Council note a further feasibility study is being undertaken by Goulburn Mulwaree Council to update the costings and feasibility study of the project.
3. Council review the imminent report on the effect and success of the Tumbarumba and Northern Rivers Rail trails.
4. Council continue to liaise and work together with Goulburn Mulwaree Council on tourism initiatives.
5. Council further investigate cycling and tourism opportunities that will positively impact the Shire and occur within a shorter time period.

BACKGROUND

In 2014, following an announcement by the then Deputy Premier and Minister for Tourism, Andrew Stoner MP, in relation to a \$110M Regional Tourism Infrastructure Fund (of which \$50M was targeted at Rail Trail development) the Goulburn Crookwell Rail Trail Inc. was established to develop a concept for a Rail Trail to be established along the old Goulburn to Crookwell rail corridor). The project sits within both the Goulburn Mulwaree and Upper Lachlan Shire Councils' Community Strategic Plan as well as CRJO Regional Priorities (Infrastructure Matrix) and the current Destination Southern NSW Strategic Plan.

In June 2018, following an invitation by the Department of Premier & Cabinet to prepare a business case, GCRTI (through Council) engaged a consulting company, 'SGS Economic and Planning' to prepare a full economic assessment of the project. The assessment identified the project as having many positive benefits to the region with a Benefit-Cost Ratio (BCR) of more than 1.

Since the inception of the Goulburn Crookwell Rail Trail Inc. (GCRTI) the group has worked towards getting the project to a stage where it is "ready to go". Their efforts, in conjunction with Council, has included addressing issues identified (which appear to be common across all Rail Trail projects) and developing costing models for the project. To this end, several grant applications have been prepared based on the work done, so far without success.

Mayor

GOULBURN TO CROOKWELL RAIL TRAIL cont'd

The GRCTI website www.gcrt.org.au contains several documents addressing some of these issues including a Frequently Asked Questions (FAQ) document which has been compiled using the experiences from, not just this project, but other rail trail projects. The site also contains the Feasibility Study and a Biosecurity Risk Assessment Report that was prepared in August 2021 in conjunction and consultation with Local Land Services officers, local farming groups, pest inspectors and a local biosecurity expert.

In recent years Upper Lachlan Shire Council has prepared joint funding applications (with Goulburn Mulwaree Council) to the Building Better Regions Fund (\$7.1M or 50% of project cost) and to the Regional Tourism Acceleration Fund (\$5.5M). Unfortunately, both funding applications were unsuccessful.

The recent price increases that have impacted construction materials brings into doubt the cost estimate produced in June 2020 totalling \$14.160 million project construction expense. While the project costing is expected to rise the expectation remains that the capital cost of the trail will be 100% grant funded.

REPORT

At the 19 May 2022 Ordinary Council Meeting the following recommendation was provided for Council consideration; That -

1. The report on the Goulburn to Crookwell Rail Trail be received.
2. Council re-affirm its commitment to investigate the feasibility of a Goulburn to Crookwell Rail Trail project.
3. Council allocate funds totalling \$15,000 in the 2022/2023 Operational Plan to enable the following to be undertaken:
 - (a) Continuation of liaison with Goulburn Mulwaree Council in a joint working party committee.
 - (b) Update costings and assessment of ongoing annual maintenance costs and obligations.
 - (c) Update of feasibility study business case and economic assessment to include updated costings.

There was an Amendment to the General Manager recommendation at the 19 May 2022 Ordinary Council Meeting. The Amendment became the motion and was carried; That –

1. The report on the Goulburn to Crookwell Rail Trail be received.
2. Council workshop the Goulburn to Crookwell Rail Trail project to provide Council with sufficient information to make an informed decision.
3. Continue liaison with Goulburn Mulwaree Council in a joint working party committee.

In accordance with the recommendation from 19 May 2022 Ordinary Council Meeting, a Councillor Workshop was held on 7 June 2022 and historical documents and previous years' Council Meeting reports and minutes in relation to the Goulburn to Crookwell Rail Trail (GCRT) were provided to all councillors. The objective was to provide councillors with sufficient information to make an informed decision regarding the future of the GCRTI

Mayor

GOULBURN TO CROOKWELL RAIL TRAIL cont'd

Councillors have had the opportunity to understand the Goulburn Crookwell Rail Trail and their thoughts on the SWOT (Strength, Weaknesses, Opportunities, and Threats) Analysis have been provided below for reference.

SWOT Analysis:

Strengths

- Close proximity to other Cities to be driving distance for day trippers from Sydney, Canberra, Bathurst, Orange and NSW South Coast and proximity to Shire transport routes e.g. Hume Highway and State Road MR5
- Project will increase expansion of tourism destination numbers to the LGA and associated flow on effects to local businesses
- Available serviced land for both urban commercial and residential purposes as project may attract lifestyle tree changers
- Health and lifestyle benefits from outdoor recreation; including cycling and walking for Shire residents and visitors
- Social connectedness and enjoyment of users of the Rail Trail
- Rail trail committee have been advised by Destination NSW that Crookwell-Goulburn Rail Trail are shovel ready. Tumbarumba has been the test pilot for NSW Rail trails
- Enthusiasm from a small but passionate local bike community
- No other rail trails currently in operation near the proposed GCRT
- Tourism - focused
- Increased interest in outdoor recreation holidays
- Holiday at home/own backyard campaign post COVID-19 with a focus for outdoor activities
- History and natural beauty of the local areas
- Easy detour off major highway for a 'day tripper' on way north or south
- Potential for high volumes of users
- Potential for local employment during construction
- 57km length of the Rail Trail will appeal to cycling enthusiasts as challenging and desirable
- Project already has a base recognition and reputation around through similar projects in NSW and VIC
- Supported by a majority of residents in the shire though the margin is narrow
- Rail trail committee have been advised by Destination NSW that Crookwell-Goulburn Rail Trail are shovel ready and currently the highest rated unapproved project
- The project will generate many new businesses and long term jobs as it has already in Tumbarumba and elsewhere around Australia
- The project proposes to generate jobs and income from a state owned underutilised asset
- The project is the lead project in numerous strategic plans including those of ULSC, GMC, Canberra JO and Destination Southern NSW
- Project has a very high BCR rated well above any other tourism project currently
- The trail is through some of the most picturesque countryside in NSW unlike many of our competing trails

Mayor

GOULBURN TO CROOKWELL RAIL TRAIL cont'd

- The Trail documentation updates are being 100% funded by Goulburn Mulwaree Council even though Upper Lachlan Shire stand to share a significant benefit
- The steering committee has been very active generating community support and addressing opponent concerns
- Under a range of conservative scenarios, the Feasibility Study projected an annual tourism spend into the community of \$4.5M
- The ability to capture the current "escape" spending going to Victorian Rail Trails
- Like the experience at Tumbarumba to Rosewood Rail Trail the GCRT could be an accelerator of tourism in the area.

Weaknesses

- Maintenance funding not within ULSC's means
- Differences on value of project
- Seasonality
- Mobile blackspot's
- Limited car rental companies for public transport users
- Limited public transport
- Long stay car parking
- Not all sections are ability accessible
- Limited accommodation in Crookwell
- Goulburn focused - Benefits to Goulburn outweigh any benefits to Upper Lachlan Shire.
- No benefit to villages within Upper Lachlan Shire
- Limited to a small market of users
- Length of proposed Rail-Trail will not appeal to all demographics.
- No income stream for Upper Lachlan Shire Council to cover maintenance costs
- Ability to service emergencies in a timely fashion on the rail-trail will be challenging,
- Seasonal sport, mostly weekend activity may not be supported by local businesses who adopt a current "weekend free" work ethic.
- Conflict created with land holders who would be effected.
- Currently very Crookwell centric.
- Cost

Opportunities

- Affordable residential and commercial land costs relative to other similar regional centres
- Goulburn-Crookwell Rail Trail will drive annual increase in visitations and day trip expenditure in Shire, unquantified income
- Project will provide incentive to start or expand existing businesses and industry. The recent upgrades in the towns water supply infrastructure will cater for future population growth
- Existing Alternate/Renewable energy industry attractions – Green/Carbon neutral shire
- Potential to integrate history/art
- Potential to promote region and local businesses
- Potential for new events and bike/walking specific events
- Potential to promote local agriculture

Mayor

GOULBURN TO CROOKWELL RAIL TRAIL cont'd

- Agri-business and new start up's
- Offset threat of other Rail-Trails proposed in our region, capturing potential tourism.
- Promote Heritage Rail Trike attraction to encourage more visitors to stay/start Rail-Trail at Crookwell.
- Project could be connected to Bicentennial national trail and create a unique trail and camping tourism attraction that runs through a huge chunk of land throughout the shire.
- Increases in land value and opportunities to create, support and connect subdivisions and small communities. Improving current housing issues.
- Combine use with the heritage rail trike project. Reduces costs and improves mixed use opportunities.

Threats

- Support for the project is not evident from the NSW Government
- Land owners along rail line resistance to the project - potential conflict between rural industry and project development
- Impact on land values and quite enjoyment, noise and visual impacts to land owners
- Risk to rural production industry based on livestock and horticulture (e.g. seed potatoes, fine wool, sheep, cattle, poultry farm)
- Biosecurity Threats - Noxious Weeds, pest control and environmental land degradation – possible loss of productive agricultural land
- Risks of impacts e.g. increased natural disaster, flood and bushfire events impacting asset in rural location
- Potential risks - project building/construction costs escalation and project management expenses.

- Potential conflict with Crookwell Heritage Rail Group operations on leased land in Crookwell (Trike users),

- Council land area is 7,248 square kilometres. Expensive to service and low rates income base threats financial viability of the Council

- Increasing number of Rail Trails and bike tracks elsewhere, especially if closer to major centres, may 'dilute' numbers willing to visit.
- Project requires necessary legislation changes and planning approvals from NSW Government before it can proceed
- Capital infrastructure costs of Rail Trail project will exceed \$20 million and Council will require 100% grant funding
- The annual depreciation costs for new asset will require being brought to account in Council Financial Statements
- Annual maintenance and general upkeep \$300K costs of the new asset, plus regular asset inspection program required - Council budget cannot support these increased annual costs, unknown insurance cost implication
- Public Toilet Amenities block will be necessary with associated capital, maintenance and depreciation expenses
- Mobile telephone black spots throughout various length of the Rail Trail
- No ongoing employment opportunities from this project

Mayor

GOULBURN TO CROOKWELL RAIL TRAIL cont'd

- New trails within easy drive of Goulburn Crookwell Rail Trail decreasing visitor numbers
- Anti-social behaviour, Rail Trail becoming the new party spot
- Not in my backyard attitudes of land owners
- High cost of materials and ongoing raising maintenance cost
- Return distance of full trail a deterrence
- User only completing half the trail, most likely starting in Goulburn-Mulwaree to location
- Availability of grant funding
- Backlash from ratepayers of wasted money on maintenance cost
- Proposed Rail-Trails at Boorowa, Gundagai, Mittagong and Captain's Flat will impact day trippers to our region.
- Outdated feasibility and business case is not reflecting change in economic, social or financial impacts to ULSC.
- With over 100 trails across Australia and 16 open or partially open trails in NSW, we may have missed this unique opportunity for ULS.
- Legal threats through farmers against Goulburn Crookwell Rail Trail
- Landowners currently accessing the corridor will need to have their concerns and specific access considerations addressed for the project to move forward.

Some of the issues identified that have been addressed, or issues that will be further investigated and solutions developed to address the remaining issues, include:-

- Adjoining property owners - dissection of farming/grazing holdings
- Privacy, security, theft, vandalism, litter, fire risks
- Farm management impacts,
- Reduced property values,
- Biosecurity risks
- Ongoing maintenance cost to community (currently estimated at \$200,000 per annum)

Given the recent increase in construction costs, and the potential need to seal the Rail Trail (current estimate based on crushed granite (or similar)), this costing will need to be revised.

As mentioned earlier in the report, the recent price increases that have impacted construction materials brings into doubt the cost estimate produced in June 2020. While the project costing is expected to rise the expectation remains that the capital cost of the trail will be 100% grant funded. The true cost of the maintenance is unknown.

POLICY IMPACT

Upper Lachlan Shire Council's 2021/2022 Delivery Program includes an action under the Infrastructure Strategic Pillar that Council "actively seek funding for the Goulburn to Crookwell Rail Trail concept."

If Council decides not support the Goulburn to Crookwell Rail Trail concept going forward, the 2022/2023 Delivery Program will require updating to remove the program action.

Mayor

GOULBURN TO CROOKWELL RAIL TRAIL cont'd

OPTIONS

That Council support the recommendation provided by the Mayor and advise Goulburn Mulwaree Council; or
Council decline continued support of the Goulburn to Crookwell Rail trail concept.

CONCLUSION

Council notes the potential business and tourism benefits of a successful rail trail and awaits the results of an imminent report on the success of the two pilot rail-trails in NSW. While rail trail projects are initiatives that occur on state government rail-lands it is important to recognise that small Councils such as Upper Lachlan Shire Council has limited to no financial or human resource ability to contribute to this project.

FINANCIAL IMPACT OF RECOMMENDATIONS

Nil

RECOMMENDATION That -

1. Council recognises and provides a letter of thanks to the Crookwell Goulburn Rail Trail Inc. on past years work on Goulburn to Crookwell Rail Trail project concept.
2. Council note a further feasibility study is being undertaken by Goulburn Mulwaree Council to update the costings and feasibility study of the project.
3. Council review the imminent report on the effect and success of the Tumbarumba and Northern Rivers Rail trails.
4. Council continue to liaise and work together with Goulburn Mulwaree Council on tourism initiatives.
5. Council further investigate cycling and tourism opportunities that will positively impact the Shire and occur within a shorter time period.

ATTACHMENTS

Nil