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INNOVATION & EMPLOYMENT**
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Nga Haerenga - The New Zealand Cycle Trail Evaluation Report

Strategy and Governance
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Executive Summary

The Nga Haerenga, the New Zealand Cycle Trail (NZCT) project, arose out of the Government's 2009 Employment Summit. This project established a fund that would be used to cover the costs of the construction of a series of "Great Rides" across the country. It was aimed to create jobs in the short-term while also creating conditions for businesses to prosper in the long-term.

Vote Tourism appropriated \$50 million over three years to fund the construction of a suite of cycle trails to occur through the granting of funds to third parties. A project team was established within the then Ministry of Economic Development to oversee the dispersal of these funds.

Eighteen trails were selected for funding. These trails were allocated \$46.4 million for their construction, further supplemented by \$34.7 million raised in co-funding by applicant bodies. By the end of October 2013, 12 of the original 18 trails had officially opened. The remainder are expected to be fully open by the end of the 2013/14 summer, with the exception of the Old Ghost Road, which is expected to open at the end of 2014. Together these trails amount to nearly 2,500 kilometres of track.

Performance against objectives

The NZCT project has made observable progress toward achieving many of its short and medium-term objectives, including the creation of jobs through trail construction, regional investment in the cycle trails and related businesses development, among others.

Broadly, there is cause to view the performance of the NZCT project positively. However, it is important to remember that while this project began in 2009, the trails themselves are very new, and only with time can their impacts be fully understood. It is too early to assess the achievement of long term objectives.

The evaluation involved case study research and interviews with trail managers and the project team. Four completed trails were chosen as case studies. They included remote trails and popular day-trip and urban destinations. The case studies involved surveys of trail users and local businesses over the December 2012 to March 2013 period. The case studies sought to understand the scale of the impact on local business during the first season the trails were operating.

- The vast majority of trail users surveyed were visitors to the trail regions and most were New Zealand residents. The proportions who were domestic visitors varied between 57 and 96 per cent, reflecting the varying character and location of the four trails.
- Overwhelmingly, 98 per cent of users said they were either very satisfied or satisfied with their cycle trail experience. Furthermore, 97 per cent of trail users said they were likely to recommend the trail to others.
- The trail user surveys identified the proportion of users for whom the trail had been the main or only reason for their visit to the trail region. This varied from between two-thirds to one half of users on the Hauraki, Mountains to Sea and Motu Trails, to about one in twenty users of the Queenstown Trails.

- These visitors typically spent one to three nights in the trail region and spent an average of between \$131 and \$176 per person per day, or between \$173 and \$743 per person per trip, depending on the trail.
- The 439 local businesses surveyed in the case study regions attributed about 5% of their current turnover to the cycle trails and said that about 50 full-time positions had been created in their businesses as a result of the trails opening.
- One in seven said they had expanded their business (added capacity or added new services) as a result of the trail opening in their region. In some cases these expansions were significant in terms of either capacity or services, but the majority were smaller, such as accommodation providers purchasing several bicycles for hire.
- Overall about one-quarter of business survey believed that trail had been good for their business, and about half believed it would be good for their business in the future.

The four case studies illustrate how trail usage patterns vary dramatically across the different trails in the network and hence the case study findings cannot be extrapolated to provide a whole of network view.

Across the NZCT network, between 100 and 250 people were working on the construction of the trails at some stage during any given month over the period from January 2011 to August 2013. Approximately 1,000 people have employed at some stage on the construction of the trails since the project began. To date, the trails have not directly led to further employment through their on-going maintenance and operations. This is perhaps one area where there is little indication of progress where some progress could reasonably be expected to have been observed.

While some trails might have been built as the result of local initiatives, it is clear that without NZCT funding many of the trails would have not been built. The trails provide new tourism and recreational assets and have facilitated community engagement through volunteering.

Interviews with trail managers and local businesses found there were concerns around how on-going maintenance and marketing costs are to be covered. Other issues raised included the need to improve links between trails and with population centres and to develop complementary activities to extend visitors length of stay in the trail regions.

Given that it is very early days for most of the trails, future monitoring and evaluation will be required to assess the performance of project against its mid and long term objectives. Two key elements of this will be the on-going monitoring of the number of trail users and the undertaking of annual or bi-annual user surveys. Without information from users about which parts of the trail they completed it may be difficult to interpret trail counter numbers. Ideally a standard approach and method should be used across the network so that findings can be compared and aggregated.

Introduction

This evaluation seeks to assess the performance of Nga Haerenga - the New Zealand Cycle Trail (NZCT) project and to make recommendations for future evaluation and monitoring.

The NZCT project was conceived out of the New Zealand Government's 2009 Employment Summit, and, broadly, aimed to create jobs in the short-term while also creating conditions for businesses to prosper in the long-term.

For this project \$50 million was appropriated from Vote Tourism over three years to fund the construction of a suite of cycle trails, predominantly through granting funds to third parties. A project team was established within the then Ministry of Economic Development to oversee the dispersal of these funds.

Eighteen trails received NZCT funding, together amounting to nearly 2,500 kilometres of trail. As at October 2013, 12 are officially open, with the remaining due to be completed over the coming 18 months. While the project has nominally ended and the project team disbanded, the trails themselves are still in their infancy. As such, this evaluation cannot provide a full assessment, but rather indicate progress against what can reasonably be expected given that it is still very early days for many of the trails.

The research undertaken to inform this evaluation has several components, some of which were carried out internally and other components were undertaken externally by an independent third party.

The main components of the evaluation were:

- Semi-structured interviews and focus groups. A representative from each of the 18 trails was interviewed. In addition, two focus groups were conducted with the NZCT project team.
- Four in-depth case studies of specific trails. The trails studied in depth were: Hauraki Rail Trail, Mountains to Sea Trail, Motu Trail, and the Queenstown Trails. All of the selected trails had officially opened approximately 6-7 months prior to the research commencing. The case study trails were selected to be reflective of the NZCT project across a number of factors. Each case study had three distinct components: firstly, a survey of trail users; secondly, focus groups conducted with local businesses; and, finally, a survey of regional businesses. Across the four case study trails more than 1,500 trail users and in excess of 400 businesses were surveyed, and seven focus groups with local businesses were conducted.

These were further supplemented by secondary data sources, including documentation and resources provided by the trails.

Background

The primary objectives of the New Zealand Cycle Trail were:

1. to create jobs through the design construction, and maintenance of the cycle network
2. to create a high quality tourism asset which will enhance New Zealand’s competitiveness as a tourism destination, and provide on-going employment and economic development opportunities for regional economies
3. to maximise the range of complimentary benefits that the cycle network provides to a wide range of New Zealanders.

Figure 1 presents a table of objectives of the project and their timing.

New Zealand Cycle Trail Outcomes		
Short-Term	Medium-Term	Long-Term
18 Cycle Trails opened	Employment growth directly related to NZCT operations	Increased employment and economic development opportunities for regional economies
Creation of short term jobs through trail design and construction	Employment growth indirectly related to the NZCT, in the tourism, accommodation and services sectors, particularly for Small to Medium Enterprises	Increased employment and economic development opportunities for the national economy
Creating demand for secondary services throughout region as construction progresses	Regional investment in the cycle trails and related businesses	Enhanced New Zealand reputation as an international cycle tourism destination
Creation of community, government, and business engagement	Increased complementary benefits for Kiwis such as active transport, recreation, health, social and cultural experiences	
	Diversification of New Zealand’s tourism product mix	
	Increased international awareness of the NZCT through branding and marketing	
	Greater attraction of a high-value and fast-growing segment of New Zealand’s visitor market (increase in cycle tourists)	

Figure 1 New Zealand Cycle Trail Outcomes

The National Cycleway Fund was created for the sole purpose of funding the creation of cycle trails. Organisations were invited to lodge applications for grants to cover construction costs. On-going responsibility, such as operational costs, for the created assets sits with the applicant bodies.

The National Cycleway Fund, established through Vote Tourism, was created to be distributed to third parties. Of the \$50 million appropriated, \$47.5 was placed in the fund and earmarked for distribution to third parties. The remainder was set aside to fund project management activities such

as vetting and deciding upon applications, supporting organisations through feasibility studies, and whole-of-network branding.

The project team received 54 applications, of which 18 were selected to be funded.¹ These 18 trails together were allocated \$46.4 million for their construction. This was further supplemented by \$34.7 million raised by the respective trails in co-funding. Recently, the NZCT network was expanded to include several additional Great Rides, such as the Otago Central Rail Trail. An additional 2,665kms of on-road cycling routes have been endorsed by the NZTA and the Ministry as part of the Network Expansion Project.

As at October 2013, 12 of the NZCT funded trails are officially open. The remainder are expected to be fully open by the end of the 2013/14 summer, with the exception of the Old Ghost Road, which is expected to open at the end of 2014. In terms of length, the construction of the Great Rides network is 92 per cent complete.²

Construction of the trails and has been on-going since late 2009. Across the trails both weather and land access have been significant impediments to completion. Both have caused significant delays. This is illustrated in the word of one trail trust member:

There were protracted negotiations with 25 landowners, which I did. And there were set backs along the way in both trail design, cost, and weather, and everything. So we did have some major impediments along the way.

While little could have been done to predict the weather, a greater recognition of the problems potentially posed by land access and more requirements around land access agreements in the funding agreements may have bettered the trail building process. By the same token, such requirements would have substantially slowed the project. As one member of the NZCT project team noted:

I think it's probably fair to say that when the project was set up it was hoped that the land access issues would be resolved a bit quicker than what they were....But it was also acknowledged at the time that you couldn't wait for them to be resolved before approving the trail cause otherwise no trails would have been approved. So you had to sort of take a bit of a leap of faith.

In some cases the difficulties in gaining land access resulted in the trails being rerouted.

Difficulties aside, the trails have already received international recognition for their quality. In April 2013, the trails received the honourable mention award at the International Trails Symposium. The three awarded honours were granted to initiatives that demonstrate outstanding planning, design and implementation, and contribute to the international trails movement.

¹ Some of the 'trails' are actually comprised of multiple trails. Most fall under a singular trail brand, such as the Hawke's Bay Trails. However, some such as the Dun Mountain and Great Taste have been largely treated and as distinct. The number 18 refers to applications for which funding was granted.

² This figure is subject to change as trails may modify their final route through the construction process.

Case Studies

The four trails that were chosen as case studies had all officially opened within approximately 6 to 7 months of the evaluation commencing (the Mountains to Sea Trail opening in April 2012, the Hauraki and Motu Trails in May and the Queenstown Trails in their entirety in October 2012). In focus group discussions undertaken in November 2012, trail stakeholders indicated that, while optimistic about the benefits the trails would deliver in future, they believed the evaluation would need to take into account that it was “still early days”. Indeed, the Trail User survey undertaken over the months of December 2012 to April 2013 encompassed the first full peak summer season in which the trails had been operating while the Business Survey also sought to establish the scale of impact based on traffic generated in these early months.

Trail Use

Estimating trail user numbers proved to be much more difficult than anticipated. The intention was to estimate the total number of trail users over the December 2012-March 2013 period for each trail, using information collected from various counters located on the track in combination with information collected in the user survey. However counter malfunctions, counter location and varying trail design and usage patterns meant that the information obtained from the counters was not always reliable and was difficult to interpret in some cases. While the counter data provide some indication of the relative magnitude of user numbers they do not provide reliable estimates of user numbers.³

To develop better estimates, counter data was supplemented by information on patterns of trail usage. Evidence from the trail user surveys confirmed that the trails tended to be used in sections rather than from start to finish or in a whole loop. Trail users chose the sections they did based on factors such as time available, ability of group and convenience in terms of facilities required, such as accommodation, meals, and parking. User data also shows that riders seek activities to do on the trails, preferring to ride, stop for an activity or sight, and then carry on. These patterns helped identify which counters were most likely to include double counts due to users doubling back, and which ones provided better estimates.

While counter data is available for trails beyond those examined in the four case studies, the information on usage patterns is not available in most instances, so that usage numbers cannot be reliably estimated. As such, data from these other trails are not presented.

Using a combination of trail counter and survey data, estimates of the numbers of users over the four-month period December 2012 to March 2013 inclusive were obtained. The Queenstown Trails attracted the largest group of users (almost 100,000), followed by the Hauraki Rail Trail

³ Given the issues with the counter data a number of assumptions had to be made to obtain estimates of the total number of users over the four month study period in each case. The following approach was taken: One, isolating data from a reliable counter on a main section of each trail. Two, in some cases counter data was not available for all four months and estimates were used. Three, based on information collected in the user survey about trail usage and the knowledge of stakeholders an estimate of the total number of unique users was obtained for each trail. Fourth, the count of unique users was rated up to reflect the proportion of respondents in the user survey who would not have passed the counter.

(approximately 21,000). While estimates of users on the Mountains to Sea Trail (roughly 8,000) and Motu Trail (3,000) were much smaller, these should be understood in the context of their relative remoteness from major population centres with historically much smaller volumes of visitors than either the Queenstown or Waikato region. Given the issues with the counter data and the various assumptions that had to be made these estimates are indicative only.

Overall, 7 out of 10 trail users were visitors to the region in which the trail was located. The Motu Trail, Mountains to Sea Trail and Hauraki Rail Trail had similar proportions of visitor and local usage, with around 15 per cent local usage. Local use was highest on the Queenstown Trails, with about 43 per cent of users residing locally. Notably, in Queenstown the trail has become a commuter route.

Trail	Estimated* Number of Trail Users (Dec 2012 – Mar 2013)	Proportion who were Visitors to the Region	Proportion of Visitors to the Region who were NZ Residents	Proportion of Visitors for which the Cycle Trail was the Main or Only Reason to Visit the Region	Proportion of Users for which the Cycle Trail was the Main or Only Reason to Visit the Region
Motu Trails	3,000	87%	89%	60%	52%
Mountains to Sea	8,000	87%	87%	64%	56%
Queenstown Trail	100,000	57%	54%	13%	7%
Hauraki Rail Trail	21,000	85%	96%	79%	67%

* The estimated number of trail users is indicative only.

Figure 2 Characteristics of Case Study Trail Users

New Zealand residents made up the majority of visiting cycle trail users. Visitors from Australia and other foreign nations were more prevalent on the Queenstown Trails. This is unsurprising given that Queenstown is an established international visitor destination. The smallest proportion of international visitors was observed on the Hauraki Rail Trail.

Almost half of those trail users who were not resident in the trail region indicated that the cycle trail was the only or main reason they had visited the region. This proportion was much higher amongst those using the Hauraki Rail Trail, at almost 80 per cent, but much lower amongst those using the Queenstown Trails, at 13 per cent. This is captured in Figure 3.

Case study evidence suggests that while some Australian groups have specifically visited to do the Motu Trail, domestic travellers are the predominant visitor market. Domestic visitors riding the trails, especially the Motu and Hauraki trails, appear to be families or younger people in the weekends, and older 'baby boomers' during the week.

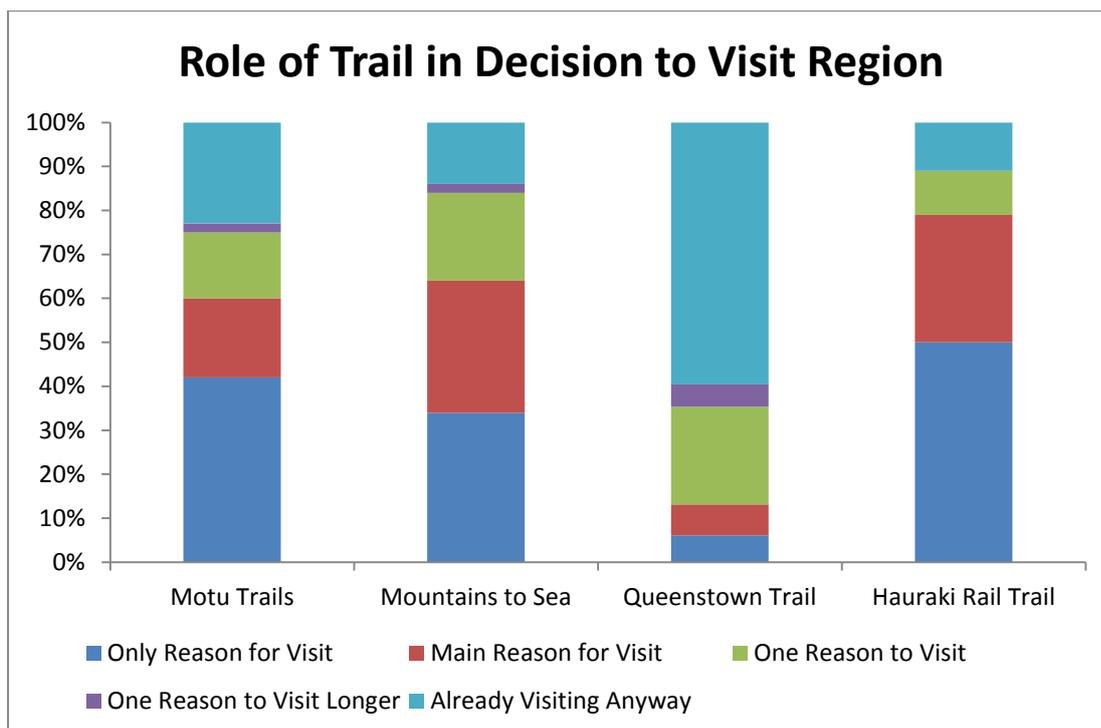


Figure 3 Role of Trail in Decision to Visit Region

Overall trail users were very satisfied with their trail experience. About 98 per cent of all respondents to the trail user survey were either “very satisfied” or “satisfied” with their cycle trail experience. Across all trails, satisfaction was very high amongst both visitors and local residents. When asked about their propensity to recommend the trail, 97 per cent of all users surveyed indicated they were very likely or likely to recommend the trail to people they know.

Regional Economic Impacts

Across the four case study regions, modest positive economic impacts have been observed, with some isolated occurrences of significant positive benefits. Given that it is the first complete summer season for each of the case study trails, the fact that there were observable positive impacts is a significant finding unto itself.

This assessment of regional economic impacts in the four case studies is based in a survey of trail users, a survey of businesses, and a series of seven focus groups with businesses. This information is supplemented by data from the project team on employment generated across the network through the trails design and construction.

Three dimensions of regional economic impact were explored in the study: visitor expenditure; stimulation of and changes to local businesses; and employment, both directly through the trails’ construction as well as employment indirectly caused through stimulation of local businesses. Each of these is discussed in turn.

Expenditure

One important objective underpinning the development of The New Zealand Cycle Trail was the delivery of economic benefit to the regions in which the trails are located. To a large extent, this economic benefit will derive from visitors travelling to the cycle trail regions because of the trails

and their expenditure while in the region. Other contributors to economic impact are expenditure by businesses and other entities deriving benefit from the cycle trails and the employment they create as a consequence.

As one component of a broader economic impact assessment, the case studies consider how much visitors spent when they visited the trail and surrounding area and, of this expenditure, what would not have been spent were the trails not established (i.e. what proportion is 'new money' that can be attributed to the cycle trail). Given this, respondents were asked to provide more detailed expenditure data if the trail was the *only or main reason* for their visit to the region, than if it were not.

For respondents for whom this was the case, the question asked them to provide expenditure data for their *entire visit to the area* (i.e. including time on and off the trail) – given we can assume this expenditure would not have been incurred if the trail didn't exist. This group has been termed **Cycle Trail Visitors**, as their expenditure best reflects the true economic impact of the trails (as far as visitor expenditure is concerned).

Locals, and visitors who indicated the trail was 'one of the reasons', 'one reason you stayed longer', or 'something you decided to do since you were visiting the area anyway', were presented with a different version of the question. This asked them to provide expenditure information for their *time on the cycle trail only* (as well as expenditure incurred outside of this time that was related to the trail and wouldn't have been incurred otherwise, e.g. bike hire). This is because the majority of expenditure outside of this is likely to have been incurred anyway, and therefore is best not to be attributed to the cycle trail's existence. This group has been termed Other Users.

The proportion of users who were *cycle trail visitors* varied considerably by trail. It was much higher amongst those using the Hauraki Rail Trail (67 per cent), the Mountains to Sea Trail (56 per cent) and Motu Trails (52 per cent) than amongst those using the Queenstown Trails (5 per cent).

The average number of nights spent in the trail area by *cycle trail visitors* ranged from one night for the Motu and Hauraki Rail Trails, to two nights for the Mountains to Sea Trail and five nights for the Queenstown Trails. Nearly half of those using the Hauraki Rail Trail and one-third of those using the Motu Trail were day visitors (i.e. spent no nights in the region), compared to 10 per cent of those using the Queenstown Trail or Mountains to Sea Trail.

Most *cycle trail visitors* spent less than 8 hours on the trail. In the case of the Queenstown Trail, 60% spent less than 4 hours and 27% spent 4 or more hours but less than 8 hours on the trail. In the case of the Hauraki Trail, 40% spent less than 4 hours and 31% spent 4 or more hours but less than 8 hours on the trail.

Cycle trail visitors spent an average of \$172 per person per trip to the Hauraki Trail and Motu Trails regions, \$325 in the Mountains to Sea Trail region and \$742 in the Queenstown Trails region. The high average spend for those who visited the Queenstown Trail region reflects the much longer period these visitors stayed in the region on average. Figure 5 provides a breakdown of expenditure by area.

Trail	Estimated* Number of Trail Users (Dec 2012 – Mar 2013)	Proportion of Users for which the Cycle Trail was the Main Reason to Visit the Region	Cycle Trail Visitors' Average Spend per Person per Day	Cycle Trail Visitors' Average Number of Nights in Region	Cycle Trail Visitors' Average Spend per Person Per Trip
Motu Trails (n=116)	3,000	52%	\$133	1.3	\$172
Mountains to Sea (n=108)	8,000	56%	\$169	2.2	\$325
Queenstown Trails (n=41)	100,000	5%	\$176	5.2	\$743
Hauraki Rail Trail (n=396)	21,000	67%	\$137	1.3	\$172

* The estimated number of trail users is indicative only.

Figure 4 Cycle Trail Visitor Expenditure

Average Expenditure in Region Per Person Per Trip - Cycle Trail Visitors	Motu Trails (\$) (n=116)	Mountains to Sea (\$) (n=108)	Queenstown Trail (\$) (n=41)	Hauraki Rail Trail (\$) (n=396)
Accommodation	55	94	243	60
Cafes/Restaurants	17	41	107	48
Snacks/Groceries	22	21	93	14
Other Expenditure	4	7	111	7
Cycle Trail Transport	34	91	9	14
Petrol/Fuel	28	38	43	13
Cycle Trail Costs (including bike hire and trail tours)	10	15	28	10
Other Fees	0	9	64	3
Bars/Nightclubs	1	8	27	3
Other Transport	1	5	17	2
Total	\$172	\$325	\$743	\$172

Figure 5 Average Expenditure in Region per Person per Trip - Cycle Trail Visitors

The counter data collected in the case studies did not generate reliable estimates of the number of trail users in each case and hence it was not possible to reliably estimate the total economic contribution of the cycle trail to each trail region.

The intention was to use information collected from track counters in combination with information collected in the user survey to estimate the total number of trail users over the December 2012-March 2013 period in each case. The total economic contribution of the cycle trail to each trail

region would then be estimated by multiplying the average expenditure per person per visit for *cycle trail visitors* by the number of *cycle trail visitors*. For example in the case of Mountains to Sea Trail: \$325 multiplied by 4,400. (4,400 is the estimated number of *cycle trail visitors* and is obtained by multiplying 8,000 by 56 per cent.) This calculation is presented for illustrative purposes only and demonstrates how economic contribution could be calculated on the basis of information on the total number of trail users, the proportion who visited the region only or mainly because of the trail, and their average expenditure.

The information collected through the user surveys provides valuable information on the pattern of trail use and visitor composition. Importantly, it provides information about the proportion of trail users who had come to the region for the explicit purpose of using the trail and how much money they spent while they were in the trail region.

It is clear from the four case studies that the trails have generated visitors and expenditure in their respective regions. Given the very variable nature of the trails, both in terms of the proportion of users who are visitors to the region and the length of time they spent there, it is not reasonable to generalise the case study finding across the NZCT network as a whole.

National Impacts

MBIE collects and maintains a number of tourism datasets that can be drawn upon to understand the national level impacts and context. Data from both the International Visitor Survey and the Domestic Tourism Survey suggest that there is a growth in mountain bike tourism in New Zealand.⁴ However, it is too early to assess the extent to which the cycle trails have contributed to this.

In the last few years, international visitors have been increasingly mountain biking in New Zealand, both in terms of absolute numbers and as a proportion of international visitation overall. An estimated 35,000 international visitors mountain biked in New Zealand in the year to June 2013 (very similar to the number in the year to June 2012), and many more than the 23,000 in 2009. Note that only six trails were open in June 2012 and of these four had opened since March 2012.

Domestic data on mountain bike tourism was similarly patterned. There has been general upward trending in the last decade both in the number of New Zealanders who have mountain biked while travelling within New Zealand and in the number of trips that included mountain biking. However, as was the case with international data, it is too early to determine if the trails have contributed to this.

Impacts on Local Businesses

Another critical dimension to understanding the economic impact of the trails is the stimulated effects in local businesses. This section addresses several components of the trails' impacts on business in their respective host regions. Four facets of this impact are explored: the creation of new businesses; expansions of capacity or services in existent businesses; changes in turnover; and businesses' experiences and perceptions of change. New employment associated with either new businesses or expansion of existent businesses is considered in the subsequent section. Across each of these facets, there are observable positive impacts from the trails. Critically, these benefits have

⁴ Here it should be noted that trail cycling is to some degree distinct from mountain biking. However, this distinction is not made in either the International Visitor Survey or the Domestic Tourism Survey. Both surveys do, however, distinguish mountain biking from road cycling.

been most significantly accrued among those businesses which, simply, happened to be well placed along the trails.

The figures presented in the section are reflective only of the businesses which responded to the survey. It is not known whether responding businesses are representative of businesses all across their respective regions. The reasons are twofold: One, the sample of businesses that was invited to participate in the survey was constructed from those businesses that were likely to have experienced impacts, by virtue of either their proximity to the trail or their sector. Two, given the nature of the survey it can be assumed that those who were not affected by or located near the trail were more disposed to not respond to the survey invitation than those who were affected. With these caveats in mind, it should also be noted that 439 businesses participated in the survey. While results from the survey of businesses cannot be extrapolated to represent businesses across the region, the sample of responding businesses is substantial and important in its own right.

In evaluating the impact of the trails on regional economies, it is important to recognise that it is still very early days for all of the trails. The study period was the first summer season as a complete and officially open trail for all four of the case studies. This is especially salient in considering the effects upon either business investment or employment. In these areas one can reasonably expect a longer lead time before changes to business are seen. While there will be some early changes to practice and a few individuals seeking to get in early, many businesses are waiting to see the effect of the trails before investing or hiring in relation to the trails. This sentiment was expressed in both business focus groups and in interviews with trail trusts.

While it is early days, across the case study regions a modest number of businesses have been started as a result of the trails. Of the 439 businesses that responded to the survey of businesses, 10 opened “because of” or “partly because of” the trail.

Beyond the four case study regions, there are further examples of new businesses which have opened as a result of the trails. Notable examples include the Kumara Hotel on the West Coast Wilderness Trail, the Mapua ferry, Fishbike along the Hawke’s Bay Trails, among others.⁵ Across the currently open trails there is anecdotal evidence of new businesses created as a result of the trails development. It can be broadly assumed that the NZCT network as a whole is spurring the creation of new businesses across the respective host regions as the trails open and mature. Yet, as elsewhere, given the variant character of the trails and their respective host regions, it is not possible to estimate the magnitude of this impact across the whole network.

The second facet of impacts upon businesses this section examines is expansions in businesses established prior to the trail. Similar to other aspects of impact, the trails were found to broadly have positive, if modest, impacts with a few instances of largely positive effects.

One in five businesses surveyed reported that they had either expanded their services (e.g. added capacity) or added new services since the trail had opened in their region. Of these businesses, 71 per cent (or approximately 14 per cent of total business respondents) did so because of or partly because of the trail. While the areas in which the expansions occurred were highly varied from the

⁵ The NZCT website offers a number of case study businesses.

provision of cycle tours to cellar door tasting sessions, these expansions were most commonly in accommodation, transport or shuttles, and cycle hire.

In some cases these expansions were significant additions to the business in terms of either capacity or services, such as the purchase of an additional jet boat. However, focus groups suggest that the majority of these expansions were comparatively minor, such as accommodation providers purchasing several bicycles for hire. This was well expressed in the business focus group: "A lot of the cycle shops in town and others have doubled the size of their numbers. Like there's hotels who've got them [bikes], there's backpackers who have got them, so everyone's dabbling in it."

Similarly, there was anecdotal evidence that the trails have been beneficial for businesses both through the absorption of excess tourism capacity and by spreading risk through the diversification of some regions' tourism products. This was most visible in trail regions which are established destinations for skiing. In National Park, Ohakune, and Queenstown, especially, it is believed that the visitor season for cycle trails is a perfect complement to the ski season, and enables businesses that predominantly serviced the ski trade to start to extend their season. TCB Ski, Board & Bike in Ohakune is an exemplar. Where previously TCB had only opened in the winter, it later employed four full-time staff all year round.⁶

Likewise, the trails have potentially spread risk through the diversification of the region's tourism product. One focus group participant offered a salient example: "People say 'oh who cares what the weather's like, we'll take our bikes and if we can't ski we'll bike.' That's a fantastic outcome."

The third dimension of impact considered is changes to business turnover or profit. Results here were parallel to other aspects of impacts upon businesses. There were notable broad but small positive impacts affecting between one-fifth and one-third of responding businesses and a few outlier cases where there has been significant positive impacts associated with the trail.

Across the four trails, 33 per cent of respondents indicated that the trail had increased the number of customers served by their business. Similarly, nearly one-quarter of businesses indicated that the trail had increased the turnover or income of the business. This is depicted in Figure 6.

⁶ New Zealand Cycle Trail, "Taking Care of Business with TCB Ski, Board & Bike Ohakune", <http://www.nzcycletrail.com/sites/default/files/uploads/case-study-NZCT-TCB-Ohakune.pdf>

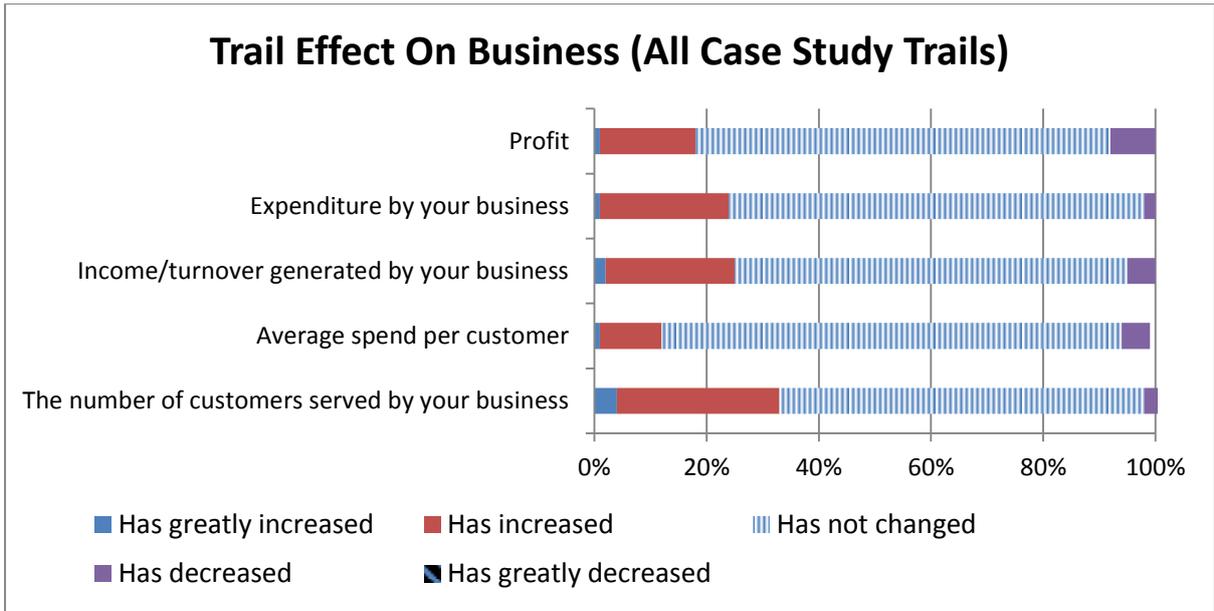


Figure 6 Trail Effect on Business (All Sample Trails)

Slightly more than half of businesses did not attribute any of their turnover to the existence of the cycle trail in their area. Hauraki businesses were however most likely to attribute a proportion of their turnover to the trail, and Motu businesses were least likely to do so.

While the majority of business that attributed some of their turnover to the NZCT attributed one to five per cent, some operators were already doing very well out of the trails. For example, one motelier near a trail reported a 15-20 per cent increase in business since the trail opened – although he noted that, despite this, overall business was still below pre-Global Financial Crisis levels. Approximately, four per cent of business across the four trails saw over half of their turnover as related to the trails. This is presented in Figure 7.

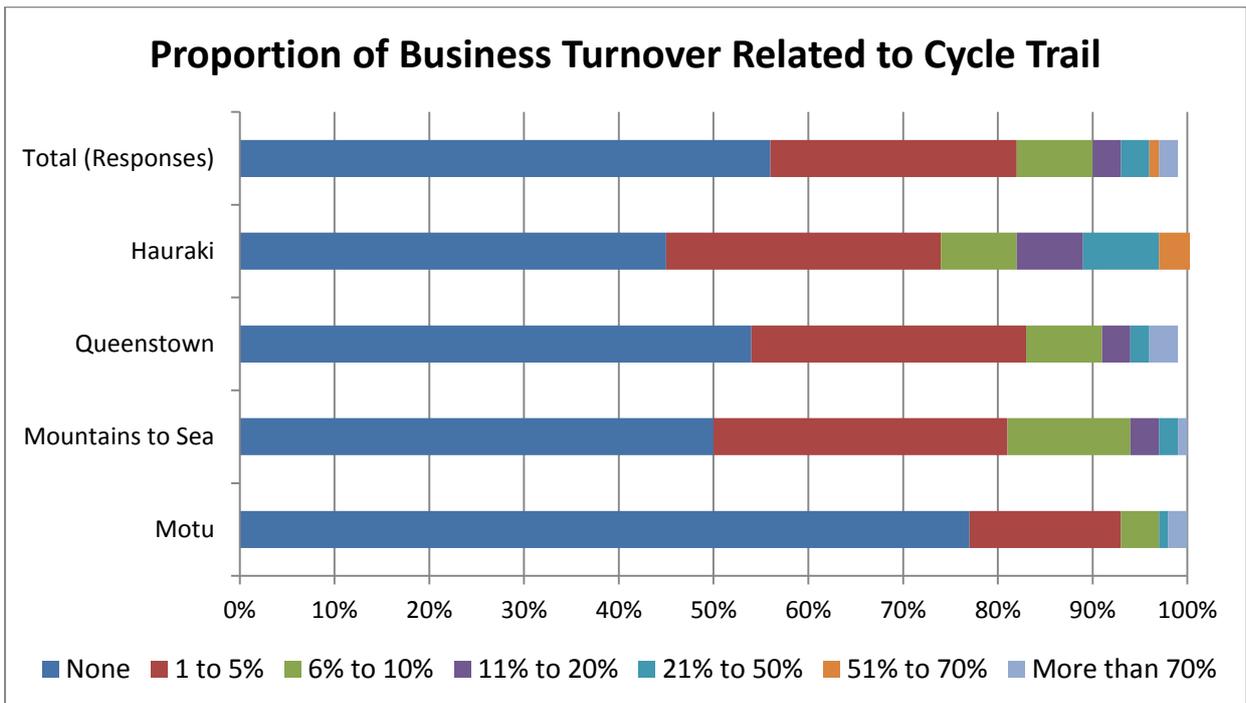


Figure 7 Proportion of Business Turnover Related to Cycle Trail

Across the responding businesses there was generally modest positive impact, understood in terms of turnover, perception of change, or indirectly through expansion of service. There were also a few outlying cases where there has been marked impact assessed either through directly turnover indirectly through changes to or creation of services.

In the four case study regions, the 440 businesses surveyed reported that the trails have resulted in an increase in 51 full-time equivalent employees in their businesses. These new jobs were predominantly part-time service industry roles.

Information from focus groups with local businesses, business surveys, and interviews with trail managers suggested that the businesses that have benefitted the most have been those who incidentally happened to be located close to the trails or at important junctures. Exemplars of this included accommodation and hospitality businesses positioned along the trail in locations close to the needs of users, such as a motel position at the midpoint of a two-day ride.

In some cases, business owners proactively sought out these critical locations, such as the Kumara Hotel. In other cases businesses modified their services or added capacity as a result of their position along the trail. This was well illustrated by the comment of one focus group participant: "We're builders by trade....we opened [a cycle hire and shuttle service] because of our position along [the trail] and thought okay here's an opportunity."

Employment

There are three key areas where the cycle trails may have had impacts upon employment: direct, short-term employment through construction; employment associated with the on-going trail operations and maintenance; and indirect employment through local business creation and expansion. These are each considered in turn.

The NZCT project team has tracked construction employment from the beginning of the project. However, as those working on the construction of the trails were employed predominantly through construction agencies, information on how long or how much individuals worked on the trails was not practical to collect, and the available records do not allow for reporting on the hours worked, length of employment, or number of full time equivalent workers (FTEs). Instead information on the number of people employed in each month was collected, as well as information on the numbers who were new employees in each month.

On average about 175 people were working on the trails in any given month in the period from January 2011 to August 2013. The numbers of people employed each monthly has generally declined, with between 200 to 300 people employed at some stage during each month of 2011, about 200 people employed in each month during 2012, and about 100 people employed in each of the first 8 months of 2013.) Across the NZCT network approximately 1000 people have been employed at some stage on the construction of the trails up to the end of August 2013. (Refer to Figure 8).

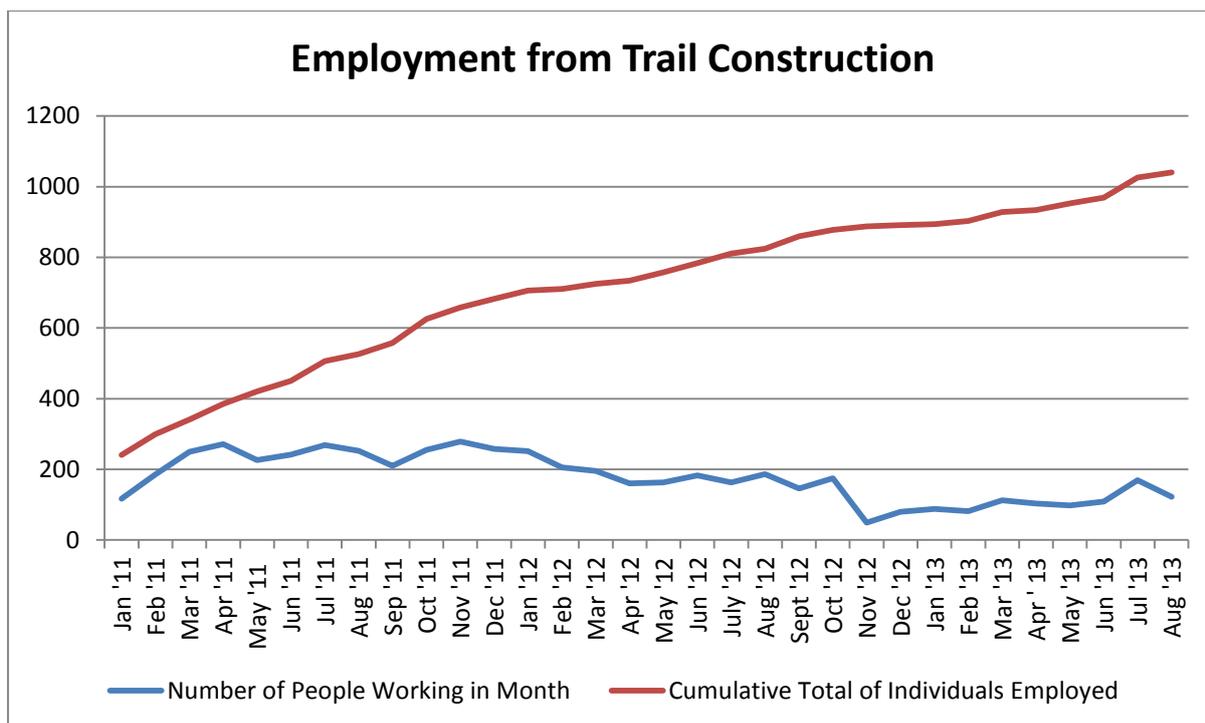


Figure 8 Employment from Trail Construction

At present, across all trails, the direct effect of the trails upon employment through on-going operations and maintenance is not established – there is not clear evidence of direct effect at this point.

In most cases where the trails are overseen by a trust, rather than by the Department of Conservation (DoC) or a territorial authority, members of the trust are volunteers and are not compensated for their time. A small number of trusts employ one or two staff. It is not clear whether the trails have resulted in additional employees or have been built into the workloads of current employees.

In the four case study regions, the 440 businesses surveyed reported that the trails have resulted in an additional 51 full-time equivalent positions in their businesses. These new jobs were predominantly part-time service industry roles. (This estimate is drawn from responses to the survey of businesses and included the employees of businesses that reported that they were established because of the trail or had increased their employment due to the trail. The estimate has not been extrapolated in attempt to capture changes to employment in businesses outside of the sample. Such extrapolation would hinge on a number of assumptions around representativeness of the sample which cannot reasonably be made. The overall response rate was only 30% so the potential for non-response bias is large. As a result, this approach provides a lower bound estimate of employment stimulated across the four case study regions.)

It should further be noted that the study period was the first complete summer season that the four trails had been officially open. Feedback from business focus groups indicated that many business owners were ‘adopting a wait and see attitude,’ temporarily stretching resources to accommodate a short-term increase in demand while waiting until benefits are proven before investing further in material or human resources. Businesses expressed that they would invest and hire in the future

should current patterns of visitation hold over the next season or two. Should visitors levels remain stable or increase over the next few seasons, an increase in employment across the case study regions can be anticipated.

The case studies showed there was a lot of variability across the four trails and it is not reasonable to generalise the case study finding across the NZCT network as a whole. Factors such as proximity to urban centres or established tourist destinations, accessibility, and relative remoteness all have a significant influence on the business development opportunities presented by the trail's creation. Moreover, the lengths of time that the trails have been open varied considerably. The age of the trails affects patterns of current use and consequent economic and employment effects.

Across all three dimensions, visitor expenditure, impacts upon businesses, and employment, case study trails have shown modest positive impacts and some isolated significant impacts. Given that these trails are in their infancy, such impacts should be considered significant.

Whole-of-Network Analysis

In addition to the case studies, some research was undertaken to understand aspects of the NZCT network as a whole. Through this work several key themes emerged. In particular, social benefits to host communities; issues around maintenance and marketing; and the composition of support services were identified as salient aspects of the project. Each of these is discussed in turn.

This section is derived from information gained through focus groups with the NZCT Project team and a series of interviews with trail managers.

Benefits to Community

Beyond economic benefits to host communities, the NZCT project has also had social impacts upon trail regions. These benefits are varied, spanning from increased community pride to health benefits. However, these varying impacts were difficult to robustly assess. That said, there are two stand-out effects which were clearly attributable to the trails: One, the trails have provided a recreational asset and, two, they have facilitated community engagement through volunteering.

Some trails have become important recreational assets for their local communities. Indeed, across all of the case studies the largest group of users was that of those who live in the region. As one trail manager stated:

“What stunned us is the amount of families out there – local families – and the amount of local families who email and thank us – and there’s little kids, you know, four year olds, actually managing to do big sections of this trail – so it’s a major family boost.”

Another, similarly, said:

“Locals have brought into this in a way I didn’t really expect and I thought, I thought, I wouldn’t have put so much effort in if I didn’t think it had a real potential, but I envisioned that most of our visitors would be visitors from out of the area. I’m amazed at how many

local farmers, mechanics, freezing workers, whatever, I've seen actually out there on the trail, people I just never expected to be out there doing that."

Not only were trails being used by residents for cycling, some trails were also being heavily used by walkers. Furthermore, some trails have become important parts of the transport network, acting as safe off-road corridors for commuting cyclists.

Thousands of volunteer hours have been contributed to the NZCT Project. While volunteering is not necessarily a positive outcome, this voluntary work can be viewed as indicative of engaged and active communities that are supportive of the NZCT project.

A multitude of cases can be pointed to as exemplars of community engagement and volunteering along the trail, including a bridge built between Rabbit Island and Nelson mainland, huts built along the Old Ghost Road, and activities such as planting across many trails. Supporting interviewee commentary is presented in Figure 9. Likewise, many trust members and local champions of the trails are volunteers. Many participants also noted that the trails have instilled a sense of pride in host communities.

"We have had the Corrections department community services guys doing a lot of good work on the cycle way, which has been good in terms of giving them ... something that they're proud of, you know, and I've been down there and some of those who had finished their community service actually came along in a Ute to look at how it was progressing...so they have definitely felt that they've contributed through what they have done." – Trust Member

"So almost anyone you talk to around Nelson, when you mention the trail they go wow, that's a great initiative, it's great to see it happening. Um, lots of people [are] out on the trail especially over the weekend. The local rotaries have got really involved in it, we've had a lot of volunteer labour from the local Rotary club...building boardwalks and tracks, helping with track building. Some local companies have helped sort of tidying up, one company helped tidying up a facility they turned into a shelter. Schools have made some bridges and seats..." - Trust Member

Figure 9 Reflections on Volunteering

Maintenance and Marketing

Two themes common across all the research components of this evaluation were concerns surrounding future maintenance and marketing of the trails. Both of these areas sit outside of the responsibility of the project team as originally intended. However, both are critical for growing and maintaining strong visitor bases. These concerns largely stem from uncertainty over future funding bases and operational costs for many trails. These issues also illuminate areas of dependency. Across all of these areas it is unclear to what extent these concerns and risks will pose significant and real challenges to the trails in the future. Here, as throughout the evaluation, it is too early to tell how this will play out as the trails mature. That said, such potential issues should be acknowledged.

Maintenance

One recurrent theme across the case studies, network-wide interviews and focus groups was concern about how the cost of maintenance will be covered in the future. In some respects this sits outside the NZCT project, as the projects funds were only ever intended to fund the construction of the trails. Yet, there are significant risks associated with inadequate maintenance, and as such unsatisfactory maintenance could potentially limit full realisation of benefits of the trails.

One of the greatest points of coherence across the interviews and focus groups conducted was concern regarding the cost of on-going maintenance. Participants conveyed a general unease and concern about how the on-going cost of maintenance will be covered.

Not all trails are facing this uncertainty. Trails which are supported by councils with stronger rating bases, such as the Hawke's Bay Trails, are positioned to be able to meet the on-going cost of trail upkeep. Similarly, those that are administered by DoC have had the operational cost of the trails integrated into existing budgets.

The on-going cost associated with the upkeep of a trail is by no means a small expense. The NZCT *Operations and Marketing Plan Guidance Notes* suggest that trails budget \$1,000-1,500 per

"Our greatest concern at the moment is around the on-going maintenance of the trail and the fact that we're just little, while we've put forward how much we think it'll cost per annum to maintain the trail and we're going to try and fund that out of users, you know through booking engines and things like that, it's still, it was agreed to at the start, the Government were very clear that they weren't putting in any money to maintain the trails. If you're lucky enough to have most of your trail on DoC land then you can pretty much, you know, they'll fund that cost to a certain extent to maintain it as their track. But otherwise, yeah, it's, I guess it's pretty uncertain, the way forward is a bit uncertain in that respect. And they are significant assets and they will take some care and I guess our one is in the middle of, essentially rainforests for part of the year, so yeah, that's probably our greatest concern at the moment." – Council Administrator of a Trail

"One of the issues is maintenance. The government, the central government money, the MBIE money is only for construction. And I guess councils are under a significant amount of pressure from central government at the moment to manage their budgets so concerned about the costs that they might, that might be incurred in maintenance of the trail." – Chair of Trail Trust

kilometre per annum for maintenance.⁷ Many trails have either under-budgeted or have shortfalls in their maintenance budgets.

In some respects, this budgetary shortfall is understandable given that until a trail is built it is difficult to assess exactly what its maintenance requirements will be. While all trails will require some of the same basic maintenance, such as resurfacing and removal of vegetation, the character of the surrounding environment and structures not only will dictate their operational costs but are also highly variable from trail to trail. Moreover, as many of the trails are incomplete and subject to

⁷ New Zealand Cycle Trail, *New Zealand Cycle Trail Operations and Marketing Plan Guidance Notes* (2012), 13.

modification through the construction phase, a degree of uncertainty around maintenance costs and budgeting is likely.⁸

Critically, many trails are dependent upon external funding to cover the cost of maintenance. In some cases this is from council, other sources such as sponsorship, grants, licensing of operators, and donations. The extent to which these funding sources are sustainable or sufficient to meet the on-going cost of maintenance is currently unclear for some trails.

It was clear from the outset that the responsibility for on-going maintenance and operations sat with the trails themselves and that the NZCT project funds were to be only used for construction. Indeed, the initial applications for funding required that there be a plan in place for the funding of maintenance.

The insight here is some trails were not fully aware of the extent of the cost of on-going maintenance, and also that it is much easier to source potential funds rather than concrete funds. Furthermore, the financial environments in which the trails are seeking operational funding have changed since the initial applications were lodged.

The quality of the physical trails themselves is of paramount importance to reaping the full benefits of these trails. User satisfaction with the trail and the experience of the ride hinges upon the quality of the trail and associated amenities. Trails must be well maintained in order to live up to the Great Rides branding. In order to increase the number of and continue to attract both domestic and international visitors, trail managers need to deliver great quality trails. Critically, the quality of any single trail reflects upon the entire network. One or two poorly maintained trails could be highly detrimental to the overarching NZCT brand.

The extent to which budgetary shortfalls for maintenance pose significant challenges for the trails will become clearer as they become complete and enter into their respective maintenance programmes. However, it is evident that there is an area of risk around maintenance.

Marketing

Another area which is of considerable importance for reaping the full benefit of the trails is that of marketing. Much the same as maintenance, marketing is outside the role of the NZCT project team in a strict sense. Yet, effective marketing of the trails is required to grow awareness and visitation of the trails nationally and internationally. Here, it should be reiterated that it is still early days and as such marketing may have not yet become appropriate, given that in many cases the product to be marketed is not fully complete.

Targeted marketing of the trails has already been anecdotally observed to have significant impacts. Most notably, video shot by and posted on the website of *Flow*, an Australian mountain bike magazine, which featured sections of the Great Lake Trail, saw groups of Australians coming to ride the trail. While this is illustrative of the effect that a marketing campaign can potentially have, this is an isolated example, and the majority of marketing of the trails has been through word of mouth.

The piecemeal nature of marketing to date is partially the case as a result of the structure of the project. No money from the \$50 million appropriated from Vote Tourism was earmarked for

⁸ Reasons for these modifications include changes to land access and opportunities to move the trail off road.

marketing, and the responsibility for the marketing of the trails is split, between the national brand and the individual trails branding.

Tourism New Zealand, by virtue of its role, is largely responsible for the international marketing of the trails. Responsibility for the domestic marketing of the trails sits with the trails themselves and has been undertaken to variant degrees. The majority of trails have done no substantive marketing. This is unsurprising, given that the majority of trails are not currently open.

Tourism New Zealand has undertaken no explicit marketing of the trails to date. This is largely because, until recently, the product to be marketed did not substantively exist. There is a campaign for trail cycling planned. This was rolled out in the United States in October. A subsequent Australian campaign will be run later in the year.

Dependencies

In considering the issues around maintenance and marketing, two critical dependencies become apparent in the structure of relationships across the NZCT network. The first is that many trails are financially dependent on uncertain external sources. The second is the co-dependence of trails across the network. Importantly, there is risk with each of these dependencies.

Foremost, the trails themselves come with associated cost. This cost is not only comprised of maintenance requirements but also marketing and wider operational expenses. There is no obvious manner in which this cost will be borne in cases where DoC or the local territorial authority is not funding. Trail managers are responsible for meeting this cost, yet, in many cases, these trail managers are not those who are reaping the benefit of the trail. Rather, the financial benefits will be accrued by local businesses. The NZCT Official Trail Partners programme is one means by which the trails can reap some of the benefits, however, whether this will be sufficient remains to be seen.

Secondly, the trails are dependent upon one another. As discussed in the forgoing sections, through the shared brand the trails have the potential to damage one another. One or two substandard trails will tarnish the overarching Nga Haerenga brand.

To some extent this risk is mitigated by the fact that the Crown will retain ownership of the NZCT brand, which will be licensed to NZCT Inc. This incorporated society, to which membership is voluntary, through its constitution can both levy the trails and require standards of maintenance as a condition of membership. Access to the NZCT brand will be contingent upon membership to NZCT Inc. However, if the reason for impoverished standards of maintenance is a lack of funds, this may not be an adequate failsafe.

The extent to which these dependencies in tandem with the forgoing issues around maintenance and marketing will pose significant challenges to the trails can at present only be speculated upon. However, the realisation of the intended long-term outcomes of the project will be greatly affected by the interplay of these factors.

Support Services

Another issue raised by both the project team and the trails is the need to get the supporting services in place. These include accommodation, food, transport to and from the trails, cycle hire, and other components of visitor experience. While this is well beyond the role of the NZCT project team and, indeed, the trails themselves, getting the right mix of these services will be of great importance to attracting visitors and reaping the most from the trail investment.

International tourists who participate in cycling are a high-value segment of the tourism market. These tourists spend an average \$3,800 per person per visit while in New Zealand, considerably more than the \$2,500 average for international visitors. Of these cycling visitors, 22 per cent report spending more than \$5,000 per visit.⁹

Yet, attracting these tourist dollars hinges on having support services in place. Tourists are also seeking creature comforts such as accommodation, food and wine, and easy transport. Packages may be important in reaping some of these tourist dollars. Some trails, such as the Hawkes Bay Trails, have much of this infrastructure in place. Indeed, part of Hawke's Bay's initial strategy was to have a series of trails that incorporated as many local cafes, and pub sites as possible. The hub and spoke trail model in Hawke's Bay makes it easier for people to do shorter biking trips, removes the need for organising additional transport, make an instantaneous decision to ride with greater flexibility over the route. The Otago Central Rail Trail has also been very successful, though with a different model, as it caters to those who are riding multiple days along a linear route.

The necessary services will in many respects be dependent on the location and structure of the trails themselves. The mix of services that is appropriate for one trail will not necessarily be appropriate for others.

However, there are some trails with obvious gaps in services. A salient example is the Timber Trail, where there is only one accommodation provider at the midpoint of the trail. This motel is an additional 7km ride off the track.

A similar issue is the bike-specific knowledge of people who are involved or becoming involved in the industry. There is a sense that they need to upskill so that they can advise visitors appropriately and know what rides to recommend to certain people. Product information about the trails (i.e. where trails are and what they are like) and bikes (i.e. what sorts of bikes are available and how they are matched to users) may be lacking. It is felt that this will develop over time, but in the short-term there will be a potential quality issue.

Support services are a dimension of trail experience which neither the project team nor the trails will directly affect. However, visitors require these services and visitor expenditure on such services as accommodation and transport are key means through which the trails contribute to host economies.

⁹ Tourism New Zealand, *Tourist Special Interest – Cycling* (2013), 2.

On-going Monitoring and Evaluation

One of the objectives of this report is to establish a framework and recommendations for future evaluation and monitoring. In essence, there are two baskets of attributes of the project which could be evaluated. There are those attributes of trail performance that are important for understanding the achievement of the NZCT project outcomes, such as stimulated employment and amenity gains. There are also those attributes that are important for understanding the character of their use and contribution to local economies. The second group is, in essence, a subset of the first.

This evaluation has assessed the short- and mid- term objectives of the NZCT project, however, it is not necessarily the case that this will be the most valuable or cost-effective approach for the individual trails in the future. For example, data such as that collected in the survey of businesses, while useful for assessing the performance of the NZCT project, is going to be of marginal value for individual trails. User surveying will be much more useful for individual trail managers.

Future assessments of economic benefits of the NZCT will require reliable information on trail use and expenditure users who are visitors to the trail regions.

The case studies have demonstrated that it can be difficult to obtain reliable information on the number of trail users based on track counter data. The case-study trails also showed that relying on a single counter will generally not provide sufficient information. For trails which have a mix of users (i.e. both walkers and cyclists) counters which can distinguish these would be ideal (or alternatively having two types of counters at the same location).

Based on the case study trails, it seems that in most cases counter data alone may not be sufficient to estimate the number of trail users. This will certainly be the case if users tend to undertake only sections of the trail rather than completing it from start to finish or completing a loop. In these cases it is important that counter data is supplemented by information on the patterns of trail usage so that information on how users will have been counted by the various counters located on the trail is available. Relying on counter data alone may be sufficient in some cases, depending on the number and location of the counters and trail design and usage patterns.

Conducting user surveys is also challenging, given that the mix of users, the nature of the trails and the number of routes typically taken. The approach used in the case studies combined information from a single counter with information from trail users who were usually recruited at several different locations on the trail. The counter numbers were adjusted to obtain a count of unique users and then rated up to reflect the proportion of users in the survey who did not pass the selected counter. This approach assumes that those surveyed are a random sample of all trail users.

In cases where many of the trail users are not cyclists (and depending on what sort of information is wanted) it may be worth considering targeting cyclists specifically. One option would be estimate the user mix (via observation or counters that distinguish the different types of users) and then survey each group of interest (i.e. separate samples of cyclists and walkers) and weight these together based on the estimated user mix.

One issue that arose in the Queenstown Trails case study was that as few as 5% of respondents were visiting the region because of the trail, so that only a small number of respondents were included in the analysis of visitor expenditure. In these types of cases a large number of users would have to be surveyed in order to obtain sufficient numbers of *cycle trail visitors* and hence a reliable estimate of average expenditure.

Conclusion

This section comments on the progress of the project against its stated objectives and presents the six findings of this evaluation.

Progress against Objectives

Broadly, the project has made appreciable progress towards realising the majority of its short- and medium-term objectives, as expressed in Figure 10.

Objectives in green are those that have either been achieved or are on track to be achieved in the near term. Cases where it is too early to reasonably tell whether the project has resulted in the intended outcomes are highlighted in blue. Objectives in red are those where progress could have reasonably been expected but was not observed.

New Zealand Cycle Trail Outcomes		
Short-Term	Medium-Term	Long-Term
18 Cycle Trails opened	Employment growth directly related to NZCT operations	Increased employment and economic development opportunities for regional economies
Creation of short term jobs through trail design and construction	Employment growth indirectly related to the NZCT, in the tourism, accommodation and services sectors, particularly for SMEs	Increased employment and economic development opportunities for the national economy
Creation of demand for secondary services throughout region as construction progresses	Regional investment in the cycle trails and related businesses	Enhanced NZ reputation as an international cycle tourism destination
Creation of community, government, and business engagement	Increased complementary benefits for Kiwis such as active transport, recreation, health, social and cultural experiences	
	Diversification of NZ's tourism product mix	
	Increased international awareness of the NZCT through branding and marketing	
	Greater attraction of a high value and fast growing segment of NZ's visitor market (increase in cycle tourists)	

Figure 10 Progress towards Outcomes

The NZCT project can be observed to have delivered upon its short term objectives. While only 12 of the 18 funded trails are currently open, as at October 2013, the remaining trails, bar the Old Ghost Road, are expected to be open by the end of the coming summer season. Records kept by the NZCT project team show that an estimated 1,000 people have been employed at some stage since the project got underway, with an average of 175 people employed in any given month.

The project, through the case studies and interviews, can be observed to be making progress towards four of its medium term objectives. Three of these (employment growth in tourism; regional investment; and the diversification of the tourism product mix) were explored in depth through the case studies. The fourth, complementary benefits, was evident in the network-wide interviews and focus groups.

There was one area where the project was observed to have not delivered the desired outcome: employment growth directly related to the NZCT through trail operations. Only a few roles have been created. Rather than resulting in new employment, operational duties were largely either taken up on a voluntary basis or are the responsibility of territorial authorities or DoC.

Observable progress toward of two of the medium term objectives (increased international awareness of the NZCT through branding and marketing and greater attraction of a high value and fast growing segment of NZ's visitor market) cannot reasonably be expected at this point in time. While some action has been taken towards marketing the trails internationally, and thereby attracting cycle tourists, the activities in these areas hinge on having a product to market. Some international marketing of the trails has occurred, but much more will occur in the lead up to the coming summer season.

Similarly, it is too early to assess the achievement of the long-term objectives of the project. Progress of the project against its short- and mid-term objectives largely suggests that the project will deliver its intended long-term objectives provided risks are minimised.

Findings

In addition to the foregoing assessment of performance, this evaluation has produced a number of important insights. Six core insights, or findings, merit mention.

Foremost, it is clearly evident that the trails are marked by difference. Even among the case studies there is great variance from trail to trail as assessed by any measure. Such variance delimits the possibility for generalisation and necessitates trail by trail assessment to fully understand the project's impacts.

The second key finding of this evaluation is that despite this variance across the case studies there was observable generally positive impacts upon host economies. While the extent of this benefit is variable from trail to trail, the impacts are similarly patterned. A small number of businesses that are positioned at key junctures along the trail or within the market are reaping large benefits from the trail, while others are seeing modest benefits as a result of changes to visitation patterns.

Thirdly, the trails have had appreciable impacts upon employment. Across the NZCT network, about 1,000 individuals were employed at some stage on the construction of the trails over the last 4 years, with an average of 175 people employed at some stage in any given month. In the four case study regions, the 440 businesses surveyed reported that an additional 51 full-time equivalent positions had been created as a result of the trails opening.

Fourthly, the project has also had observable social impacts in host communities. This is most apparent through the trails' provision of a recreational asset. They have also facilitated community engagement, as illustrated by the innumerable volunteer hours devoted to the project.

Fifthly, there are a number of risks that have the potential to affect the benefits to be reaped from the NZCT project. For some trails there is considerable uncertainty as to how on-going costs are to be covered. This has potential implications for both the maintenance and marketing of the trail. Here, this evaluation has also illuminated areas of dependency, not only are the trails dependent on funders, they are also dependent upon one another.

Relatedly, in some cases there is a need to get the supporting services right. Amenities such as accommodation and transport, among others, need to be present and adequately positioned in order to meet visitor needs. This sits well beyond the purview of the project team or the trails, yet having these in place will be necessary for realising the long-term objectives of the project.

Lastly, there is a need for a systematic approach to on-going monitoring and evaluation of the trails' performance. As this evaluation has occurred relatively early on, further monitoring and evaluation will be necessary to assess the performance of the project against its mid and long term objectives. Moreover, such information can be an important mechanism through which trails can demonstrate their contribution to local economies.

While meaningful generalisations cannot be made beyond the cases studied, the case studies did reveal appreciable positive impacts of the trails, both socially and economically. This is more generally reflected in the wider whole of network research conducted.

The project has made observable progress toward achieving the majority of the short- and medium-term objectives. It is, however, too early to assess the achievement of long-term objectives.

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