



MAKING SENSE OF
THE NUMBERS

Nelson Mountain Biking Economic study

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Making sense of the numbers

The Nelson-Tasman region is promoted and regarded as a cycling haven with an excellent mix of road cycling and mountain biking options for recreational and more competitive cyclists.

The aim of this report was to obtain an estimate of the amount of spending that is added to the Nelson economy by mountain biking. BERL has used the sum of the attracted and the retained expenditure to provide a measure of the direct economic benefits of mountain biking (MTB) to the Nelson-Tasman region. However, we also take account of the fact that both the attracted and the retained expenditure have flow-on effects.

Current snapshot

Nelson-Tasman region

In total \$17.1 million of new and retained spending will occur annually as a result of the mountain bike trails in the Nelson-Tasman region. Including the flow on effect of this spending (multiplier effects), it will generate for the Nelson-Tasman economy a total of **\$15.5 million in GDP and total additional employment of 211 FTEs** (Full Time Employees).

Nelson City

In total \$8.5 million of new and retained spending will occur annually as a result of the mountain bike trails in Nelson City. The \$8.5 million in direct spending will in the first instance generate \$4.5 million in GDP and provide employment for 79 FTEs. **Once multiplier effects are taken into account, the activity generates a total of \$14.5 million in expenditure, \$7.5 million in GDP and total additional employment of 106 FTEs.**

There is also a wide selection of associated commercial activity supporting the spending. This includes local bike shop sales, mountain bike hire / guide operation and trail journeys. In addition the activity brings health benefits, with walking and cycling being top recreational activities in the Nelson-Tasman region.

Future potential

Nelson-Tasman region

Our conservative estimate shows that, overall in ten years' time the direct expenditure will measure \$43.3 million, with \$22.6 million of direct GDP being generated in the region, and the employment of 403 FTEs. Once multiplier effects are taken into account, the **total annual economic impact in ten years times will be \$39.5 million in GDP and the total employment of 538 FTEs.**

Nelson City

Overall in ten years' time the direct expenditure will measure \$21.7 million, with \$11.3 million of direct GDP being generated in the City, and the employment of 202 FTEs. Once multiplier effects are taken into account, the **total annual economic impact in ten years' time will be \$19.1 million in GDP and the total employment of 270 FTEs.**

Using the example of Crankworx in Rotorua, a similar event held in the Nelson-Tasman region, could add an additional spend of \$3.4 million to the region, with **a total economic impact on the region of \$3.1 million in GDP and the employment of 42 FTEs** in the Nelson-Tasman region and **would have a total economic impact to Nelson city of \$1.5 million in GDP with total employment of 21 FTEs.**

Constraints

Recent growth in mountain bike (MTB) events and visitor activity is evident, although future growth is believed to be constrained by **limited uphill shuttle services** (other than Wairoa Gorge), easy access or gondola options compared to Rotorua, Queenstown and Christchurch for example, and **Inadequate support infrastructure** at key entry points, particularly at the popular MTB parks and trails as in the Maitai Valley. This includes parking, toilets, rubbish bins, bike wash facilities, and bike repair and food outlets. The absence of such facilities limits the ability to hold MTB events and attract return visitors. Also, a **need for greater promotion of the regional MTB offering** including the diversity of options, attracting MTB events, “must do” trails, package deals and the case for coming to Nelson-Tasman for the best MTB experiences that NZ can offer.

Future focus

BERL recommends **investment in a central hub for the Maitai Valley** area including vehicle parking, toilets, bike wash, rubbish collection and space for commercial operations like hire, repair services and, cafés. Develop an extensive **skills area in the Maitai Valley** to encourage mountain biking by all ages.

Also, **develop a regional (Nelson-Tasman) approach** to providing further MTB support infrastructure at other key popular MTB areas including Richmond Hills/Silvan Forest and Kaiteriteri. Work with the Nelson MTB Club and Trails Trust to retain the region’s IMBA Gold Ride Centre rating, and **continue to raise the profile** of the Nelson-Tasman region nationally as a premier MTB destination. **Undertake a survey of mountain bike users** in the Brook/Maitai Valley area to better understand local vs visitor use, frequency of use, visitor spend and length of stay, favourite tracks, improvements to be made and support for events.

Invest in the promotion of national and international events in conjunction with NMTBC, the Nelson-Tasman regional Development Agency and commercial MTB interests. Lastly, **promote the multi-use of trails and the support infrastructure to encourage other uses such as walking/running**. This would involve a combination of dedicated tracks for walkers and runners.

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1 Introduction

1.1 The purpose of this report

Nelson City Council (NCC) commissioned BERL to complete a report evaluating the potential economic benefits of developing mountain biking in Nelson and how to access these potential benefits. This report presents our findings.

NCC objectives were as follows:

1. To provide a current estimate of the economic benefits to Nelson of mountain biking including those provided by visitors and by local residents;
2. To assess the future benefits of mountain bike (MTB) trails;
3. To make recommendations to assess economic benefits related to mountain biking;
4. To link the recommendations to Nelson City Council's Parks and Reserves Off-Road Tracks Strategy.

1.2 Methodology

For the purpose of studying mountain biking our baseline data is for Nelson–Tasman region, to ensure robust analysis. Using the baseline data BERL split the contribution 50/50 between Nelson and Tasman based on the commercial accommodation split (Nelson: 49%, Tasman: 51%) and international spend split (Nelson: 51%, Tasman: 49%) to calculate the Nelson City contribution.

Where there is sufficient relevant data, direct comparison is made between Nelson and Tasman. Eg Nelson MTB Club membership numbers, track usage counts, MTB related ACC claims.

The economic benefits of mountain biking in the Nelson-Tasman region are mainly a function of:

- the number of people participating in the activity,
- where they come from, and
- how much they spend.

Our research was driven by these three factors.

The aim was to obtain an estimate of the amount of spending that is added to the Nelson economy by mountain biking. Added spending is mainly from New Zealand residents who visit Nelson from outside the region, and from international visitors. We refer to this spending as attracted expenditure.

Added spending also includes spending by Nelson residents who would travel outside the region to participate in mountain biking, if they were unable to participate locally. It also includes some people who would otherwise not live in Nelson at all. In effect, both these groups would take their spending elsewhere if they could not go mountain biking in Nelson, and total spending in the City's economy would be lower as a consequence. We refer to this category of spending as retained expenditure.

The sum of the attracted and the retained expenditure provides a measure of the direct economic benefits of mountain biking to the Nelson-Tasman region. However, we also take account of the fact that both the attracted and the retained expenditure have flow-on effects (also called multiplier effects), which we estimated using a conventional multiplier model. As will be seen in section 4 of this report, the flow-on effects boost the direct effects considerably.

We express the total economic benefits of mountain biking to the Nelson economy in terms of expenditure, GDP and employment, but we also identify some other economic and non-economic effects that are important but not necessarily precisely measurable.

1.3 Data sources and their limitations

Our estimates of participation in mountain biking and the origin of participants are detailed in section 3. To derive estimates we used a range of data sources which we cite fully. However, it is important to note at the outset that the various data sources do not necessarily distinguish clearly between mountain biking and recreational trail riding on mountain bikes. The example of those riding mountain bikes on the Great Taste Trail as opposed to MTB Parks in the region is used to provide a split between these MTB users group. Again, reiterating that it is not practical to split MTB between Nelson and Tasman region.

Although we attempt to distinguish between the two activities and the two local authorities in what follows, the reality is that mountain biking and trail riding often involve a cross-over between the two, with participants sometimes engaging in elements of both activities in a single outing. In addition, some of the routes used by participants cross the boundary between Nelson and Tasman.

Nelson-Tasman mountain biking related data and information was largely drawn from discussions and interviews with local MTB groups and commercial operations. This was supplemented with national reports on the subject where there was Nelson-Tasman specific information available. MTB studies for Rotorua are cited as a basis for comparisons with Nelson-Tasman, however there are insufficient economic studies of other regions to provide further detailed analysis.

2 The principal tracks and trails in the Nelson-Tasman region

The Nelson-Tasman region is promoted and regarded as a cycling haven with an excellent mix of road cycling and mountain biking options for recreational and more competitive cyclists. This report attempts to segment the mountain biking user market between easy/recreational (trail) and more advanced users. In general terms these two groups will require different tracks and supporting infrastructure, have different spend patterns, and be attracted to different types of events or activities.

Recreational users will tend to ride Grade 1-2 tracks/trails (easy) like the Great Taste Trail. More serious MTB users will be attracted to Grade 2–6 tracks (intermediate to advanced) that typically exist in local MTB trails including Codgers, Dun Mountain and the general Maitai Valley area.

The table below demonstrates the continuum of MTB users from very easy off-road riding through to extreme back country riding. MTB tracks in New Zealand are graded from 1-6 based on an international system that is also applied to other adventure sport such as kayaking and climbing. The Department of Conservation (DoC), Kennett Brothers (MTB guidebook authors) and Nga Haerenga The NZ Cycle Trail use the same grading system. Thus, users can generally determine if a track is suitable for their fitness and skill levels, regardless of location.

Table 2.1 Types of MTB riders and trail grading system

Recreational and fitness users looking for non-technical and well-groomed tracks		Recreational and advanced users with higher fitness levels, technical ability and thrill seeking	
Easy trail riders	Slightly adventurous riders	Single track MTB riders	Extreme/Enduro MTB Riders
Typically Grade 1 mostly flat rides suitable for relaxed recreational and family use.	Typically Grade 1-2 offering some hills and fitness challenges on well-formed paths/tracks	Typically Grade 2-4+ specialist MTB trails and parks that require higher levels of fitness and technical abilities	Typically Grade 5-6 either back country locations or purpose build downhill technical trails with jumps and obstacles.

The region offers MTB options across grades 1 to 6, although some suggest more are required at grade 2. Table 2.2 summarises the key MTB offerings throughout the Nelson-Tasman region. We use grades in the Classic NZ Mountain Bike Rides (Kennett Brothers, 2017) and note that grades are generally higher in wet conditions.

Table 2.2: The MTB offering in Nelson-Tasman

Name	Location	Type	Grade
Dun Mountain Trail	Nelson - part of Nga Hearenga NZ Cycle Trail network	Historic trail to Coppermine Saddle and down into Maitai Valley	2-4
Network of front and back country trails roughly between the Maitai and Marsden Valley areas, including Hira Forest/Sharlands, Fringed Hill and associated ridges/descents through into the Barnicoat Range.	Nelson	Network of mostly single tracks. Some steep and technical sections. Access to forestry land (e.g. Hira Forest network) requires permit or NMTB Club membership.	3-6

Name	Location	Type	Grade
Codgers	Nelson (Brook Valley)	Popular network and a common access point for Dun Mountain. Grade 2 tracks recently added.	3-4
Heaphy Track	Tasman	Epic ¹ 2 day ride in Kahurangi National Park and generally ridden from Nelson-Tasman end.	4
Silvan Forest	Richmond	MTB Park built in a private forest, good uphill provides access to multiple track options. Links to Richmond Hills where other tracks are developing above Easby Park, including grade 5	2-5
Kaiteriteri Park	Kaiteriteri	MTB Park, variety of trails from easy at bottom to technical parts near the top.	2-5
Wairoa Gorge	Wakefield	Privately owned world-class MTB Park available for commercial use	3-5
Rabbit Island	Tasman	Small networks of trails in forest areas	2
Rameka Track	Takaka	Classic, top rated ride	4
Other	Nelson/Tasman	Various other shared trails, predominantly throughout the Tasman region in National Parks and popular recreational areas.	2-5
Great Taste Trail (not technically a MTB ride, although sections best undertaken on MTB).	Nelson-Tasman: part of Nga Hearenga NZ Cycle trail network	Popular trail originating in Nelson and circumventing Tasman District. Includes Rabbit Island and Spooners Tunnel. Used mostly by recreational mountain bikers/cyclists and may act as a step towards trying more advanced MTB trails.	1-2

Other Epic MTB rides including the Queen Charlotte Track in Marlborough and the Old Ghost Road in the Buller district as also accessed from Nelson by visitors, depending on where they are travelling from or to.

¹ Epic grading according to the Classic NZ Mountain Bike Rides (Kennett Brothers, 2017))

The Nelson-Tasman region is accredited by the International Mountain Bike Association (IMBA) as a “Gold Ride Centre” which places it amongst the best places to MTB in the world.

The Kennett Brothers Classic NZ Mountain Bike Rides (2017) introduces the area as follows:

“Nelson has it all, the lucky buggers! From downtown cafes, you can ride out to primo purpose-built single tracks to awesome back-country tracks. The quality and quantity of tracks makes Nelson one of the top mountain biking destinations in the country”.

Despite such high praise, areas like Rotorua and Queenstown continue to attract national and international events more so than Nelson- Tasman. A Tourism NZ special interest report (2013) on international visitor cycling and mountain biking had Nelson-Tasman ranked 7th for visitor numbers. Sections 6 and 7 (Future Benefits and Recommendations) outline what improvements can be made to better capitalise on the region’s MTB offerings and status.

3 Participation in mountain biking

3.1 Participation at national level

Sport New Zealand's Active Recreational Survey² indicates that, at national level, the MTB participation rate (age 15 years and over) is 7.7 percent. Statistics New Zealand estimates that there were 3,709,280 people aged 15-80 in June 2017, and this implies that there are roughly 286,000 participants.

By contrast, Mountain Biking New Zealand estimates that around 500,000 people participate in the course of any one year, with the number remaining steady over time. The estimate is based on surveys of retailers / bike hirers and counts at trail heads. The number includes participants of all ages, and very occasional riders, e.g. people who will hire a bike for an afternoon on their annual holiday.

Most riders are recreational. Recently the national championships have attracted only ~150 riders for the cross-country races and around 180 for the downhill races. The participation number above highlights the diversity of MTB participation for occasional users to elite racers.

3.2 Participation by local residents

The Sport New Zealand's Active Recreational Survey shows that participation in mountain biking amongst the Nelson population is 20.5 percent, while in Tasman it is 20.8 percent. These rates are almost three times higher than the national average of 7.7 percent cited above. In Nelson-Tasman, mountain biking ranks the fourth most popular activity after walking at 58 percent (for sport or leisure), gardening at 52.2 percent and cycling/biking at 32.3 percent.

Applying these participation rates to the population aged 15 to 80 years old equates to:

- Nelson: $39,710 \times 20.5 \text{ percent} = 8,140$ participants
- Tasman: $39,570 \times 20.8 \text{ percent} = 8,230$ participants

These numbers will be conservative to the extent that they exclude under 15 year olds as children use the local biking networks and trails for recreational and commute to school use. Nowadays most kids ride some form of MTB, many of whom will graduate into more advanced mountain biking. On the other hand the numbers will overstate participation to the extent that a relatively small proportion of people towards the top end of the 15-80 age range are likely to participate in more advanced mountain biking.

The Nelson MTB Club (NMTBC) has a large membership. According to a 2017 survey of 25 clubs by Mountain Biking NZ, the NMTBC was the only one with over 2,500 registered members. Typically, NZ club membership is in the range of 100-500.

High membership numbers for Nelson are a reflection of the additional incentives offered. These include access to the Wairoa Gorge MTB Park and permits for forestry access. To access the Wairoa Gorge riders are first required to be a member of NMTBC, and the club controls the booking system for the limited days that riders can go. Thus, there is a diverse membership by location.

Of the 2,756 individual members (Oct 2017), 540 are from elsewhere in NZ (20 percent) and 40 international. Nelson City membership numbers are 1,487 and Tasman 729. There is a significant bias towards Nelson City member numbers compared to those from Tasman. This is likely a factor of close proximity to more mountain biking areas for Nelson City users the enforcement of the need for forestry access permits to popular trails. The Tasman mountain biking community is concentrated in Richmond based on Silvan Park's high usage, although there are informal mountain bike groups in Motueka and Golden Bay for example.

² Sport NZ Active Recreational Survey (2013/14) results are available at a TA level to registered users

Information on the level of individual trail use is limited by few trail counts being taken. Silvan Forest in Richmond recorded 49,000 trips for the 12 months to November 2017. Although there are no regular trail counts available for the Nelson MTB Parks, the NMTBC and MTB Trails Trust agree that user numbers for Codgers in the Maitai Valley would be similar to those for Silvan.

In terms of user numbers on the Great Taste Trail, the counts do not account for the origin of the ride – Nelson or Tasman. There will be some commuter bike traffic (17 percent is the national average on the trails network) on the Nelson-Richmond section. The Richmond-Rabbit Island section will predominantly be a mix of comfort and MTBs. By discounting commuter traffic at 17 percent on the sealed Nelson to Richmond section, the 2016 recreational bike use for this section and Richmond – Rabbit Island are 51,366 and 48,419 respectively.³

We conclude that local numbers participating in some form of mountain biking are equally apportioned across the Nelson and Tasman boundaries. However, frequency of MTB use will be a factor of proximity to suitable trails and thus more focused on Nelson and Richmond. Based on NMTBC membership numbers, we also assume that Nelson City has a greater percentage of more advanced mountain bikers. Feedback from MTB interests spoken with suggest a 60:40 split for Nelson and Tasman is realistic for this grouping.

3.3 Visitors from the rest of New Zealand

Between 2012 and 2017 the wider Nelson-Tasman region received a steady increase in annual guest nights, from 1.2 million to 1.5 million for the year to October 2017. The Commercial Accommodation Monitor (CAM), which shows a subset of total visitor numbers, reflected a similar pattern with visitor numbers rising 19 percent between 2009 and 2016 (a 16 percent increase in international visitors and 20 percent increase in domestic). International visitors make up around 37 percent of the total visitor numbers, and 63 percent domestic. The Nelson Tasman Commercial Accommodation Monitor for the last 12 months to October 2017 shows Total Guest Nights at 1,506,000 with an average length of stay of 2.44 nights. This equates to 617,213 guest arrivals.

Nelson City has 51 percent of the total guest nights while Tasman has a slightly higher percentage of international visitors.

There is limited evidence for Nelson-Tasman making a distinction between local and domestic visitor use of MTB parks and trails. The Ministry for Business, Innovation and Employment (MBIE) trail evaluation report⁴ does not make such a distinction for the Great Taste Trail or Dun Mountain. The NMTBC membership shows 20 percent are from elsewhere in New Zealand which assumes they have some interest in the benefits gained from access to the regional trail network, including Wairoa Gorge.

The NMTBC runs an annual series of competitive MTB events totalling 26. Numbers average 78 per event of which 50-60 percent will be visitors to the region depending on the nature of the event.

If we take MTB trail annual counts for Nelson-Tasman from the MBIE Report (98,404 less 30 percent for non MTB/cycling use) and assume 20 percent are domestic visitors per the NMTBC membership, this would equate to 13,776 MTB visitors. This number represents 2.23 percent of the total domestic arrival numbers to the region from the CAM. In addition to visitors staying in commercial accommodation, 47 percent⁵ of domestic tourists stay in private accommodation and with family and relatives (VFR market).

Thus, total annual MTB domestic visitors (CAM + VFR) is therefore estimated at 20,250 (13,776 x 1.47).

For the purposes of this report we assume 20,250 annual domestic visits for MTB activity. This does not include partners, family and friends who are likely to accompany a mountain biker coming to experience tracks in the

³ Nelson Tasman Cycle Trails Trust supplied count data

⁴ MBIE, Evaluation of NZ Cycle Trail (2016)

⁵ Tourism NZ, Total Accommodation Sector (2010)

region. The total is also likely to be understated for the more advanced mountain biker perspective where the use of private homes, staying with friends or being hosted by local participants is reported as being particularly high, and likely greater than the national figure of 47 percent.

The primary motivation for mountain bikers coming to a region may or may not be mountain biking itself. A 2005 survey of MTB users in Whakarewarewa Forest Park, Rotorua, identified that 48% were domestic visitors and 3% international. Of all visitors, 53.7% had specifically come for mountain biking.

3.4 International visitors

We estimate the number of international visitors that participate in MTB activity across the Nelson-Tasman region using multiple data sources and assumptions. These include the CAM, MBIE Report (2016) and NZ Tourism Cycling Report (2013). Combining the Nelson and Tasman districts recognises that the MTB offering that attracts international visitors is located across the wider region. Although Nelson City acts as the primary gateway by road or air, two of the data sources do not differentiate between the two regional authorities.

Table 3.1: Calculations of annual international MTB numbers

Primary data source	Assumptions	Calculation	Estimated visitor number
NZ Tourism Special Interest – Cycling Report 2013	10% annual growth 2012 – 2017. (Annual growth 2008 – 2012 was 25% but levelling out) 21,500 total numbers 2008-2012 for Nelson-Tasman region 48% of total did MTB	21,500 visitors over 5 years x 48% for MTB = 2,064/year average. 2,064/yr at 10% annual growth 2013-17 = 3,325	3,325
MBIE report on NZ Cycle Trails (2016) – Dun Mountain and Great Taste Trail	13.5% trail users are international. 70% of those are for MTB/cycle activity	Total count (2015) for the 2 Nelson-Tasman trails = 94,404 x 13.5% international = 12,744 x 70% for MTB = 8,921	8,921
CAM monitor for year to Oct 2017	Total guest arrivals are 617,213 37% international of which 4% primary activity is MTB (per NZ Tourism Cycling Report above)	617,213 x 37% international = 228,369 x 4% MTB = 9,135	9,135

From these calculations we discount the first number of 3,325 that uses the Tourism NZ survey information. This is because it is based on 5 year old data that will have a higher error margin as a result, and the assumptions are less robust than the remaining data sources. The other sets of information provide a comparable number of around 9,000 per year. The figure of 4 percent of all international visitors having MTB as a primary reason to coming to New Zealand is consistent with the number of international visitors who have ridden the Wairoa Gorge MTB park for example.

3.5 Estimate of total participation

In summary, the estimated annual total individual MTB user numbers for the wider Nelson-Tasman is 45,620, consisting of:

- Local (Nelson-Tasman) riders: 16,370. The frequency of rides will be far higher amongst this group
- Riders visiting from the rest of New Zealand: 20,250
- Riders visiting from overseas: 9,000.

3.6 Profile of participants

There is some recorded information on the type of people who are involved in regional mountain biking activity. However, we have also relied on general comments from local industry experts. By using the Tourism NZ online DGiT tool (Activating Domestic Tourism) a profile of likely visitors to Nelson-Tasman attracted for MTB activities can be provided. Factors such as age profile, gender, travel, household income and potential overnight trips are included. This tool also makes a distinction between those interested in trail rides (e.g. Great Taste Trail) and mountain biking.

For MTB riders typically using the Maitai/Brook Valley area for example, 73 percent would be male, 44 percent aged 35-49, 39 percent aged 50-64 and have annual household incomes greater than \$100,000. The highest percentage of regional visitors would be from Christchurch. By contrast, those attracted to easy trail riding would have an older age profile, a female bias and lower household income levels. However, the potential number of visitors for this MTB group is over twice as high at 85,259 annual overnight trips. This user profile is consistent with local feedback, particularly in differentiating between trail and MTB riders.

The Tourism NZ Cycling Report (2010) identifies international riders in younger age cohorts: 15-24 at 22.5 percent and 25-34 at 33.7 percent. The male to female ratio is 54 percent: 46 percent. International travellers are 94 percent independent, stay in NZ longer, spend more and stay in the full range of accommodation options with no one type predominant. Visiting friends and relatives (VFR) and backpackers are the greatest at 18 percent and 17 percent respectively.

3.6.1 Differentiating between easy trail and more advanced MTB users

For local riders, general observations are that the easy trails (e.g. Great Taste Trails) are used during the week in particular, by a 60+ age cohort (both sexes, couples), and in the weekends by family groups as well as older riders. The more advanced local mountain bikers mirror the domestic visitor profile regarding age and gender.

The more advanced riders will tend to be more frequent and year-round track users. Their bikes and associated equipment will typically be more expensive. Good MTBs can range in cost from \$2,500 to \$10,000 whereas easy trail riding bike sales are typically in the \$800 to \$2,000 range.

We attempt to quantify these two MTB user profiles by trail counts (where available), local bike sales by type and the level of commercial operations directly supporting these segments. There will be cross over with individuals doing trail and more advanced mountain biking. The 2013 Tourism NZ Report on international cycling

considered there was a 10 percent cross over between road cycling and MTB journeys. A similar level is assumed between trail and more advanced mountain biking.

For Nelson-Tasman easy recreational rider information on the Great Taste Trail (Grade 1-2) is used to develop a typical profile. For intermediate to advanced riders, Dun Mountain Trail (Grade 3-4), Silvan Forest and Codgers MTB park numbers are used. These numbers are drawn from the MBIE NZ Cycle Trails Evaluation Report (2016), and information provided by the Nelson Tasman Cycle Trails Trust, Nelson MTB Club (NMTBC) and Silvan Forest owners.

Easy trail users

MBIE report 95,971 users on the Great Taste Trail in 2015. This includes all users of which 83 percent are recreational cyclists and runners/walkers, 17 percent commuter cyclists. Of the 83 percent recreational users, the estimate of the ratio of cyclist to runners/walkers is 70:30. This would typically be the case on high use parts of the Great Taste Trail between Nelson and Richmond, and Richmond to Rabbit Island.

The local Cycle Trails Trust has trail counts which totalled 175,000 passes for 2016. However, this does include return trips, so the actual unique visits will be greatly over stated, particularly the high counts areas around Nelson, Richmond, Rabbit Island and Brightwater. Popular and regular rides for locals out to Café HQ in Brightwater and Rabbit Island are predominantly return journeys.

The total trail count in 2016 for the Nelson – Richmond section of the Great Taste Trail was 61,887, and 48,419 for the Richmond – Rabbit Island section. This number includes return trips, commuters and non- cycle users.

More advanced MTB users

Based on the Silvan Forest unique visitor count of 49,000, similar MTB use numbers are estimated for the Codgers area in the Maitai Valley. Being close to larger urban areas provides easy access and far more regular use than is evident for more remote, and challenging rides. The Heaphy Track is estimated to have up to 3,000 MTB users annually⁶. The Dun Mountain Trail was reported as having 2,433 users in 2015 (MBIE evaluation report) which is reported as low by local sources.

In terms of total usage, a comparison of recreational MTB use on the Nelson-Richmond-Rabbit Island sections of the Great Taste Trail (about 110,000 including some return trip) with that on the popular Codgers and Silvan Forest MTB Parks (total about 98,000) indicates around a 50:50 split between recreational and more serious MTB activities in the region. However, this does not account for the frequency of rides by individual riders, usage during the whole year and the greater number of track options for advanced riders (i.e counts for many tracks have not been considered).

A 50:50 split is supported by bike sales figures. In 2012 bike sales by type in USA were 25 percent MTB and 24 percent Hybrid/Cross (trail bikes)⁷. Bike sales by type for 2016/17 year from one of the larger local bike shops in the Nelson-Tasman area, show MTBs represent 60 percent of all bike sales by units. Of these approximately 50 percent are higher end (typically full suspension, more expensive) used by more advanced riders and 50 percent MTBs with lower specifications (lower price) typically ridden for recreational riders. The shop's largest seller by units is a \$900 MTB suitable for easy trail riding.

⁶ Heaphy Track MTB season extension: Recreational Analysis (Doc, 2015)

⁷ US National Bicycle Dealers Assoc: Industry Overview 2015

4 Estimates of economic and other benefits

4.1 Direct effect on expenditure

As was noted in section 1, the benefits of mountain biking to the Nelson-Tasman economy are most easily expressed in terms of the expenditure attracted into, or retained in, the region wholly or largely because of the activity.

We have opted for what we believe is a reasonably conservative approach and, based on this, our estimate of the expenditure attracted into the region is derived as follows:

- Riders visiting from the rest of New Zealand and overseas = 29,250 (see section 3.5)
plus
- Partners / family members accompanying riders, but not riding themselves = 14,625 (assumes every other rider is accompanied by a non-riding partner / family member)
equals
- Total number of visitors = 43,875
times
- 2.5 nights average length of stay (as per average for all visitors shown in the Commercial Accommodation Monitor) = 109,688 nights
times
- Average daily spending of \$150 (allowing for the fact that a good number of visitors will be staying with friends and relatives and not spending on accommodation) = **\$16.5 million attracted spending.**

Estimating the impact of retained expenditure is more difficult because there is no hard data to go on, but if we assume that, in the absence of MTB facilities locally, 10% of local riders would travel outside the region once a year (i.e. would take their spending elsewhere) we then get:

- 10 percent of 16,370 local riders (see section 3.5) = 1,637 riders
times
- 2.5 nights average length of stay outside region (as for visitors coming to the region) = 4,093 nights
times
- Average daily spending of \$150 (again, as for visitors coming to the region) = **\$0.6 million retained spending.**

Our estimate of the expenditure attracted and retained in the local economy is, therefore, **\$17.1 million annually for the Nelson-Tasman region.**

For the Nelson economy we would estimate that annual spending is **\$8.25 million from attracted spending, and \$0.3 million from retained spending.** This estimated spend was derived by examining guest nights from the Commercial Accommodation Monitor which shows that 50 percent of guest nights in the region, are in the Nelson City area. Therefore to generate the estimate for Nelson City, BERL multiplied the \$16.5 million of total expenditure by 50 percent. In addition the current estimated population of Nelson City is 50 percent of the

estimated population of the Nelson-Tasman region. Therefore to estimate the total retained spend for Nelson City, BERL multiplied the \$0.6 million of total retained spending, by 50 percent.

There are, undoubtedly, also some people who simply would not live in the region without MTB, and their absence would, clearly, reduce the size of the region's economy. Unfortunately, it is possible only to speculate on how many such people there are but, given the very high participation rates in the region (see section 3.2), it is likely that the number is significant.

The combined population of Nelson and Tasman is approximately 98,000. If, say, 10 percent of the local mountain bike riders would otherwise live elsewhere if they couldn't ride locally, the population would be around 3,000 lower⁸. Based on the current GDP per head of population of \$53,900, 3,000 fewer residents implies an economy that is \$162m smaller in terms of GDP. This estimated impact on GDP is large compared to the estimate of attracted and retained expenditure, but lower GDP based on the possibility that some people would live elsewhere in the absence of mountain biking facilities locally is an outcome we note, rather than claim to be able to measure as such.

4.2 Total economic impact

Again, as we noted in section 1, the sum of the attracted and the retained expenditure provides a measure of the direct economic benefits of mountain biking to the Nelson-Tasman region. We can also estimate the flow-on effects to provide an estimate of the total using our multiplier model.

The underlying logic of a multiplier model is relatively straightforward. An initial expenditure (direct effect) in an industry creates flows of expenditure that are magnified, or "multiplied", as they flow on to the wider economy. This flow occurs in two ways:

- the industry purchases materials and services from supplier firms, who in turn make further purchases from their suppliers. This generates an indirect (upstream) effect
- people employed in the direct development and in firms supplying services earn income (mostly from wages and salaries, but also from profits) which, after tax is deducted, is then spent on consumption. There is also an allowance for some savings. These are the induced (downstream) effects.

Hence, for any amount spent in an area (direct effect), the actual output generated from that spend is greater once the flow-on activity generated (indirect and induced effects) is taken into account.

For the Nelson-Tasman regional calculations for GDP and FTEs, BERL has used Nelson-Tasman-Marlborough regional multiplier model. For the Nelson city calculations for GDP and FTEs, BERL has used Nelson city multiplier model. GDP is the final value of the goods and services produced within the geographic boundaries of a country, or in this case the Nelson-Tasman region, during a specified year. The multiplier is the factor by which gains in total output are greater than the change in spending that caused it, to create additional value add to GDP.

To determine a robust estimate of the flow on effects on the \$16.5 million in new spending by domestic and international visitors, and the \$0.6 million of retained spending by locals, we need to calculate in what areas this spending occurs. For domestic and international visitors, we have used the 2015 MBIE Regional Tourism Estimates for the region. These estimates provide a split of total spending by domestic and international visitors that can be used to split the spending of these visitors into sectors, as detailed on the next page:

⁸ This assumes 1,637 riders plus some family members.

International visitors to the Nelson-Tasman region have the following spending pattern:

- Accommodation = 13 percent
- Cultural and recreation = 6 percent
- Food and beverage services = 22 percent
- Retail sales of fuel = 18 percent
- Retail sales of food and beverages = 7 percent
- Passenger transport = 14 percent
- Other retail sales = 20 percent

Domestic visitors to the Nelson-Tasman region have the following spending pattern:

- Accommodation = 8 percent
- Cultural and recreation = 1 percent
- Food and beverage services = 11 percent
- Retail sales of fuel = 8 percent
- Retail sales of food and beverages = 13 percent
- Passenger transport = 13 percent
- Other retail sales = 46 percent

For the \$0.6 million spending by locals, we used the 2013 Household Expenditure Survey for the Nelson, Tasman and Marlborough region, to provide a spending pattern to allow us to allocate the retained spending across various sectors.

4.2.1 Economic impact on Nelson-Tasman region

In total \$17.1 million of new and retained spending will occur annually as a result of the mountain bike trails in the Nelson-Tasman region. As shown in Table 4.1, the \$17.1 million in direct spending will in the first instance generate \$8.9 million in GDP and provide employment for 158 FTEs.

Table 4.1 Economic impact of mountain biking in the Nelson-Tasman region, 2017

Economic impacts	Direct	Total
Expenditure (\$m)	17.1	30.5
GDP (\$m)	8.9	15.5
Employment (FTEs)	158	211

Once multiplier effects are taken into account, the \$17.1 million of direct spending will increase to a total of \$30.5 million, and will generate for the Nelson-Tasman region a total of **\$15.5 million in GDP and total additional employment of 211 FTEs.**

4.2.2 Economic impact on Nelson City

In total \$8.5 million of new and retained spending will occur annually as a result of the mountain bike trails in Nelson City. As shown in Table 4.2, the \$8.5 million in direct spending will in the first instance generate \$4.5 million in GDP and provide employment for 79 FTEs.

Table 4.2 Economic impact of mountain biking in Nelson City, 2017

Economic impacts	Direct	Total
Expenditure (\$m)	8.5	14.5
GDP (\$m)	4.5	7.5
Employment (FTEs)	79	106

Once multiplier effects are taken into account, the \$8.5 million of direct spending will increase to a total of \$14.5 million and will generate for Nelson City a total of **\$7.5 million in GDP and total additional employment of 106 FTEs.**

4.3 Associated commercial activity

There is a diversity of commercial activity directly associated with mountain biking in the region. The Great Taste Trail supports cafes and pop-up coffee shops in summer along its route. The Mapua Ferry provides portage from Rabbit Island to Mapua as part of the trail.

MTB park use and events are largely centred in the Nelson area with some also in Tasman. It is a year-round activity. Silvan Forest recorded a count of 2,000 over one week in early winter. Commercial activity associated with MTB parks appears limited to bike hire and guiding, although for Nelson in particular it is a relatively short distance to the town centre.

4.3.1 Local bike shop sales

Bike shops will typically sell a wide range of bikes including for kids, commuting, road biking, trail riding and mountain biking. Some do specialise in a particular market segment and this is evident in the region for MTBs. These retailers also provide bike servicing and sell bike parts, accessories and apparel, and some bike hire.

We estimated the total annual turnover by Nelson-Tasman bike shops was around \$16m for 2016/17. Of this total, \$9.3m (58%) is attributed to new bike sales. This is high compared to a national USA percentage of 41 percent⁹ and will likely be a reflection of the popularity of mountain biking (and cycling generally) in this region, and the trend towards more expensive bikes. We assume that the majority of this spend will be by local residents.

Of the 58 percent of all bike sales, \$5.58m (60 percent) are in the MTB/trail category compared to 23 percent for road bikes. While unit sales for easy trail riding and more advanced MTB will be similar, the value of sales for the latter will be far greater due to the unit cost for the specific MTBs generally required for more advanced riding in the region.

Estimated total employment (FTEs) in the region's bike shops is 47.

⁹ www.statisticbrain.com – bicycle industry statistics, USA

4.3.2 Other commercial MTB services

Commercial activities directly associated with servicing the MTB market have emerged in recent years and by all industry accounts are growing. Examples are provided to give a sense of the scale and diversity of commercial activity.

A MTB bike hire/guide operation for competent riders hired 300 bikes in the first year of operation. 60 percent of customers hire bikes while others require guiding, shuttling services and bike maintenance services. 90 percent of all clients were visitors to Nelson, with the majority of these international, noticeably from North America and UK/Europe.

Other bike hire/guide services including Trail Journeys tend to target users on the Great Taste Trail more than the MTB parks.

There is a heli-bike operation that the back country/extreme mountain bikers tend to use however numbers are reasonably small at this stage relative to the total amount of MTB activity. Nevertheless a local helicopter operator noted that he undertook MTB heli-lifts roughly every other day, with destinations in the Tasman region being more popular. While the numbers are comparatively small, this is still a reasonable level of activity given the cost.

Wairoa Gorge MTB Park in Tasman has a lease arrangement with the NMTBC that provides for commercial access for limited numbers on Fridays to Sundays. Shuttle services are provided at the park. The daily charge is \$99/person. The 2016/17 usage was 1,274 of which 690 were local (Nelson-Tasman) and 584 visitors, including 40 international. Visitors were from all parts of NZ with Wellington and Canterbury well represented at 180 and 138 respectively. Consensus is that most visitors stay for 2-3 days in the region and do multiple rides while staying in the area. Wairoa Gorge also has lodge accommodation that sleeps up to 14 (\$450/night).

4.4 Other benefits

Physical activity is promoted for its health benefits. Walking and cycling (including mountain biking) are top recreational activities in Nelson-Tasman and as such will result in health benefits for participants and the community.

A 2013 Report by Market Economics, *The Costs of Physical Inactivity*, assessed that the total cost to the NZ economy in 2010 associated with physical inactivity was \$1.3b. This was apportioned as \$614m to direct costs associated mainly with the health system, and \$661m to indirect costs associated with the disruption to normal life, premature death, productivity loss and illness. On a percentage population basis this equates to a \$27.8m cost to the Nelson-Tasman region. It helps demonstrate the importance of promoting and investing in activities that encourage regular exercise.

The MBIE trails evaluation report estimates the social contribution (health benefits particularly) due to the national trail network to be \$12m in 2015. The Nelson-Tasman region accounts for 10.6 percent of total NZ trail user numbers. Applying this percentage to the \$12m national social benefits equates to \$1.27m for Nelson-Tasman. From a health benefit perspective this is potentially understated for the region where there is ample anecdotal evidence of an older age cohort using sections of the Great Taste Trail around Nelson and Richmond areas.

5 Likely future benefits

5.1 Trends in participation

Cycling has shown more growth in participation by domestic and international visitors than any other outdoor activity in recent years. According to Tourism New Zealand (TNZ) 318,000 international tourists participated in cycling sports between 2008 and 2012¹⁰. Around half participated in on road cycling, about 46 percent in mountain biking and 4 percent in both. TNZ estimate that around 4 percent of international holiday visitors do some sort of cycling sports while visiting New Zealand and on average, cycling tourists spend more on their visit (\$3,800) compared with the international holiday average (\$2,500). The markets that provided the most cycling tourists in 2013 include Australia (21,000), UK (13,000), USA (6,600) and Germany (4,500).

Since the early 2000's mountain biking has become an international main stream sport. Also, it is an Olympic sport, ski fields in Europe and America now cater for mountain bikers during the off season and recreational participation rates continue to increase steadily. In this context, New Zealand is an emerging market with a growing international reputation.

The development of the Nga Hearenga NZ Cycle Trail network (which includes the Great Taste Trail and Dun Mountain Trail in Nelson) has helped develop the popularity of mountain biking. This is particularly the case for an older age group and family recreation.

For Nelson-Tasman, MTB activity has grown rapidly with the development of MTB parks and the opening of DoC tracks to MTBs over the last decade. An indication of this growth is NMTBC membership going from 1,200 in 2013 to almost 3,000 for 2017. Such growth is unfortunately reflected in claims to ACC from all MTB related injuries. Claims for Nelson City rose from 453 in 2012/13 to 848 in the 2016/17 year. The total cost over this five-year period was \$3.2m. By contrast, the number and cost of accidents for Tasman were about half of those for Nelson¹¹. There will be a multitude of reasons for the big difference between Nelson and Tasman including the nature of tracks, numbers of more advanced riders and the level of MTB activity by location.

Regardless of the reasons, it does demonstrate a potential need for MTB skills training and less technical track options for less confident and learner mountain bikers.

Another emerging trend is the use of e-MTB bikes. The major brands are now making high end, high performance MTBs that for Nelson-Tasman, helps overcome the relatively steep climbs in order to enjoy the downhill runs. It is estimated that sales of e-bikes in New Zealand will reach 20,000 for 2017.¹² A local bike shop retailer stated that e-bikes are now his biggest seller by revenue. Full suspension e-MTBs suitable to more advanced trails can retail for \$6,000 – \$12,000 which is in contrast to its largest volume MTB style bike which retails for around \$1,000.

An international report on e-bike sales by Navigant Research forecast global e-bike sales to increase from \$15.7b in 2016 to \$24.3b by 2025 (54% growth). For Europe in 2016, e-mountain bike sales represented 15% of the total. The IMBA have acknowledged the growth in e-MTBs and the potential conflicts that will inevitably arise between powered and pedal MTB users.

The use of e-bikes allows less fit, time poor, those with physical limitations and aging MTB to more easily enjoy the experience that once may have been considered too challenging. "eMTBs are in the early stages of what could become a renaissance of sorts for the mountain bike" (www.electricbikereport.com).

¹⁰ TNZ cycle tourism market profile, 2013

¹¹ ACC statistics database

¹² Stuff article Feb 19, 2017

The local industry consensus is that MTB activity in the region will continue to grow through advancements in MTB technology and the development of more local infrastructure, and will attract more visitors because of the range of tracks available and compliment the lifestyle reasons for relocating to this region.

5.1.1 Economic benefits - future scenarios

The following is an outline of the economic value add from three different future scenarios. The figures have been expressed in current value (2017) for consistency across the calculations.

Scenario 1: 10 percent growth over next ten years on the Nelson-Tasman region

The economic benefits to Nelson-Tasman in the next ten years will continue to grow in Scenario 1 with 10 percent per annum. In Table 5.1 we have calculated the contribution to GDP and employment, if visitor numbers continue to grow by 10 percent per annum for the next ten years, from 29,250 mountain bike visitors and 14,625 family members, to 75,870 mountain bike visitors, and 37,930 family members. This growth in mountain bike visitor numbers will see annual expenditure grow from \$16.5 million to \$42.7 million, assuming that spend per day and average number of nights remain unchanged.

In addition, there will be 0.6 percent annual growth in the regional population that will result in 1,030 more local mountain bikers, and assuming 10 percent will retain their expenditure within the region, this results in \$0.7 million in retained expenditure occurring in the region. The assumption is that the gondola is not in operation, no major events have been hosted, however additional infrastructure has been completed, such as the Maitai recreational Hub, to support the increase in activities and visitors.

Overall in ten years' time, as shown in Table 5.1, the direct expenditure will measure \$43.3 million, with \$22.6 million of direct GDP being generated in the region, and the employment of 403 FTEs. Once multiplier effects are taken into account, the **total annual economic impact in ten years' time will be \$39.5 million in GDP and the total employment of 538 FTEs.**

Table 5.1 Economic impact of mountain biking in the Nelson-Tasman region, 10 year snapshot forecast, scenario one¹³

Economic impacts	Direct	Total
Expenditure (\$m)	43.3	77.5
GDP (\$m)	22.6	39.5
Employment (FTEs)	403	538

Scenario 1: Impact on Nelson City

Overall in ten years' time, as shown in Table 5.2, the direct expenditure will measure \$21.7 million, with \$11.3 million of direct GDP being generated in the City, and the employment of 202 FTEs. Once multiplier effects are taken into account, the **total annual economic impact in ten years' time will be \$19.1 million in GDP and the total employment of 270 FTEs.**

¹³ All \$ amounts expressed in current value (2017)

Table 5.2 Economic impact of mountain biking in Nelson City, 10 year snapshot forecast, scenario one

Economic impacts	Direct	Total
Expenditure (\$m)	21.7	36.8
GDP (\$m)	11.3	19.1
Employment (FTEs)	202	270

Scenario 2: no future growth strategy, maintenance and or investments on the Nelson-Tasman region

The economic benefits to Nelson-Tasman region might also be redirected to other regions if the MTB industry is not maintained and further developed in the next ten years. For this scenario we have used a 2 percent growth figure for the next ten years to illustrate the impact if the region does not grow these activities. At 2 percent growth, the number of mountain bike visitors will increase from 29,250 plus 14,625 family members, to 35,700 mountain bike visitors and 17,850 family members over the 10 year period.

This growth in mountain bike visitor numbers will see annual expenditure grow from \$16.5 million to \$29.5 million, assuming that spend per day and average number of nights remain unchanged from scenario one.

Table 5.3 Economic impact of mountain biking in the Nelson-Tasman region, 10 year snapshot forecast, scenario two

Economic impacts	Direct	Total
Expenditure (\$m)	30.2	54.0
GDP (\$m)	15.9	27.6
Employment (FTEs)	274	368

In addition, there will be 0.6 percent annual growth in the regional population that will result in 1,030 more local mountain bikers, and assuming 10 percent will retain their expenditure within the region, this results in \$0.7 million in retained expenditure occurring in the region.

Overall in ten years' time, as shown in Table 5.3, the direct expenditure will measure \$30.2 million, with \$15.9 million of direct GDP being generated in the region, and the employment of 274 FTEs. Once multiplier effects are taken into account, the **total annual economic impact in ten years' time will be \$27.6 million in GDP and the total employment of 368 FTEs.**

Scenario 2: Impact on Nelson City

Overall in ten years' time, as shown in Table 5.4, the direct expenditure will measure \$15.1 million, with \$8.0 million of direct GDP being generated in the City, and the employment of 137 FTEs. Once multiplier effects are taken into account, the total annual economic impact in ten years' time will be \$13.4 million in GDP and the total employment of 183 FTEs.

Table 5.4 Economic impact of mountain biking in Nelson City, 10 year snapshot forecast, scenario two

Economic impacts	Direct	Total
Expenditure (\$m)	15.1	25.6
GDP (\$m)	8.0	13.4
Employment (FTEs)	137	183

Scenario 3: hosting a major event in the next ten years in Nelson Tasman region

We are aware that Scenario 1 is a conservative estimate. If Nelson is successful in hosting an international MTB event such as the World Enduro Series it will generate significant additional economic benefits to the region. As an example, the number of visitors to Crankworx in Rotorua in 2016 was 9,344, spending an additional \$8 million in the city over the duration of Crankworx¹⁴, and adding \$4.2 million in GDP to Rotorua.

Using the example of Crankworx in Rotorua, an event held in the Nelson-Tasman region, able to attract 9,000 additional visitors, of which 80 percent would be domestic, and 20 percent international. These visitors would spend on average 2.5 nights in region and spend \$150 per day during their visit to the region. This would add an additional spend of \$3.4 million to the region. As shown in Table 5.5 below, **this spend of \$3.4 million, would have a total economic impact on the region of \$3.1 million in GDP and the employment of 42 FTEs.**

Table 5.5 Economic impact of a mountain biking event in the Nelson-Tasman region

Economic impacts	Direct	Total
Expenditure (\$m)	3.4	6.0
GDP (\$m)	1.8	3.1
Employment (FTEs)	31	42

Scenario 3: Impact on Nelson City

Around 4,500 of the 9,000 additional visitors would stay in Nelson City during the event. This would add an additional spend of \$1.7 million to the City. As shown in Table 5.6 below, **this spend of \$1.7 million, would have a total economic impact to the city of \$1.5 million in GDP and the employment of 21 FTEs.**

Table 5.6 Economic impact of a mountain biking event in Nelson City

Economic impacts	Direct	Total
Expenditure (\$m)	1.7	2.9
GDP (\$m)	0.9	1.5
Employment (FTEs)	16	21

Alternative scenario: Gondola

Also, the proposed Fringed Hill Gondola could significantly increase the number of mountain bikers coming to the region, as has been the case in Rotorua, Queenstown and now Christchurch. The estimated investment in the gondola and associated amenities totals \$12.2m. The additional economic activity that will be created by the gondola development could further increase the economic impact beyond a “business as usual” growth scenario, depending on the final design, base infrastructure and agreements with local providers.

5.2 Perceptions of Nelson as a MTB venue

As outlined in Section 2, Nelson-Tasman has a good and growing reputation as a MTB venue. MTB NZ has confirmed this and noted that the offering is very high quality with a good range of tracks to suit all ability levels. Tracks range from easy to very challenging. They also note that the region has an active club membership engaged in track development.

¹⁴ APR Consultants Ltd, 2016 Crankworx Rotorua, Economic Impact Assessment

Until recently, the Nelson MTB club has not been especially interested in hosting major competitions, but that is changing with changes in club office holders, and the club is now actively talking to MTB NZ about hosting a major competition in 2019.

The Nelson-Tasman region is promoted and regarded as a cycling haven with an excellent mix of road cycling and mountain biking (MTB) options for recreational and more competitive cyclists. The 175km Great Taste Trail attracts mostly recreational riders and family groups. By contrast, all the MTB parks and outback trails are designed and graded for the intermediate to advanced mountain biker. There are fewer options for beginner or intermediate riders beyond the Great Taste Trail and the city cycle network, although recent additions to Codgers in Nelson will help meet this need.

Whilst there is a diversity of MTB options, it appears unclear how Nelson-Tasman has differentiated itself from other regions in New Zealand so that it might grow market share, and/or target specific MTB activities. Alongside centres such as Rotorua and Queenstown, Nelson-Tasman is becoming well regarded as a MTB visitor destination. Nelson City acts as a hub in this sense as it has a greatest offering for accommodation, eating and commercial MTB operations. Because of the district's reputation for good weather, mountain biking is a year-round activity. The Great Taste Trail will typically attract more visitors and commercial activity over the summer months. However, the rest of the MTB offering is year-round for locals, domestic visitors and events.

Recent growth in MTB events and visitor activity is evident, although future growth is believed to be constrained by the following:

- Limited uphill shuttle services (other than Wairoa Gorge), easy access or gondola options compared to Rotorua, Queenstown and Christchurch for example. The local MTB parks and track climbs are regarded as steep by NZ standards so would benefit from access to hill top starts as are available in other top MTB destinations. Restricted shuttling can occur at Sharlands where there is forestry road access to the top.
- Inadequate support infrastructure at key entry points, particularly at the popular MTB parks and trails as in the Maitai Valley. This includes parking, toilets, rubbish bins, bike wash facilities, bike repair and food outlets. The absence of such facilities limits the ability to hold MTB events and attract return visitors. By comparison, urban areas such as Wellington, Rotorua, Queenstown and Christchurch have good MTB support infrastructure. Note that such facilities are also used by walkers and runners who access the trail networks.
- A need for greater promotion of the regional MTB offering including the diversity of options, attracting MTB events, "must do" trails, package deals and the case for coming to Nelson-Tasman for the best MTB experiences that NZ can offer.

The Vantage Consulting Report (2015) for NCC that reviewed the business case for a gondola in Nelson, demonstrated the need for, and associated costs of, additional marketing/infrastructure to raise the MTB profile for the region.

An internet search using tags such as "best mountain biking in NZ", "best MTB regions" and "best trails in NZ", consistently reference Nelson-Tasman. However, it does not have the same profile as top destinations like Rotorua, Queenstown/Otago and Christchurch. Such regions have up to a 30-year head start in developing track networks and the associated infrastructure to attract larger visitor numbers and major events. Specific long-established tracks in Nelson-Tasman including Heaphy and Rameka do consistently appear in the top 10 NZ MTB tracks.

This all suggests that it takes time and investment to build a national and international profile as a MTB region.

MTB trail networks throughout NZ are generally initiated by local enthusiasts and/or MTB Clubs. These are generally in partnership with the landowners (public or private), and for MTB destinations including Rotorua,

Queenstown and Christchurch the local councils are also key partners. In the case of Whakarewarewa Forest in Rotorua, the costs of operating, developing and promoting the MTB Park are shared by Rotorua District Council, the Department of Corrections who provide work crews and the MTB Club who fund raise, provide volunteer labour and pay part time track builders.

The NMTBC is now particularly active in trying to attract and support more national and international events. A national MTB enduro event in November attracted 150 entrants. Work by the NMTBC is well advanced in attracting a World Enduro Series (WES) event by 2019. For the first time a MTB event was also run at Silvan Forest by the MTB Trails Trust in association with the annual Tasman Classic Cycle event. The MTB option attracted over 150 competitors with around half of the field being visitors. The Trail Trust also runs the annual Tasman intermediate and secondary schools championships which suggests such events to be expanded to have a more national focus.

Such events can, and do, have a significant economic impact. The frequency and scale of such events will be dependent on both the trail networks and the supporting infrastructure which is currently lacking by NZ standards.

The MTB Trails Trust supports the development of the region as a national and international MTB destination. Its Epic Trails platform involves the development of back country rides behind Nelson and Richmond, and at St Arnaud. These are back country rides mostly for advanced riders and in some cases include using existing tramping tracks. These Epic Trails are being developed in partnership with the Department of Conservation, forestry management and Hancock Forest Management as landowners.

More Epic Trails in the regions add to its MTB status and builds on the diversity of tracks such that more visitors are attracted and will stay longer in the region.

6 Investment priorities

The Nelson City Council has supported the development of MTB tracks and trail networks consistent with its *Out and About* strategy. Ideally this would continue.

Of more immediate relevance is investment in trail head facilities. These include vehicle parking, toilets, rubbish bins and bike washing facilities at a minimum. Other amenities might include showers. The private sector should be encouraged to provide things like repair shops and cafes that could be achieved through subsidised land rental, restricted compliances and/or the development of units for rental.

Private sector accommodation providers could also do more to welcome riders. Understandably, they don't want bikes in rooms and leaning against walls, particularly dirty ones. They could assist by providing secure bike storage and cleaning facilities.

Nelson City Council has the Brook hub planned for completion in mid-2018. This will mainly service the entry point to Codgers and the Dun Mountain Trail. The MTB tracks access in the Maitai Valley are further from the city centre than Brook Street and therefore generally attract more vehicular traffic to the track entry points. In addition, there appears greater scope for a significant hub such that it can support major events, shuttle services, future MTB use growth and commercial activities.

There is potential for major MTB events to be held in the region based on the available trail networks and available accommodation. Maximising the economic benefits will be dependent on key additional factors such as the addition of trail head facilities as mentioned above, marketing support and collaboration with MTB groups such as MTB NZ, Nelson MTBC, MTB Trails Trust and private land owners on which trails have been built. It is evident that the NMTBC and Trails Trust for example already have working access arrangements with landowners and forestry companies operating in the Maitai Valley, Silvan MTB park and Wairoa Gorge.

The opportunity for Nelson-Tasman around a focus on mountain biking can be demonstrated by Crankworx in Rotorua. In 2014 Rotorua secured a 3-year agreement with Crankworx Events in Whistler, Canada to run an annual MTB event. It is over 8 days and centres on Skyline Rotorua. There were 464 competitors and 9,344 who attended the event, up from 3,696 in 2015. Attendees were 72.5 domestic and 27.5 percent international.

The 2006 World MTB champs in Rotorua had 538 competitors, 1,572 accredited visitors, 246 media and 40,000 spectators (*APR Consultants, 2007*). Grow Rotorua's Annual Report 2013/14 highlighted the net economic impact of the Rotorua MTB Park at \$12m.

The business case for the development of the Fringed Hill Gondola has been presented to NCC and assessed. We have acknowledged the economic benefits to the region of such a proposal proceeding however have provided no comment on the Council's role in this and or the specific economic benefits that the Gondola will provide to mountain biking.

7 Conclusions and recommendations

In October 2015 the Nelson City Council adopted its 'Out and About' – Active Travel and Pathway based Recreation Policy covering physical activity on roads, footpaths and pathways either for travel or recreation purposes. During the Policy's development it became evident there was a need to develop a complementary but separate strategy specifically for off-road pathway based recreation.

'Out and About – On Tracks' is that strategy, and should be read in conjunction with 'Out and About' – Active Travel and Pathway-based Recreation Policy. Please note that the term 'Pathway' used in the earlier 'Out and About' Policy has been replaced by the term 'Track'.

THE STRATEGY VISION: Nelson is a city held in high regard nationally and internationally for its sustainably managed and easily accessible network of scenic front country off road tracks, that provide enjoyable and safe recreation opportunities for all users.

AIM: To maximise recreation opportunities and enjoyment for all front country off road track users and minimise any potential conflict through effective track design and mutual respect between users.

OUR DESIRED OUTCOMES The following outcomes guide future development and management of front country off-road tracks in Nelson.

1. Track-based recreation and sport participation contributing to improved social, mental and physical wellbeing of residents
2. Track-based recreation and sport attracting more visitors and events to the region and generating benefits for the local economy
3. Track-based recreation and sport events attracted to the region
4. An embedded culture of courtesy and respect between all users of tracks
5. Sensitive network planning and design reducing any negative user conflict and environmental impacts.

7.1 Recommendations

Based on discussions with regional MTB interests, previous submissions presented to the Council, economic analysis on the current and potential economic benefits; and supporting the Council's strategies related to the promotion of outdoor activities, the following recommendations are presented:

1. Invest in a central hub for the Maitai Valley area including vehicle parking, toilets, bike wash, rubbish collection and space for commercial operations like hire, repair services and café. This area would provide a gathering and access point for trails including the Dun Mountain Trail, Codgers, Hira Forest including Sharlands, Fringed Hill and beyond (e.g. Peaking Ridge) and future trails proposed for the area.
2. Develop a regional (Nelson-Tasman) approach to providing further MTB support infrastructure at other key popular MTB areas including Richmond Hills/Silvan Forest and Kaiteriteri. This wider regional approach would recognise that the strength of promoting Nelson as a MTB destination primarily lies in the diversity and number of world class tracks and MTB Parks throughout Nelson-Tasman.
3. Develop an extensive skills area in the Maitai Valley to encourage mountain biking by all ages. (Note this is part of a national strategy). Such an amenity will help transition MTB users from easy trails to more advanced ones and help promote the sport to kids. Ideally such a skills area would include and/or be adjacent to grade 2 tracks also.

4. Work with the NMTBC and Trails Trust to retain the region’s IMBA Gold Ride Credit accreditation and support the 2019 renewal of this. This will help continue to raise the profile of the Nelson-Tasman nationally and globally as a premier MTB destination.
5. Undertake a survey of mountain bike users in the Brook/Maitai Valley area to better understand local vs visitor use, frequency of use, visitor spend and length of stay, favourite tracks, improvements to be made, support for events.
6. Invest in the promotion of national and international events in conjunction with NMTBC, the Nelson-Tasman Regional Development Agency and commercial MTB interests.
7. Promote the multi-use of trails and the support infrastructure to encourage other uses such as walking/running (e.g. bins/bags for dog walkers). This would involve a combination of dedicated tracks for walkers and runners (building on the ‘channelling’ outputs of the Out and About – On Tracks Strategy), and ensure that all users demonstrate courtesy and respect for each other and the environment. Dedicated signage for such purposes would be included as part of a Maitai Valley central hub development.

These are all consistent with Council’s Tracks Strategy Vision and Aim.

The table below demonstrates how these recommendations align with Council’s *Out and About Recreation Policy and On Tracks Strategy*. We include links to the NMTBC’s strategic plan and the MTB Trails Trust’s vision as appropriate. The NMTBC’s strategic plan has the following goals:

1. Strengthen relationships with stakeholders, community groups and club membership.
2. Lead the development and maintenance of Nelsons mountain bike trails and associated mountain bike assets.
3. Encourage mountain biking to all Nelson community members through running and supporting events and being a voice for mountain biking.
4. Create and display community value from mountain biking.
5. Successfully operate the Wairoa gorge as a regional tourism asset.

The MTB Trails Trust vision for the next 5 years is *“to position the Top of the South as a national and international mountain biking destination, by developing a network of mountain bike trails for all abilities that will be a valued community asset”*.

Table 7.1: Report recommendations links to strategic outcomes

Recommendation	Council’s policy/strategy – outcomes supported	Links to NMTBC & MTB Trails Trust
1. Central hub for Maitai Valley	Track-based recreation and sport attracting more visitors and events/economic benefit Track-based recreation and sport events attracted to the region Sensitive network planning and design Out and About – On Tracks implementation Plan (Priority 2)	Supports NMTBC goals 2,3,4 Supports MTB Trails Trust Vision

Recommendation	Council's policy/strategy – outcomes supported	Links to NMTBC & MTB Trails Trust
2. Regional approach	Track-based recreation and sport attracting more visitors and events/economic benefit An embedded culture of courtesy and respect between all users of tracks Sensitive network planning and design	Supports NMTBC goals 1,4,5
3. Skills area	Track-based recreation and sport participation contributing to improved outcomes	Supports NMTBC goals 2,3,4 Supports MTB Trails Trust Vision
4. Premier MTB destination	Track-based recreation and sport attracting more visitors and events/economic benefit Track-based recreation and sport events attracted to the region Sensitive network planning and design	Supports NMTBC goals ,3,4,5 Supports MTB Trails Trust Vision
5. MTB user survey	Track-based recreation and sport participation contributing to improved outcome Track-based recreation and sport attracting more visitors and events/economic benefit An embedded culture of courtesy and respect between all users of tracks Sensitive network planning and design	Can support NMTBC goals 1,2,3,4, Supports MTB Trails Trust Vision
6. Visitor and event promotion	Track-based recreation and sport attracting more visitors and events/economic benefit Track-based recreation and sport events attracted to the region	Supports NMTBC goals 2,3,4,5 Supports MTB Trails Trust Vision
7. Multi use support infrastructure	Track-based recreation and sport participation contributing to improved outcome Track-based recreation and sport attracting more visitors and events/economic benefit An embedded culture of courtesy and respect between all users of tracks Sensitive network planning and design	Supports NMTBC goals 1, 2,3,4 Supports MTB Trails Trust Vision

