

THE GIPPSLAND TRACKS AND TRAILS PROJECT

REGIONAL STRATEGIC ALIGNMENT

A recent report produced by SGS Economics shows that Gippsland has undergone a series of economic shocks that have impacted the economic output of the region. Between 2015 and 2020 the combined effect of the COVID-19 restrictions, bushfires, dairy crisis, drought and Hazelwood closure have had the following impact:

- Direct output loss of \$3.28 billion;
- Combined direct and indirect output loss was \$6.86 billion;
- A total of 10,213 job losses (direct and indirect); and
- Gross Regional Product shrunk by \$2.66 billion.

Closure of the native timber industry is expected to negatively impact direct output by \$548 million and further

shrink Gross Regional Product by \$431 million in the next 10 years.

Despite these challenges, Gippsland has great growth aspirations (as outlined in the Gippsland Regional Plan) including:

1. Being Australia's most liveable region by 2040;
2. Attracting an additional 75,000 residents by 2040; and
3. Increasing the annual Gross Regional Product to \$23.2 Billion by 2040.

To achieve these goals, investment in tourism and liveability infrastructure will be required at a regional, sub-regional and local level.

PROJECT BENEFITS

Before COVID-19 travel restrictions, Gippsland attracted more than seven million visitors per year with a visitor economy worth over \$1.1 billion annually, employing more than 13,000 people. Tourism in Gippsland was estimated to be worth \$938 million (in 2018-19) to the region's economy in direct and indirect Gross Regional Product or 7.1 per cent of the region's economy.

The economic benefits expected from Stage 1 investments include:

- Construction jobs: 170 (Stage 1 and 2)
- Ongoing jobs: 106 (69 in year 1)
- Economic return: \$105 million (Cost-Benefit Ratio of 2.0)

(Note: these benefits do not include those expected from the Bass Coast Dinosaur Trail, this information is currently being finalised)

Capturing Melbourne, one of Australia's largest markets – there is a clear competitive advantage in positioning Gippsland as the holiday from at home destination of Victoria.

Projections indicate in the next 10 years Gippsland could receive an extra 1.5 million visitors, growing the sector's contribution to \$1.5 billion annually. This means that Gippsland will need to attract an additional 270,000 visitor nights each year to achieve this – urgent tourism investment is needed to support growing visitation.

FUNDING DETAILS:

- Ask: Construction Costs
- Project cost: \$84.13 million
- Commitment sought: \$84.13 million
- Status: Shovel Ready

COMMITMENT SOUGHT

Destination Gippsland is seeking a total of \$84.13 million to complete the entire Gippsland Tracks and Trails project including the Dinosaur Trail.

PROJECT CHAMPION – DESTINATION GIPPSLAND

Destination Gippsland is the Regional Tourism Board and the peak tourism organisation for the region in eastern Victoria. The organisation was established in 2008 with the support of Visit Victoria, Parks Victoria and the six member councils of the Gippsland Local Government Network.

Destination Gippsland is a not-for-profit public company governed by a skills-based board supported by staff and industry networks. The organisation's role is to grow and serve the Gippsland tourism sector and work in partnership with the industry and government to deliver rewarding and lasting economic, environmental and social outcomes.

