



# Economic Impact Analysis

Maydena Bike Park



ELEVATION  
PARKS

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This report has been prepared by Elevation Parks, on behalf of Maydena Adventure Pty Ltd (t/a Maydena Bike Park). Elevation Parks are a leading provider of commercial mountain bike destination development and management.

# 1 Executive Summary

Maydena Bike Park (MBP) is one of Tasmania's leading adventure tourism providers, attracting 25,000 rider days during the 2021/22 season. MBP's has a truly national and global audience, with 40% intrastate, 50% interstate, and 10% international visitation.

MBP operates across approximately 2,000 acres of predominantly temperate rainforest directly adjacent to the township of Maydena, in Tasmania's Derwent Valley. MBP is internationally regarded for its highly diverse, world-class trail network, which features a market-leading 820m of elevation range. The surrounding natural environment is a strong visitor drawcard, with MBP the only place in the world with a full-scale gravity-focused bike park located in temperate rainforest.

This economic impact analysis has been prepared to calculate the direct and indirect economic benefit associated with the park. Despite the significant disruptions from COVID-19, MBP has retained a strong national and international visitor base, which continues to grow as travel behaviours normalise.

During the 2021/22 season, MBP contributed \$13.9m in direct economic impact to the Tasmanian economy. Using a 1.9x multiplier for indirect economic impact, MBP contributed \$26.4m to the Tasmanian economy.

Using a conservative growth estimate, MBP will directly contribute \$21.4m to the Tasmanian economy during the 2024 season, with an indirect economic impact of \$40.7m.

Mountain bike tourism is a significant contributor to Tasmania's economy, with the state now universally recognised as an Australian market leader for mountain bike tourism. Maydena Bike Park plays a significant role in the Tasmanian mountain bike tourism market, also acting as a primary motivator for visitors to attend smaller regional trail networks.

With a significant projected expenditure across the next five years, the economic impact provided by MBP will continue to grow.

## 2 Maydena Bike Park

### 2.1 Overview

Located in the small regional town of Maydena, Maydena Bike Park (MBP) is located 1.5hr drive from both Hobart city and Hobart Airport.

Maydena Bike Park (MBP) has been in operation for five years. During this period, the park has experienced major disruptions each year, including floods, fires, and multiple years of COVID-19 disruptions. Due to these disruptions, MBP is yet to experience a full summer of visitation and is yet to be benefited by the momentum of a season that is not significantly disrupted. Despite the ongoing challenges, Maydena Bike Park has continued to experience sustained visitation growth, fed through growing industry demand, and MBP's ongoing major investment into new and improved trails and facilities.

### 2.2 Mountain Biking Operations

MBP is Australia's largest commercial bike park by trail volume and operational acreage, eclipsing its nearest rival by over 100% in trail network size. MBP operates over 95 trails, with an unrivalled trail diversity, which caters to all abilities and riding styles. Over recent years, MBP has developed a significant network of beginner friendly trails, and a new lower mountain uplift service. These projects have significantly increased participation from beginners and families. Within its mountain bike operation, MBP also offers coaching, guiding, rentals, repair, and retail.

### 2.3 Food and Beverage

MBP operates three food and beverage outlets; The Patio, The Local, and The Summit. These outlets cater to a range of dining styles and budgets, and also include a range of special events and activations.

## 2.4 The Future

MBP is currently developing its first non-mountain bike activities, including walking trails, a spa and sauna retreat, and a 4WD adventure tour. These products will be brought online in late 2023.

At the time of preparing this report, MBP has recently released a 5-year Master Plan, outlining the parks development plans through to 2028. The plan includes a chairlift, new base building, accommodation developments, among a wide range of other development plans. In total, MBP anticipates that over \$30m will be invested in and alongside the business across the next five years.

## 3 Visitor Characteristics

### 3.1 Overview

MBP is uniquely positioned in that the park requires all attendees to register, which allows for accurate demographic data collection. Unlike public trail networks where gross estimates are made around visitation volumes and demographics, MBP has an accurate data set of all mountain bike visitors.

Notably, MBP's visitation has been significantly impacted by COVID-19, with normalised visitation beginning to return at the time of preparing this report. The data utilised for this report is impacted by COVID-19, with the earlier part of the season seeing significantly reduced interstate visitor volumes, and essentially no international visitation. In a normal season data set, economic impact would be notably larger.

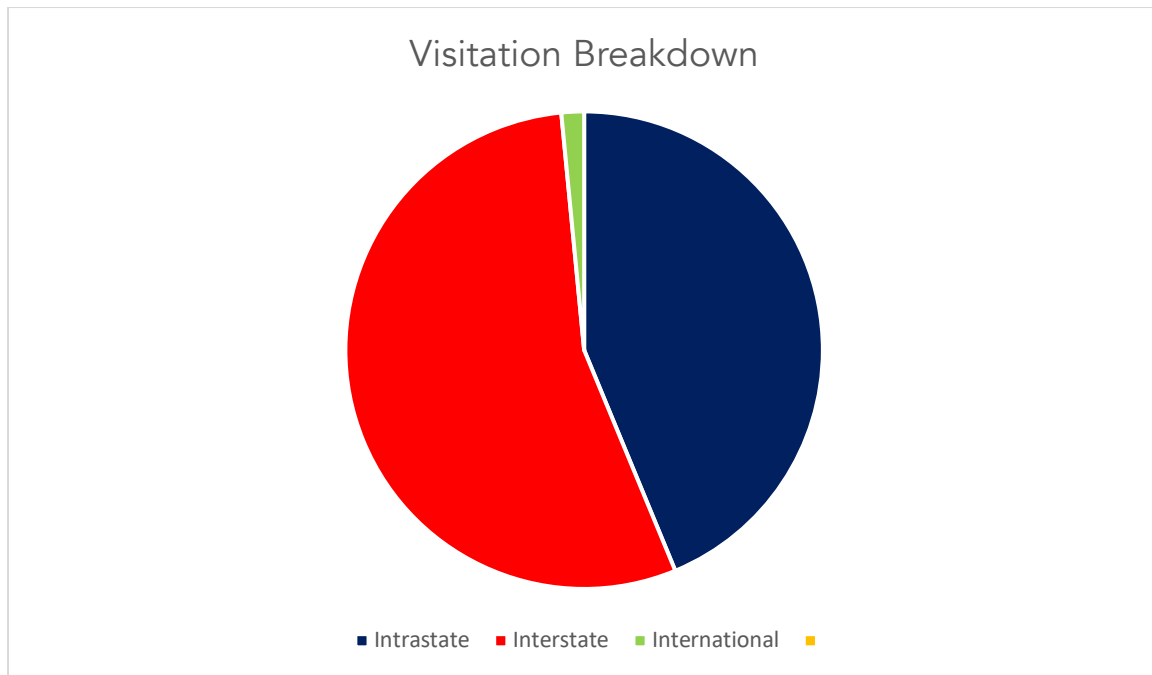
### 3.2 In Bound Visitor Analysis

MBP attracts visitors from across Australia and around the world. While visitation demographics have skewed significantly due to COVID impacts on travel, it is anticipated that the current season will allow for a normalised data set to be produced.

While Victoria and New South Wales are key visitor markets, MBP is seeing growing visitation from Queensland, the ACT, Adelaide, and Western Australia. The Northern Territory remains a small visitor segment for the park.

Internationally, key visitor markets are; New Zealand, United States of America, Canada, Singapore, and Hong Kong.

Approximately 40% of MBP's current visitor market is intrastate, 50% interstate, and 10% international.



### 3.3 Age Analysis

MBP does not collect age-related data through its registration process. Anecdotally though, the park has noted a significant shift in the recent two seasons to a much more family-focused audience, with a large cohort of children now riding the park. This shift in visitation demographic has occurred in line with a major ongoing investment into beginner-focused trails, and a new uplift service.

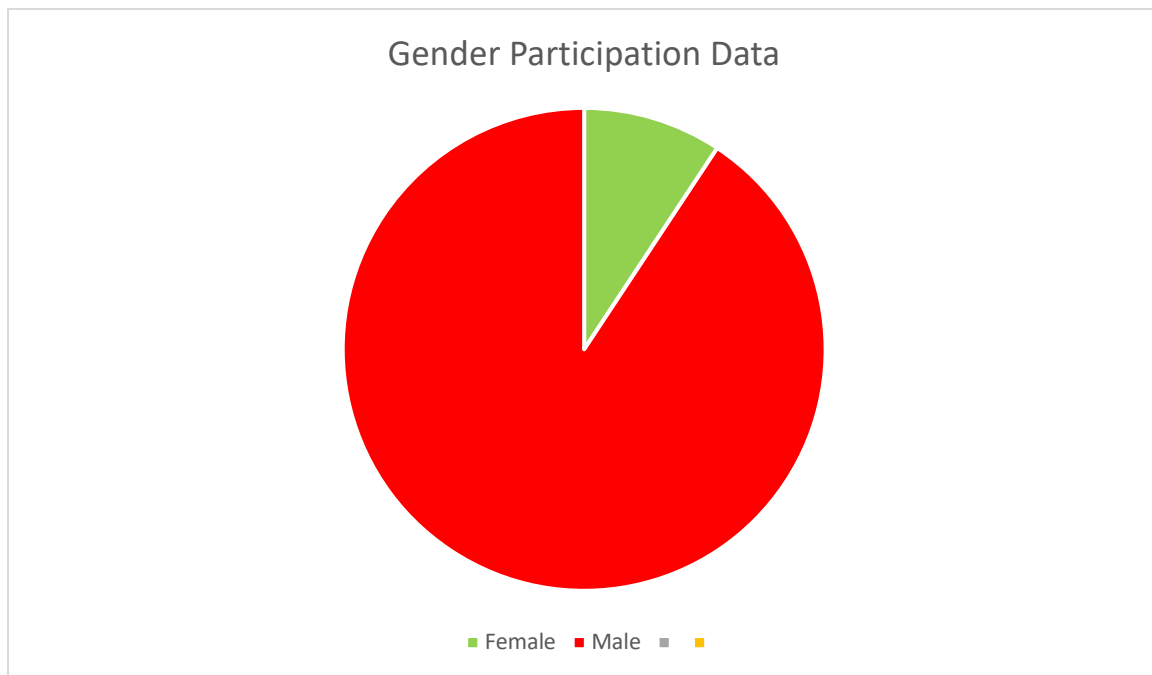
### 3.4 Gender Analysis

MBP has seen a significant growth in female participation in recent years. This growth has been the result of efforts from the MBP management team, and the riding community. MBP has made the following efforts to increase female participation;

- Major infrastructure investment into beginner-friendly trails
- Implementation of Lower Mountain uplift service
- Marketing shift to include greater volume of female content and messaging

The growth in female participation can also be attributed to the community-led group, Tas Gravity Girls. This group promotes and supports a wide range of female participation events, including ride days, coaching, and events.

While MBP do not directly collect gender data, a number of data sets can be utilised to estimate gender demographics. MBP estimate that 80% of current visitors are male, and 20% are female.





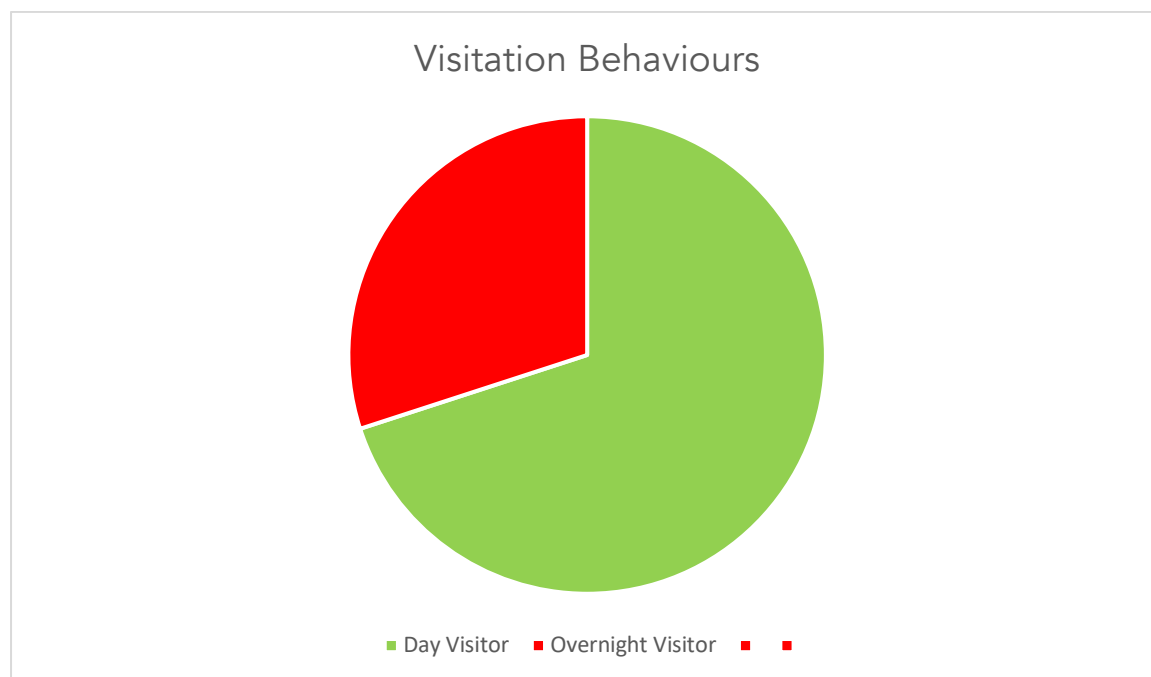
## 4 Economic Impact Analysis

### 4.1 Gross Visitor Volumes

MBP is yet to experience a full season of uninterrupted visitation, so a complete picture of gross visitor volumes is not available. During the parks last season, approximately 25k rider days were completed. These visitor volumes exclude general visitors in the food and beverage areas of the business.

### 4.2 Visitation Behaviours

While MBP does not directly collect data regarding accommodation and overnight stays, a data set can be constructed using multi-day pass data, and other metrics from within the parks booking system. Using available data sets, MBP estimate that 40% of guests are overnight visitors, with 60% visiting for the day, without staying overnight in the region.



### 4.3 Assumptions and Estimates

This economic impact analysis (EIA) has been based around data sets from the Tourism Visitor Survey (TVS). TVS data is a widely accepted data set that defines average spending data and other metrics for visitors to Tasmania. An average overnight holiday visitor spend of \$389/night has been used in calculation<sup>1</sup>. It is

<sup>1</sup> Tasmanian Tourism Snapshot- Year Ending September 2022

generally accepted that mountain bike and general cycling visitors on average spend more than general visitors, so this data set is considered conservative for the purpose of this report.

Day visitor spend has been conservatively estimated at \$150/day, which includes an average daily visitor spend at MBP of \$130, resulting in a highly-conservative \$20 estimated spend outside of the park operation.

An indirect EIA multiplier of 1.9x has been utilised for calculating indirect economic impact. This multiplier is a widely accepted calculation for tourism-based activity.

MBP do not collect data around visitor holiday behaviour data from outside the park. It is generally accepted that most interstate and international visitors will holiday throughout Tasmania during their visit to MBP. For the purposes of this EIA, it has been conservatively estimated that the average overnight visitor will spend an additional two nights in Tasmania outside of Maydena.

#### 4.4 Direct Economic Impact

Direct EIA has been calculated based on annual visitation of 25k rider days. The calculations exclude impacts from non-mountain bike visitors through the business. While these visitor volumes are relatively low at the time of this report, they are expected to grow significantly in coming years as new hospitality and activity opportunities are implemented. EIA has been calculated based on estimated rider behaviour regarding day and overnight visitation.

Direct Economic Impact				
Type	Volume	Daily Spend	Additional Days in Tasmania	Total
Day	15000	\$ 150.00	NA	\$ 2,250,000.00
Overnight	10000	\$ 389.00	20000	\$ 11,670,000.00
			Total	\$ 13,920,000.00

## 4.5 Indirect Economic Impact

A multiplier of 1.9x has been used to calculate indirect economic impact.

Direct + Indirect Economic Impact				
Type	Volume	Daily Spend	Additional Days in Tasmania	Total
Day	15000	\$ 150.00	NA	\$ 4,275,000.00
Overnight	10000	\$ 389.00	20000	\$ 22,173,000.00
Total				\$ 26,448,000.00

## 4.6 Events

MBP has a long history of operating a wide range of mountain bike events, including multiple national and continental level events. These events have a major economic on the region, resulting in accommodation booking out back to Hobart, and bringing hundreds of people into the town often for several days. Events have not specifically been factored into this EIA, though a scenario has been developed below estimating the economic impact of the upcoming Enduro World Cup event.

The economic impact of major events has not been included in this EIA.

## 4.7 Employment

Tourism is a major employer in Tasmania, with 21,000 jobs directly within the tourism industry<sup>2</sup>.

MBP directly employs 10 full time staff, with a total workforce of 60 staff, the majority of which are full time equivalent during the peak season (November>March).

It is estimated that MBP directly supports an additional 10 full time jobs in the Maydena area, in businesses that directly support and/or leverage the MBP operation.

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<sup>2</sup> <https://www.tra.gov.au/data-and-research/reports/state-tourism-satellite-account-2019-20/tourism-employment-results>

## 5 Forward Projections

Based on current season visitation data, and with upcoming events and activations, MBP has predicted that customer volumes for the current season will be approximately 35,000 rider days.

MBP has conservatively estimated growth in the 2023/24 season to be approximately 10%, which will result in total rider days of 38,500. Notably, these estimates exclude all general visitor volumes, despite significant growth anticipated in this area with the launch of new general activities and tours.

Forward projections for economic impact in the 2023/24 season can be found below.

Direct Economic Impact				
Type	Volume	Daily Spend	Additional Days in Tasmania	Total
Day	23100	\$ 150.00	NA	\$ 3,465,000.00
Overnight	15400	\$ 389.00	30800	\$ 17,971,800.00
Total				\$ 21,436,800.00

Direct + Indirect Economic Impact				
Type	Volume	Daily Spend	Additional Days in Tasmania	Total
Day	23100	\$ 150.00	NA	\$ 6,583,500.00
Overnight	15400	\$ 389.00	30800	\$ 34,146,420.00
Total				\$ 40,729,920.00

## 6 Conclusion

Mountain bike tourism is a major contributor to Tasmania's tourism economy, with the state universally recognised as Australia's leading state for mountain biking.

MBP is a strong contributor to Tasmania's economy, employing 60 staff, and directly contributing \$13.9m in economic impact during the parks 2021/22 season. Using conservative growth estimates, MBP will directly contribute \$21.4m to the Tasmanian economy during the 2023/24 season, with an indirect economic impact of \$40.7m.

Across the next five years, MBP intends to invest a further \$30m into their operation, as detailed in the parks recently released five-year master plan. Once fully realised, this investment will ensure MBP retains its reputation as a market-leading mountain bike destination, while also significantly increasing the economic impact of the park.