



Marysville and Triangle economic development strategy

Proposed initiatives to drive economic growth for the Triangle region

NOVEMBER 2019



Context

2019 marks 10 years since the Black Saturday bushfires.

In mid-2009, the Victorian Bushfire Reconstruction and Recovery Authority (VBRRA) asked the Boston Consulting Group (BCG) to develop an economic recovery strategy for Marysville and the Triangle. The work focused on understanding the Triangle's background and economic position before the fires, and on recommending a strategy for future economic sustainability. The strategy was presented to the VBRRA in July 2009, and made publicly available to local residents, businesses, and all levels of Government.

In 2011, BCG was asked to review the strategy, assess the progress of recovery efforts, and determine priorities for the next 3-5 years to further strengthen the local economy. The recommendations presented to the VBRRA were largely implemented over the following years in partnership with Local, State and Federal Government authorities.

In mid-2019, the Marysville and Triangle Community Foundation (MTCF) asked BCG to refresh the economic strategy for the Triangle region, recognising that economic growth and development in the Triangle had started to plateau. The MTCF was formed in 2012 to continue the recovery process for the Triangle, supported by funds from the Victorian Bushfire Appeal Fund. This report is the result of that work; it provides an overview of the economic development of the Triangle and recommends a set of initiatives to drive future economic growth.

This report represents the joint recommendations from BCG and the MTCF, taking into account input from multiple community members and groups, and conversations with Government representatives. The report is intended to be a starting point for discussion and for the development of more detailed next steps.

Executive summary (I/II)

Following the 2009 bushfires, the Marysville and Triangle region has been on a steady road to recovery, driven by local community efforts, and significant public and private investment. Infrastructure and housing has been built, and residents and businesses have returned to a large extent.

While the region has experienced progress since the fires, it has reached a turning point where recovery needs to shift to developing a long-term, sustainable economy. The local community is engaged and passionate, but also fatigued after many years of dedication and concerned that economic growth has plateaued. Moreover, the Triangle community faces a number of risks to sustainable economic growth, including an ageing population.

Business and employment have largely recovered since 2009, but existing and new businesses face several challenges (e.g. strong seasonality of customer traffic and limited availability of skilled employees). Tourism and agriculture provide clear opportunities for growth and require targeted support to continue developing.

Without the right actions, there is a significant risk that the region's future trajectory will be unsatisfactory, and damage broader confidence in bushfire recovery, and prevent many Victorians and a key region from achieving their full potential.

In this context, the Marysville and Triangle Community Foundation (MTCF) asked BCG to refresh the region's economic strategy, and propose a set of initiatives to drive future economic growth. This work reflects community views, existing progress and infrastructure, how proposed initiatives will translate into practical steps, and what different stakeholders will need to do to make it happen. It also takes into account the constrained fiscal environment of State and Local Governments, with opportunities to kick-start economic sustainability without large new budget initiatives.

To improve the outlook for the region's economic development, we have identified four interconnected dimensions:

- Drive economic growth through a strong local community and population
- Improve business and employment opportunities
- Create a more targeted tourism offering
- Strengthen the agriculture industry

These four dimensions and their related initiatives will need to be underpinned by effective coordination and targeted financial assistance, as well as a multi-year commitment from major stakeholders. This will include the need for refreshed community-based economic leadership, and support from the Victorian Government and the Murrindindi Shire Council. With these foundations in place, we see the opportunity to enhance the Triangle's economic circumstances and for greater private sector investment.

The four dimensions are summarised on the next page.

Executive summary (II/II)

A. Drive economic growth through a strong local community and population

- Attracting new families and young people to live in the region will drive economic development and create new energy, ideas and engagement within the local community
- Proposed focus areas to increase population growth include marketing existing infrastructure for new families, targeted incentives to attract new residents (e.g. facilitating better access to affordable housing), improving public transport, and engaging the community in aligning on a clear economic vision for the region

B. Improve business and employment opportunities

- Local employment is driven by agriculture and tourism, but businesses face specific challenges such as limited availability of skilled employees, geographic issues such as Black Spur closures, and seasonal customer traffic mainly from day-trippers
- Proposed focus areas to strengthen business and employment opportunities include facilitating partnerships between local businesses, creating a business-friendly environment, supporting local business owners (e.g. marketing capabilities), and re-strengthening Triangle-wide economic leadership

C. Create a more targeted tourism offering

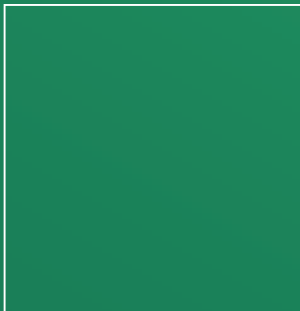
- To capture more benefits from overall growth in tourism numbers and to increase visitor spend (e.g. by converting day trips into overnight stays), the Triangle needs to differentiate itself better from other regions
- Proposed focus areas to increase visitor numbers and the share of overnight visits include creating more targeted experiences for visitor segments, improving offerings (e.g. hikes, food & beverage offerings), revisiting the region's events strategy, and improving collective marketing for the Triangle

D. Strengthen the agriculture industry

- A rise in smaller producers and hobby farms in the area presents an opportunity to position the region as a premium local agritourism destination on Melbourne's doorstep
- Actions to build the region's agribusiness brand include diversifying the region's agribusiness offerings, collaborating to market high-quality, local produce, and engaging DELWP on sustainability issues

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Recap: Progress since previous economic review

Significant achievements made in Marysville and the Triangle since 2011 report



Main attractions

- Increased mix of retail and food & beverage options on the Marysville main street, including new 'The Duck Inn' pub
- Lake Mountain reached 193k visitors in 2018 with recent investments in snow machines and mountain bike tracks
- Signage updated in Marysville to reflect new and upgraded facilities



Accommodation and rentals

- Several guesthouses and accommodation options rebuilt/newly established (e.g., Garden Cottages)
- The Vibe Hotel Marysville built as the 'flagship' conference centre for the region
- Over 40 Airbnb accommodation options available across the Triangle



Events and tourism

- 2018 saw largest number of visitors to the region in the last 10 years¹
- New events on the calendar, including Jazz & Blues Festival and Marysville Marathon (though several events discontinued in recent years)
- Multiple regular community-run events throughout the year, e.g. markets, MiRA art exhibitions and workshops

1. Based on rolling average 2015-18 for Alexandra region with 583k visitors (Alexandra region includes Triangle plus additionally Alexandra and surroundings)
Source: BCG-community interviews Oct 2019; community workshops Oct 2019; BCG analysis

Remaining areas for development include marketing and improving support for local business owners



Main attractions

- Lady Talbot Trails and Lady Talbot Drive partially closed; part of Beeches Walk remains permanently closed
- Despite opening of new restaurants, the local food & beverage offering is limited across the Triangle (esp. after 6pm)
- The majority of attractions are limited to the Marysville region; space to develop in Narbethong, Buxton and Taggerty



Business and employment

- There is limited mentoring and/or financial support for businesses seeking to establish in the Triangle
- Limited industrial-zoned land makes it difficult to establish manufacturing or other light industry in the region
- Larger employers have found difficulty providing sustainable employment options for locals



Marketing

- Many community members perceive that Marysville and the Triangle is lacking a clear brand identity
- Marysville's 'Real. Close.' campaign to be better linked from and to Shire-wide 'Discover Dindi' tourism campaign
- Specific previous investments, e.g., social media sites, iPhone application are out of date and not maintained



Our approach for this review

We included a broad set of economic data & community findings in our analysis

Case studies, research, and expert interviews

We have conducted research for best practice examples, analysis of existing reports, and multiple expert interviews. E.g.,

- Case studies and analyses of other small towns (in Victoria/internationally)
- Existing reports on economic development and tourism (e.g. Tourism Strategy for Murrindindi, Tourism Victoria Reports)
- Academic references (e.g. Journal of Tourism Research and Ecotourism)
- Annual reports and expert interviews



Economic databases and population statistics

We have included a set of statistical data in our analysis - with data cut as much as possible for Triangle region. E.g.,

- Australian Bureau of Statistics
- REMPlan data
- Tourism Research Australia database
- Business register
- Murrindindi Shire Council data
- Data from local organisations (e.g. MTCF)



Community engagement and alignment

We have undertaken extensive community engagements through multiple channels which informed our strategy & recommendations. E.g.,

- Resident survey
- Interviews of residents/community leaders/business owners/Government representatives
- Two workshops to define opportunities for economic growth and prioritise the proposed initiatives



We applied lessons from other communities on how to achieve economic success in small town contexts



Proactive and future-oriented

Small towns with the most improved outcomes **embrace change and assume risk**

Example

Forrest's sawmill was converted to a micro-brewery, becoming the town's largest employer



Focus on assets and opportunities

Strategies that capitalise on **natural advantages** can be more successful than starting something new

Example

Daylesford capitalised on mineral springs to become an international spa hotspot



Guided by a clear vision

A **widely-held vision unites communities** and provides a clear platform for progress and innovation

Example

Beechworth united behind a common vision to be Victoria's leading heritage destination

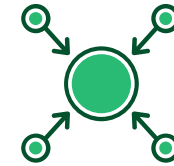


Driven by strong partnerships

Partnerships between local Government, organisations and other stakeholders **enhance community capacity**

Example

Community groups in Yackandandah partnered with the private sector to invest in a renewable energy pilot program for locals



A bold and integrated approach

There is no silver bullet; viable economic development **requires a comprehensive set of strategies**, not a piecemeal approach

Example

Locals in Meeniyan made local food tourism their focus, starting an annual Garlic Festival and local produce-focused retail businesses and cafes

Comprehensive community engagement has taken many forms



30+

Workshop attendees at two community workshops



100+

Survey respondents from across the Triangle



10+

Interviews with Triangle business owners/managers



15+

Interviews with community and Government stakeholders



2x

Community drop-in sessions in Marysville and Buxton



2x

Alignments with Murrindindi Shire CEO & Councillors

In this review, we focus on four dimensions to drive economic growth

We have defined four dimensions for our analysis of the Triangle

Each dimension has a clearly defined objective



All four dimensions are highly interconnected (e.g. growing the local population is dependent on improving employment opportunities)

- A** Drive economic growth through a strong local community & population
 - Main objective: Attract a cohort of new residents and young families who bring new opportunities for energy, ideas and engagement
- B** Improve business and employment opportunities
 - Main objective: Help the Triangle become a natural home for business collaboration, expansion, and entrepreneurship
- C** Create a more targeted tourism offering
 - Main objective: Improve the Triangle's tourism offering and create a set of targeted experiences to increase visitor numbers and the share of overnight visitation
- D** Strengthen our agriculture industry
 - Main objective: Strengthen local agricultural businesses, e.g. through promoting the high-quality, local food offerings and through income-stream diversification



Analysis of Marysville & Triangle region including proposed initiatives



A) Local community and population: Summary

Since 2009, the Marysville and Triangle community has been on the path to recovery. However, some challenges are beginning to show in the size and demographics of the population.

The Triangle's population has grown steadily over the last 10 years, but the overall population has not yet returned to pre-fire levels.¹ The local population is also ageing, with 48% of residents over 55 years old. Local leaders are questioning where the next generation of community leaders will come from, and many express the wish to retire after many years in the roles.

The local community wants to see new families and young people move to the region, but housing affordability and employment availability make it harder to attract these groups. House prices remain competitive, but rents have risen above state average and bushfire safety requirements can add over \$50k to the cost of a new build. Household income in Marysville is also lower than for regional Victoria, driven partly by a higher share of retirees in the population. Attracting more working-age individuals and families to the region will help to increase median household incomes.

Marysville and the Triangle region has good existing infrastructure and a strong sense of community that can be promoted to support population growth. However, they won't be enough. The people we interviewed and workshop participants agree that the Triangle community needs a clearer economic vision and more focused economic direction.

We identified four sets of initiatives to develop a clear vision for the Triangle and help to attract new families and young people to the Triangle region:

- Market existing Triangle infrastructure (e.g. new community centre, local schools) as a family offering
- Identify affordable housing options for new residents, both to rent and to build/buy
- Improve public transport options for families and workers
- Engage the community in a Triangle-wide process to align on a clear vision for economic growth for the region

Additional information about the corresponding initiatives can be found on the next page and in Section 4.

1. Estimation only; A precise population comparison is unable to be made due to ABS geographic boundary changes between 2001, 2006 and 2011



A) Local community and population: Proposed initiatives

Focus areas	Initiative(s)
Market existing infrastructure as a 'family' offering	A1 Work with major employers to market the location to potential employees and their families (e.g. targeted messaging to employees using a prospectus, etc.); assess potential for employers to provide incentives for employees to move to the region
Identify opportunities for affordable housing options	A2 Identify community-wide opportunities to improve the availability and affordability of rental accommodation: <ul style="list-style-type: none"> • Improve affordability for priority resident rental housing (e.g. time-limited rental subsidies) • Increase availability of residential rental property (e.g. rate incentives for investors who currently offer short-term rentals)
	A3 Assess potential to reduce the upfront costs of building new houses in the Triangle region. Options could include: <ul style="list-style-type: none"> • Subsidise bushfire-ready elements of construction for new builds based on Bushfire Attack level (BAL) rating (e.g. if fire shutters required) • Reduce stamp duty for new houses based on BAL rating • Engage with architecture firms to create a '10 Years On' bushfire-safe, eco-friendly design for the Marysville and Triangle region (pro bono or as a competition piece in partnership with MTCF, MSC or the State Government)
Improve public transport	A4 Investigate options to improve public transport in the Triangle for both residents and visitors (e.g. increase frequency of bus routes, assess school bus routes, etc.)
Engage community in a Triangle-wide vision process	A5 Use existing community engagement initiatives (e.g. MSC Community Planning exercise) to create a Triangle-wide vision to unite various stakeholders, led by MSC/MTCF partnership (3-6 month process)



Steady population growth across the Triangle, though demographic is ageing

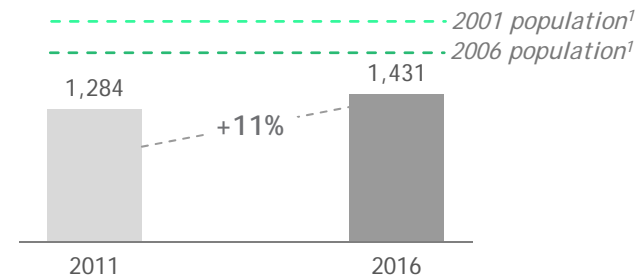
Triangle Snapshot 2016 Census



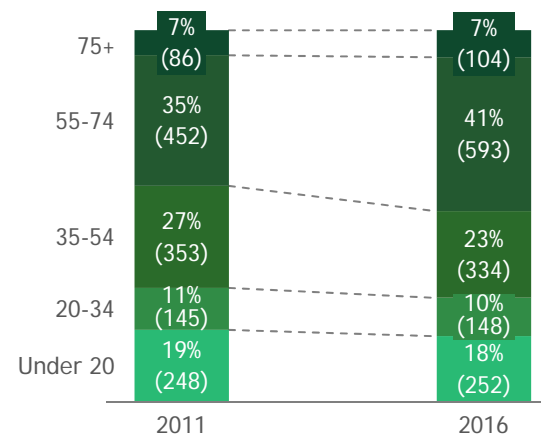
Total population: 1431
(10% of Murrindindi Shire population)

Triangle Population Development

Triangle Population Growth 2011-2016



Triangle Age Demographic 2011-2016



Comments

- Between 2011-16, overall population in the Triangle increased by 11%
 - Population levels are still below pre-fire levels¹
 - Since 2016, population growth likely slowed (based on interviews and engagement with local community)
- 2011-16 population growth largely driven by the 55-74 year old age segment, which now accounts for 41% of overall Triangle population

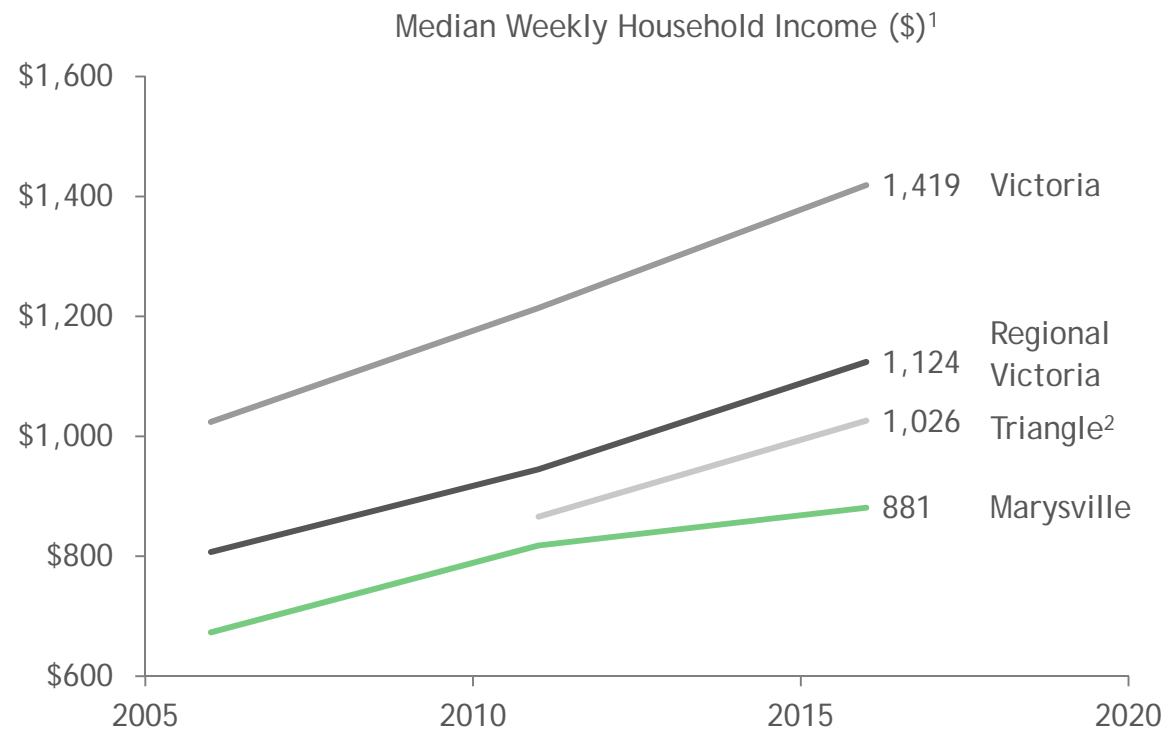
1. Estimation only; a precise population comparison to the census years 2001 and 2006 cannot be made due to ABS geographic boundary changes of the region
Source: ABS Census 2001, 2006, 2011, 2016; BCG Analysis



Marysville with lower median household income as compared to regional Victoria

Marysville's median household income is lower and slower-growing than for Regional Victoria

Marysville's high proportion of residents not in the labour force is key contributing factor



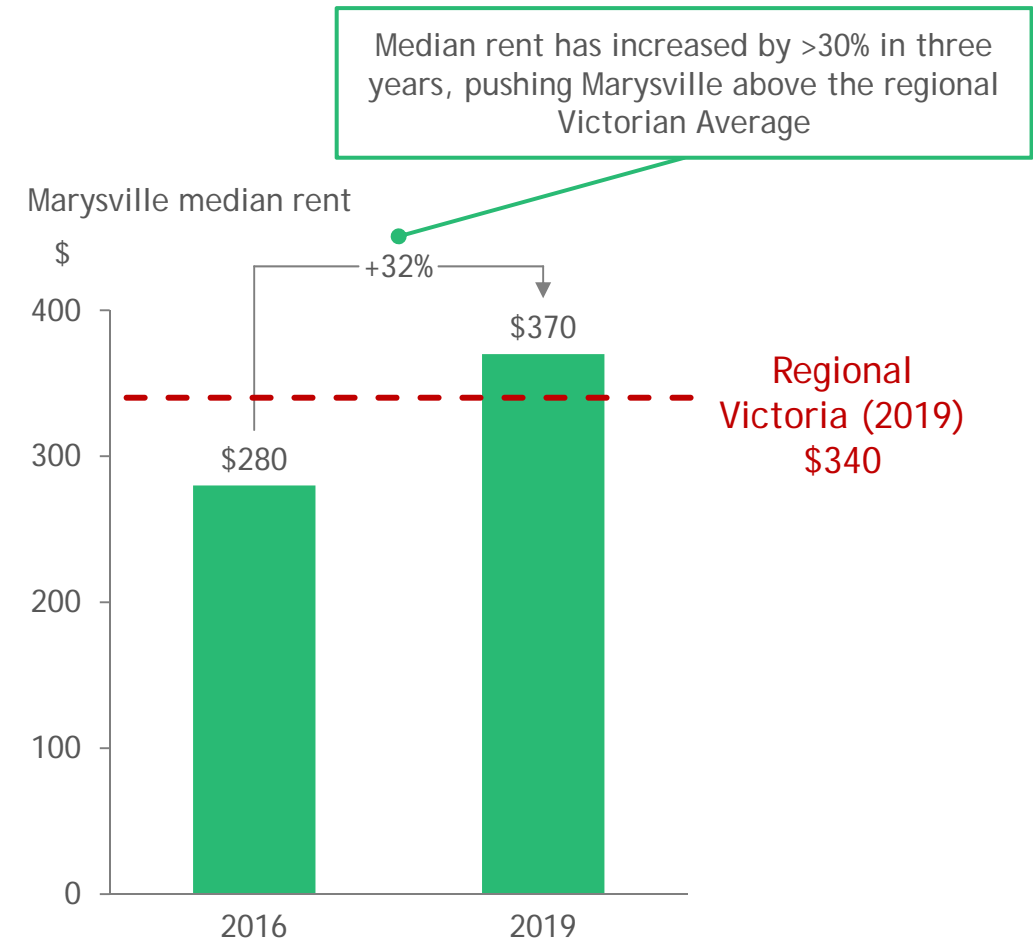
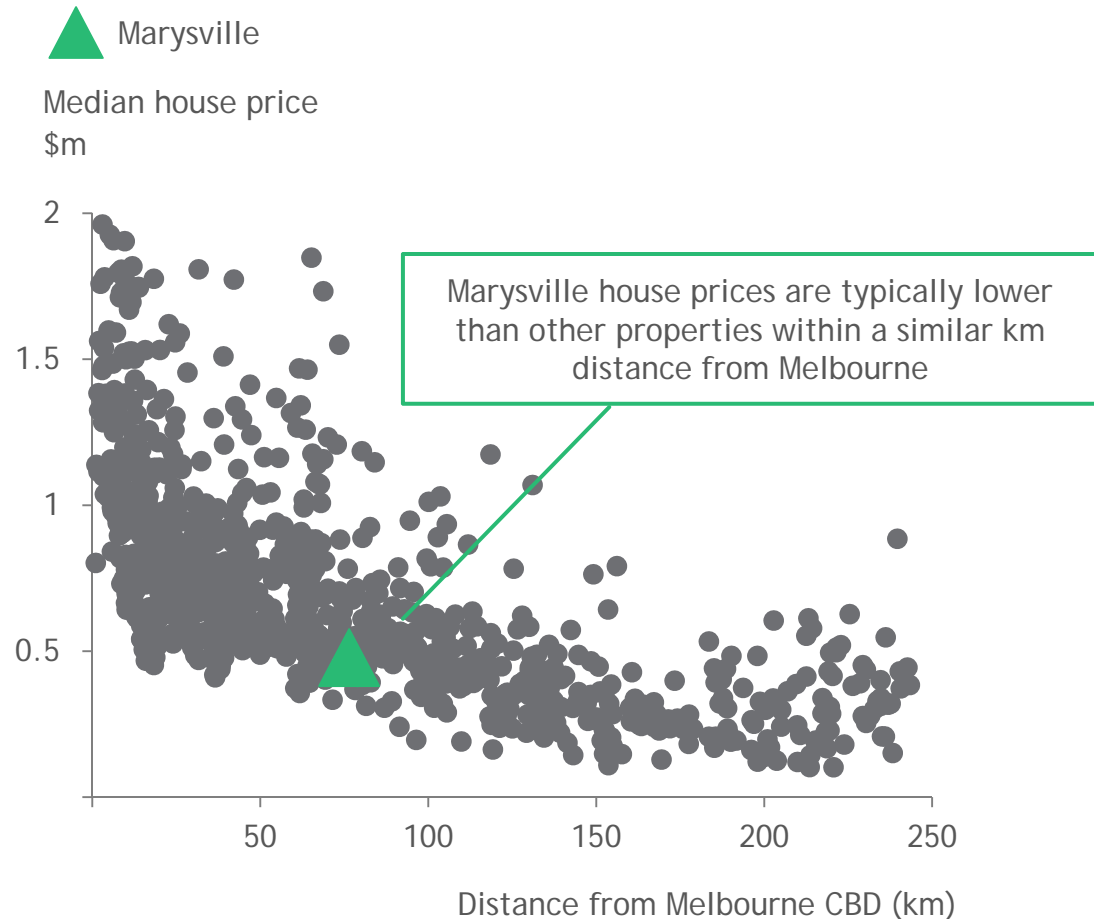
- In 2016, Marysville's **median weekly household income** was **significantly lower (22% lower)** than that of regional Victoria
- In addition, **growth rate** of household income in Marysville **below regional Victoria** (31% growth for Marysville since 2006 vs. 39% for regional Victoria)
- These differences are influenced by a higher share of the population in Marysville **not in the labour force** (e.g. in retirement) which drives the median down
- To increase median household income, a key lever will be to **attract young working-age families** to the region

Note: Marysville refers to Marysville Urban Centre; Regional Victoria refers to Victoria excluding Greater Melbourne region

1. Graphic representation of household income based on available data points (e.g. 2006, 2011, 2016); 2. Data for the Triangle is not available for 2006 given ABS boundary changes. The median household income for the Triangle region calculated by weighting the median household incomes for Buxton, Marysville, Taggerty and Narbethong, by their respective populations; commentary focuses on Marysville due to more significant difference to regional Victoria; Source: ABS Census 2006, 2011, 2016; BCG Analysis



House prices are competitive, but high rents threaten locking out low- to middle-income earners from moving to the region



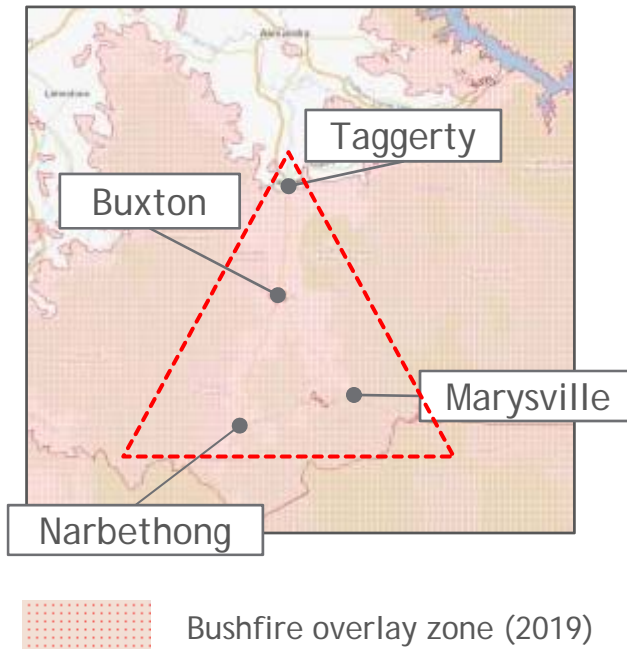


In addition, almost all new Triangle properties must invest in bushfire protection

Almost all of the Triangle region is subject to a bushfire management overlay...

...requiring an investment from \$5 to \$50k+ in additional protection for new developments, depending on the Bushfire Attack Level (BAL)

Marysville and Triangle Bushfire Overlay Mapping



BAL	Additional features required ¹	Ave. cost ²
12.5	<ul style="list-style-type: none"> Non-combustible roofing and walls External window and door protection Non-combustible decking 	\$5k
19	As above, plus <ul style="list-style-type: none"> Non-combustible decking and sub-floors 	\$9k
29	As above, plus <ul style="list-style-type: none"> Non-combustible flooring Enclosed / non-combustible sub-flooring supports 	\$18k
40	As above, plus <ul style="list-style-type: none"> Additional door and window protection 	\$30k
Flame Zone	As above, plus <ul style="list-style-type: none"> Bushfire shutters Concrete slab flooring or equivalent 90mm+ thick walls 	\$50k+

BAL 12.5 protection is the minimum for any property within a bushfire overlay zone

1. Indicative only. Actual building advice on the specific requirements for an individual property must be sought from the Victorian Building Authority and local CFA. 2. Costs are based on the construction of a four-bedroom house and indicative only. Source: Vicplan; BAL Assessments; Emergency Management Victoria; BCG Analysis



Diverse visions for the Triangle demonstrate the need for community alignment

Community workshops highlighted 3 types of visions for the next 10 years of the Triangle



Nature-based visions

- “ *The Triangle is Australia's home of environment-based education, research and tourism*
- “ *It is the #1 choice for Melburnians who want to get close to nature*
- “ *The Triangle has a vibrant community based on nature and local produce*
- “ *The Triangle is Victoria's outdoor adventure capital*



Population-based visions

- “ *The Triangle has 500 more full-time residents, and double the number of tourists across the region*
- “ *The local towns are family-friendly, with new people and new ideas*
- “ *The Triangle achieves 1 million visitors to the region every year*
- “ *50 new residents that are engaged and have energy*



Activity-based visions

- “ *The Triangle has the best trout fishing in Australia*
- “ *Marysville Golf Course is known as the best in Australia—Australia's 'Augusta'*
- “ *Marysville and the Triangle will be a key destination for short escapes in Victoria (e.g. for outdoor sports, nature, and motor escapes)*



B) Business and employment: Summary

Employment in Marysville and the Triangle is driven by agriculture and tourism, and an emerging health and social assistance sector to support the ageing population. Most local businesses have fewer than 5 employees. A few larger employers include Vibe, Lake Mountain, Alexandra District Health, Outdoor Education Group, as well as Government organisations such as Parks Victoria, VicForests and Murrindindi Shire Council.

Existing and new businesses in the Triangle face many of the same challenges as in comparable small towns: limited affordable and centrally located business space, or commercial or industrially zoned land; the need for more local employees with trade and hospitality skills; and lengthy permit processes without sufficient support.

Some more local issues also affect businesses in the Triangle. The Black Spur has had over 15 closures in the last 12 months, which can reduce customer numbers by more than half for some businesses. Strong seasonality in customer traffic is reflected in significantly larger visitor numbers in winter and on weekends.

The Triangle's economic leadership has also changed several times since 2009. Between 2010 and 2012, the Economic Leadership Group was supported by VBRRRA funding. The current body, Marysville and Triangle Business and Tourism Inc. (MTBT), is fully reliant on volunteer work. As a result, the full potential of economic leadership and collaboration has not yet been realised.

The main objective for business and employment is to create a value proposition for the Triangle as a natural home for business collaboration, expansion, and entrepreneurs. To achieve this objective, we have identified four groups of initiatives:

- Facilitate partnerships between local businesses to drive collective economic responsibility and growth through collaboration
- Invest in Marysville and the Triangle as a 'business-friendly' environment by improving access to finance and/or property for local business owners
- Invest in the capabilities of local business owners to manage and promote their businesses by, e.g. online presence and digital marketing training
- Strengthen Triangle-wide economic leadership through the provision of administrative and executive support

More information about the corresponding initiatives can be found on the next page and in section 4.



B) Business and employment: Proposed initiatives

Focus areas	Initiative(s)	
Facilitate partnerships between local businesses to drive collective economic responsibility	B1	Identify opportunities for collaboration and facilitate partnerships between the Triangle community and local and more well-established businesses (e.g. Lake Mountain). For example, Murrindindi Shire Council could work with larger employers in the Triangle to strengthen collaboration, support ongoing engagement and continue relationships
	B2	Work with Visit Victoria, VTIC, industry groups and industry leaders to identify the potential to establish a destination food and beverage provider in the region
Invest in Marysville and the Triangle to create a 'business-friendly' environment	B3	Establish a dedicated space for new industry and/or social enterprise (e.g. innovation hub), with access to key infrastructure, and to resources from Business Victoria, Regional Development Victoria (RDV), etc.
	B4	MSC asked to conduct cost/benefit analysis and decide about joining the Small Business Friendly Council initiative, facilitating Shire-wide structural changes to ease the establishment and expansion of small businesses
	B5	Establish/extend grant schemes to create incentives for businesses to invest into the region <ul style="list-style-type: none"> MSC to assess opportunities to extend existing grants programs to businesses outside the Shire if they invest into the region and grow employment (Shire wide) MTCF to establish innovation/business development grants (matched funding) for social enterprises, or other ventures that fit within the 'charitable purpose' definition (collaborating with MSC; Triangle-specific)
	B6	Targeted use or clean up of industrial-zoned land across the Triangle to encourage investment (e.g. existing industrial land at Narbethong)
	B7	Engage Regional Development Victoria to identify and attract new businesses from priority industries to the Triangle
Invest in local business owners through capability uplift	B8	Deliver specific training to local businesses on priority areas for development, e.g. <ul style="list-style-type: none"> Digital marketing and developing an online presence Financial literacy Potential to partner with Business Victoria (e.g. Small Business Bus), TAFE, and MSC to assess possibility to provide 1on1 coaching/mentoring sessions to businesses
Strengthen Triangle-wide economic leadership	B9	Strengthen Triangle-wide economic leadership to drive collaboration between local businesses, including: <ul style="list-style-type: none"> A paid Executive Officer that does not have a personal business interest in the region Clear mandate and decision rights within the community



Triangle employment opportunities driven by tourism and agriculture

Employed people by industry in the Triangle region (2016)	Change from 2011	Comments
Accommodation and Food	+16 (17%)	Tourism industry is the leading employer in the Triangle <ul style="list-style-type: none"> Accommodation and food account for 1/6 of overall employment in the Triangle
Agri., Forestry and Fishing	-11 (-14%)	
Health Care and Social Assist.	+15 (32%)	Agriculture remains a primary industry, despite declining employment numbers <ul style="list-style-type: none"> Reduced activity in the forestry and timber industry¹ Increasing number of smaller agriculture and aquaculture operations
Retail Trade	+12 (29%)	
Construction	-4 (-7%)	Ageing population providing opportunity in health and social services <ul style="list-style-type: none"> Health care and social assistance jobs have increased by 32% since 2011, partially driven by growth of Alexandra District Health
Manufacturing	+15 (45%)	
Education and Training	-12 (-24%)	
Public Admin. and Safety	+5 (18%)	
Transport, Postal and Warehousing	-7 (-18%)	
Other Services	+8 (42%)	
Professional and Tech. Services	+4 (21%)	
Admin. and Support Services	-2 (-9%)	
Arts and Recreation Services	+5 (38%)	
Rental Services	+7 (78%)	
Other	-20 (-67%)	
Total change: +31 (5%)		

Note: Inadequately described/not stated responses (34) are not included. 'Other' includes Wholesale Trade, Financial & Insurance Services, Mining and Electricity/Gas/Water/Waste Services. Triangle refers to Marysville, Buxton, Taggerty, Narbethong and surrounds; 1. E.g. native forest logging in Victoria will be gradually phased out by 2030
 Source: ABS Census 2011, 2016; Media Release Minister for Energy, Environment and Climate Change 7 Nov; BCG Analysis



Stakeholder engagement revealed clear challenges for business owners to open or expand within the Triangle region

Drivers of business success



Access to **affordable business space** is instrumental to small business success, particularly in the early stages



Ease of setup can be the difference between a small business choosing one region over another



Financial support / incentives support businesses during establishment and growth



Availability of skilled employees strongly correlate with small business success in rural and regional areas



Collaboration between businesses increases opportunities for economies of scale through, e.g. joint marketing, and creative product-based partnerships

Challenges faced in the Triangle

- High rents for available main street shopfronts in Marysville
- Limited industrial-zoned land (old mill site in Narbethong) and commercially-zoned land outside Marysville
- No co-working spaces available for home business owners or start-ups
- Potential to simplify permit process for establishing small businesses. This could be supported by MSC signing up to the Victorian Small Business Friendly Council initiative
- Possibilities for more pro-active engagement to attract businesses to the Triangle to be assessed
- Murrindindi Shire business grants (up to \$50k) not available to businesses outside the Shire, reducing opportunities for expansion of externally-based businesses into the Triangle / Shire
- 1/3 local business owners identified access to skilled labour as a main barrier to expansion
- There is a high turnover rate of quality staff between tourism seasons, especially in hospitality
- Local trades have experienced significant difficulty sourcing apprentices
- MTBT focus is mostly tourism, with only limited capacity to drive collaboration since it is purely reliant on volunteer efforts
- High turnover of management staff at major employers, e.g. the Vibe, has made longer-term collaboration with local businesses difficult



Additional Triangle-specific challenges faced by majority of businesses



Black Spur as a barrier to both tourism- and non tourism-based businesses

- 15+ major closures¹ in the last 12 months
- Up to 60% of business estimated lost from local hospitality²



Strong seasonality of customer traffic

- Weekly visitation during winter season is significantly higher than in summer driven by Lake Mountain visitation (*see Tourism deep dive for more details*)
- Mid-week visitor traffic significantly less than on weekends, placing stress on local traders in retail and hospitality



3 different types of economic leadership groups in the last decade

- Local Economic Leadership Group (ELG) established in 2009, but disbanded after removal of state Government funding in 2011
- Local chamber of commerce and local tourism association (Mystic Mountains Tourism [MMT]) operating in parallel until 2014
- Marysville and Triangle Business and Tourism Inc. (MTBT) established in 2014 as amalgamation of chamber of commerce and MMT. Today, 75 out of >190 local businesses are members



No clear identity for the Triangle

- Workshop participants identified the lack of a clear identity and brand for the Triangle as a barrier to coordinated marketing and promotion efforts
- Difficult to sell the Triangle to new business owners without a clear value proposition to customers



National Broadband Network access only available via satellite / wireless connection

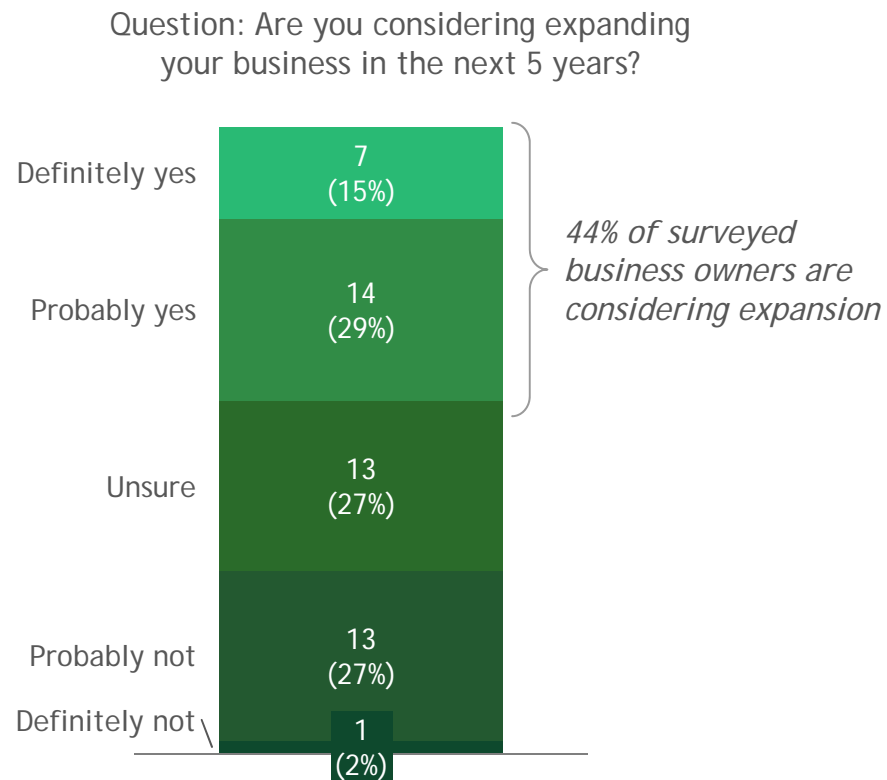
- No NBN access via fibre (FTTP or FTTN) connection possible in the Triangle

1. Road closures reported by major news outlets, VicEmergency or VicTraffic 2. Interviews with local business owners
Source: VicEmergency, VicTraffic, major news outlets; Australian Government - 'Backing Small Business' study; www.nbnco.com.au; BCG-community interviews Oct 2019; BCG MTCF survey Oct 2019; BCG Analysis

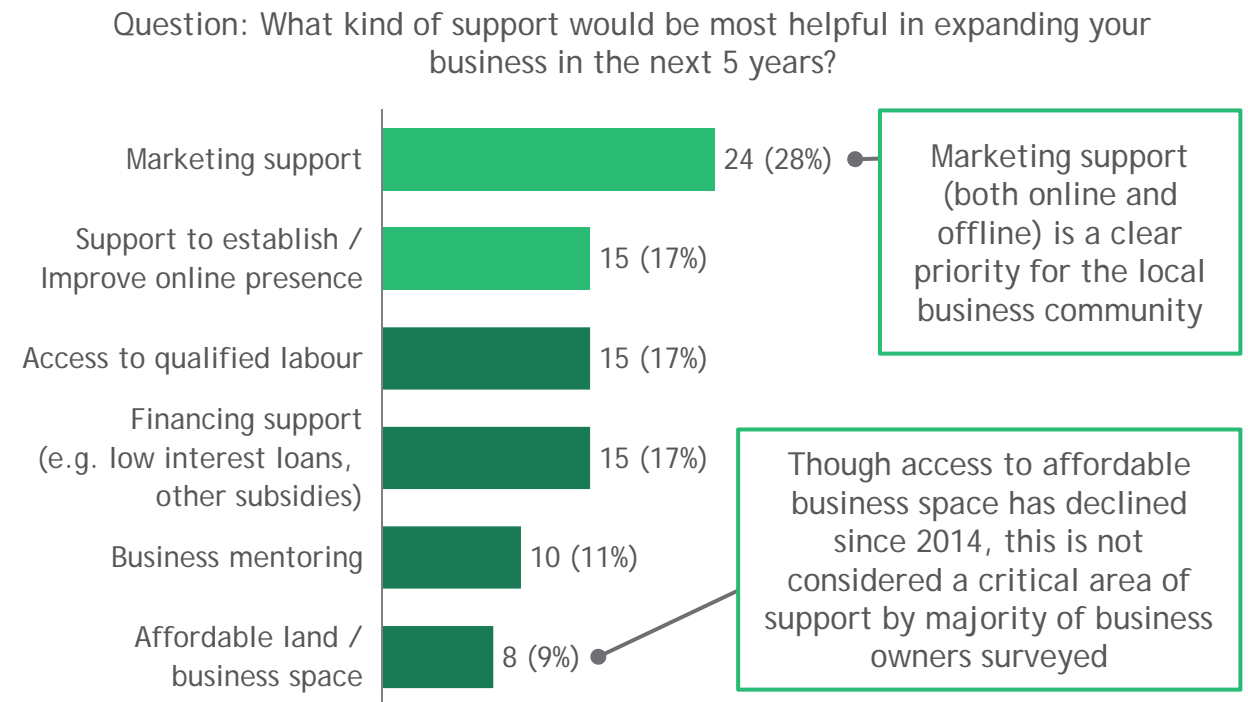


For existing businesses in the Triangle, specific training support can be useful to enable expansion and growth

44% of business owners are currently considering expanding their business



Marketing and digital support were identified as key enablers to this expansion



Note: There are 87 responses, as respondents could select up to 2 answers



C) Tourism offering: Summary

Marysville and the Triangle offer a diverse set of activities focused on the region's natural assets, and some of the closest nature-based experiences to Melbourne. Progress since 2011 includes multiple new accommodation facilities (including the Vibe conference centre), and the continued development of Lake Mountain.

However, local tourism businesses face similar issues to other regional Victorian towns - day visitors, seasonality and strong weekend traffic. The Triangle also faces competition from the rest of regional Victoria. More well-established regions such as the Yarra Valley, High Country, and Daylesford & Hepburn Springs draw increasing numbers of visitors based on clear branding and more targeted offerings for visitor groups. While the Triangle sees significantly lower visitor numbers than these regions, it can still differentiate itself to capture the benefits from overall growth in tourism and by increasing visitor spend (e.g. by converting day trips into overnight stays).

The Triangle has a strong foundation of nature-based assets on which it can build a distinct tourism identity. However, some key assets (e.g. walking trails) are not yet open permanently, and there is scope to improve local food and beverage options, weather-resistant indoor activities, and things to do in the summer months, or 'green season'. There is an additional opportunity to consolidate the local events calendar, and potentially invest in new externally-run events to cater to key tourist segments.

A potential branding refresh would allow Marysville and the Triangle to enhance its specific destination marketing while at the same time create clear links to the Shire-wide 'Discover Dindi' campaign. This will facilitate the creation of joint advertising campaigns, and limited overlap.

The main objective for tourism in the Triangle is to refine its tourism offering and create a set of targeted experiences to increase overnight visitor numbers. To achieve this objective, we have identified four groups of initiatives:

- Create targeted experiences for specific visitor segments
- Improve tourism offerings, e.g. reopening of key nature walks, diversifying the food and beverage offerings
- Revisit the events strategy
- Improve collective marketing for the Triangle area by consolidating brand messaging and developing a community-wide long-term marketing strategy

More information about the corresponding initiatives can be found on the next page and in section 4.



C) Tourism offering: Proposed initiatives

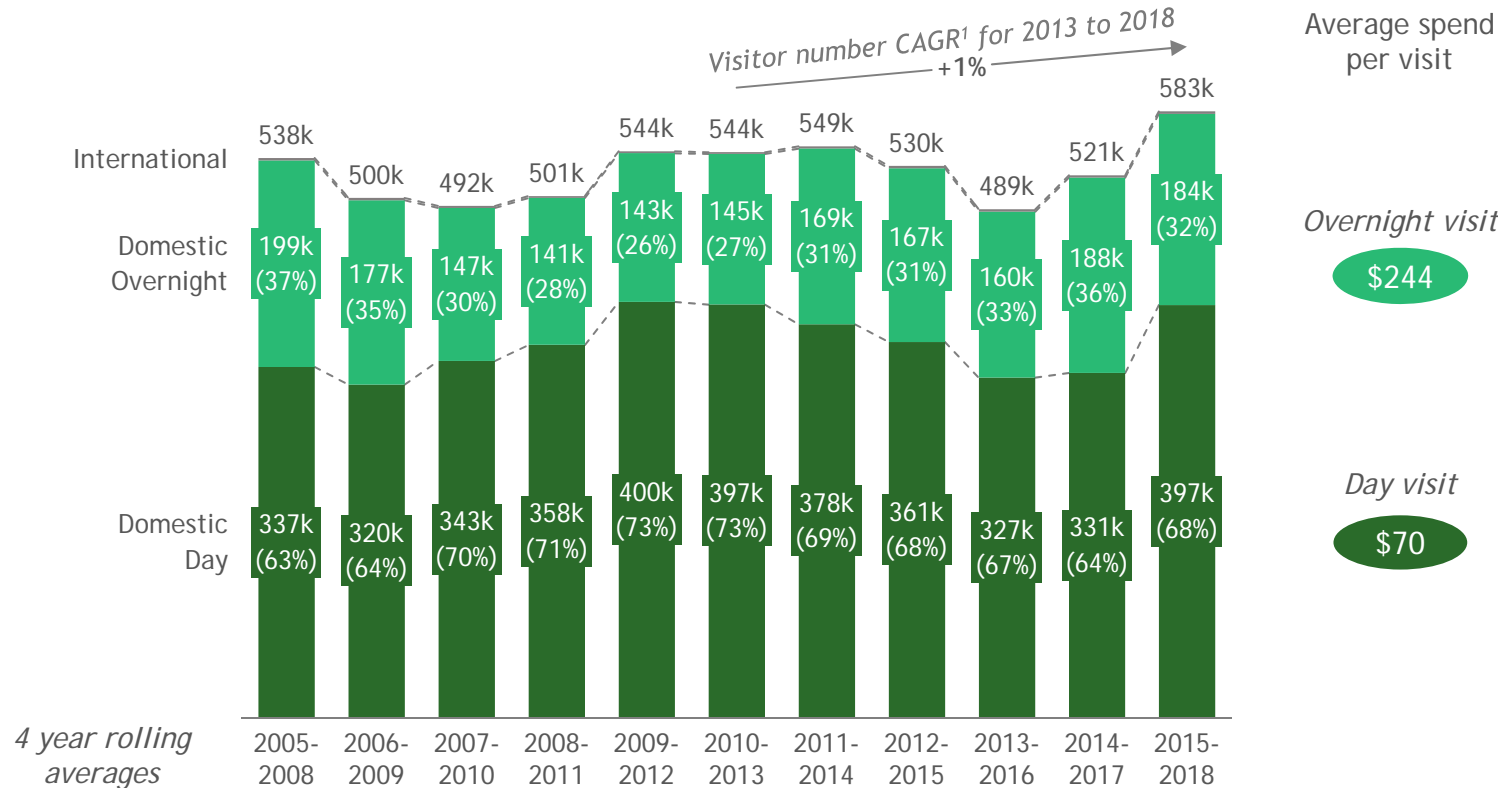
Focus areas	Initiative(s)
Create targeted experiences for visitor segments	<p>C1</p> <p>Identify themes for targeted visitor offerings (e.g. which type of visitors are we able and do we want to attract; what is the menu of activities the Triangle has to offer); prioritise themes and visitor groups to better define the primary tourism proposition.</p> <ul style="list-style-type: none"> Example themes include: Nature-based experiences; Outdoor sports activities; Motor escapes; RV tourism; Gourmet/foodie offerings; Art and music; Relaxation/spa; Specialised offerings (e.g. outdoor education) <p>Define 'activity packages' to encourage overnight stays (e.g. multi-day activity plans) and build stronger awareness of the themed offerings (e.g. restructure how offering is presented on Marysville and Triangle tourism homepage)</p>
Improve tourism offerings	<p>C2</p> <p>Maintain and/or reopen existing natural assets in the Triangle (e.g. Lady Talbot Drive/Beeches Walk, Cathedral Ranges access and signage, bike and walking trails)</p>
	<p>C3</p> <p>Improve tourism proposition with new activities and/or commercial offering (e.g. new 'on-road' bike trails, food & beverage offering, etc.)</p>
	<p>C4</p> <p>Identify potential for an 'iconic offering' (e.g. one unique, 'best of', region-specific activity to attract new visitors)</p>
Revisit the events strategy	<p>C5</p> <p>Review event offering: Assess groups catered to by existing calendar; organise and promote events thematically or by target groups identified; coordinate events calendar (e.g. timing of events, communication of events calendar within the Triangle and inter-regionally, etc.)</p>
Improve collective marketing for the Triangle area	<p>C6</p> <p>Assess need for refreshed Marysville and Triangle branding in the light of a Murrindindi Shire-wide tourism branding and promotion campaign; if rebranding decided/priority, define positioning of Marysville as part of Murrindindi brand with a clearly identified tourism proposition (leveraging initiative C1 above)</p>
	<p>C7</p> <p>Define long-term strategy for joint marketing activities between businesses, organisations and Government bodies</p> <ul style="list-style-type: none"> Align marketing presences among tourism-related businesses/organisations (e.g. using a consistent logo for online advertising, coordinated Instagram and Facebook presence, etc.) Coordinate marketing activities (e.g. joint marketing campaigns, using similar and complimentary marketing channels, stronger cross-marketing activities of offerings across businesses, etc.)



Over the past 5 years, tourism growth in the region has been marginal

Alexandra region annual visitor numbers (2008 to 2018 rolling averages)

Comments



- Average annual growth rate in visitor numbers from 2013 to 2018 has been 1% (for the illustrated rolling average numbers)
- Recent growth has largely been driven by an increase in day visitation (+66k / +20% from 2017 to 2018 rolling averages)
- Overnight visitation is still below 2008 (rolling average) levels
- International visitation has remained stagnant with only 2k visitors per year
- Average spend for overnight visitors is >3 times higher than for day visitors (\$244 vs \$70), which reinforces the importance of increasing overnight visitor numbers
 - Need for the Triangle to clearly identify and market sets of activities to keep visitors in the region for at least one night

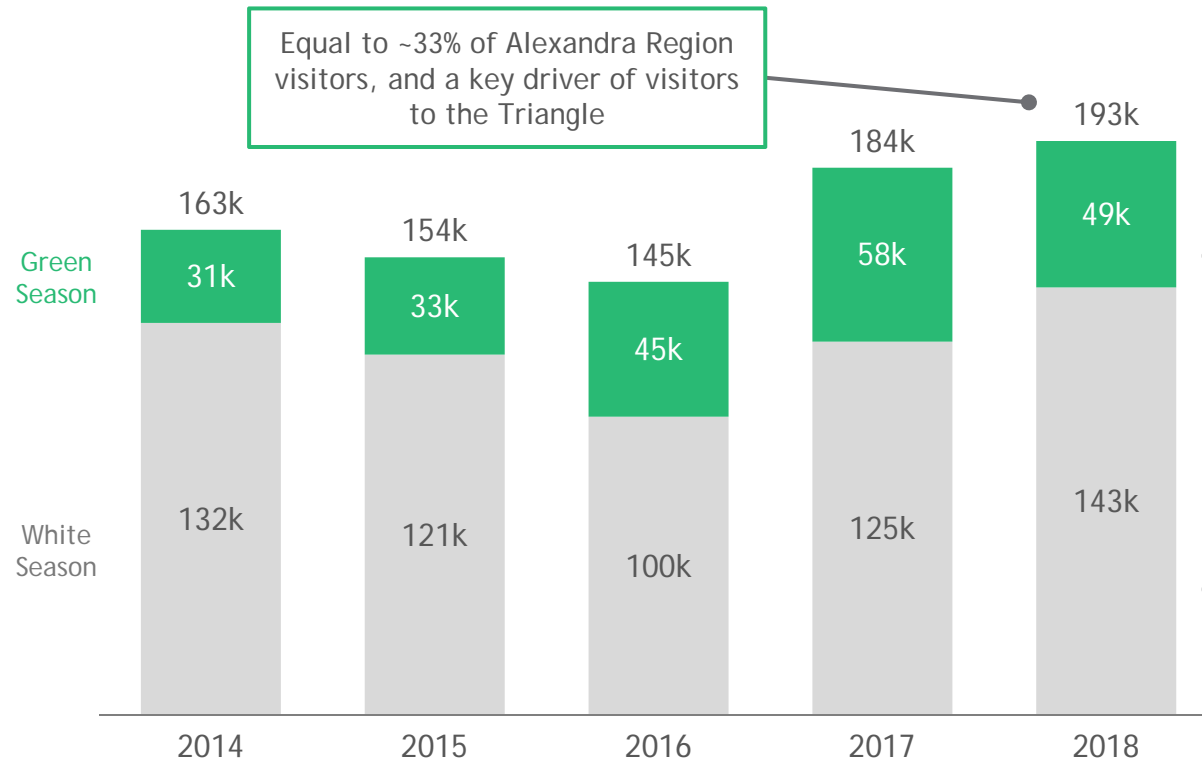
1. CAGR = Compound Annual Growth Rate

Note: Figures represent a 4 year annualised rolling average; Visitor numbers analysed for the Alexandra region, which covers visitors to Marysville & Triangle region, plus Alexandra and surrounds. Source: Tourism Research Australia IVS & NVS; BCG Analysis



Lake Mountain is the Triangle's most popular visitor destination; 193k per annum

Lake Mountain visitor numbers (2014 - 2018)¹



Equal to ~33% of Alexandra Region visitors, and a key driver of visitors to the Triangle



Recent updates/investments

- Snow making equipment guarantees at least 0.7 km of cross-country skiing and a toboggan park (2019)
- Mountain bike trail to Marysville (2019)
- Junior Ranger Accreditation Program (2020)



Green Season activities

- Mountain biking
- Bushwalks & boardwalks
- Flying fox/zip-line
- Laser tag
- Orienteering
- Tube run





White Season activities

- Tobogganing & snow play
- Cross country skiing
- Children's snowboarding
- Snowshoeing & winter walks

Note: 'Green Season' refers to the period without snow (~34 weeks of the year). 'White Season' refers to snow season (~18 weeks of the year, during winter); rounding errors may occur
 1. Green season visitor numbers adjusted from Lake Mountain annual report numbers based on alignments with Lake Mountain management
 Source: Lake Mountain Visitor Data (2014 - 2018); BCG-community interviews Oct 2019; BCG Analysis



Strong competition exists from tourism offerings of neighbouring regions

	Alexandra Region 	Murrindindi Shire 	Yarra Ranges ¹ 	Daylesford & Hepburn 	High Country 
Target Offering	Primary offering: Fishing and snow sports Additional: Hikes, other water sports, scenic drives		Primary offering: Wine cellar doors Additional: Cycle, farm gate, hot air balloons	Primary offering: Mineral springs Additional: Wellness retreats, food and wine	Primary offering: Action and adventure Additional: Food and wine, scenery, history and horses
Visitors CAGR (2013-2018)	+1%	+3%	+5%	+6%	+5%
Visitors (2018 rolling average)	583k	938k	3.07m	2.05m	3.37m
Average Day Visit Spend	\$70	\$62	\$84	\$94	\$101
Average Overnight Visit Spend	\$244	\$228	\$399	\$491	\$461

Other regions have more clearly defined tourism identities and more targeted offerings

Alexandra and Murrindindi have the lowest average growth rate for 2013-18 period, compared to the other three regions

Alexandra and Murrindindi visitor spend significantly lower than other regions e.g. due to larger offerings and longer overnight stays in other regions

Note: Figures represented are a 4 year annualised rolling average; CAGR = Compound Annual Growth Rate (calculated on rolling average figures)

1. Yarra Ranges includes the Triangle region

Source: Tourism Research Australia IVS & NVS; Visit High Country website; Visit Yarra Ranges website; Visit Hepburn Springs website; BCG Analysis



Triangle's value proposition mainly centred around nature-based activities

Outdoor activities, sights and local produce seen as biggest drawcard for the Triangle

Interviews, survey responses and community workshops identified the region's most important visitor drawcards¹



Outdoor sports

- Bush walking
- Snow sports
- Mountain biking
- Fishing
- Golf



Natural icons

- Lake Mountain
- Cathedral Range
- Waterfalls



Local produce

- Beef/Pork
- Trout
- Cherries/Berries
- Wine

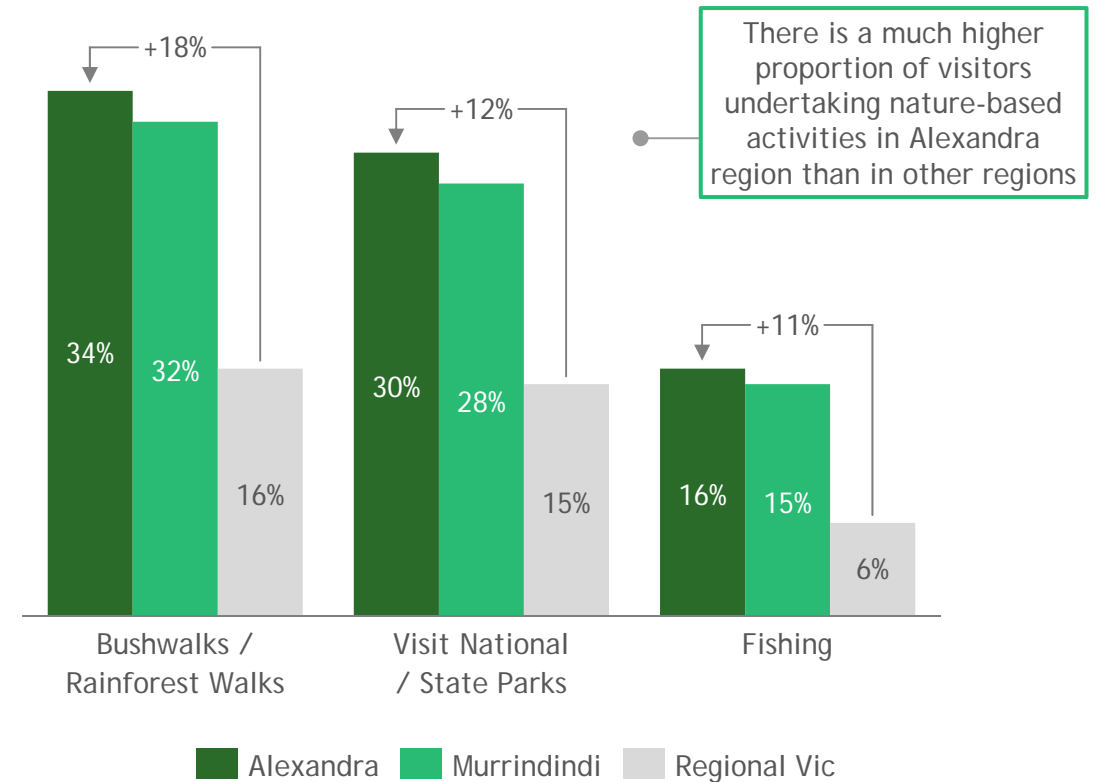


Black Spur as an iconic drive

This offering is supported by the proximity of the Triangle to Melbourne (90 min), which serves as an additional drawcard for visitors

Nature-based tourism is currently the region's clear value proposition for visitors

Overnight visitor activities by participation (%) (selection shown)



1. Does not include all activities and sights, only those identified as most important by local community members

Source: TRA Domestic Visitor Survey 2018; community workshops Oct 2019; BCG-community interviews Oct 2019; BCG MTCF survey Oct 2019; BCG Analysis



However, improvements to local offerings needed to attract more visitors

Providing easy and year-round access to sights important to offer sufficient activities for multi-day trips

Major Marysville attractions remain closed due to fire damage



- Lady Talbot Drive is one of the Triangle's iconic drives, but is partially closed from June to November
- Lady Talbot Trails are key natural assets for the Triangle, however access is also limited
 - Keppel Falls, Taggerty Cascades and Phantom Falls are only open from November to May
 - Part of Beeches Walk, including a section of the 5km loop, remains permanently closed due to fire damage

Triangle-wide assets can be better integrated or marketed



- Cathedral Ranges walking trails are a major regional drawcard for Melbourne-based and overnight visitors
- On their own, not marketed as well as comparable hikes, e.g. the You Yangs or Werribee Gorge
- Not currently linked to Marysville marketing

Need for new / improved attractions, especially during summer months



- Bike trails are an emerging area of opportunity for the Triangle (e.g. Lake Mountain to Marysville)
- Room for an additional iconic green season attraction(s) to supplement visitor numbers during summer / shoulder seasons, e.g. Lake Mountain or Cathedral Ranges

Improving food, beverage and retail options important to increase length of stay and spend of visitors

59 out of 112 survey respondents perceive the food & beverage offering as the main barrier for tourism growth

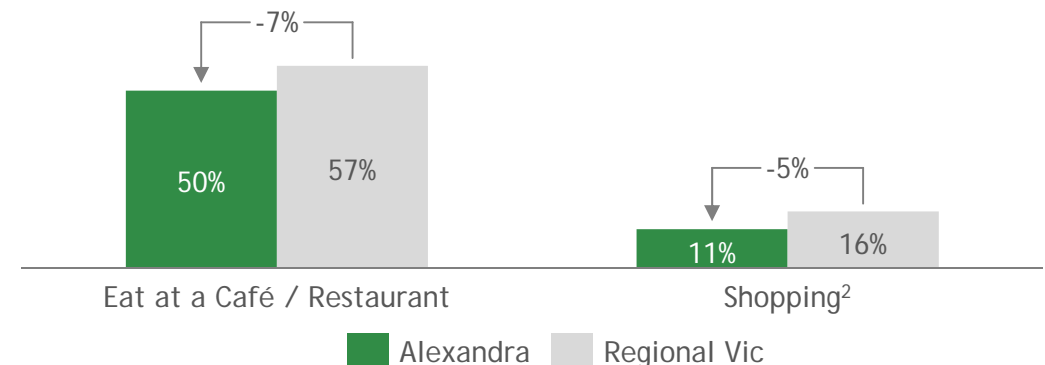
- Improving the food, beverage and retail offering (opening hours, number and type) important to provide enough activities to keep visitors in the region and to provide later-evening activity offerings

Quotes from interviewees/workshop participants¹:

- “ If Lake Mountain is closed, visitors don't know what to do in town
- “ The town has always turned off after 4pm

Less shopping and food & beverage activities are undertaken in Alexandra as compared to Regional Victorian average

Overnight visitor activities by participation (%) (selection shown)



1. Opinion from interviewed individuals and workshop participants only; 2. For Alexandra, rolling average 2014-17 shown due to limited data availability; for regional Vic 2015-18 shown
Source: Yarra Ranges National Park; BCG-community interviews Oct 2019; BCG MTCF survey Oct 2019; TRA Domestic Visitor Survey 2018; BCG Analysis



D) Agriculture industry: Summary

The agriculture industry is the second largest employer in Marysville and the Triangle, despite a small loss of agricultural jobs in between 2011 and 2016. In Alexandra, the beef and stone fruit sectors have been driving industry growth since 2011.

While the number of larger industrial farms is falling, a rise in smaller producers and hobby farms is an opportunity to develop a premium local agritourism brand. However, local farmers don't have a single agricultural forum to give them access to the benefits of economies of scale in marketing, branding and engaging new customer markets.

Local producers can use their smaller operations to their advantage, with a number of emerging agritourism providers providing 'pick and eat' offerings and farm-gate sales.

The agriculture industry also faces some significant environmental challenges that will need more attention in coming years, including variations in weather patterns, and increases in water temperature and pest animal populations.

Overall, the main objective for the Triangle's agriculture industry is to strengthen local businesses by promoting the high-quality, local food offering and diversifying agribusiness offerings. To achieve this objective, we have identified three groups of initiatives:

- Collaborate and market high-quality, local produce
- Diversify agribusiness offerings
- Engage DELWP on sustainability issues

More information about the corresponding initiatives can be found on the next page and in section 4.



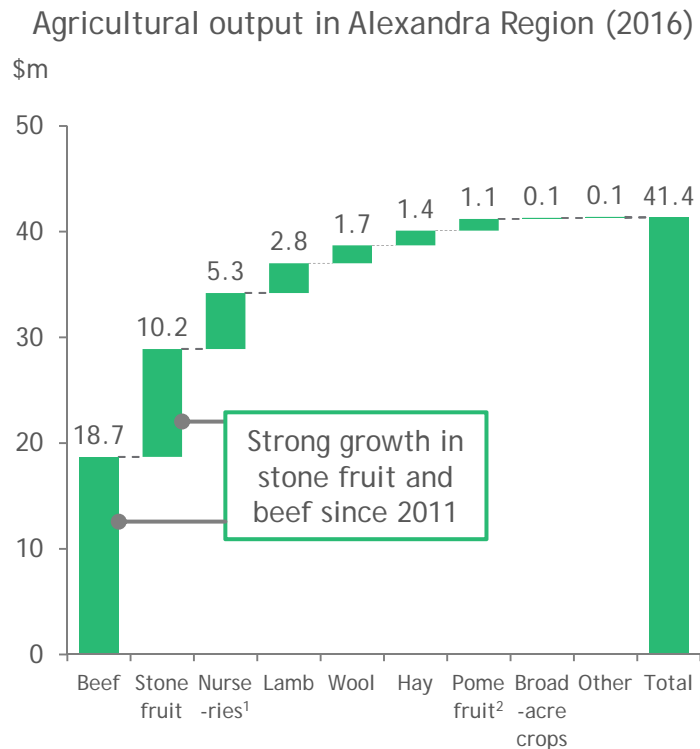
D) Agriculture industry: Proposed initiatives

Focus areas	Initiative(s)	
Collaborate and market high-quality, local produce	D1	Create local agriculture/aquaculture forum Formalise relationship with MSC, RDV and VFF (if applicable) to access specific resources on inter-farm collaboration, joint marketing efforts, etc.
Diversify agribusiness offerings	D2	Connect local farmers with RDV/MSD to commence and promote agritourism activities (e.g. farm-gate tourism, farm stay offers, etc.)
Engage DELWP on sustainability issues	D3	Engage with DELWP and Goulburn Murray Water on long-term impacts of water temperature rise on local trout population (and possibility of stronger re-stocking), and other sustainability issues (e.g. deer population)



A diverse agricultural industry can serve as opportunity for improved offerings

Diverse set of agricultural products has emerged in the Alexandra Region



This diversity can set the Triangle apart from other agricultural regions

- 1 Opportunities for agritourism through farm gate trails, food festivals and a premium regional brand
- 2 Opportunities for farmers to collaborate on **joint marketing and branding efforts**, and through a united **farmer forum**
- 3 Opportunities for local food and beverage providers to offer a **diverse range of premium products**

However, collaboration is required between farmers to realise this opportunity

- Emerging agritourism collaboration between local producers, tourism agencies and Government, e.g. Buxton Trout Farm
- Multiple small representative agricultural bodies for Marysville and Triangle producers
- Limited marketing of local produce at local outlets e.g. Fraga's café stocks local produce, however there is room for improvement
- Collaboration between pork and beef farmers could support re-establishment of a local abattoir

1. Nurseries include cut flowers and turf, 3. Pome fruit includes apples and pears
Source: ABS Agricultural Census 2011, 2016; BCG Analysis






Environmental and climate issues are a growing concern for farmers and the region

- 1 Rising water temperatures threatening the local aquaculture industry**
 - Rising temperatures affected by weather conditions and bushfire effects
 - Contributed to trout farm closures in the region, e.g Eildon Trout Farm
- 2 Deer population increasing in the Murrindindi region**
 - Rapid growth in numbers as deer take shelter in ranges between agricultural and development land
 - Farm disruption and higher costs due to grazing and fence destruction
 - Significant road safety hazard
- 3 Weather patterns difficult for agriculture in the region**
 - Late autumn breaks and shorter spring growing periods are putting significant stress on pasture-based operations



Prioritisation of initiatives in community workshop

Triangle community members prioritised initiatives based on which ones would be most important to attract specific target groups to the region (I/II)




Initiative	Target groups:			
	 Young families	 Entrepreneurs / Bus. Owners	 Overnight visitors	
A1 Work with major employers to market the location to potential employees and their families; assess potential for employers to provide incentives for employees to move to the region	✓	✓		☆
A2 Identify community-wide opportunities to improve the availability and affordability of rental accommodation		✓		
A3 Assess potential to reduce the upfront costs of building new houses in the Triangle region	✓	✓		☆
A4 Investigate options to improve public transport in the Triangle for both residents and visitors	✓			
B1 Identify opportunities for collaboration and facilitate partnerships between the Triangle community and local and more well-established businesses		✓		
B2 Work with Visit Victoria, VTIC, industry groups and industry leaders to identify the potential to establish a destination food and beverage provider in the region			✓	
B3 Establish a dedicated space for new industry and/or social enterprise (e.g. innovation hub), with access to key infrastructure, and to resources from Business Victoria, RDV, etc.	✓			
B7 Engage Regional Development Victoria to identify and attract new businesses from 'priority industries' to the Triangle	✓			

☆ = Initiatives detailed out further in 'Next Steps' document

✓ = Identified by workshop attendees as most important to attract target groups to Triangle

Note: Initiatives without votes are not shown, young families refer to young families as new residents; represents opinion of workshop participants only
 Source: BCG MTCF Workshop Output

Triangle community members prioritised initiatives based on which ones would be most important to attract specific target groups to the region (II/II)

Initiative	Target groups:			
	 Young families	 Entrepreneurs / Bus. Owners	 Overnight visitors	
B9 Strengthen Triangle-wide economic leadership to drive collaboration between local businesses, including: <ul style="list-style-type: none"> A paid Executive Officer that does not have a personal business interest in the region Clear mandate and decision rights within the community 	✓	✓		☆
C1 Identify themes for targeted visitor offerings (e.g. which type of visitors are we able and do we want to attract; what is the menu of activities the Triangle has to offer); prioritise themes and visitor groups to better define the primary tourism proposition.			✓	☆
C2 Maintain and/or reopen existing natural assets in the Triangle	✓	✓	✓	☆
C4 Identify potential for an 'iconic offering'		✓		
C5 Review event offering: Assess groups catered to by existing calendar; organise and promote events thematically or by target groups identified; coordinate events calendar			✓	
C7 Define long-term strategy for joint marketing activities between businesses, organisations and Government bodies		✓	✓	
D2 Connect local farmers with RDV/MSC to commence and promote agritourism activities (e.g. farm-gate tourism, farm stay offers, etc.)			✓	

☆ = Initiatives detailed out further in 'Next Steps' document

✓ = Identified by workshop attendees as most important to attract target groups to Triangle

Note: Initiatives without votes are not shown, young families refer to young families as new residents; represents opinion of workshop participants only
 Source: BCG MTCF Workshop Output



Thank you note

Thank you

This report represents joint recommendations from BCG and the MTCF, based on input from significant community engagement.

The community's input has been instrumental to this work, the recommendations, and this report. We are deeply appreciative of your active engagement in this project, which included:

- 100+ community survey responses
- 30+ community workshop attendees
- 25+ stakeholder interviews
- 2x community drop-in sessions in Marysville and Buxton

The region's continued dedication to its economic growth and development is a reflection of the strength of the local community. It has been a privilege for the BCG team to have worked on this project with you.

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