

**O'CONNOR | SINCLAIR**  
*Leading Effective Decision Making.*

**National Golf Facility Strategy**  
**New Zealand Golf**  
26/07/2013

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# 1. EXECUTIVE SUMMARY

New Zealand Golf Inc. (NZ Golf) is the governing body for golf in New Zealand, responsible for fostering and developing the sport. The aim of this project was to create a platform from which NZ Golf can lead the regions, golf clubs and related entities to make informed decisions about their future investments and priorities in the sport. The key aims of this study were to:

Build a landscape profile of the golf assets/facilities within New Zealand;

Gain insights into the key trends, practices and products (i.e. asset/course design trends, golf experiences) nationally and internationally;

Form conclusions as to the sustainability (or otherwise) of the current golf assets/facilities profile within New Zealand;

Present a potentially sustainable golf assets/facilities profile model within New Zealand;

Develop a framework for assisting NZ Golf and stakeholders in making effective decisions.

The information analysed to develop the National Facility Strategy included national and international research, consultation with several key stakeholders and a National Survey among 358 golf clubs (of a total 393 golf clubs), of which 219 clubs responded. The data from the survey formed the basis of the analysis of the golf environment in New Zealand.

## 1.1 CRITICAL ISSUES IN NEW ZEALAND FOR GOLF FACILITIES

There are a number of critical issues which NZ Golf needs to address to sustain golf facilities and grow the game of golf. The general issues identified fall within the following six main categories:

1. Lack of income diversity;
2. Untapped target markets;
3. Increasing operational costs;
4. Lack of genuine differentiation;
5. Critical issues specific to urban golf facilities;
6. Critical issues specific to rural golf facilities.

Overall, it is the lack of responsiveness to the changing environment that prevents golf and golf facilities from achieving their potential.

**Income Diversity** - The survey of New Zealand golf clubs revealed the two most commonly perceived threats to clubs' viability were declining membership rates (9.3% between 2007 and 2011<sup>1</sup>) and the age of the clubs' current members. The primary opportunities that clubs wished to pursue were to increase their numbers of casual or "greens fee" golfers and increasing golf memberships.

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<sup>1</sup> Calculated from NZ Golf membership data.

The predominant user group and therefore income source is Members at 88% of utilisation as seen in Figure 1. This shows that income generated at golf courses is not diverse and is significantly reliant on Members.

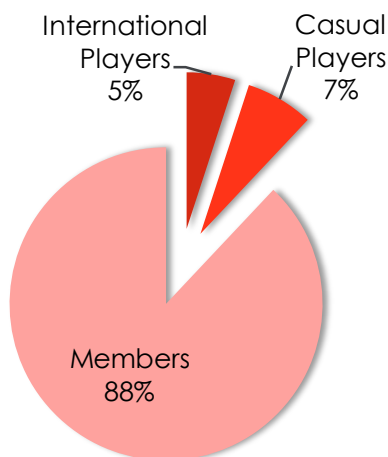


Figure 1: Predominant User Groups of New Zealand Golf Facilities

**Untapped market segments** – Global trends indicate that membership is declining and customers through their actions are showing decreased propensity to commit to and buy memberships. Yet golf clubs continue to focus upon trying to drive membership uptake including promoting derivatives of traditional membership options.

The Active New Zealand Survey by Sport and Recreation New Zealand highlights the prominence of golf as a participation activity; with nearly 13% of adults aged 16 and over having played at least once in the period covered by the Active New Zealand Survey. European ethnic groups represent 78% of golf participants in New Zealand.

Golf was not identified as one of the top 20 sports participated in by New Zealand boys and girls in the Young People's Survey by Sport New Zealand. Golf is either ignoring this market, or is not effective in serving this market while many other sports place significant emphasis on young people and tailor programs, competitions and club structures to attract young people to their sport.

Females are a significant potential market for golf membership and tuition as they comprise 10% of casual golfers yet 25% of members and will more readily seek golf tuition compared to men.

***Golf is currently meeting the needs of a relatively narrow part of the market and there is considerable opportunity for participation growth in new market segments for example casual players, non-Europeans, young people and females.***

Golf tourism in many countries is a significant contributor to the country's GDP. New Zealand does not feature amongst the most popular golf tourism destinations.

**New Zealand's profile should be raised as an international golf destination, attracting high net worth tourists to New Zealand, aligned with NZ Tourism strategy, greatly increasing New Zealand's tourism revenue and the revenue of high end, international destination golf courses in New Zealand.**

**Increasing Operational Costs** - One of the main costs to golf clubs is the operational cost of the green assets and these costs are significantly impacted by climate conditions.

**Scarcity of water is expected to become an issue in several parts of New Zealand, greatly increasing operational costs of golf courses.**

**Lack of genuine differentiation** - Throughout New Zealand, 80% of golf facilities have traditional mid-level courses shown in Figure 2 below and 88% of courses are used predominantly by members, as shown in Figure 1.

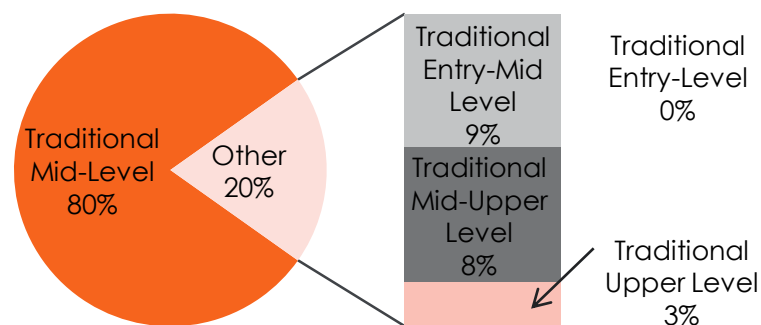


Figure 2: Current Distribution of Course Classifications among New Zealand Golf Facilities

**There is an oversupply of the same type of golf facilities in New Zealand which focus on a very narrow target market – taking a ‘one size fits all’ approach.**

**Low utilisation** – there is an oversupply of golf rounds, with facilities providing relatively homogenous golf courses and services, the outcome of which is very low utilisation (12%) across the country (total rounds played/total rounds supplied).

The 358 golf facilities in New Zealand supply an estimated total of 30,842,350 18 hole rounds of golf in a year. The average golf course utilisation in New Zealand based on the estimated number of rounds played is 12%, with courses averaging 14% utilisation in urban areas and 8% utilisation in rural areas.

Utilisation varies significantly and strongly correlates with population. For example the average utilisation in Auckland is 23% with 38,085 residents per golf facility compared to Southland which has an average utilisation of 6% and 3,954 residents per golf facility.

**Utilisation of golf facilities in New Zealand is low and in order to improve sustainability, particularly at rural facilities, utilisation must be increased.**

**Golf must adapt to changing societal and market needs if it is to survive long term.**



## 1.2 CRITICAL ISSUES – URBAN GOLF FACILITIES

There are three main issues which impact the sustainability of golf facilities more so in urban areas.

**Lack of diversity in golf experiences and player pathways** – as stated above, the current provision of golf services and facilities is relatively homogenous with the majority of clubs offering traditional mid-level 18 hole courses at membership based clubs. Golf facilities need to evolve with societal and technological trends and diversify the golf experience enough to attract new participants.

*80% of golf courses are traditional mid-level 18 hole courses, this is taking a 'one size fits all' approach. There is not a pathway for people entering the sport, there are no facilities that reflect their communities or specific target markets.*

Several international golf trends were identified, among them offering new golf products and experiences including snag golf, urban golf, 60/60 golf and executive 6, 9 or 12 hole formats.

*Time is the critical barrier that influences casual golfers playing more golf and committing to membership. Diversifying the product offering/golfing experience and providing a pathway into and progressing through the sport of golf, could increase participation and increase diversification of income.*

**Quality of Service** – golf participants have increasing expectations of the quality of service provided at golf facilities and clubs are experiencing increasing operational costs. As Victoria University reports, there is poor inter-generational equity with 56% of clubs being financially worse off after 4 years' trading suggesting long term sustainability is threatened and reinvestment into assets would potentially decrease, further decreasing the current quality of service offered. Seventeen percent of golf clubs rated their main built assets as "old condition (requires significant future investment; has not had on-going maintenance)".

The average quality of service offered in New Zealand is 4.9 (out of 10), ranging from 2 to 8.2.

*There is a considerable range in quality of service offered at New Zealand golf facilities. The average quality of service will be further impacted as golf clubs become increasingly financially unsustainable.*

### Issue

Golf facilities in urban areas are providing relatively similar golf facilities and services - targeting a narrow segment of the market and missing the opportunity to increase participation, revenue and sustainability through targeting and attracting new golf participants.

### Implications to Golf

Urban golf facilities must differentiate themselves from surrounding clubs and target new market segments or else face declining participation and revenue as clubs continue to struggle for a piece of the current narrow market.

### 1.3 CRITICAL ISSUES – RURAL GOLF FACILITIES

There are two main issues which impact the sustainability of golf facilities in rural areas.

**Lack of population due to urbanisation** - The percentage of the national golf facilities in rural areas, compared to in urban areas, has increased over the past century while the population has significantly migrated towards urban areas, shown below in Figure 3.

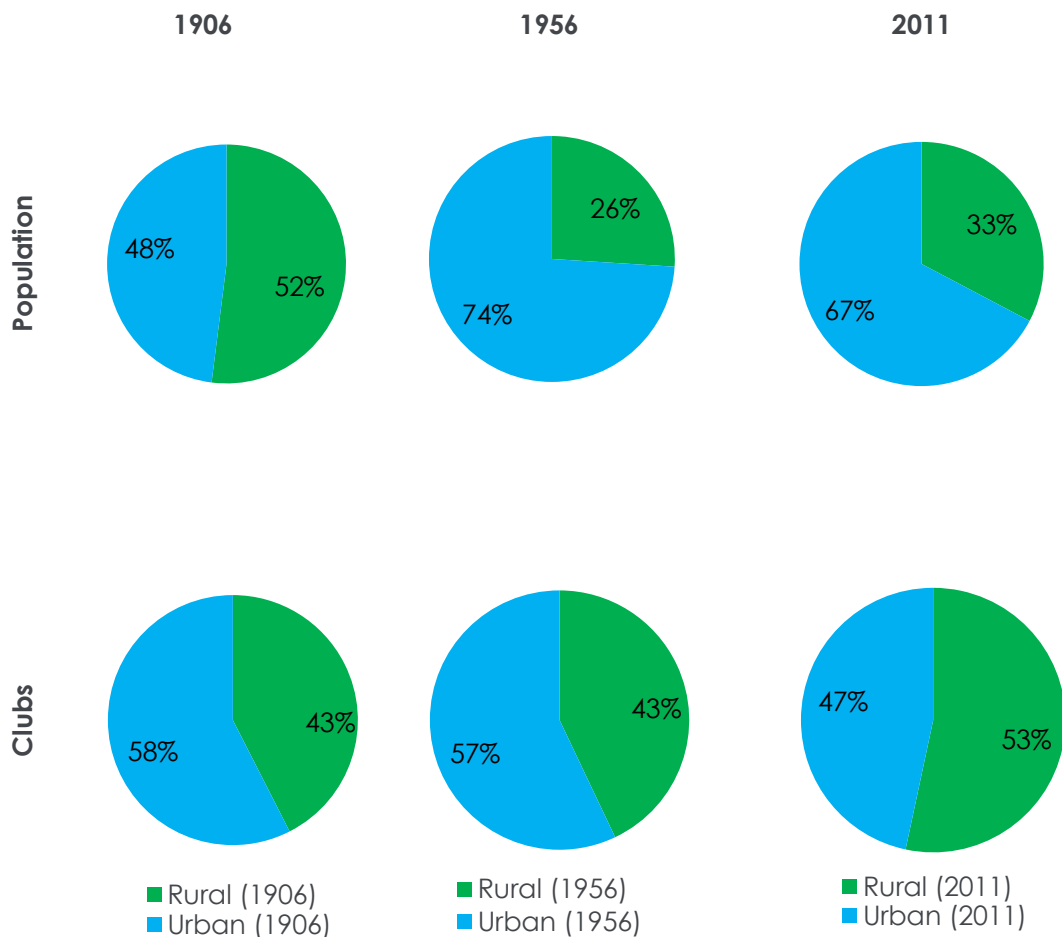


Figure 3: Establishment of Golf Courses in New Zealand in Rural and Urban Areas Compared to the Urbanisation of the New Zealand Population

**There is an oversupply of golf facilities in rural areas. Many golf facilities over the last century have been established in low population rural areas, ignoring the population migration towards urban centres.**

Population is further explored below in Figure 4, comparing operating income by region. There is a strong relationship between the regional population and operating income.

Golf facilities were analysed in their 13 national regions<sup>2</sup> and, within each region, were further broken down into rural and urban facilities. Of all golf courses in New Zealand:

- 167 are urban clubs, of which 76% responded to the survey;
- 191 are rural clubs of which 48% responded to the survey.

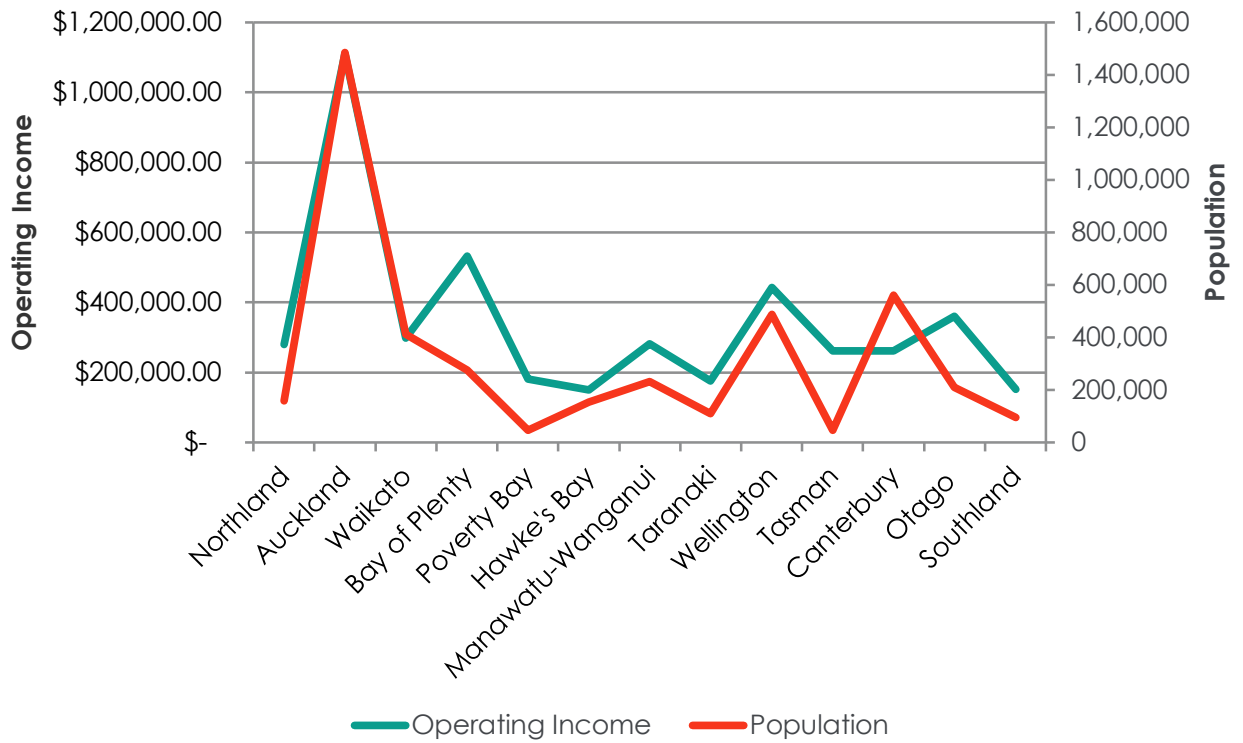


Figure 4: Operating Income Compared to the Regional Populations Across New Zealand

Figure 4 highlights the observed critical issue for rural and low population density regions in New Zealand. That is lack of population significantly impacts operating income.

**Dispersed population and isolation** – the number of golf courses in a region is not proportional to the population density of the region. For example, Otago and Auckland both have 39 golf facilities yet Otago has 6.7 residents/km<sup>2</sup> while Auckland has 304 residents/km<sup>2</sup>.

<sup>2</sup> Thirteen regions have been analysed. Auckland includes both North Harbour District and Auckland District. Canterbury includes both Canterbury District and Aorangi South Canterbury.

### Issue

All rural areas in New Zealand suffer from a unsustainable low population per golf facility ratio. In particular there is an oversupply of golf facilities in the following rural areas:

- Southland;
- Tasman/Marlborough/Nelson
- Otago
- Taranaki;
- Northland;
- Poverty Bay.

These areas have a significantly lower population (less than 7,000 residents per golf facility) per golf facility than other rural areas and all urban areas.

### Implications to Golf

If these rural golf facilities do not merge or change, they will not be financially sustainable in the long term.

## 1.4 BARRIERS TO CHANGE

The resolution of the majority of the issues listed above is subject to the following barriers to change.

Golf facilities are mainly governed by members, for members. This represents a significant potential barrier to change.

Long term sustainability requires 'market facing' structures and culture. We put forward the view that under member driven governance structures Golf clubs are inherently 'inward facing'.

The lack of diversity in club governance and drivers based on member interests inhibits the capacity to consider the Golf club business as a whole. Given the size and inherent value of golf assets and the trends evident in the game, diversity of 'thinking' on boards needs to be addressed in order to create long term sustainability of the sport and the facilities.

We note also that most golf clubs are legally structured as Not-for-Profits (NFPs). The New Zealand Charities Commission defines NFPs as: "any organisation that is not carried out for the profit or gain of any member, and whose rules prevent money, property or any other benefits being distributed to any of its members."

There will be valid reasons for golf clubs adopting NFP legal structures, including the ability to apply for grant funding. However, our concern is that the culture and operational focus of golf clubs, where governance is member-representation based and the legal structure is NFP, is predominantly concerned with stakeholders and not concerned enough with generating financial surpluses from operations and long term sustainability.

## 1.5 RATIONALE, PERFORMANCE, SUSTAINABILITY (RPS) PROCESS

If change is being explored, the RPS process enables the assessment of golf asset opportunities including course development, current club course development, club course closure, club merger and re-scope of club purpose. The assessment considers the following:

- Regional portfolio of existing golf assets;
- Current and future needs of golfers;
- Expected performance outcomes.

The RPS process involves a disciplined assessment and establishment of a platform for informed, rational decision making. It precedes commissioning of concept drawings and funding strategy.



Figure 5: Overview of RPS Framework

The RPS process is not designed to produce a specific decision. It is designed to promote informed and rational assessment and decision making, backed by contextual insights and objective analysis.

## 1.6 STRATEGIC RECOMMENDATION 1 - HIERARCHY OF GOLF FACILITIES

The Hierarchy of Golf Facilities model, summarised in Figure 6 below, will enable NZ Golf to aide golf clubs, councils and golf facility owners to develop a sustainable and diverse portfolio of golf assets which will then encourage a greater number of golf customers attracted to, engaged with and immersed in the game of golf in New Zealand.

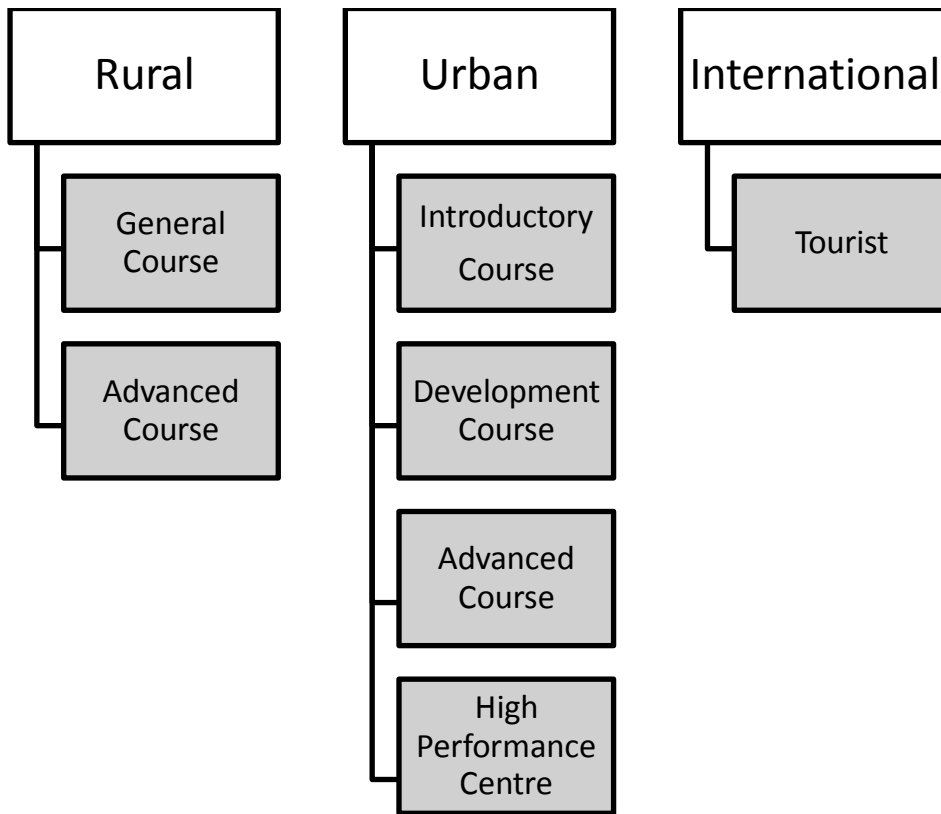


Figure 6: National Hierarchy of Golf Facilities

The Hierarchy of Golf Model should be utilised in conjunction with the Rationale Performance Sustainability (RPS) framework described above.

We recommend that NZ Golf deploys the National Hierarchy of Golf Facilities model over time as opportunities arise to influence and lead, as appropriate, decisions regarding capital investment, market segment prioritisation, facility role in the greater network of facilities and facility services provision.

### Rural Golf Hierarchy

Rural clubs are subject to a different environment than urban golf facilities including variations in:

- Low population density;
- Household demographics;
- Minimal corporate opportunities and less income diversity opportunities;
- High levels of volunteerism compared to urban golf clubs.

We recommend that NZ Golf implement a hierarchy for rural golf facilities consisting of General Courses and Advanced Courses. Detailed requirements for each of these course types are provided in Section 10.1.

The purpose of a General Course is to familiarise new players to the game of golf by creating an inclusive atmosphere throughout the facilities that supports learning the

fundamentals of golf as well as to improve and expand the skills of development level golfers. The General Course has the opportunity to become a community sports hub and to provide shared services.

The purpose of an Advanced Course is to provide a high-end championship level course which attracts the local community but also markets to the domestic golf tourist market. The Advanced Course is a domestic destination course.

### **Urban Golf Hierarchy**

Compared to rural areas, the urban environment includes variations in:

- Higher population density;
- Increased corporate opportunities and greater opportunities for income diversity;
- Lower levels of volunteerism compared to rural golf clubs;
- Greater density of golf facilities and thus greater competition with other urban clubs creating opportunities to differentiate and innovate;
- Greater competition with other sport and recreation activities;
- A more varied demographic.

We recommend that NZ Golf implement a hierarchy for urban golf facilities consisting of Introductory, Development and Advanced Courses as well as a High performance centre. Detailed requirements for each of these facility types are provided in Section 10.

The purpose of an Introductory Course is to familiarise new players to the game of golf by creating an inclusive atmosphere throughout the facilities that supports learning the fundamentals of golf. The Introductory course will have an affiliation with a Development Course to allow new golfers to progress and be challenged appropriately as they gain experience and to help sustain participation numbers at the Development Course.

The purpose of a Development Course is to improve and expand the skills of golfers in an environment tailored to the demographic needs of the target market that retains golfer interest and commitment to the game. Development courses will also introduce friendly competition and may be used as a place to spot talent for the High Performance pathway.

The purpose of an Advanced Course is to provide a high-end championship level course. National and regional competitions will be a defining feature of Advanced Courses. Advanced courses will also have an affiliation or relationship with the NZ Golf High Performance Centre. High performance Golf athletes will train both at the High Performance Centre and at Advanced Courses.

There will be one NZ Golf High Performance Training Centre (HPTC) in New Zealand that will provide facilities appropriate to train New Zealand's High Performance Golf athletes. The HPTC will provide several training facilities but does not include a full golf course for athletes to train on. Therefore, High Performance Centre will have affiliations and relationships with several Advanced Courses.

## **International Golf Hierarchy**

The International Golf Hierarchy consists of solely International Courses. The purpose of an international course is to provide a high-end championship level destination course, primarily for international visitors. An international course will provide an experience that differentiates it from International Courses in other countries. The International Course will be accessible from either an airport or cruise ship terminal, will have relationships with other International Courses in New Zealand, will provide or be near resort/luxury accommodation and will target high net worth tourists, aligned with NZ Golf Tourism strategy.

### **1.7 STRATEGIC RECOMMENDATION 2 – SUSTAINABLE FACILITIES IN URBAN AREAS**

The primary source of playing income is currently from members. Members are the predominant user group of golf facilities throughout the country and are already well catered for with the majority of courses being traditional mid-level courses.

Current golfing revenue should be retained by providing Development and Advanced Courses for the current golf club members at traditional mid-level courses as well as current golfing competitors. These courses should have welcoming and social golf facilities to encourage members to play more often and to encourage membership by the next generation golfer.

While current golfing revenue needs to be retained, there is an oversupply of traditional mid-level courses that cater for current member golfers. Sustainability will be achieved by retaining these existing members as well as by increasing and broadening the revenue base through diversification. Revenue can be increased and diversified by:

- Offering new golfing experiences and products at existing courses such as 6060 Golf and Executive length course options.
- Attracting new customers/consumers to the sport of golf with, for example, Introductory Courses.
- Designing built facilities so that they can be utilised for a variety of community, well-being and social activities and so that they reflect the target market of the golf facility, e.g. a café and games room for Introductory and Development Courses that target youth versus a high-end restaurant and bar for an advanced course targeting the corporate market.
- Designing green assets so that they reflect the target market and the classification of the course as described in the hierarchy of facilities as well as consider shared spaces for non-golf activities such as cycling paths.



We recommend that NZ Golf, as an NSO, aims to ensure the retention of the current network of golf facilities in many of the urban areas. However NZ Golf also needs to lead and influence the transformation of some golf facilities into facilities that meet new and emerging market needs for new golf customers seeking non-traditional golf experiences.

This can be achieved by using the Hierarchy of Golf Facilities model above, the RPS model (refer Appendix 1) and by working in collaboration with Clubs.

## 1.8 STRATEGIC RECOMMENDATION 3 – RURAL

There is an oversupply of golf facilities in rural areas and we recommend that certain regions, with particularly low population relative to the number of golf clubs, consider merging golf clubs and operating them out of one facility. The sustainability of the facility will be increased with a greater number of players at the course and reduced competition for the relatively small market (i.e. low population). All rural areas in New Zealand suffer from an unsustainable low population to golf facility ratio. The regions with particularly low population per golf facility are:

- Southland;
- Tasman/Marlborough/Nelson;
- Otago;
- Taranaki;
- Northland;
- Poverty Bay.

For all remaining golf facilities in these regions and all rural facilities in other regions; NZ Golf needs to lead the transformation of these facilities to ensure they are more financially sustainable in the long term despite the low population. One mechanism which could be implemented, depending on the specific local rural community, is to create a sports and recreation hub. Creating a hub could benefit the golf club by creating operating efficiencies and increasing utilisation of the existing facilities as well as potentially increasing the market segments for the golf club. A hub could be achieved through:

- Partnering with local schools and providing additional recreation facilities that the schools would not otherwise have;
- Providing programmes or services which the local community lacks;
- Relocating other sports codes (for example Bowls) to the golf course;
- Provide community amenities;
- Creating a community focal point and a family environment.

For the Advanced Rural Course, the Club has the opportunity to attract people from outside of that local population. This could be achieved through:

- Partnering within local businesses including for example vineyards, hotels and touring companies;
- Innovative differentiation which attracts domestic players to pay a premium and travel to play at this golf course.

We recommend that NZ Golf, as an NSO, aims to aide rural golf facilities in becoming more financially sustainable. This may involve merging clubs in low population per club regions, transforming clubs into facilities that better meet community needs by acting as a social and sports hub for the entire family and transforming particular clubs into Advanced domestic destination courses, attracting participation from outside of the rural area.

This can be achieved by using the Hierarchy of Golf Facilities model above, the RPS model (refer Appendix 1) and by working in collaboration with Clubs.

## 1.9 RECOMMENDED NEXT STEPS

NZ Golf's role, in respect of the National Facilities Strategy, is to lead Golf Clubs to become sustainable by promoting, supporting and facilitating. The Golf Clubs own their facilities and therefore need to own their decision making process and become internally motivated to change. We recommend the following next steps:

### 1. **Communication to Clubs**

NZ Golf needs to communicate the key findings of this report to golf clubs across the country. This will assist clubs to understand the wider issues which are impacting not just their clubs but all clubs nationally. Communication of the report will also help Golf Clubs to realise the potential opportunities which surround them.

### 2. **Support / Resource**

NZ Golf needs to support the Golf Clubs with resources that help them advance their business, with a team of professionals that can advise clubs on achieving diversity on boards, examining the market and identifying opportunities, promoting their club to their target market effectively and how all this change can be implemented.

### 3. **Diversity in Governance**

The National Facilities Strategy identifies current governance structures as the fundamental barrier to change. Under member driven governance structures Golf clubs are inherently 'inward facing' and constrained in recognising and responding to market changes and inhibit their capacity to consider the Golf club business as a whole.

In order for the National Facilities Strategy to be realised NZ Golf must lead Golf Clubs to understand the impact of this barrier to progress and to help Golf Clubs to diversify their boards. Diversity on boards, over time, will be a catalyst to significant change.

### 4. **Promote RPS**

Realisation of the issues and diversification of boards will encourage Golf Clubs to consider potential progressive opportunities for their clubs. NZ Golf should promote the RPS to Golf Clubs to assist clubs in evaluating if their 'potential opportunity' is feasible.

## **5. Data & Designation**

NZ Golf needs to own the hierarchy of golf facilities and the designations. NZ Golf will maintain a database with information that supports the RPS tool and Golf Clubs should apply to NZ Golf for their specific hierarchy designation. NZ Golf will then help promote these Clubs.

## **6. Staged Implementation**

NZ Golf should look to implement the recommendations in a staged manner with clusters of proactive Golf Clubs, thereby 'leading by example'.

## 2. INTRODUCTION

### 2.1 PROJECT OVERVIEW

New Zealand Golf Inc. (NZ Golf) is the governing body for golf in New Zealand, responsible for fostering and developing the sport.

NZ Golf provides a wide range of services associated with the sport in New Zealand including the national handicapping system, managing the national representative teams and operating 20 elite golf tournaments (including the New Zealand Men's and Women's Open Championships).

Steadily declining membership and societal changes are impacting the financial sustainability of golf clubs throughout New Zealand. Membership declined 15% between 2001 and 2011, equating to an annual decline of 1.609% per annum.<sup>3</sup>

As of 2011 there were 393 golf clubs in New Zealand, 237 clubs in the North Island and 156 clubs in the South Island. A declining membership base, in conjunction with the high operational and maintenance costs of golf clubs, has created financial challenges for golf clubs.

The NZ Golf 2011 Annual Report outlines its 'Whole of Golf' approach. This approach is based on the premise that growth of the sport is the single most important issue that needs to be addressed and that this requires NZ Golf leadership and the collective endeavour of all entities within the golfing industry.<sup>4</sup>

### 2.2 PROJECT INTENT

The aim of this project is to create a platform from which NZ Golf can lead the regions, golf clubs and related entities to make informed decisions about their future investments and priorities in the sport. The key aims of this study were to:

- Build a landscape profile of the golf assets/facilities within New Zealand;
- Gain insights into the key trends, practices and products (i.e. asset/course design trends, golf experiences) nationally and internationally;
- Form conclusions as to the sustainability (or otherwise) of the current golf assets/facilities profile within New Zealand;
- Present a potentially sustainable golf assets/facilities profile model within New Zealand;
- Develop a framework for assisting NZ Golf and stakeholders in making effective decisions.

O'Connor Sinclair understands the intent of this project was to enable NZ Golf to make informed objective decisions about whether investment in golf facilities was required to:

- Increase participation in golf in New Zealand;
- Increase utilisation across all golf assets in New Zealand;

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<sup>3</sup> NZ Golf Membership Data 2001 to 2011

<sup>4</sup> 2011 Annual Report

- Establish a financially sustainable network of golf facilities in New Zealand.

## 2.3 THE METHODOLOGY

The methodology undertaken to develop the National Facility Strategy included:

- Research on key trends, practices and products (i.e. asset/course design trends, golf experiences) both nationally and internationally. National research included:
  - Sport NZ data (as available);
  - Golf industry data;
  - Selective consultation with golf industry leaders.
- International research included the following documentation from the national golf governing bodies of United Kingdom, Ireland, Australia and USA:
  - Strategic Plans;
  - Annual Reports;
  - KPMG Golf Reports;
  - Golf 2020 Reports.
- Consulting the following people and organisations:
  - NZ Golf CEO, Dean Murphy;
  - Auckland Council Property Limited;
  - Auckland Council Parks and Recreation;
  - City Councils around New Zealand;
  - Selective industry experts including:
    - Ray Barnett – Muriwai Golf Course and Chair of the regional managers association;
    - Warren Collett - National golf managers association Board and has been managing golf clubs for 20 years;
    - Chris Davies – Remuera Golf Course;
    - Des Topp – General Manager of Pakuranga Golf Club.
- Conducting a National Survey among 358 golf clubs in New Zealand using Survey Monkey in order to gain insights on the golf environment in New Zealand through profile information such as:
  - Asset ownership;
  - Asset location;
  - Facilities;
  - Membership;

- Financial information including operating income, operating expenditure, membership fees and casual green fees.
- Collection of the following regional and national information to contextualise the National Survey data, including:
  - Regional and national demographics;
  - Regional and national population growth forecasts;
  - Other industry research (e.g. societal trends).

Using key data indicators, developed in consultation with NZ Golf, the National Survey data were then analysed at national, regional, rural and urban levels. The aim of this process was to understand the profile of golf assets in New Zealand and identify particular profiles where the probability of on-going sustainability is increased.

This National Asset Review project also included the preparation of a Rationale Performance and Sustainability (RPS) framework. This framework enables NZ Golf to assess various regions throughout New Zealand against the National Framework and provide recommendations to Councils, Asset Owners and Developers on investment in the golf industry.

## 2.4 INFORMATION GAPS

Of the 393 golf clubs in New Zealand 358 were surveyed, 219 golf clubs responded to the Survey (56%) as follows:

- 127 / 167 urban golf courses;
- 92 / 191 rural golf courses.

The data gathered through the Survey is presented in the form of indicators. These indicators, developed in conjunction with NZ Golf, enabled comparison of the clubs in meaningful ways. These indicators are for internal purposes only.

## 2.5 TERMINOLOGY

For the purposes of this report, the following terminology is applied:

- Golf facility refers to the Golf course and the Club facilities;
  - Golf course refers to the green (i.e. grass) assets;
  - Club facilities refers to the built assets (i.e. the buildings);
- The Golf Club refers to the organisation that operates and utilises the Golf facility.
- An urban golf facility is a facility located within 50km of a main urban centre (being the largest city within a region);
- A rural golf facility is a facility located 50km or more from a main urban centre.

Urban golf facilities were golf facilities which were within 50km of an urban centre. Urban centres are the main city within a region which are:

- Whangarei;
- Auckland;
- Hamilton;
- Tauranga and Rotorua;
- Gisborne;
- Palmerston North;
- New Plymouth;
- Wellington;
- Nelson;
- Christchurch;
- Dunedin;
- Invercargill

### 3. NEW ZEALAND – POPULATION PROFILING

Historically, New Zealand was an agrarian society with its population based in rural areas. This has changed considerably over the last century as New Zealand became a highly urbanised country. This is also reflected in the economy where, for example, wool was New Zealand's highest value export from the 1850s until the start of the 20th century<sup>5</sup>. However; by 2011, wool's contribution to the value of exports had fallen to 1.6%. According to Statistics New Zealand's figures, New Zealand's primary industries only account for 7.24% of total GDP (as at December 2012), compared to the services industry which accounts for 64.8% of total GDP.

According to a World Bank report published in 2010, employment in primary industries in New Zealand (as a % of total employment) was 6.6% in 2009, down from approximately 10% in 1985.

Urbanisation is also demonstrated by where people live. In 1881, New Zealand was a rural country, with just under 60% of the population living in rural areas. By 2011, 65% of the population lived in main urban areas (main cities) and approximately 80% of the population lived in urbanised areas.

#### 3.1 POPULATION

New Zealand's population is estimated to stand at approximately 4,433,100 at 30 June 2012, with a third living in Auckland, demonstrated in Figure 7 below.

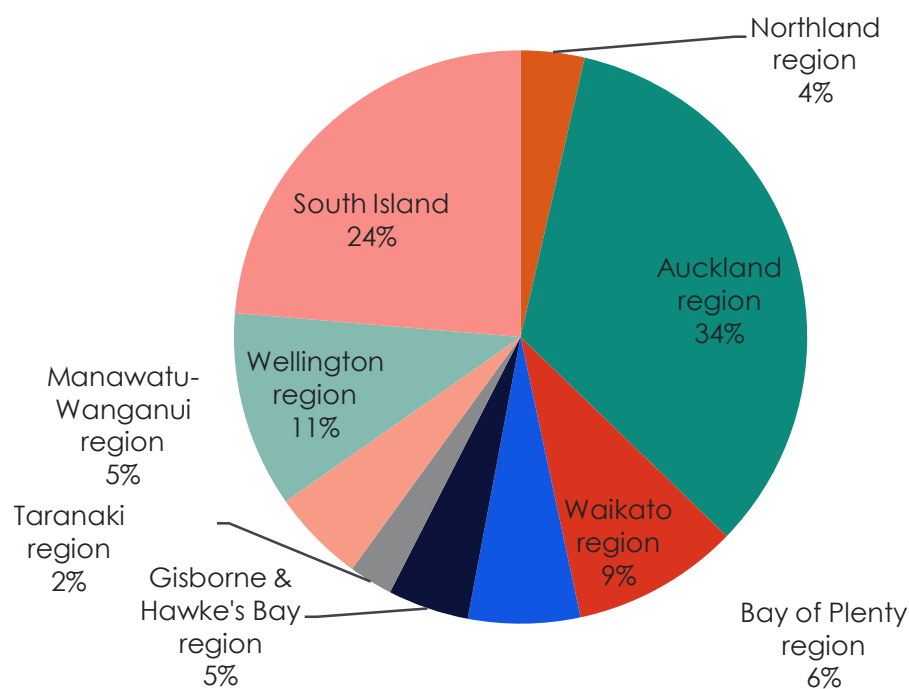


Figure 7: Regional Population at 30 June 2011

Figure 8 below illustrates New Zealand's projected population growth, estimated to be 5,194,600 residents by 2031. The majority of this population growth will occur in the

<sup>5</sup> Statistics NZ Te Ara – the Encyclopaedia of New Zealand, 2009



North Island of New Zealand, where approximately 76% of the national population resides.

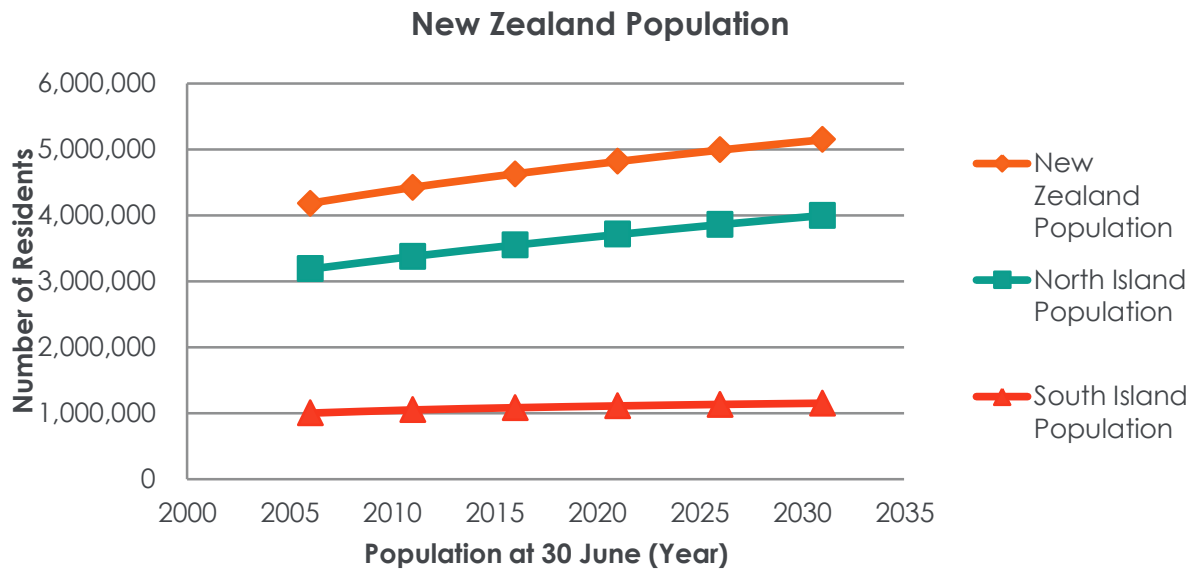


Figure 8: New Zealand's Projected Population Growth

### 3.2 URBAN / RURAL SHIFT (URBANISATION)

Between 1881 and 2001, the majority of the population moved from rural to urban areas. In 1881, the rural population of New Zealand was 291,237 (excluding Māori). While this increased to 501,258 by 1916, the rural population only increased by 31,482 (to 532,740) by 2001. The percentage population living in rural areas has increased very little since the early twentieth century.

Figure 9<sup>6</sup> on the next page illustrates the shift to urbanisation of New Zealand between 1886 and 2001. The rural population is a clear minority by 2001.

<sup>6</sup> Source: Statistics NZ Urbanisation Report

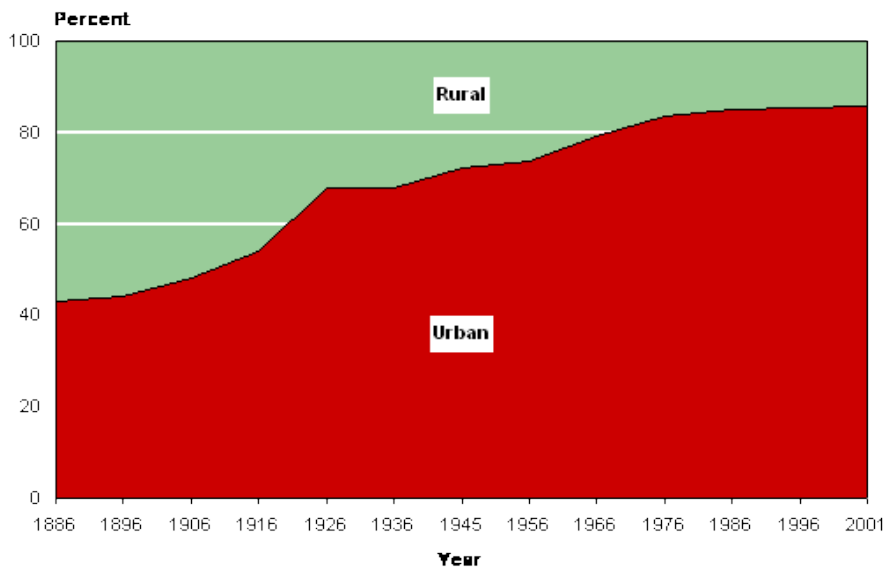


Figure 9: Proportion of People Living in Urban and Rural Areas 1886–2001 Censuses of Population and Dwellings

Figure 10 below demonstrates that the rural population between the period of 1886 and 2001 remained approximately static while the urban population grew considerably.

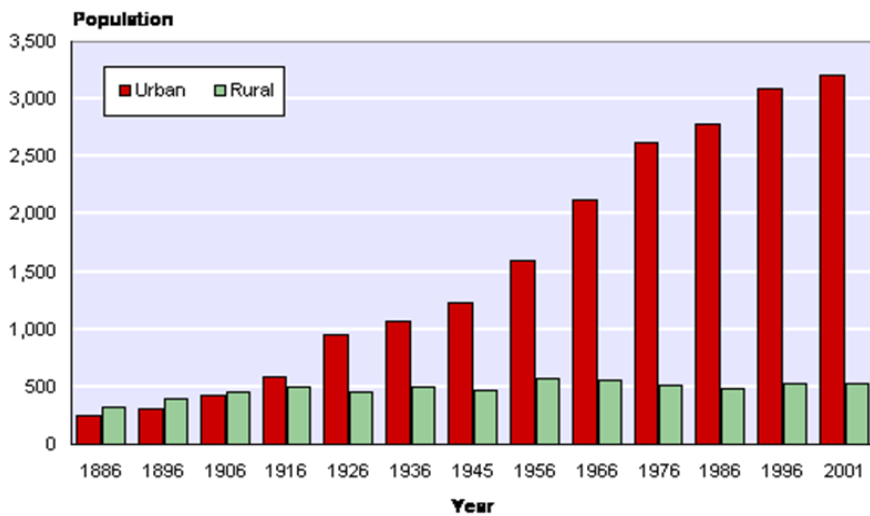


Figure 10: Number of People Living in Urban and Rural areas 1886–2001 - Censuses of Population and Dwellings

### 3.3 URBAN NEW ZEALAND

Statistics NZ data shows that in 1881 the “urban” New Zealander was a minority, yet by 2001, over 80% of New Zealanders lived in either towns or cities. This trend is not unique to New Zealand, but rather reflects an international trend towards urbanisation. Worldwide, cities have expanded and swallowed up vast areas of land and population. Main urban areas have grown at the expense of smaller urban communities.

In 1901, approximately one-quarter of the urban population (10.1% of the total population, excluding Māori) lived in a town with 25,000 or more people. In 2001, over 80% of the urban population (71% of the census usual resident population count) lived in a main urban area (an urban area with a population of 30,000 or more). The Auckland urban area is now the largest in New Zealand, increasing by approximately 3,000% between 1886 and 2001.<sup>7</sup> Figure 11 below illustrates the growth in five main urban centres from 1886 to 2001.

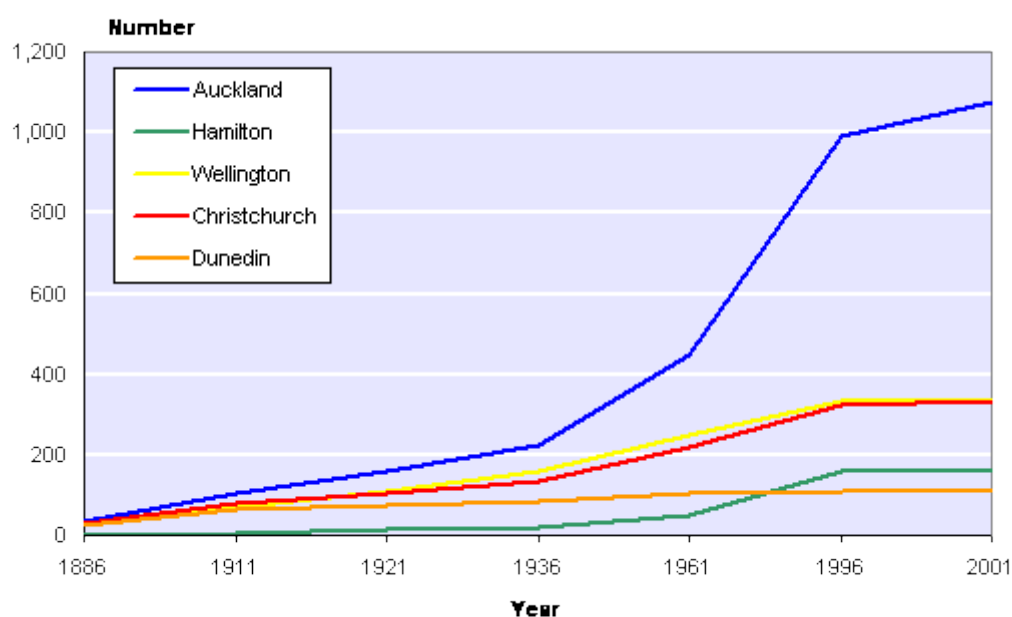


Figure 11: Five Main Urban Areas Census of Population and Dwellings, Between the Years 1886–2001

The composition of urban areas has also changed considerably, particularly since 1950. Urban ethnic diversity has increased throughout many of New Zealand's main centres,

The two main urban areas in New Zealand, which have potentially greater challenges and opportunities compared to other main urban centres in New Zealand, are Auckland and Christchurch.

<sup>7</sup> Statistics NZ Report on urbanisation

### 3.3.1 Auckland

The Auckland region has unique challenges and opportunities for golf facilities. While Auckland has the largest and fastest growing population in New Zealand (i.e. by number of additional people per annum), it also has the highest density of golf courses in the country.

We note the following:

- There is forecast sustained high population growth for Auckland (2 million people by 2031);
- Consequent increased demand for sport and recreational services;
- Increased likelihood of more intense utilisation of land in Auckland;
- The large number of golf courses and the large land area the sport of golf commands.

Given the four factors above it is prudent from both a NZ Golf and Auckland Council perspective to adopt a considered, planning based process regarding the future of golf facilities in Auckland. This is covered in the Auckland Golf Facility Report dated July 2013.

### 3.3.2 Christchurch

The 2010 and 2011 earthquakes devastated Christchurch and the city's infrastructure. Christchurch is now in the process of rebuilding and faces very unique challenges compared to all other cities in New Zealand.

Christchurch City Council's vision is to ensure that Christchurch is a safe, prosperous, sustainable, affordable, lively and vibrant city.<sup>8</sup>

Canterbury's sport and recreation landscape has changed significantly as a result of the 2010 and 2011 earthquakes and subsequently a report, "Spaces and Places Plan for Sport and Recreation in Greater Christchurch March 2012", was prepared to address this issue.

The Places and Spaces Plan proposes a preferred general direction or pathway for development, based on best practice and evidence of need. Two general recommendations which could provide an opportunity for golf facilities proposed are:

- **Co-location** - a key strategy for provision of sporting and recreation facilities particularly where there is common need for a service or function (such as reception) and where there is the potential for sharing of facilities (fitness and high performance centres, change and other amenities, meeting and social spaces), parking and human resources. Co-location can achieve more social benefits more economically from consolidation of services and facilities, such as co-located swimming pools, indoor sports centres and health & fitness centres.
- **Hubbing or Precinct** - a network of well-located hubs or precincts is proposed to underpin leading edge provision of places and spaces, growth in participation and the pursuit of excellence.

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<sup>8</sup> <http://www.ccc.govt.nz/thecouncil/futurechristchurch/index.aspx>

- Each local hub would have a significant land area and usually a single integrated facility to enable a range of sport and recreation activities to be undertaken at the site. Some local hubs could also contain the main regional hub for a particular sport including their specialist high performance training facility.
- A precinct is larger than a hub and a major regional destination such as Hagley Park and QEII (pre-earthquake). A precinct is a cluster of facilities in close proximity usually on the same site but operating independently of each other.<sup>9</sup>

### 3.4 CLIMATE / ENVIRONMENTAL

One of the main costs to golf clubs is the operational cost of the green assets. These costs are significantly impacted by climate conditions. An example of this is the Summer of 2013 drought, where a number of golf courses have had to purchase water to irrigate greens and fairways.

NIWA scientists have prepared New Zealand climate change scenarios for 2040 and 2090 for the "Guidance Manual" for local government organizations. This has been published by the Ministry for the Environment and is an update of the 2004 "Guidance Manual" (Ministry for the Environment, 2008).

**Table 1** below qualitatively summarises the main features of the New Zealand climate projections. All estimates in **Table 1** represent the best current scientific estimate of the direction and magnitude of change. The degree of confidence placed by NIWA scientists on the projections is indicated by the number of stars in brackets.

Table 1: The Main features of Climate Change Projections in New Zealand by 2040 and 2090 (Ministry for the Environment, 2008).<sup>10</sup>

Climate variable	Direction of change	Magnitude of change	Spatial and seasonal variation
Mean temperature	Increase (****)	All-scenario average 0.9°C by 2040, 2.1°C by 2090 (**)	Least warming in spring season (*)
Daily temperature extremes (frosts, hot days)	Fewer cold temperatures and frosts (****), more high temperature episodes (****)	Whole frequency distribution moves right	

<sup>9</sup> The Places and Spaces Plan for Sport and Recreation in Greater Christchurch March 2012

<sup>10</sup> For more information see Ministry for the Environment, 2008

Climate variable	Direction of change	Magnitude of change	Spatial and seasonal variation
<b>Mean rainfall</b>	Varies around country, and with season. Increases in annual mean expected for Tasman, West Coast, Otago, Southland and Chathams; decreases in annual mean in Northland, Auckland, Gisborne and Hawke's Bay (**)	Substantial variation around the country and with season	Tendency to increase in south and west in the winter and spring (**). Tendency to decrease in the western North Island, and increase in Gisborne and Hawke's Bay, in summer and autumn (*)
<b>Extreme rainfall</b>	Heavier and/or more frequent extreme rainfalls (**), especially where mean rainfall increase predicted (***)	No change through to halving of heavy rainfall return period by 2040; no change through to fourfold reduction in return period by 2090 (**) [See note 2]	Increases in heavy rainfall most likely in areas where mean rainfall is projected to increase (***)

\*\*\*\* = Very confident, at least 9 out of 10 chance of being correct. Very confident means that it is considered very unlikely that these estimates will be substantially revised as scientific knowledge progresses.

\*\*\* = Confident

\*\* = Moderate confidence, which means it is more likely than not to be correct in terms of indicated direction and approximate magnitude of the change.

\* = Low confidence, but the best estimate possible at present from the most recent information. Such estimates could be revised considerably in the future.

Figure 12 illustrates the projected annual mean precipitation change for the period from 1990 to 2040.

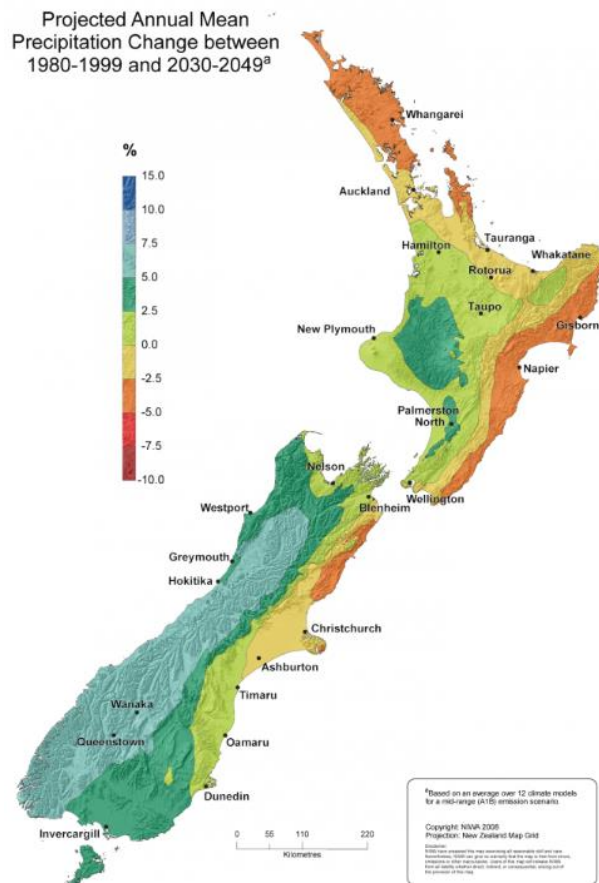


Figure 12: Projected Annual Mean Precipitation Change for the Period from 1990 to 2040<sup>11</sup>

For certain regions in New Zealand, for example Auckland, Northland and the East Coast of the North Island, the scarcity of water is predicted to become an issue, adversely affecting the financial situation of Golf Clubs that need to purchase water to maintain green assets.

Some of the trends observed overseas that may be useful for course management in these regions include:

- Course design based on sustainable management principles, for example planting native perennials, increasing the amount of low maintenance vegetation, allowing ponds and wetlands to become more natural.
- The emergence of new technologies that support more efficient water use and reduce chemical dependence.
- Innovative grassing techniques including the introduction of drought and disease resistant turf grasses that survive low quality irrigation water.

Water-recycling, unused water reclamation, and improved irrigation technologies will become more central to course management.<sup>12</sup>

<sup>11</sup> Resource: NIWA Climate Change Scenario Reports

<sup>12</sup> Golf's 2020 Vision: The HSBC Report

## 4. WHO IS PLAYING GOLF?

Summarised below is research that provides insight into who is playing golf.

### 4.1 ACTIVE PARTICIPATION

Findings from the 2007/08 Active New Zealand Survey – Golf are presented in Figure 13 below. A total of 4,443 adults aged 16 years and over participated in the 2007/08 Active New Zealand Survey.

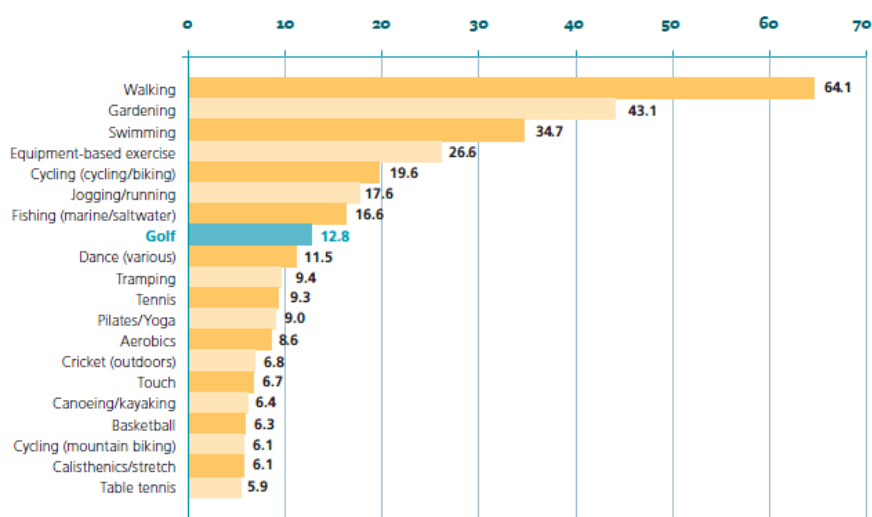


Figure 13: 2007/2008 Active NZ Survey – Participation in Golf Compared to Other Sports

The Active New Zealand Survey highlights the prominence of golf as a participation activity, with nearly 13% of adults aged 16 and over having played at least once in the period covered by the survey.

#### Notable data:

Among adults who played golf at least once over 12 months:

- 37.3 percent (155,242 people) had participated in an organised golf competition or event;
- 15.6 percent (64,815 people) had received instruction from a coach, instructor, trainer or teacher to help improve their golfing performance;
- 6.6 percent (95% CI: 5.4–7.8) of all New Zealand adults (213,051 people) played golf at least once during any one month;

Table 2 on the next page provides a breakdown of the participants in golf across New Zealand, as recorded in the Active New Zealand Survey.



Table 2: Golf Participants Demographic

	Percentage (95% CI)	Population
Total Population	12.8% (11.3-14.4) of New Zealanders play golf	416,221
Men	20.4%(17.8-22.9) of men in New Zealand play golf	317,639
Women	5.8% (4.4-7.2) of women in New Zealand play golf	98,582
16-24 Years	11.0 (7.4-14.5)	60,306
25-34 Years	15.8 (12.2-19.3)	85,748
35-49 Years	12.3 (9.6-14.7)	115,210
>50 Years	12.5 (10.4-14.7)	154,959
Maori	13.1 (9.9-16.3)	54,298
Pacific	6.3 (2.6-10.0)	11,597
NZ European	14.5 (12.6-16.4)	324,024
Asian	7.2 (3.7-10.7)	26,803
Quintile 1 – no deprivation characteristics	14.4 (12.4-16.4)	293,096
Quintile 2 – one deprivation characteristic was reported	13.2 (10.1-16.3)	85,848
Quintile 3 – two deprivation characteristics were reported	6.5 (3.3-7.8)	22,463
Quintile 4 – three or four deprivation characteristics were reported	4.8 (1.8-7.8)	12,062
Most Disadvantaged Quintile 5 – five or more deprivation characteristics were reported	4.4 (0.4-8.3)	2,754

From the perspective of NZ Golf's goal of increasing participation in golf, and Sport New Zealand's vision of 'Everyone. Every day. Enjoying and excelling through sport and recreation', findings to note from Table 2 include the following<sup>13</sup>:

- Women represent approximately 24% of participants in golf and nationally 5.8% of women played golf at least once in the survey period;
- People over 35 years of age represent 65% of participants in golf and 24.8% of people in this age group played golf at least once in the survey period;
- People aged between 16 and 35 years of age represent 35% of participants and 26.8% of people in this age group played golf at least once in the survey period;
- People of European ethnicity represented 77.8% of participants and 14.5% of people in this group played golf at least once in the survey period;
- In terms of deprivation characteristics by Quintile, we note that 70.4% of golf participants exhibited no deprivation characteristics. Therefore it is logical to conclude that golf is mainly focused on service offerings that satisfy the needs of those people who are, in relative terms at least, financially comfortable;

There are opportunities to provide service offerings in golf that meet the needs of a wider audience profile, in terms of income and financial security.

In summary, the data shows that New Zealand golf has the opportunity to increase participation by:

- Strategies focused on retaining the current player base;
- Considering new customer segments and designing facilities services that attract these segments to the game and that meet their particular needs.

## 4.2 YOUNG PEOPLE'S SURVEY

Over 17,000 young people (5 to 18 year-olds) from over 500 primary, intermediate and secondary schools across New Zealand took part in Sport New Zealand's 2011 Young People's Survey. Table 3 to Table 5 below present summarised data from the survey as it related to golf participation.

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<sup>13</sup>Active NZ Survey

Table 3: Young People's Survey Data: Frequency of Boys and Girls Participating in Golf

Years	Boys			Girls		
	No participation this year, %	Played few times this year, %	Played regularly* this year, %	No participation this year, %	A few times this year, %	Played regularly* this year, %
7 -10 (mostly 11 to 14-year-olds)	62.5	33.6	3.9	80.5	17.5	2.0
11-13 (mostly 15 to 18-year-olds)	71.0	26.2	2.8	84.0	14.9	1.1

Table 4: Young Persons Survey Data: Boys and Girls Participating in Golf

Years	Boys			Girls		
	Played while "mucking around"* %	Organised by school (outside of class time) %	Played with a club (outside of school) %	Played while "mucking around" %	Organised by school (outside of class time) %	Played with a club (outside of school) %
7 -10 (mostly 11 to 14-year-olds)	24.2	4.6	8.1	12.1	2.2	2.7
11-13 (mostly 15 to 18-year-olds)	20.1	6.4	6.9	10.2	2.4	1.8

Participation rates for almost all sports/activities are highest when young people are "mucking around." Athletics, Māori activities and orienteering are three exceptions with these sport/activities having the highest participation rates in the school setting (for boys and girls in both age groups).

Participation rates for most sports/activities are higher in the school setting than with clubs. Golf, martial arts and tennis (for 10 to 14-year-olds) are some exceptions to this pattern.

Table 5: Sport Participation Ranking of Golf by Age and Gender

	Boys		Girls	
	Golf Participation Ranking	%	Golf Participation Ranking	%
5-10	17	2.4	Girls participation does not feature in the results	-
11-14	18	3	Girls participation does not feature in the results	-
15-18	13	2.5	Girls participation does not feature in the results	-

We note the following:

- Golf's participation ranking of 8<sup>th</sup> in the Active Participation Survey (see Figure 13), although this includes at least two activities that would not be classified as "organized sport";
- Golf's very low regular participation rate among eleven to eighteen year olds of 1.1% to 3.9%;(see **Table 3: Young People's Survey Data: Frequency of Boys and Girls Participating in Golf** Table 3 above);
- Golf's sport participation ranking for boys between 13<sup>th</sup> to 17<sup>th</sup> place in Table 5. Note: Golf does not rank as a participation sport for girls.

Given this information, and the positive characteristics of golf (safe, accessible to all shapes and sizes and abilities, both males and females equally able to play), it would appear there is tremendous potential to develop services and offerings that attract young people to the game.

Indeed, it could be argued the sport is remiss in not offering accessible experiences that meet the needs of young people. Whereas many other sports place significant emphasis on young people, and tailor programs, competitions and club structures to attract young people to their sport (e.g. netball, football, rugby, athletics), golf is either ignoring this market or not effectively serving this market.

We also note Sport New Zealand references to the survey confirming its priorities for young people's sport and active recreation as:

- Providing quality sport experiences for young people and providing guidance for parents, teachers, coaches and other volunteers encouraging the education sector to provide more organised sport and recreation opportunities in schools;
- Supporting opportunities and investing in sport and recreation activities that appeal to young people;
- Developing clubs and strengthening links with schools;

- Tackling drop-out by finding more ways to keep young people engaged in sport and recreation in their teenage years;
- Supporting organisations that provide quality programmes for fundamental movement and basic sports skills.

Sport New Zealand is a key strategic and funding partner in the delivery of sport and recreation in the community. Clearly it is interested in sports organisations that have commitment to and coherent plans that align with the five priorities above. This represents opportunity for New Zealand Golf. It may also represent future challenges if golf is unable or unwilling to tangibly provide access and services that attract and retain young people.

### 4.3 PARTICIPATION & MEMBERSHIP TRENDS

Membership has steadily declined over the last ten years between 2001 and 2011, at the rate of approximately 1.609% per year. Membership declined 5.1% between 2010 and 2011, and declined 9.3% between 2007 and 2011.

A survey entitled "Increasing Nationwide Golf Club Membership & Participation Survey", which sought to understand purchasing determinants and attitudes towards club memberships for New Zealand golfers, was conducted in March 2008. Outlined below is a summary of key findings from the survey.

#### **Gender differences**

- 10% of casual golfers are women, whereas 25% of members are women. Women that play golf are more likely to commit to membership than men.
- Women are more attracted to 9-hole golf and 9-hole memberships than men, yet women report to have more time than men.
- Casual women golfers are more conscious of their golfing ability than men and more readily seek golf tuition.

Is New Zealand providing sufficient diversity of golf services and facilities to attract women to the game of golf?

#### **Time is the critical barrier that influences casual golfers playing more golf and committing to membership, and social benefits are the most valued benefits.**

- Over half (53%) of casual golfers are aged between 25-44, compared to just 15% of members;
- 42% of all casual golfers report that time is the single greatest barrier to gaining a membership;
- Almost all (87%) of casual golfers report that they would play more golf if they had more time;
- Social benefits are valued above all other membership benefits for current members;
- Casual golfers report social reasons as their strongest motivator for playing golf.

Is New Zealand providing sufficient diversity of golf services and facilities to attract more people to play golf more often?

## 4.4 CONCLUSION

The strong theme that emerges from our review of population and survey data is as follows:

- Golf is currently meeting the needs of a relatively narrow part of the market and there is considerable opportunity for participation growth in new market segments for example young people, females, non- Europeans and casual players.

The logical issues/opportunities that emerge and require consideration are:

- There is an opportunity for golf to serve new market segments;
- Expanding the current narrow market focus to include new market segments may potentially increase the sustainability of golf clubs and grow participation in the sport;
- Golf facilities in New Zealand may be part of the current barrier to (and future opportunity for) stimulating participation growth in the game of golf in New Zealand.

## 5. LOCAL GOVERNMENT & GOLF

The Local Government Act 2002 (LGA 2002) states that the purpose of local government is in part to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future.

LGA 2002 guides that local governments should provide networks of accessible, high quality open spaces and sport and recreation facilities, in both urban and rural areas, which meet the needs of residents and visitors, are fit for purpose and economically and environmentally sustainable.

### 5.1 COUNCILS IN NEW ZEALAND

Nine City Councils were consulted in regards to their role with ownership and operation of golf assets within their region. Those city councils are:

- Auckland
- Hamilton;
- Tauranga;
- Wellington;
- Christchurch;
- Dunedin;
- Nelson;
- Queenstown;
- Invercargill.

The summaries from the City Council consultations are included below.

**Auckland Council (AC)** owns the land for 13 golf courses throughout the Auckland region. Of these courses, the lease for one course is managed by Auckland Council Parks and Recreation, the leases for three courses are managed by Auckland Council Property Limited and the leases for the remaining nine courses are managed by the Auckland Council Community Lease Team.

**Hamilton City Council (HCC)** owns the land for two golf courses, one of these courses is an 18 hole course while the other is a Pitch and Putt par 3 course. Both of these courses are leased to private management companies with a service level agreement in the lease that outlines maintenance requirements. HCC has no involvement in the management of these two courses and has not had any issues with the private operators. However, in the last ten years, HCC-owned courses have lost 100 members. Further to this, two other courses in the Waipa district, not owned by HCC, were recently amalgamated.

**Tauranga City Council (TCC)** owns the land for three golf courses. One of the courses is on reserve land, one is on fee simple land and the third is administered on behalf of the Crown. All three courses are leased to private management companies and there is no service level agreement in the leases. TCC has had some issues with the external operators such as trees being removed without consent. TCC has no current plans to purchase or develop any additional golf facilities.

**Wellington City Council (WCC)** owns the land for one golf course and manages that course internally. WCC has a Memorandum of Understanding with the club at their course and is working on service delivery. In the future, WCC sees its role evolving to work closer with the golf club to ensure a successful partnership in maintaining and running the course.

External to consultation with WCC, an article was reviewed that described an automated green fees payment machine installed by Council at their course. The article also described how the number of people who skipped paying green fees increased substantially with the installation of this machine since the machine malfunctioned in cold weather and only accepted credit cards while the size of the security staff was cut back.<sup>14</sup>

**Christchurch City Council (CCC)** owns the land for three courses, two of which are managed internally and one which was leased to a private management company until it closed in 2011. For the internally managed courses, CCC leases the pro shop to a resident golf professional, as an outside contractor, and pays the Pro out of a percentage of the green fees. CCC also has a lease with the club, with a percentage of membership fees being paid to CCC. The maintenance and green staff are provided by CCC.

CCC became involved in the management of the one course that was operated by an external private management company due to declining maintenance. There was no service level agreement in the lease so the external operators continually cut back their maintenance budget. While the course was operated externally, CCC was still liable and had to send its own resources to complete certain maintenance activities such as filling parking lot potholes, fixing the irrigation system and maintaining trees. After the earthquake in Christchurch the course was extremely damaged and was eventually closed.

**Dunedin City Council (DCC)** owns the land for one golf course and half the land for a second golf course, the other half of which is on private land. Both of these golf courses are leased to private management companies.

**Nelson City Council (NCC)** owns the land for one golf course and manages this course internally. NCC has an employee operating the pro shop and members pay their fees to Council while the course is maintained by an external contractor.

**Queenstown City Council (QCC)** owns the land for four golf courses and half the land for a fifth golf course, the other half of which is owned privately. Four of the courses are leased to private management companies and Council is not involved in the management of these courses with the exception of a pricing policy for all Council-owned courses. The lease for the fifth course, a nine hole course, expired recently and QCC has since managed the course internally. It is expected that the course will soon close so that the land can be used for the airport and events centre.

**Invercargill City Council (ICC)** owns the land for two courses, both of which are leased to private management companies. Council is not involved in the management of these courses except for monitoring the use of chemicals. There is no service level agreement in the two leases and ICC has experienced problems with the external operators being reluctant to pay rental increases.

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<sup>14</sup> Reference article.



## 5.2 INTERNATIONAL COUNCILS

### 5.2.1 Common Management Structures

In addition to consulting with New Zealand City Councils, research of international City Councils was completed with respect to their role in owning and operating golf assets.

In the United States, four common management structures<sup>15</sup> are used for City owned golf courses in addition to several hybrids of these models:

1. Management Contract
2. Operating Lease
3. Concession Agreement
4. Self-Operation

#### **Management Contract**

A management contract transfers all responsibility to the private management company. The city receives all revenue and then pays the management company for labour costs and a management fee either as a fixed fee, percentage of revenue or a combination of both. The city monitors the use of funds based on the budget and pays for capital improvements and any unforeseen expenses. This model involves a high level of control by the city and good potential financial gain but involves the highest level of financial risk in comparison to the following models.

#### **Operating Lease**

An operating lease transfers all operating responsibilities to the management company. The management company retains all revenue and covers operating expenses and some capital improvements. A fixed rental fee is paid by the management company to the city and the city has very little say in the operating budget. With this model, the city is relieved of operating concerns but may receive less revenue in comparison to the management contract. This model involves minimal control by the city but reduces financial risk and provides a guaranteed minimum rent payment to the city.

#### **Concession Agreement**

With a concession agreement, a license is granted for a concessionaire to operate in the facility. The concessionaire does not have the right to occupy the facility as is the case in the previous management structures. The concessionaire uses city-owned equipment and pays a fixed fee plus a percentage of revenue to the city. In comparison to a lease agreement, concession agreements are generally for shorter terms and provide more control by the city.

#### **Self Operation**

Under self-operation, the city has complete control over golf asset operations and receives all revenue. This model has the highest level of city control and provides the

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<sup>15</sup> Source of management structures and descriptions: NGF Consulting, *Operational Review and Recommendations For the City of Houston Municipal Golf Operation*, Florida, 2005.

greatest potential financial gain but also involves a higher level of financial risk. Most City Council courses in the United States are self-operated.

### 5.2.2 International City Examples

Continuing with the United States, the role of three cities (Houston, Seattle and Los Angeles) in regards to management and operation are explored briefly below:

In Houston, the Parks and Recreation department owns the land for seven golf courses. Four of these courses are operated by the city and three are leased to private management companies. The Director of Parks and Recreation oversees golf operations through the Director of Golf Operations who oversees individual facility managers<sup>16</sup>.

Seattle City operates four golf facilities including three nine hole courses and three 18 hole courses. Since 1995, the City has hired external companies to oversee the operations of all City golf courses<sup>17</sup>.

The Los Angeles City Department of Recreation and Parks is responsible for ten golf facilities, three of which have two golf courses each. Recreation and Parks staff maintain the courses and handle the reservations, starters and golf cart rental. Concessionaires are responsible for the pro shop (merchandise and lessons), the driving range, and food and beverage functions<sup>18</sup>. Two important trends were noted in Los Angeles:

1. There is a trend towards “public agencies moving to a management contract approach for operations and maintenance.”<sup>19</sup>
2. There is a trend away from “employing maintenance-based staff and towards employing operations and revenue-oriented staff.”<sup>20</sup>

In the United Kingdom, several struggling Council-owned clubs have recently sold or changed their management structure. For example:

*Whitwood Golf Course in Yorkshire, meanwhile, has been taken over by an environmental trust and Roseberry Grange in Durham has been bought out by its members. Tamworth Golf Centre in Staffordshire also entered into a Corporate Voluntary Arrangement (CVA) with its creditors, in order to pay off debts.*<sup>21</sup>

Birmingham took a different approach to its Council-owned golf facilities by packaging all seven of its facilities together and going to tender in 2010 for an external operator to manage them. The aim was to “secure capital investment through a private partner to improve the standard of existing council golf courses

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<sup>16</sup> NGF Consulting

<sup>17</sup> *Seattle Parks and Recreation Golf Master Plan, 2009.*

<sup>18</sup> Tom Frost Golf Inc., *Evaluation of Operating Options Los Angeles Municipal Golf Course System, California, 2011.*

<sup>19</sup> Tom Frost Golf Inc.

<sup>20</sup> Tom Frost Golf Inc.

<sup>21</sup> Williams, Emma, *More Municipal Clubs Set to Close, 2012.*

and facilities.”<sup>22</sup> The tender resulted in a 50-year contract being awarded to a social enterprise firm for the operation of all Birmingham Council-owned golf facilities.<sup>23</sup>

### 5.3 RECOMMENDATIONS

Consultation with the nine city councils around New Zealand demonstrated the importance of a service level agreement (SLA) in the lease. For example, Hamilton City Council has an SLA in the leases of both of its courses and did not report any issues with the external operators. On the other hand Christchurch City Councils did not have an SLA in their lease and reported maintenance issues, escalating to the point of Council having to use its own resources for certain maintenance activities.

An SLA is mutually beneficial to both parties of the contract. The operators know exactly what is expected of them before entering the agreement and the owners know exactly what services they can expect. Should there be any disputes, the SLA clearly defines what is and is not expected.

An SLA must define in detail the provision of services, how they are to be provided and where and when they should be provided. Each individual service activity should outline an expected standard of performance depending on the importance of the activity and the budget allotted for the activity. Consequences should be clearly outlined if the provider fails to achieve the expected standard of performance as well as the critical stage of failure which would open discussions for terminating the agreement. It is important to also outline the monitoring and review process of services and the procedure for making any changes to the agreement.

Research of international Council-owned golf facilities identified several management structures with potential for hybrids of these structures. Each management structure has its merits for different situations so it is important that Council, when reviewing its role in the management and operation of golf facilities, address the following questions for each facility:

- What is Council trying to achieve through this facility? Participation? Revenue?
- What is the user profile of this facility? Is it a community level facility or is it a more commercially driven facility?
- What is the extent of involvement that Council wants to have in the management and governance of the facility? What resources does Council have available/willing to dedicate to management of the facility?
- What tolerance does Council have for financial risk in regards to this facility?

If the chosen structure is anything outside of full self-operation, creating a proper SLA will be of critical importance for Council as well as assigning a Council representative responsible for inspecting the facilities and ensuring compliance.

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<sup>22</sup> Birmingham Seeks External Operator to Manage City Golf

<sup>23</sup> Williams, Emma.

## 6. GLOBAL GOLF

It is generally accepted that modern golf evolved in Scotland during the Middle Ages. The game found international popularity in the late 19th century where it spread to the United Kingdom and then to the British Empire, the United States of America, throughout Europe and Japan. New Zealand golf history indicates that there were attempts to establish a golf course in Otago as early as 1871 and by 1890 the game in New Zealand began to flourish.

Golf is a genuine global game, with the sport in each country influenced by similar global technological, environmental and societal trends albeit with aspects of country unique situations.

### 6.1 GLOBAL CHALLENGES

There are a number of worldwide trends that have the potential to adversely (or positively) affect the sustainability of Golf Clubs. Three key trends that we observe as potential influencing factors are as follows:

- Increasingly varied and diverse sport, recreation and entertainment options available to people of all ages;
- Economic and societal factors that mean people are more selective with the use of their leisure time and so shorter duration, flexible sport, recreation and entertainment options become attractive (relative to golf's characteristics of being member based and a typical game involving 18 holes);
- Climatic changes that will lead to scarcity of water and so higher cost of water use/purchase.

Golf specific challenges and trends include:

- In many countries where the golf market is mature there is declining membership;
- In the emerging markets, for example China, Brazil and India there is growth in membership;
- Increasing scarcity of water is placing operational demands on golf courses;
- Advancing golf technology leading to longer golf courses therefore increasing the overall cost to deliver and play the game.

One of the relative strengths and points of difference for the sport of golf is that it is steeped in history and tradition. For some market segments this is part of the appeal and experience of playing the game. However this strength can also be an inhibitor to golf organisations' propensity to adapt to changing economic, societal and market forces.

### 6.2 MATURE GOLF MARKETS

A significant proportion of European countries and America are considered to be either mature or developed golf markets in terms of demand and supply of golf rounds.

In the United States of America golf is a significant industry. GOLF 20/20 published its first national report in 2002, which demonstrated that golf in 2000 was a \$62 billion industry, bigger than the motion picture and recording industries combined. A follow-

up report in 2007 confirmed that golf had grown to become a \$76 billion industry, with a total impact on the U.S. economy in 2005 of \$195 billion.<sup>24</sup>

In the United States of America, golf could be considered 'mature' as evidenced by annual participation (according to National Golf Foundation (NGF)) declining by 1.5% from 26.1 million to 25.7 million players and from 475 million rounds to 463 million rounds from 2010 to 2011. Additionally, there was a decrease in the number of courses opening from 46 to 19 in conjunction with the number of courses closing from 107 to 158 over the same period.

In Europe, after more than 20 years of growth, Europe's golf market experienced the first decline in golf participation, with a net loss of 46,000 registered players in 2011 as reported by KPMG.<sup>25</sup>

Nine countries experienced a decline in the number of registered golfers, but the most significant falls were in three large golf markets:

- UK & Ireland -42,700 (-3.1%), where the number of golfers has been falling since 2007;
- Sweden -21,000 (-4.1%);
- Spain -9,700 (-2.9%).

Over the same period, KPMG reported that no countries experienced a significant growth in golf supply.

### 6.3 EMERGING GOLF MARKETS

A report prepared by KPMG in 2011 stated that golf is a bellwether for economic conditions and reports that the number of golfers in Europe had more than doubled in the past 25 years, buoyed by economic growth and the spread of the game to both developed and emerging economies.

If golf is in fact a bellwether for economic conditions then this can possibly be seen in **Table 6**. Morgan Stanley Capital Markets compiles a list of emerging economies (MSCI Barra's List) which consists of 21 countries. The emerging economies listed by MSCI are:

Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, South Korea and Taiwan.

**Table 6** below lists the existing and planned golf courses of these Asia Pacific countries as at May 2012. Seven of the 21 countries identified as emerging markets are listed within this table and the majority are showing investment in new golf courses.

<sup>24</sup> <http://www.golf2020.com/research/economic-impact-reports.aspx>

<sup>25</sup> KPMG Golf participation in Europe 2011

Table 6: Asian Pacific Countries Existing and Planned Golf Courses as at 7 May 2012

Country	Existing			New Courses Planned or Under Construction			Total
	9 Holes	18+ Holes	Total	Total Proposed	Opening 2012	Opening 2013	
JAPAN - GYK	2269		2269				<b>2269</b>
JAPAN - MACHIKAWA	178		178				<b>178</b>
SOUTH KOREA - B-RAY	22	169	191	21	14	7	<b>212</b>
SOUTH KOREA - TOW GREEN	40	126	166	24	14	10	<b>190</b>
CHINA - HANGZHOU GARDEN	18	168	186	33	17	7	<b>219</b>
CHINA - FAT DRAGON	8	110	118	65	36	29	<b>183</b>
HONG KONG/MACAU	3	11	14	1	0	0	<b>15</b>
TAIWAN	5	59	64	0	0	0	<b>64</b>
PHILIPPINES	17	72	89	3	1	2	<b>92</b>
THAILAND	60	174	234	4	2	2	<b>238</b>
CAMBODIA	1	6	7	1	1		<b>8</b>
LAOS	2	7	9	1	1		<b>10</b>
WEST MALAYSIA	49	108	157	2	1		<b>159</b>
EAST MALAYSIA	9	21	30				<b>30</b>
BRUNEI	1	5	6				<b>6</b>
SINGAPORE*	3	23	26				<b>26</b>
INDONESIA	24	94	118	9	1	4	<b>127</b>
VIETNAM	0	29	29	62			<b>91</b>
INDIA - IPI			173	13	4	4	<b>186</b>
INDIA - SURGE			129	25			<b>154</b>
SRI LANKA	0	4	4	2	0	1	<b>6</b>
OTHER ASIA-BANGLADESH	5	9	14				<b>14</b>
SOUTH PACIFIC - FIJI, NC, TAHITI, SAMOA, VANUATU	15	11	26	1		1	<b>27</b>
NEW ZEALAND	130	258	388	3		2	<b>391</b>
<b>TOTAL</b>	<b>2859</b>	<b>1464</b>	<b>4625</b>	<b>270</b>	<b>92</b>	<b>69</b>	<b>4895</b>

#### 6.4 FUTURE GLOBAL TRENDS

The independent HSBC 2012 Report: Golf's 2020 Vision (global) describes the following future trends that will influence the sustainability of golf facilities in the future.

- Six and nine hole formats, and other short-forms, complement the 18-hole tradition;
- Golf clubs will become more family friendly. There will be family rooms instead of bars, holes set up for younger players, and certified women friendly facilities;
- Golf becomes more unisex. As more women come into the game, golf becomes the way for men and women to share leisure time—as cycling has done in some developed nation markets;

- Golf simulation games—using motion sensors and gestural interfaces—become mainstream;
- Gamers become golfers. Social gaming environments and family-oriented golf video games encourage people to move into the sport;
- The app as caddy: smartphone and tablet software helps golfers make the right choices, while sensors in equipment and on courses—the smart coach—help players learn from their mistakes;
- Golf becomes a centre of expertise in water management, conservation and biodiversity;
- The authorities change the rules about equipment to reduce the distances achieved by professionals and bring course lengths back under control.

Some of these forecast trends can be seen in golf products and facilities offered today as the industry attempts to retain current participants and attract new people to the sport.



## 6.5 NEW PRODUCTS OR PRODUCT TRENDS

New products can create opportunities to get more people into the sport of golf or retain existing golfers which are either impacted by time or by financial pressures. Outlined below is a select sample of evolving golf products and services.

### 6.5.1 Snag Golf

SNAGGOLF is a golf coaching system aimed at juniors and new golfers to enable them to easily learn and play golf.

SNAGGOLF can be easily set up anywhere which means juniors can have lessons at school, in the park or at the golf club. SNAGGOLF has the potential to help attract the non-golfer as a new consumer. In 2011 SNAGGOLF was officially launched in New Zealand; by 2012 only 13 golf clubs had embraced SNAGGOLF.



Figure 14: SNAGGOLF Equipment and Children Playing SNAGGOLF

In December 2012 it was reported that Pupuke Golf Club, Harbour Golf and SNAG Golf New Zealand had obtained funding through Kiwisport to deliver SNAG into local schools. The aim is to introduce over 1000 children to golf and subsequently offer after school programmes at the club, with the long-term goal of transitioning them to traditional golf.

### 6.5.2 Urban Golf (UK)

Urban Golf in the United Kingdom has three indoor venues across London. Urban Golf provides an opportunity for any player, from beginner to professional, to play, practice or learn. Each venue has a number of golf simulators which can be booked.



There are over 60 championship courses which can be played through the simulators. Benefits of Urban golf include:

- Located within the city;
- Gets all ages involved in the sport of golf;
- Fun and inexpensive;
- Does not have the operational expenses associated with green assets.

Urban Golf attracts the non-golfer to get involved in golf by providing an environment that is different to the traditional club and removes many of the barriers to entry. The Urban Golf environment includes:

- A club house and bar, which is welcoming and fun for similar demographics;
- Corporate and private parties;
- Golf Lessons often with others that are at a similar level in a relaxed environment.



Figure 15: Urban Golf Simulators

### 6.5.3 60 60 Golf

60 60 Golf was launched in 2012 in the United Kingdom as a fast and affordable alternative to traditional rounds of golf by providing purposeful practice. Players are challenged to hit balls to driving range targets (as in Figure 16) and score their game on the free-to-download smart phone app. With targets from 20 to 200 yards, 60 60 Golf is playable by any level of golfer, making it an ideal way for adults and children to get into golf. The smart phone app enables the player to get a score therefore providing the player something to beat which encourages people to come back to the driving range.



Figure 16: 60 60 Golf Targets

#### 6.5.4 Executive 6, 9 or 12 hole Courses

As people are becoming increasingly selective with their leisure time choices, some are seeking short and flexible options for sport, recreation and entertainment. Executive courses of 6, 9 or 12 hole format are becoming more common.

Two main types of executive course have evolved;

- A "6, 9 or 12 hole course" with an overall par rating much less challenging than a traditional 18 holed course;
- A "6, 9 or 12 hole Par 3 course" which features only par-3 holes.

These courses provide a faster pace of play than a standard course, and get their name from their target patronage of business executives who would play the course on a long lunch or as part of a meeting. These are popular with young professionals as well since the course can be played in an evening between the end of the work day and sunset. These courses also have the opportunity to target beginners (as an introductory course), women who wish to play a shorter game and youth.

The NZ Member and Participation Survey conducted in 2008, which sought to understand the purchasing determinants and attitudes towards club memberships for New Zealand golfers, recommended the promotion of 9 hole playing formats.

#### 6.5.5 Modern Practice Facilities

Leeds Golf Centre in the United Kingdom is one of the busiest and biggest facilitators of junior golf in the United Kingdom. This facility targets juniors by providing:

- A junior friendly environment;

- A 6060 Golf facility at the driving range (refer 6.5.3);
- Open to boys and girls between the ages of 4 to 16;
- Programmes specifically designed for juniors; each progression stage runs for 8 weeks. Progress can be tracked online and upon completion of a stage, each junior receives a certificate.

The practice facilities also include the following:

- 15 bay, flood-lit driving range with three mirrored bays;
- Two additional heated teaching bays with mirrors;
- Grass tee;
- Putting green (grass);
- Chipping green (grass with Huxley matt teeing area);
- Practice bunker;
- Practice fairway and pitching green.

## 7. GOLF TOURISM

### 7.1 TOURISM IN NEW ZEALAND

Golf tourism in many countries is a significant contributor to the country's GDP. For example, the European golf tourism market is estimated to be valued at EUR 7.2 million to Europe's economy.

Alternatively, in Canada, a report on the Economic Impact of Golf in Canada states that from SNG's primary research, Canadian golfers spend an estimated \$1.8 billion annually on golf related travel within Canada and \$1.7 billion on golf related travel outside of Canada.

In New Zealand, the tourism industry plays a significant role in the New Zealand economy. In the year ended March 2012, international tourism's contribution to total exports was \$9.6 billion (15.4% of exports) making the tourism industry one of the bigger export sectors for New Zealand. The Tourism Satellite Account: 2012 prepared by Statistics NZ reports on the contribution made by tourism to the New Zealand economy<sup>26</sup>. This report states that in 2012 tourism generated a direct contribution to GDP of \$6.2 billion, or 3.3 percent of GDP.

*Table 7: International Tourism Expenditure Compared with Selected Primary Exports Year Ended March 2009–12<sup>27</sup>*

	2009	2010	2011	2012
	NZ \$ (million)			
<b>International Tourism</b>	9,344 R	9,243 R	9,409 R	9,558
<b>Dairy Products Including Casein</b>	9,975	8,972	11,576	12,704
<b>Meat and Meat Products</b>	5,432	4,997	5,199	5,389
<b>Wood and Wood Products</b>	3,425	3,604	4,403	4,319
<b>Seafood</b>	1,289	1,201	1,350	1,388
Symbols: R = revised				

The year ended 2012, there were a total of 2,348,684 international visitors to New Zealand. Of these, 90% were either fully or semi-independent travelers and the

<sup>26</sup> Statistics New Zealand (2012). Tourism Satellite Account: 2012. Wellington: Statistics New Zealand. Available from [www.stats.govt.nz](http://www.stats.govt.nz).

<sup>27</sup> Source Statistics New Zealand

remaining 10% of visitors were either in tour groups or package travelers. In 2012 66% of visitors to New Zealand travelled through Auckland, compared to 76% in 1997. The data sourced from Statistics NZ shows that the visitors travelling through Auckland consistently decreased year on year, however all other regions either decreased during that time period as well or remained static. At 66% Auckland represents the gateway to New Zealand with 40% more visitor 'traffic' than any other region.

During 2011, 2% (which equates to 47,694 international visitors) played golf. Since 1997 this figure has ranged between 2% and 4%.

Table 8: International Tourist Sport and Recreation Activities Undertaken

	<b>Sport &amp; Recreation Activity</b>	<b>Percentage of Tourists That Participated in the Activity</b>
1	Walking And Trekking	73%
2	Swimming	8%
3	Other Sports	7%
4	Canoeing, Kayaking, Rafting	5%
5	Fishing	5%
6	Snow Sports	4%
7	Bungy Jumping	3%
8	Cycle Sports	3%
9	Motor Sports	2%
10	Golf	2%
11	Sky Diving/Parachuting	2%
12	Horse Trekking/Riding	1%
13	Hunting/Shooting	1%
14	Paraponting	1%
15	Climbing	1%
16	Ballooning	0%

A recent media release from the International Association of Golf Tour Operators (IAGTO) April 2013 stated that New Zealand tourism was up 8.5% in February 2013 and that this figure mirrors increases in cruise ship traffic at the country's top two golf venues, Kauri Cliffs in Bay of Islands and Cape Kidnappers in Hawkes Bay.

The media release states that golf clubs that locally receive the cruise ships with longer port stays may get 20 or 30 golfers showing up on short notice.

Table 9 lists the main cruise ship ports in New Zealand and the corresponding Championship level course within a 30 minute drive of the port.

Table 9: Cruise Ship Ports on New Zealand Main Land (Excludes Fiordland and Islands)

Port	Region	Golf Courses Located within ½ hour
Akaroa, New Zealand	Canterbury	-
Auckland, New Zealand	Auckland	Formosa Gulf Harbour Titirangi The Grange Remuera Royal Auckland Muriwai North Shore
Bay of Islands, New Zealand	Northland	Carrington Kauri Cliffs
Christchurch (Lyttelton), New Zealand	Canterbury	Clearwater Russley Harewood Christchurch Pegasus
Dunedin (Port Chalmers), New Zealand	Otago	Otago
Kaikoura, New Zealand	Canterbury	-
Napier, New Zealand	Hawkes Bay	Cape Kidnappers Hastings Napier Poverty Bay
Nelson, New Zealand	Nelson	Nelson
Picton, New Zealand	Marlborough	-
Tauranga, New Zealand	Bay of Plenty	Mt Maunganui Tauranga

Port	Region	Golf Courses Located within ½ hour
Timaru, New Zealand	Canterbury	
Wellington, New Zealand	Wellington	Royal Wellington

In April 2013, Prime Minister and Tourism Minister John Key announced details of Budget initiatives for tourism including \$20 million to attract high-value visitors.

As part of a larger internationally-focused growth package, the Government is investing an additional \$158 million in tourism through Budget 2013 to attract more visitors to New Zealand, particularly high-spending visitors.

This presents a significant opportunity for international level golf courses to support this initiative and grow their business. NZ Golf and NZ Tourism need to ensure that there are golf courses which meet the needs and expectations of international visitors.

## 7.2 POPULAR GOLF DESTINATIONS

New Zealand does not feature amongst the most popular golf tourism destinations. A report conducted in 2012 by KPMG, *Golf Travel Insights 2012*, reported that the most popular destinations in 2011 continued to be Spain and Portugal, together with the UK and Ireland, while emerging destinations like Thailand, Vietnam and Turkey were increasing.

The United States traditionally has a very strong domestic golf tourism market, while Argentina and the Dominican Republic have become more popular outbound tourism destinations for US citizens.



Figure 17: Most Popular Golf Tourism Destinations<sup>28</sup>

<sup>28</sup> Source: KPMG Golf Travel Insights 2012



### 7.2.1 Tourist expectations

The KPMG *Golf Travel Insights 2012* report stated that golf tourists care most about the quality of the golf courses at a destination; however the report states that tourists are becoming more and more price sensitive. Accessibility remains a key factor, and particularly the availability of direct flights to a golf destination plays an important role.

In regards to playing activities, a golf tourist generally plays 4-6 rounds of golf on 3-5 different courses in a one-week golf holiday.

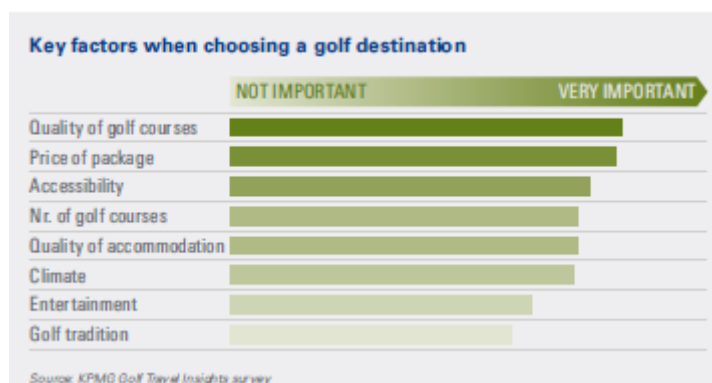


Figure 18: Key factors for Golf Tourists when Choosing a Destination<sup>29</sup>

<sup>29</sup> Source: KPMG Golf Travel Insights 2012.



## 8. GOLF ENVIRONMENT IN NEW ZEALAND

As early as 1871 there were attempts to establish a golf course in Otago and by 1890 golf had started to flourish in the South Island. In 1903 there were 15 golf courses in New Zealand and by 1924 the number of courses had increased to 100 with 10,000 members. Interestingly, of the 10,000 members 4,000 were women.

Today in New Zealand there are 393 golf clubs, the majority with their own course, within a population of approximately 4.4 million residents. This provides one golf course per 11,209 residents compared to for example Auckland which has one golf course per 38,659 residents (2012).

### 8.1 THE SURVEY

The National Survey was conducted among 358 of the 393 golf clubs in New Zealand. The results from the National Survey have formed the basis of analysis of the golf environment in New Zealand. Of the 358 clubs surveyed within New Zealand:

- 219 golf clubs responded to the Survey;
- Of the 219 golf clubs, some golf clubs only partially completed the Survey.

For purposes of the financial analysis - if the operating surplus for the golf facility was 2 standard deviations or more from the mean regional operating surplus, that facility was considered an outlier and excluded from the financial analysis.

Golf facilities within regions were split into rural and urban golf facilities. Urban golf facilities were golf facilities which were within 50km of an urban centre. Urban centres are the main city within a region. The urban centres in New Zealand are the following major cities:

- Whangarei;
- Auckland;
- Hamilton;
- Tauranga and Rotorua;
- Gisborne;
- Palmerston North;
- New Plymouth;
- Wellington;
- Nelson;
- Christchurch;
- Dunedin;
- Invercargill.

The data gathered through the Survey is presented in the form of indicators. Indicators were developed in conjunction with NZ Golf in order to compare the clubs in meaningful ways.

#### **Club Classification**

The Club Classification indicator was developed to enable analysis of the type and provision of different facilities in New Zealand. This is one of the indicators that will help to provide an understanding of the range and type of facilities available. The classifications developed were:

- Traditional Entry-Level**
  - Open membership
  - Junior membership
  - Female membership
  - Introductory coaching
  - Full public club or small membership
  - Readily available green fee times
  - Practice putting area
- Traditional Mid-Level Club**
  - Open membership
  - Junior membership
  - On-site or off-site professional
  - Readily available green fee times
  - Practice putting area
  - Driving range
- Traditional Upper-Level**
  - Practice putting area
  - Practice short game area
  - Driving range
  - Championship course
  - On-site professional
  - Professional shop
  - Club House
  - Bar/Café/Restaurant

Some Golf Facilities span two classifications and are not clearly one or the other. In these cases they are classified under two classifications, for example Traditional Entry – Mid Level. Figure 19 below is the current club classifications (for clubs that responded to the survey) in New Zealand.

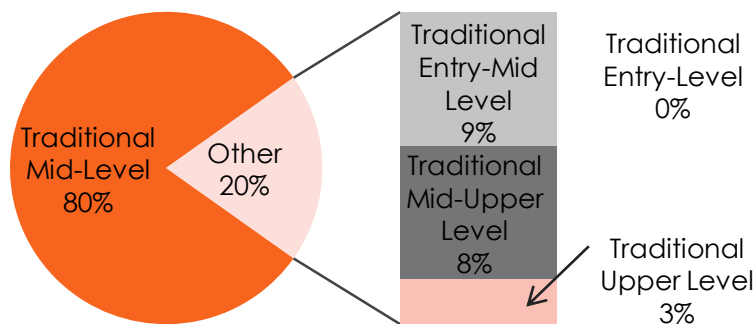


Figure 19: National Golf Club Classifications

Under this classification the vast majority of the clubs in New Zealand, 80%, are Traditional Mid – Level Clubs with the only key differentiator being location. There are no club facilities in New Zealand that operate solely as Traditional Entry Level Clubs, 9% are Traditional Entry-Mid Level Clubs and 11% of the clubs are classified as either Traditional Mid -Upper Level or Traditional Upper Level Clubs.

**Predominant User Group:**

The Predominant User Group indicator was developed to enable understanding of who was using golf facilities in New Zealand.

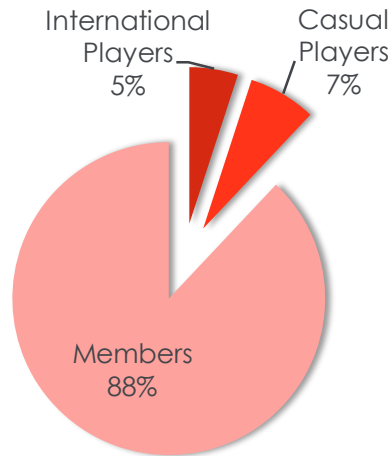


Figure 20: Predominant User Groups of New Zealand Golf Facilities

In New Zealand the predominant user group of golf facilities is members, 88%, followed by casual players, 7% and 5% international / tourists.

It is not surprising that members are the predominant user group given, as shown in Figure 19, 80% of the facilities provided are Traditional Mid-Level Clubs.

Note: The predominant user group was determined by:

- members = more than 50% of rounds played<sup>30</sup> at that club were by members of that club;
- casual = 50% or more of rounds played at the clubs were played by casual golfers or members of other clubs).

### Rounds Supplied

The 358 golf facilities in New Zealand supply a total of approximately 30,842,350 rounds in a year<sup>31</sup>.

The number of rounds supplied (capacity) was calculated by assuming one tee-off time every 8 minutes and available to groups of 4. "Down-days" have been subtracted for each day of maintenance, bad weather and December 25th.

### Utilisation

Utilisation is the number of rounds played as a percentage of the capacity (supply). The average utilisation in New Zealand, based on the estimated number of rounds played, is 13%<sup>32</sup>.

<sup>30</sup> Note: rounds data was obtained from Dot Golf with the exception of Wattle Downs (no data on Dot Golf so used their survey response).

<sup>31</sup> Total rounds supplied was calculated for all clubs that responded to the survey taking into account that club's "down-days". For clubs that did not respond to the survey, the average rounds supplied at clubs in the same region was used.

Throughout New Zealand Clubs in urban areas averaged 16% utilisation and clubs in rural areas averaged 8% utilisation.

## Fees

Playing fees vary greatly across different regions in New Zealand, the national average for these fees are<sup>33</sup>:

- Average membership fee across New Zealand= \$634.90, for golf clubs in urban areas the average is \$774.40 and in rural areas \$447.48;
- Average affiliated green fee = \$35.05, for golf clubs in urban areas the average is \$40.81 and in rural areas \$27.22;
- Average non-affiliated green fee = \$38.61, for golf clubs in urban areas the average is \$42.46 and in rural areas \$33.40.

## Quality of Service

The Quality of Service indicator was developed to enable analysis of the quality and provision of the services offered at the golf clubs in New Zealand. This indicator can then be used to compare quality of service against fees and utilisation to understand if there is any correlation and subsequent impact on sustainability of the golf course.

The Quality of Service provided at each golf club was calculated by taking into consideration of the following:

- The provision and quantity of practice facilities, which include:
  - Driving ranges, covered or open, and length;
  - Chipping, pitching, putting practice areas;
  - Practice bunker;
  - Practice short game area.
- The quality of the course (rated by a selection of players and NZ golf employees) and included assessing:
  - Quality of greens;
  - Quality of fairways and rough;
  - Quality of water hazards and bunkers;
  - Overall turf quality.
- The provision and quantity of built assets offered:
  - Bar, sprig bar, café, restaurant;
  - Conference facility, meeting room;
  - Gym, spa, swimming pool;
  - Changing rooms;
  - Pro shop.
- The Condition of Built Assets was assessed through the club response to the survey questions related to condition and investment over the last 10 years.

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<sup>32</sup> National utilisation was calculated by dividing the total number of rounds played (Dot Golf data for the 219 clubs that responded) by the total rounds supplied at the 219 clubs that responded to the survey.

<sup>33</sup> Based on clubs included in the financial analysis.

- The provision and quantity of coaching, programmes and administration, this was assessed through:
  - Coaching and junior coaching;
  - Female groups;
  - Roving and on-site NZPGA professionals;
  - Links to primary schools, secondary schools and community programmes;
  - Online booking systems, credit card bookings;
  - Readily available green fee times;
  - Card printing.
- The provision and quantity of Equipment for Hire, which included clubs, trundlers and carts.
- The provision and quantity of different membership options, which included different types of memberships offered to suit different player circumstances.

[Note: clubs that did not respond to the survey or stopped responding part way through did not have data for the above indicators. An average for each indicator was calculated amongst the clubs that did respond to the survey. This average was used for clubs that did not respond to the survey so that their lack of data would not skew the results.]

The average Quality of Service offered in New Zealand is 4.9 (out of 10). The Quality of Service offered at individual facilities ranged from 2 to 8.2.

Figure 21 shows the relationship between the average quality of service provided across New Zealand regions<sup>34</sup> and average utilisation in each region.

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<sup>34</sup> Canterbury includes Aorangi South Canterbury District. Auckland includes North Harbour District.

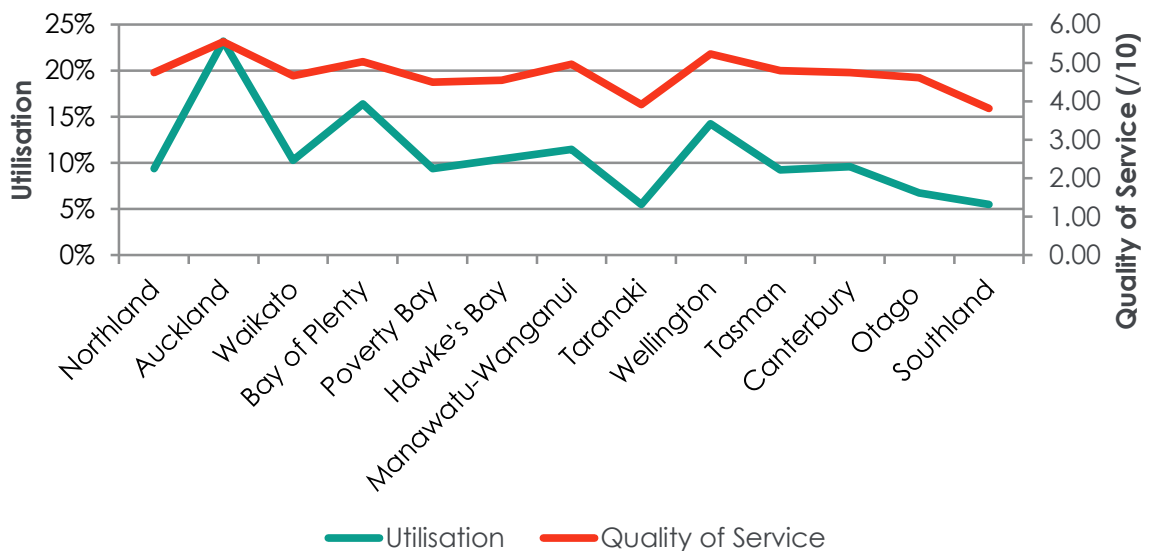


Figure 21: Quality of Service versus Utilisation across New Zealand

As can be seen in Figure 21, golf facilities that provide a higher quality of service tend to have greater utilisation.

One would assume that the number of maintenance activities within a region has a direct correlation with the course quality. Figure 22: **Course Quality versus Average Number of Maintenance Activities across New Zealand** below illustrates the relationship between course quality and the average number of maintenance activities across New Zealand. The correlation is strongest in the south island where the course quality decreases with the decreasing number of maintenance activities.

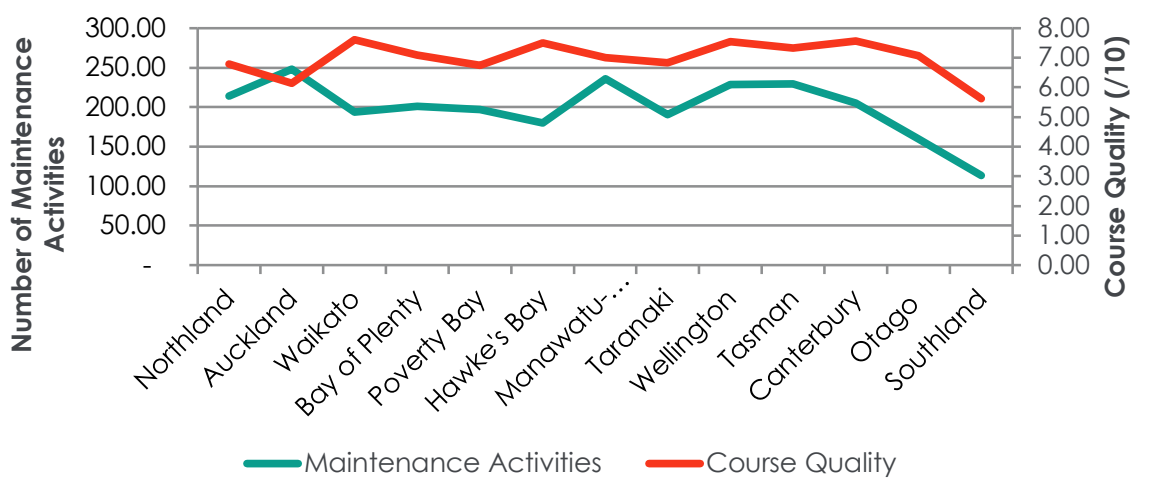


Figure 22: Course Quality versus Average Number of Maintenance Activities across New Zealand

To identify why the number of maintenance activities varies across the country and subsequently why the average course quality varies with operating income,

operating expenditure was graphed against the average number of maintenance activities across New Zealand, as seen in Figure 23.

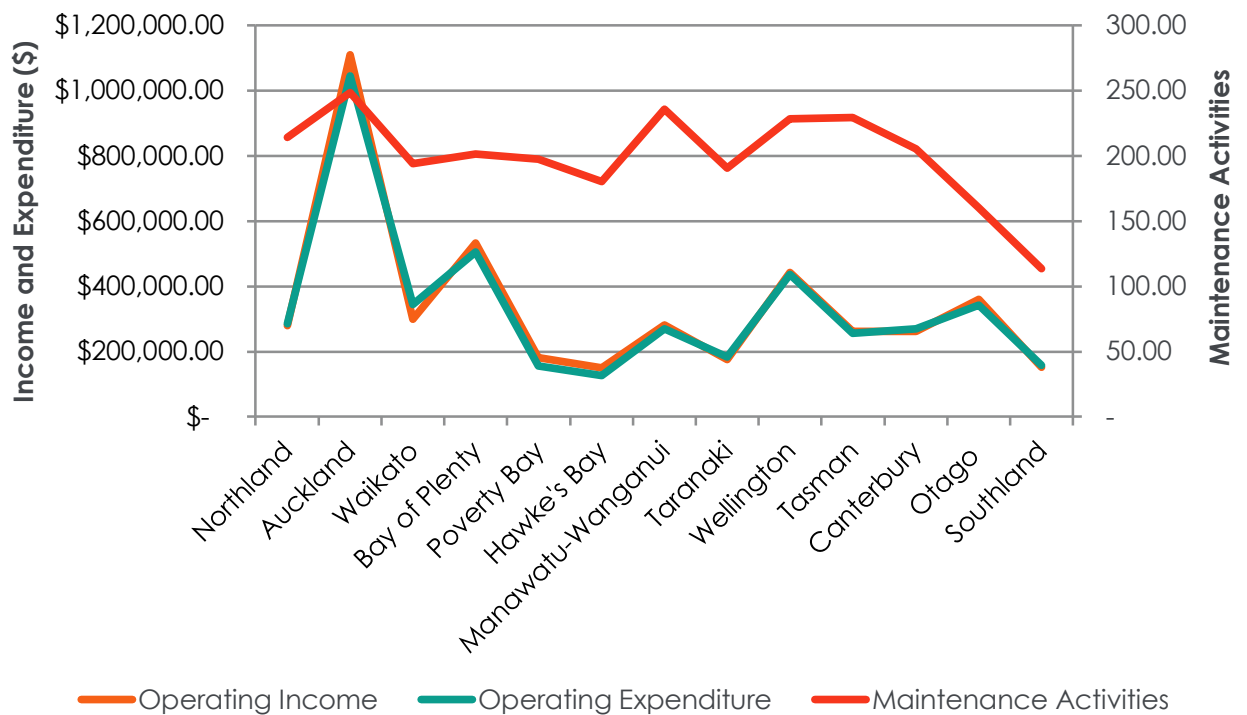


Figure 23: Operating Income and Expenditure Compared to the Average Number of Maintenance Activities across New Zealand

Firstly, Figure 23 illustrates the strong correlation between operating income and operating expenditure i.e. golf clubs spend what they generate in revenue. The number of maintenance activities is clearly influenced by operational income.

Operating income and the number of maintenance activities decreases from north to south. Figure 24 to Figure 26 illustrate possible explanations. Figure xx compares the average annual number of wet days per region with the average number of maintenance activities. There is a strong positive correlation between wet days and the number of maintenance activities (the outlier is Otago and Southland and this may be due to a poor sample obtained through the national survey).

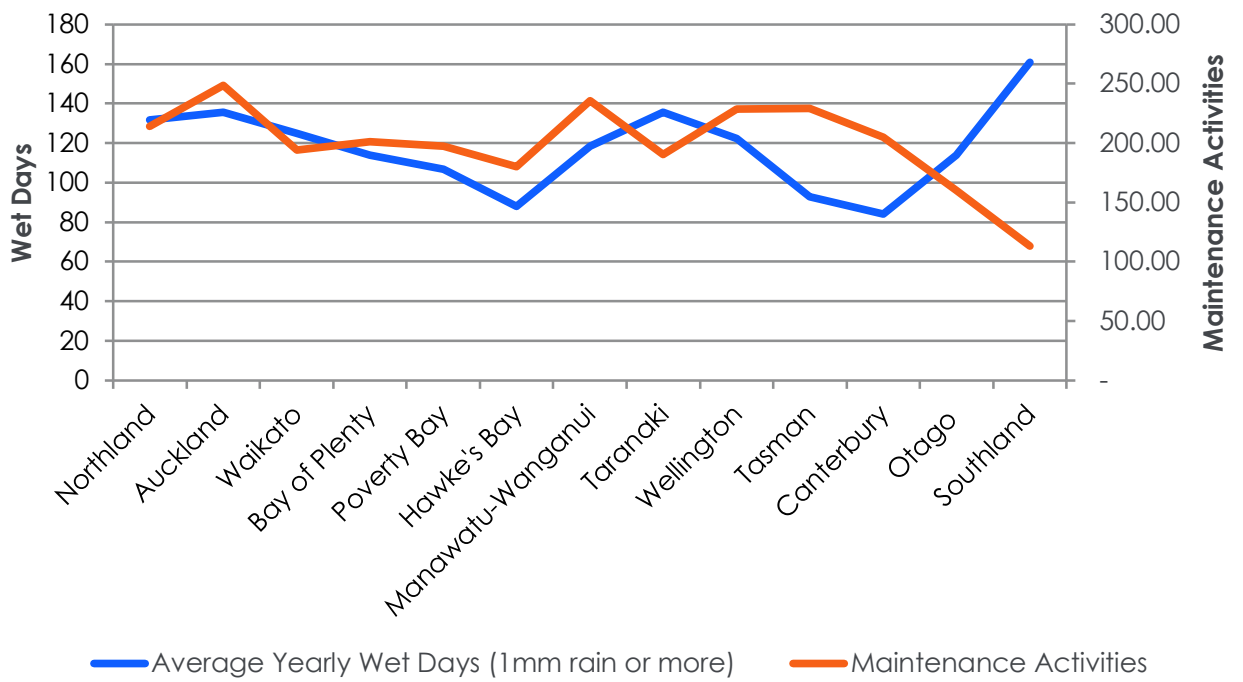


Figure 24: Operating income and expenditure compared to the Average Number of Maintenance Activities across New Zealand

Figure 25 and Figure 26 should be read together, these figures compare operating income against utilization and population respectively. There is a strong relationship between the regional population, operating income and utilisation. This highlights the observed critical issue for rural and low population density regions in New Zealand.



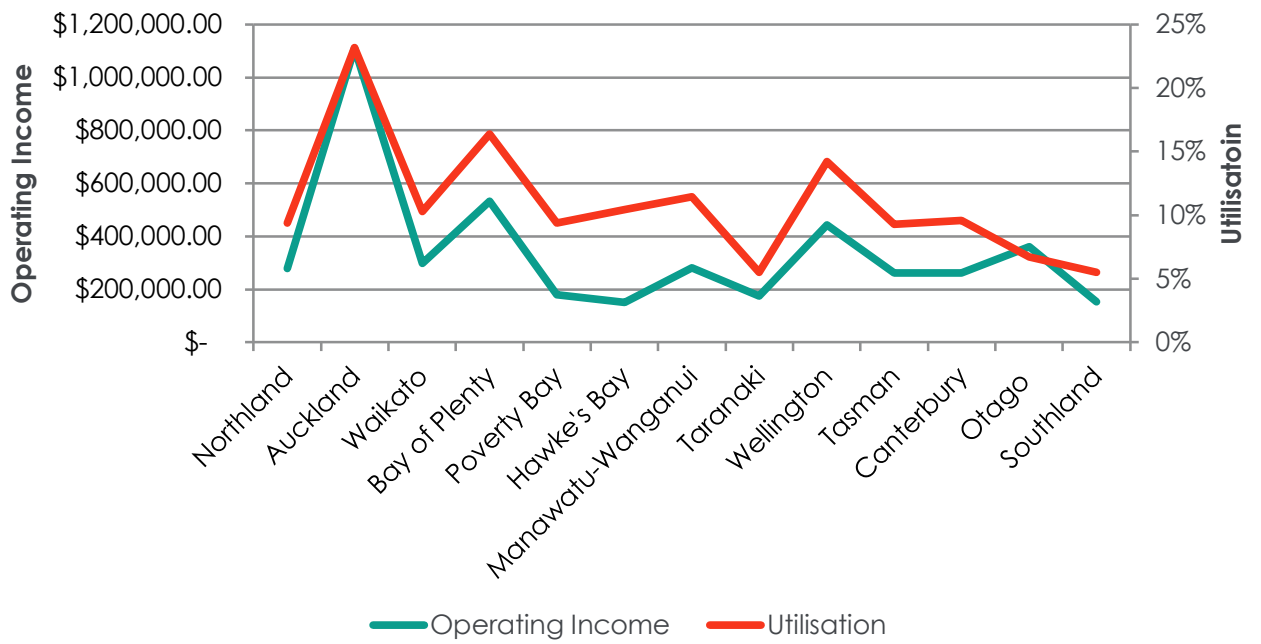


Figure 25: Operating Income Compared to Utilisation across New Zealand

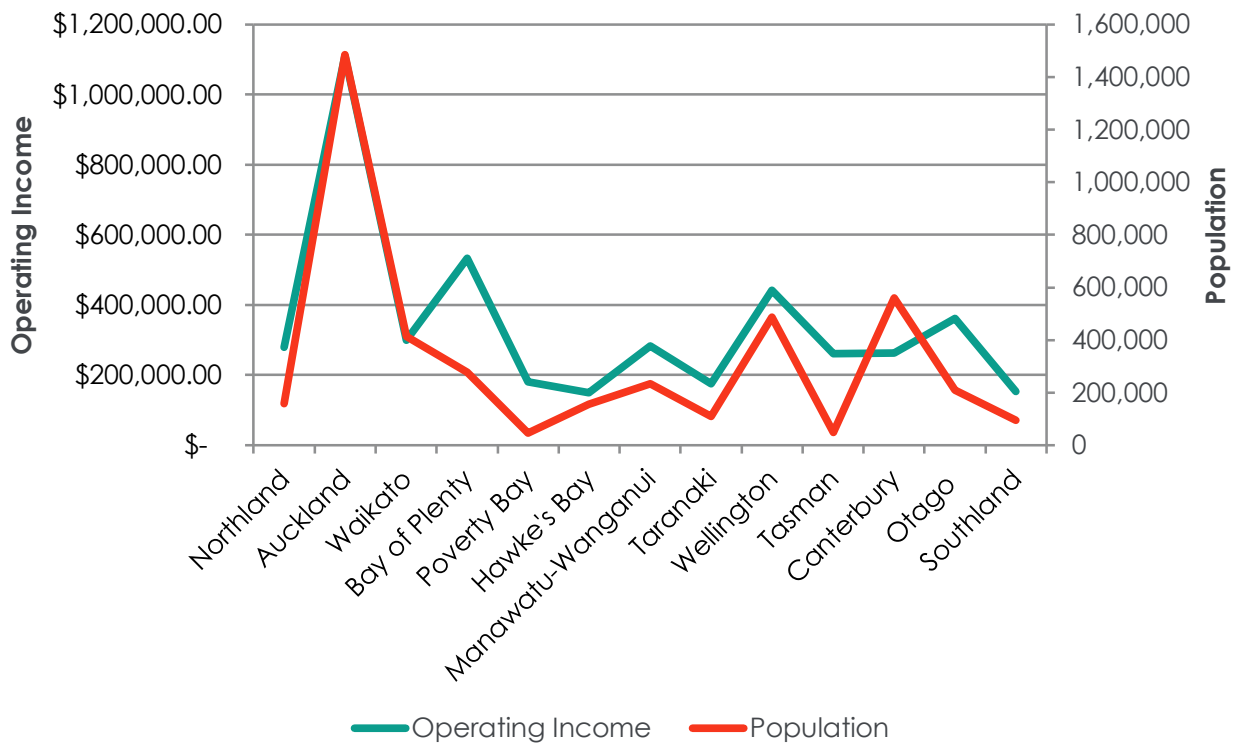


Figure 26: Operating Income Compared to the Regional Populations across New Zealand

## 8.2 RURAL VERSUS URBAN GOLF CLUBS

The golf clubs were also analysed based on whether they were a rural or urban golf facility. Of the 393 golf clubs in New Zealand, 358 were surveyed:

- Approximately 47% are urban clubs, of which 76% responded to the survey;
- Approximately 53% are rural clubs of which 48% responded to the survey.

Figure 27 below compares the change in proportion of the national population which is rural and urban to the proportion of golf clubs which are rural and urban over the years 1906, 1956 and 2011.

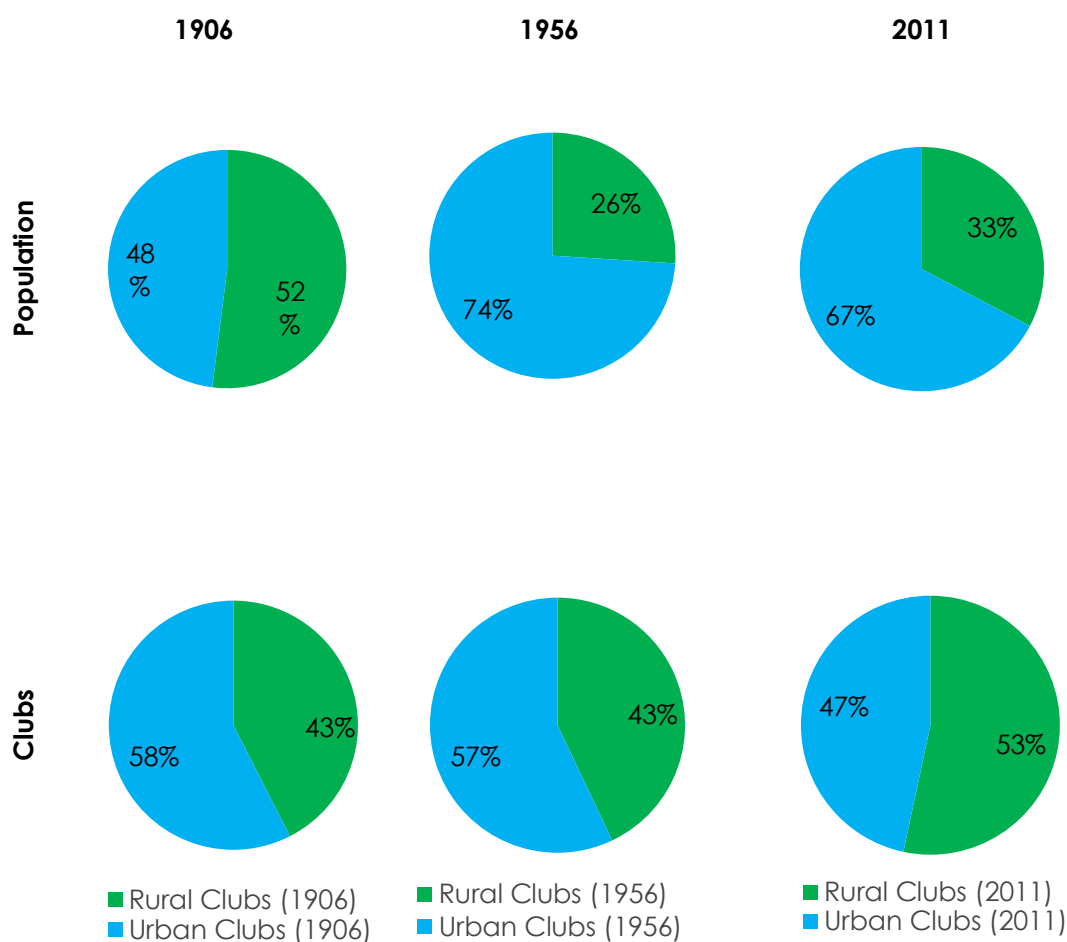


Figure 27: Establishment of Golf Courses in New Zealand in Rural and Urban Areas and Compared to the Urbanisation of the New Zealand Population

The proportion of the national population which is urban has increased since 1906 and the proportion of urban golf clubs has decreased over the same period. The number of golf clubs in rural areas has increased with a decreasing proportion of the population.

The Table 10 to Table 14 compare rural versus urban golf facilities with a summary of indicators.

Table 10 below summarises the average number of members and the playing fees for rural and urban golf facilities.

Table 10: Comparison of Members and Playing Fees at Urban and Rural Golf Facilities

Indicator	NEW ZEALAND URBAN	NEW ZEALAND RURAL
Average Number of Members	317	197
Average Membership Fee	\$774.40	\$ 447.48
Average Affiliated Green Fee	\$40.81	\$ 27.22
Average Non-Affiliated Green Fee	\$42.46	\$ 33.40

The membership fees for rural golf facilities are significantly less than for fees in urban golf facilities.

According to the New Zealand Income Survey (2006 income survey), the median personal income in rural areas with low urban influence was slightly below the median personal income in main urban areas however it was above the national average. In contrast median personal incomes in satellite or independent urban areas were significantly below the rural median personal incomes.

The following information in Table 11 is the median personal income from the 2006 Census resident population aged 15 years and over. This demonstrates that median personal income levels do not vary significantly between rural and urban areas however golf club membership fees in rural areas are significantly less than in urban areas.

Table 11: Median Personal Income in Varying Rural and Urban Profile Areas

Urban/rural profile areas	Median Personal Income in 2006
Main urban area	25,000
Satellite urban area	21,800
Independent urban area	21,000
Rural area with high urban influence	28,600
Rural area with moderate urban influence	25,200
Rural area with low urban influence	24,300
Highly rural/remote area	23,100
Area outside urban/rural profile	25,200
Total New Zealand	24,400

Table **12** compares the level of maintenance with course quality and quality of service between rural and urban clubs.

Table 12: Level of Maintenance, Course Quality and Quality of Service in Rural and Urban Areas

Indicator	NEW ZEALAND URBAN	NEW ZEALAND RURAL
Average Maintenance Down Days	4.0	2.4
Average Number of Maintenance Activities	222	186
Course Quality	7.0	6.9
Quality of Service	5.2	4.5

On average rural clubs appear to deliver a very similar quality of course for significantly less maintenance activities although with a reduced quality of service. Rural courses on average have less maintenance down days compared to urban courses.

Table 13: Urban versus Rural Net Profit/Loss per Round

Indicator	NEW ZEALAND URBAN	NEW ZEALAND RURAL
Average Price per Round (Playing Income/Number of Rounds Played)	\$34.02	\$18.18
Average Revenue Generated per 18 Hole Round (Total Income* / # Rounds Played) *Includes charitable grants and donations.	\$87.38	\$36.11
Revenue generated from other activities	\$53.36	\$17.93
"Average Cost Per Round (Opex/# Rounds Played)	\$47.84	\$33.99
Net Profit/Loss per Round	\$39.55	\$2.12

Table 13 shows that urban courses appear to be able to generate three times more revenue from other (non-playing) activities than rural courses, yet in Table 14 the profitability of urban courses is not significantly different from rural courses.

Table 14: Urban versus Rural Operating Income and Expenditure

Indicator	NEW ZEALAND URBAN	NEW ZEALAND RURAL
Average Operating Income Excluding Outliers	\$ 562,071	\$ 255,054
Average Operating Expenditure Excluding Outliers	\$ 560,039	\$ 242,070
Average Operating Profit Excluding Outliers	\$ 2,032	\$12,983
Expenditure/Income Excluding Outliers	96%	97%

## 8.3 PERCEIVED OPPORTUNITIES AND THREATS

### 8.3.1 Threats

The survey of New Zealand golf clubs revealed that the two most common perceived threats to viability were declining membership rates within clubs and the age of the clubs' current members. Approximately 44% of all responses contained a reference to either declining membership rates or aging members as being a threat (23% of clubs referring to membership numbers and 21% referring to age).

Competition was also considered a threat, mainly perceived as being caused by physical proximity to neighbouring clubs (8%). However, competition from other clubs in the form of reduced green and/or membership fees, as well as "discount deals" (bulk buy deals from websites) were also mentioned (4%). There was also perceived competition with other sport or leisure activities.

A further concern centred on New Zealand's economy, with approximately 14% believing that the decline in members and/or casual players due to reduced disposable income was a threat. This was also reflected in clubs' concerns about the increased costs they were faced with (referred to in 8% of responses).

There were also many unique responses from clubs articulating perceived threats specific to the area, such as the potential to lose leased land.

### 8.3.2 Opportunities

The survey revealed that the primary opportunity clubs wished to pursue was to increase their numbers of casual or "greens fee" golfers (12% of responses). Increasing golf memberships was also considered to be an opportunity (10%).

Clubs also believed an opportunity existed in targeting and attracting specific demographics of golfers to the sport, with 8% identifying younger golfers as a target and 3% identifying "baby-boomers". Attracting members from the local community, "first-time" golfers and golfers from other clubs were also referred to (collectively 6%).

Another opportunity noted by clubs was diversifying to provide other services, such as private venue hire and corporate events (8%). Clubs also identified tourism as an opportunity (8%).

Four regions - Christchurch, Waikato, Wellington and Otago believed expanding populations around their areas created an opportunity, as this would increase membership and/or casual golfers (8% of responses). Clubs from the Christchurch region made up 3% of this, often referring to the development taking place in the area; clubs from Waikato making up 2.5%, referring to the urban sprawl of Auckland; Wellington clubs making 1.7% and one club from Otago referring to this opportunity.

## 8.5 CLUB DIFFERENTIATION

The survey asked 'What does your club offer that differentiates you from other clubs in the region?'

Many clubs struggled to identify specific, differentiating factors that set them apart from other clubs, with most clubs simply mentioning their well maintained and scenic fairways, and/or friendly staff. Clubs seemed unable to properly differentiate themselves from other clubs in New Zealand in terms of services or operation. The few points of difference we did note from the survey were:

- Offering a 6 hole short course – Napier;
- Offering free coaching clinics – Whangarei;
- Providing complimentary regional facilities – Alexandra;
- Emphasising sustainability - Port Chalmers;
- Offering a junior programme – Manaia;
- Offering covered practise facilities – Manukorihi;
- Hosting National tournaments – Hastings; and
- Its status as a Championship golf course – Cape Kidnappers, Hawkes Bay.

## 8.6 NEW ZEALAND FACILITY LANDSCAPE / PORTFOLIO

The analysis was conducted over 13 regional areas in New Zealand. These regional areas are:

- Northland;
- Auckland (North Harbour District and Auckland District);
- Waikato;
- Bay of Plenty;
- Poverty Bay & East Coast;
- Hawkes Bay;
- Manuwatu-Whanganui;
- Taranaki;
- Wellington;
- Tasman (Nelson, Marlborough, West Coast);
- Canterbury (Canterbury District and Aorangi South Canterbury District);
- Otago;
- Southland.

A table for each region is provided in Appendix 1, outlining the golf clubs in each region, whether the club responded to the survey, if it is a rural or urban club, the year the club was founded and the number of holes on the course.

# Northland

## Whangarei



### KEY STATISTICS

51%

Of Northland's populations is urbanised.

7%

Of New Zealand's rounds of golf are supplied by Northland.

6%

Of New Zealand's rounds of golf are played in Northland.

9%

Average utilisation in Northland. National utilisation is 13%.

65%

Of Northland golf courses are 18 holes.

The population of Northland is 158,300, representing 4% of New Zealand's population, and is projected to grow to 173,500 by 2031. Northland has a moderately dispersed population with a density of 11.5 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Whangarei with 51% of Northland's population.

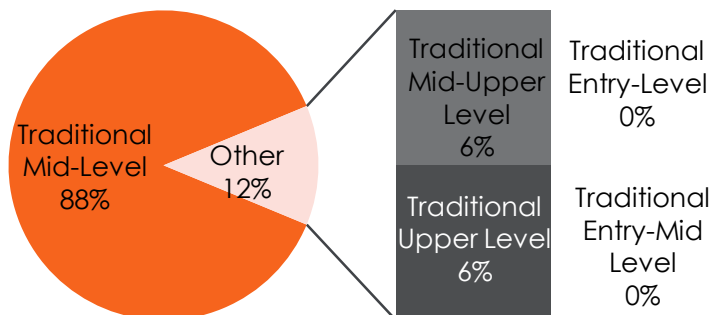
There are 26 golf facilities in the Northland region. Of the total rounds of golf played across New Zealand, approximately 6% of rounds are played in Northland. The average utilisation in Northland is 9%, below the New Zealand average of 13%. Northland golf facilities range from 1% to 19% utilisation.

As of 2011, there were approximately 6,088 residents per golf facility in Northland. The golf facilities in Northland are dispersed across the region as follows.



17 clubs of the 26 clubs in Northland responded to the survey and are used for the below analysis.

94% of Northland golf facilities are used predominantly by members playing at their home club. Northland clubs are currently classified as shown below.



The average age of Northland residents is 41 and the average personal income is \$30,992. This income is below the Auckland average of \$38,064 and below the national average of \$36,556.



It is generally less expensive to play golf in Northland. The average membership fee is \$554.00 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee is \$36.36 compared to the average Auckland non-affiliated green fee of \$54.77 and the New Zealand average of \$38.61.



	Northland Region	Urban Whangarei	Northland Rural	New Zealand
Average Number of Members	220	171	238	266
Average Membership Fee	\$ 554.00	\$ 556.67	\$ 553.00	\$ 634.90
Av Non-Affiliated Green Fee	\$ 36.36	\$ 36.67	\$ 36.25	\$ 38.61
Course Quality	6.8	6.7	6.8	7.0
Quality of Service	4.8	4.7	4.8	5.5

Aligned with the lower membership fees and green fees, Northland has a lower level of service at its golf facilities. When rated out of 10, the average quality of service provided at Northland golf courses is 4.8 compared to 5.5 across New Zealand. With regards to the quality of the course specifically, Northland courses average 6.8 out of 10 compared to 7.0 across New Zealand.

Rural golf courses average 220 maintenance activities compared to urban courses with 200 maintenance activities, which is lower than the national average of 207.

	Northland Region	Urban Whangarei	Northland Rural	New Zealand
Av. Maintenance Down Days	2.41	2.83	2.25	3
Average Number of Maintenance Activities	214	200	220	207

In Northland, the average operating income (with outliers excluded) is significantly lower than the national average of \$431,965. Operating expenditure for golf facilities in Northland is also significantly less than the national average of \$425,108. Additionally, 6% of golf facilities in Northland rated their own built assets as "old condition, requires significant future investment."

	Northland Region	Urban Whangarei	Northland Rural	New Zealand
Av Operating Income	\$ 279,606	\$ 262,889	\$ 285,875	\$ 431,965
Av Operating Expenditure	\$ 284,487	\$ 276,629	\$ 287,434	\$ 425,018
Expenditure/Income	102%	105%	101%	98%
Av Revenue per 18 Hole Round	\$ 106.68	\$ 74.05	\$ 118.92	\$ 87.17
Av Cost Per Round	\$ 98.49	\$ 69.37	\$ 109.41	\$ 81.83
Net Revenue per Round	\$ 8.19	\$ 4.68	\$ 9.50	\$ 4.65

# Auckland

## Auckland City



### KEY STATISTICS

93%

Of Auckland's population is urbanised.

The population of Auckland region, in 2011, was 1,485,300 representing 34% of New Zealand's population, and is projected to grow to 1,968,100 by 2031. Auckland has a condensed population with a density of 304.0 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Auckland City with 93% of Auckland region's population.

There are 39 golf facilities in the Auckland<sup>35</sup> region. Of the total rounds of golf played across New Zealand, approximately 33% of rounds are played in Auckland. The average utilisation in Auckland is 23%, well above the New Zealand average of 13%. Auckland golf facilities range from 1% to 40% utilisation.

13%

Of New Zealand's rounds of golf are supplied by Auckland.

As of 2011, there were approximately 38,085 residents per golf facility in Auckland. The golf facilities in Auckland are dispersed across the region as follows.

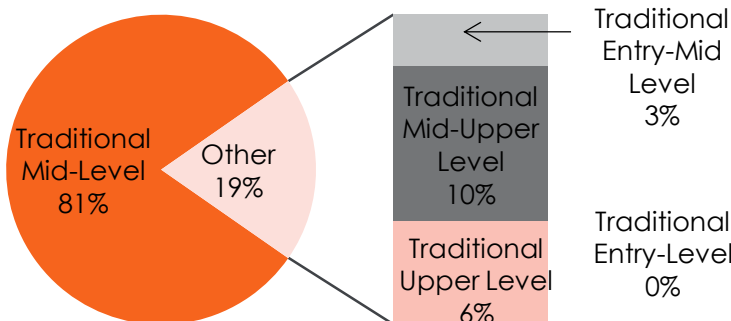


33%

Of New Zealand's rounds of golf are played in Auckland.

36 clubs of the 39 clubs in Auckland are used for the below analysis as three clubs in the region were deemed outliers.

89% of Auckland golf facilities are used predominantly by members playing at their home club. Auckland clubs are currently classified as shown below.



23%

Average utilisation in Auckland. National utilisation is 13%.

In 2011 the average age of Auckland residents was 34 and the average personal income was \$38,064. This income is above the national average of \$36,556.

85%

Of Auckland golf courses are 18 holes.

<sup>35</sup> Auckland Golf Clubs includes both Auckland District and North Harbour District

It is generally more expensive to play golf in Auckland. The average membership fee is \$1,176.14 compared to \$634.90 in New Zealand. Average membership fees at urban courses are close to \$400 greater than average fees at rural courses. Similarly, the average non-affiliated green fee is \$54.77 compared to the New Zealand average of \$38.61. Average non-affiliated green fees at urban courses are close to \$10 greater than average fees at rural courses.



	Auckland Region	Urban Auckland	Auckland Rural	New Zealand
Average Number of Members	638	753	331	266
Average Membership Fee	\$ 1,176.14	\$ 1,279.69	\$ 806.29	\$ 634.90
Av Non-Affiliated Green Fee	\$ 54.77	\$ 56.64	\$ 47.29	\$ 38.61
Course Quality	6.1	6.3	5.6	7.0
Quality of Service	5.5	5.7	5.1	5.5

Despite the higher membership fees and green fees, Auckland has a similar level of service at its golf facilities. When rated out of 10, the average quality of service provided at Auckland golf courses is 5.5, on par with the average across New Zealand. However, the average course quality of Auckland courses, at 6.1 out of 10, is lower than the national average of 7.0 out of 10. Quality of service and course quality are both higher, on average, across urban courses than rural Auckland courses.

The remaining Auckland analysis below is based on 22 clubs for which financial data was available. Rural golf courses average 218 maintenance activities compared to urban courses with an average of 260 maintenance activities, both well above the national average of 207.

	Auckland Region	Urban Auckland	Auckland Rural	New Zealand
Av. Maintenance Down Days	5.15	6.25	2.58	3
Average Number of Maintenance Activities	248	260	218	207

In Auckland, the average operating income (with outliers excluded) is more than double the national average of \$431,965. Operating income in rural golf facilities is less than a third that for urban golf facilities. Operating expenditure for golf facilities in Auckland is also more than double the national average of \$425,108, reflected through the above number of maintenance activities.

	Auckland Region	Urban Auckland	Auckland Rural	New Zealand
Av Operating Income	\$ 1,109,427	\$ 1,366,241	\$ 424,591	\$ 431,965
Av Operating Expenditure	\$ 1,045,166	\$ 1,284,481	\$ 406,993	\$ 425,018
Expenditure/Income	94%	94%	96%	98%
Av Revenue per 18 Hole Round	\$ 58.94	\$ 41.29	\$ 106.02	\$ 87.17
Av Cost Per Round	\$ 54.94	\$ 38.98	\$ 97.50	\$ 81.83
Net Revenue / Round	\$ 4.00	\$ 2.31	\$ 8.51	\$ 4.65

# Waikato

## Hamilton



### KEY STATISTICS

The population of Waikato is 413,100, representing 9% of New Zealand's population, and is projected to grow to 469,900 by 2031. Waikato has a moderately dispersed population with a density of 16.7 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Hamilton with 35% of Waikato's population.

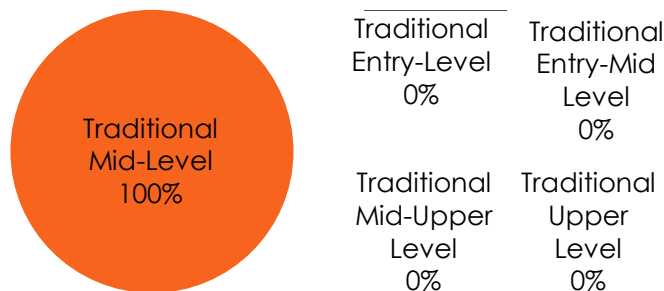
There are 44 golf facilities in the Waikato region. Of the total rounds of golf played across New Zealand, approximately 9% of rounds are played in Waikato. The average utilisation in Waikato is 10%, close to the New Zealand average of 13%. Waikato golf facilities range from 1% to 23% utilisation.

As of 2011, there were approximately 9,389 residents per golf facility in Waikato. The golf facilities in Waikato are dispersed across the region as follows.



25 clubs of the 44 clubs in Waikato responded to the survey and are used for the below analysis.

100% of Waikato golf facilities are used predominantly by members playing at their home club. Waikato clubs are currently classified as shown below.



The average age of Waikato residents is 36 and the average personal income is \$35,256. This income is below the Auckland average of \$38,064 and below the national average of \$36,556.

35%

Of Waikato's population is urbanised.

13%

Of New Zealand's rounds of golf are supplied by Waikato.

9%

Of New Zealand's rounds of golf are played in Waikato.

10%

Average utilisation in Waikato. National utilisation is 13%.

73%

Of Waikato golf courses are 18 holes.

It is generally less expensive to play golf in Waikato. The average membership fee is \$528.29 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee is \$37.14 compared to the average Auckland non-affiliated green fees of \$54.77 and the New Zealand average of \$38.61.



	Waikato Region	Urban Hamilton	Waikato Rural	New Zealand
Average Number of Members	187	170	209	266
Average Membership Fee	\$ 528.29	\$ 525.83	\$ 531.56	\$ 634.90
Av Non-Affiliated Green Fee	\$ 37.14	\$ 35.83	\$ 38.89	\$ 38.61
Course Quality	7.6	7.6	7.6	7.0
Quality of Service	4.7	4.8	4.5	5.5

Despite the lower membership fees and green fees, Waikato has a moderate level of quality at its golf facilities. When rated out of 10, the average quality of service provided at Northland golf courses is 4.7 compared to 5.5 across New Zealand. With regards to the quality of the course specifically, Waikato courses average 7.6 out of 10 compared to 7.0 across New Zealand.

Waikato's rural golf courses average 197 maintenance activities compared to urban courses which have 192 maintenance activities, these are just below the national average of 207.

	Waikato Region	Urban Hamilton	Waikato Rural	New Zealand
Av. Maintenance Down Days	5.45	6.63	3.88	3
Average Number of Maintenance Activities	194	192	197	207

In Waikato, the average operating income (with outliers excluded) is significantly lower than the national average of \$431,965. Operating expenditure for golf facilities in Waikato is also less than the national average of \$425,108. Additionally, 24% of golf facilities in Waikato rated their own built assets as "old condition, requires significant future investment."

	Waikato Region	Urban Hamilton	Waikato Rural	New Zealand
Av Operating Income	\$ 298,722	\$ 299,665	\$ 297,465	\$ 431,965
Av Operating Expenditure	\$ 343,901	\$ 387,731	\$ 285,462	\$ 425,018
Expenditure/Income	87%	77%	104%	98%
Av Revenue per 18 Hole Round	\$ 78.81	\$ 99.54	\$ 51.17	\$ 87.17
Av Cost Per Round	\$ 84.51	\$ 112.82	\$ 46.77	\$ 81.83
Net Revenue per Round	-\$ 5.70	-\$ 13.28	\$ 4.40	\$ 4.65

# Bay of Plenty

## Tauranga & Rotorua



### KEY STATISTICS

67%

Of Bay of Plenty's populations is urbanised.

7%

Of New Zealand's rounds of golf are supplied by Bay of Plenty.

11%

Of New Zealand's rounds of golf are played in Bay of Plenty.

16%

Average utilisation in Bay of Plenty. National utilisation is 13%.

78%

Of Bay of Plenty golf courses are 18 holes.

The population of Bay of Plenty is 277,300, representing 6% of New Zealand's population, and is projected to grow to 317,400 by 2031. Bay of Plenty has a moderately dispersed population with a density of 22.9 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centres are Tauranga and Rotorua with 67% of the regional population.

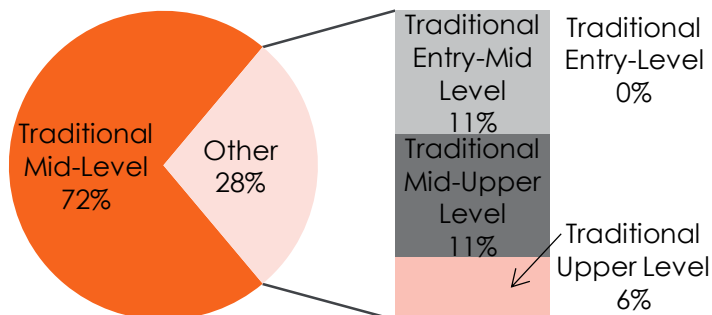
There are 23 golf facilities in the Bay of Plenty region. Of the total rounds of golf played across New Zealand, approximately 11% of rounds are played in the Bay of Plenty. The average utilisation in Bay of Plenty is 16%, above the New Zealand average of 13%. Bay of Plenty golf facilities range from 1% to 39% utilisation.

As of 2011, there were approximately 12,057 residents per golf facility in the Bay of Plenty. The golf facilities in the Bay of Plenty region are dispersed across the region as follows.



18 clubs of the 23 clubs in Bay of Plenty responded to the survey and are used for the below analysis.

67% of Bay of Plenty golf facilities are used predominantly by members playing at their home club. Bay of Plenty clubs are currently classified as shown below.



The average age of Bay of Plenty residents is 39 and the average personal income is \$33,176. This income is below the Auckland average of \$38,064 and below the national average of \$36,556.

It is generally more expensive to play golf in Bay of Plenty. The average membership fee is \$701.60. This is below Auckland at \$1,176.14 but above the national average membership fee of \$634.90. Similarly, the average non-affiliated green fee is \$41.00, below the average Auckland non-affiliated green fee of \$54.77 but above the New Zealand average of \$38.61.



	Bay of Plenty Region	Urban Tauranga & Rotorua	Bay of Plenty Rural	New Zealand
Average Number of Members	283	343	143	266
Average Membership Fee	\$ 701.60	\$ 828.00	\$ 406.67	\$ 634.90
Av Non-Affiliated Green Fee	\$ 41.00	\$ 45.71	\$ 30.00	\$ 38.61
Course Quality	7.1	7.2	6.7	7.0
Quality of Service	5.0	5.2	4.6	5.5

Despite the higher than national membership fees and green fees, Bay of Plenty has a lower level of quality at its golf facilities. When rated out of 10, the average quality of service provided at Bay of Plenty golf courses is 5.0 compared to 5.5 across New Zealand. With regards to the quality of the course specifically, Bay of Plenty courses average 7.1 out of 10 compared to 7.0 across New Zealand.

Rural golf courses average 131 maintenance activities compared to urban courses which average 232 maintenance activities. The number of maintenance activities in rural areas is significantly lower than the national average of 207.

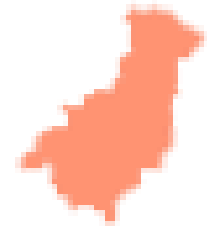
	Bay of Plenty Region	Urban Tauranga & Rotorua	Bay of Plenty Rural	New Zealand
Av. Maintenance Down Days	4.50	5.00	3.33	3
Average Number of Maintenance Activities	201	232	131	207

In Bay of Plenty, the average operating income (with outliers excluded) is higher than the national average of \$431,965. Operating income in rural golf facilities is nearly half than for urban golf facilities. Operating expenditure for golf facilities in Bay of Plenty is higher than the national average of \$425,108, this is not reflected through the number of maintenance activities.

	Bay of Plenty Region	Urban Tauranga & Rotorua	Bay of Plenty Rural	New Zealand
Av Operating Income	\$ 532,637	\$ 625,524	\$ 315,900	\$ 431,965
Av Operating Expenditure	\$ 504,439	\$ 604,356	\$ 271,299	\$ 425,018
Expenditure/Income	95%	97%	86%	98%
Av Revenue per 18 Hole Round	\$ 39.90	\$ 33.78	\$ 54.16	\$ 87.17
Av Cost Per Round	\$ 34.86	\$ 33.84	\$ 37.25	\$ 81.83
Net Revenue /Round	\$ 5.03	-\$ 0.06	\$ 16.91	\$ 4.65



# Poverty Bay & East Coast Gisborne



## KEY STATISTICS

74%

Of Poverty Bay and East Coast's populations is urbanised.

1%

Of New Zealand's rounds of golf are supplied by Poverty Bay and East Coast.

1%

Of New Zealand's rounds of golf are played in Poverty Bay and East Coast.

9%

Average utilisation in Poverty Bay and East Coast. National utilisation is 13%.

38%

Of Northland golf courses are 18 holes.

The population of Poverty Bay and the East Coast is 46,700, representing 1% of New Zealand's population, and is projected to grow to 47,400 by 2031. Poverty Bay and the East Coast has a highly dispersed population with a density of 5.6 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Gisborne with 74% of Poverty Bay and the East Coast's population.

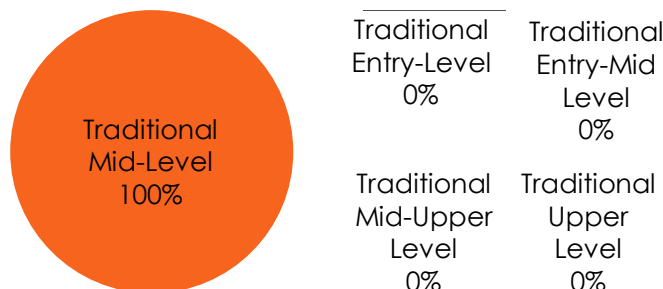
There are 8 golf facilities in the Poverty Bay and the East Coast region. Of the total rounds of golf played across New Zealand, approximately 1% of rounds are played in Poverty Bay and the East Coast. The average utilisation in Poverty Bay and the East Coast is 9%, below the New Zealand average of 13%. Poverty Bay and East Coast golf facilities range from 2% to 17% utilisation.

As of 2011, there were approximately 5,838 residents per golf facility in Poverty Bay and the East Coast. The golf facilities in Poverty Bay and the East Coast are dispersed across the region as follows.



Of the 8 clubs in Poverty Bay and the East Coast, 3 responded to the survey and are used for the below analysis.

100% of Poverty Bay and the East Coast golf facilities are used predominantly by members playing at their home club. Poverty Bay and the East Coast clubs are currently classified as shown below.



The average age of Poverty Bay and the East Coast residents is 36 and the average personal income is \$32,708. This income is below the Auckland average of \$38,064 and below the national average of \$36,556.



It is generally less expensive to play golf in Poverty Bay and the East Coast. The average membership fee is \$403.33 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee is \$31.67 compared to the average Auckland non-affiliated green fees of \$54.77 and the New Zealand average of \$38.61.



	PB & EC Region	Urban Gisborne	PB & EC Rural
Average Number of Members	124	173	26
Average Membership Fee	\$ 403.33	\$ 530.00	\$ 150.00
Av Non-Affiliated Green Fee	\$ 31.67	\$ 37.50	\$ 20.00
Course Quality	6.8	6.5	7.3
Quality of Service	4.5	4.7	4.1

New Zealand
266
\$ 634.90
\$ 38.61
7.0
5.5

Poverty Bay and the East Coast has a lower level of quality at its golf facilities. When rated out of 10, the average quality of service provided at Poverty Bay and the East Coast golf courses is 4.5 compared to 5.5 across New Zealand. With regards to the quality of the course specifically, Poverty Bay and the East Coast courses average 6.8 out of 10 compared to 7.0 across New Zealand.

Rural golf courses average 105 maintenance activities compared to urban courses which have 244 maintenance activities, more than double the rural average and well above the national average of 207 maintenance activities.

	PB & EC Region	Urban Gisborne	PB & EC Rural
Av. Maintenance Down Days	2.33	3.50	-
Average Number of Maintenance Activities	197	244	105

New Zealand
3
207

In Poverty Bay and the East Coast, the average operating income (with outliers excluded) is less than half the national average of \$431,965. Operating income in rural golf facilities is approximately an eighth of operating income for urban golf facilities. Operating expenditure for golf facilities in Poverty Bay and the East Coast is significantly less than the national average of \$425,018, this is also reflected through the number of maintenance activities at rural courses being approximately half that of the national average.

	PB & EC Region	Urban Gisborne	PB & EC Rural
Av Operating Income	\$ 180,704	\$ 255,000	\$ 32,113
Av Operating Expenditure	\$ 156,341	\$ 218,500	\$ 32,022
Expenditure/Income	87%	86%	100%
Av Revenue per 18 Hole Round	\$ 77.20	\$ 48.47	\$ 134.65
Av Cost Per Round	\$ 70.08	\$ 37.99	\$ 134.28
Net Revenue / Round	\$ 7.12	\$ 10.48	\$ 0.38

New Zealand
\$ 431,965
\$ 425,018
98%
\$ 87.17
\$ 81.83
\$ 4.65

# Hawke's Bay

## Napier/Hastings



### KEY STATISTICS

37%

Of Hawke's Bay's populations is urbanised.

5%

Of New Zealand's rounds of golf are supplied by Hawke's Bay.

4%

Of New Zealand's rounds of golf are played in Hawke's Bay.

10%

Average utilisation in Hawke's Bay. National utilisation is 13%.

37%

Of Hawke's Bay golf courses are 18 holes.

The population of Hawke's Bay is 155,300, representing 4% of New Zealand's population, and is projected to grow to 161,200 by 2031. Hawke's Bay has a moderately dispersed population with a density of 11.0 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Napier with 37% of the Hawke's Bay population.

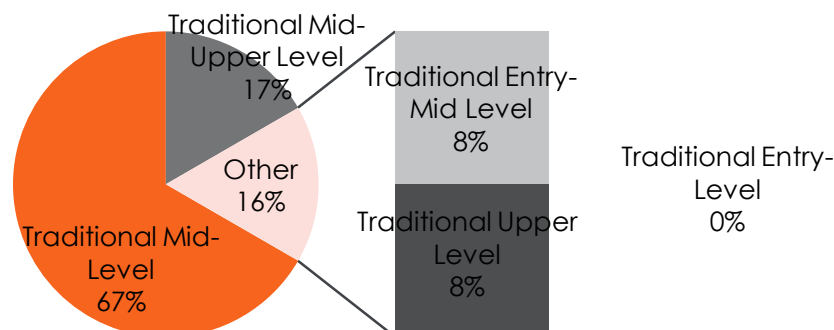
There are 19 golf facilities in the Hawkes Bay region. Of the total rounds of golf played across New Zealand, approximately 4% of rounds are played in Hawkes Bay. The average utilisation in Hawkes Bay is 10%, close to the New Zealand average of 13%. Hawke's Bay golf facilities range from 1% to 36% utilisation.

As of 2011, there were approximately 12,942 residents per golf facility in Hawke's Bay. The golf facilities in Hawke's Bay are dispersed across the region as follows.



12 clubs of the 19 clubs in Hawke's Bay responded to the survey and are used for the below analysis.

92% of Hawke's Bay golf facilities are used predominantly by members playing at their home club. Hawke's Bay clubs are currently classified as shown below.



The average age of Hawke's Bay residents is 39 and the average personal income is \$32,708. This income is below the Auckland average of \$38,064 and below the national average of \$36,556.

It is generally less expensive to play golf in Hawkes Bay. The average membership fee is \$399.00 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee is \$25.00 compared to the average Auckland non-affiliated green fees of \$54.77 and the New Zealand average of \$38.61.



	Hawke's Bay Region	Urban Napier	Hawke's Bay Rural	New Zealand
Average Number of Members	140	150	109	266
Average Membership Fee	\$ 399.00	\$ 440.00	\$ 276.00	\$ 634.90
Av Non-Affiliated Green Fee	\$ 25.00	\$ 23.33	\$ 30.00	\$ 38.61
Course Quality	7.5	7.0	8.2	7.0
Quality of Service	4.6	5.0	4.0	5.5

Despite the lower membership fees and green fees, Hawkes Bay has a higher course quality at its golf facilities. When rated out of 10, the average course quality of Hawke's Bay golf courses is 7.5 compared to 7.0 across New Zealand. However, golf facilities in Hawke's Bay offer a lower quality of service averaging 4.6 out of 10 compared to 5.5 out of 10 across New Zealand.

Rural golf courses average 132 maintenance activities compared to urban courses at 196 maintenance activities, these are both lower than the national average of 207.

	Hawke's Bay Region	Urban Napier	Hawke's Bay Rural	New Zealand
Av. Maintenance Down Days	2.50	3.00	1.00	3
Average Number of Maintenance Activities	180	196	132	207

In Hawkes Bay, the average operating income (with outliers excluded) is significantly less than the national average of \$431,965. Operating expenditure for golf facilities in Hawkes Bay is also significantly less than the national average of \$425,018. Additionally, 8% of golf facilities in Hawke's Bay rated their own built assets as "old condition, requires significant future investment."

	Hawke's Bay Region	Urban Napier	Hawke's Bay Rural	New Zealand
Av Operating Income	\$ 150,000	\$ 160,000	\$ 120,000	\$ 431,965
Av Operating Expenditure	\$ 125,750	\$ 128,667	\$ 117,000	\$ 425,018
Expenditure/Income	84%	80%	98%	98%
Av Revenue per 18 Hole Round	\$ 90.98	\$ 54.93	\$ 199.14	\$ 87.17
Av Cost Per Round	\$ 80.12	\$ 42.11	\$ 194.16	\$ 81.83
Net Revenue per Round	\$ 10.86	\$ 12.82	\$ 4.98	\$ 4.65

# Manuwatu-Whanganui

## Palmerston North



### KEY STATISTICS

55%

Of Manuwatu-Whanganui's populations is urbanised.

7%

Of New Zealand's rounds of golf are supplied by Manuwatu-Whanganui.

5%

Of New Zealand's rounds of golf are played in Manuwatu-Whanganui.

11%

Average utilisation in Manuwatu-Whanganui. National utilisation is 13%.

70%

Of Manuwatu-Whanganui golf courses are 18 holes.

The population of Manuwatu-Whanganui is 232,600, representing 5% of New Zealand's population, and is projected to grow to 240,000 by 2031. Manuwatu-Whanganui has a moderately dispersed population with a density of 10.5 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Palmerston North with 55% of Manuwatu-Whanganui's population.

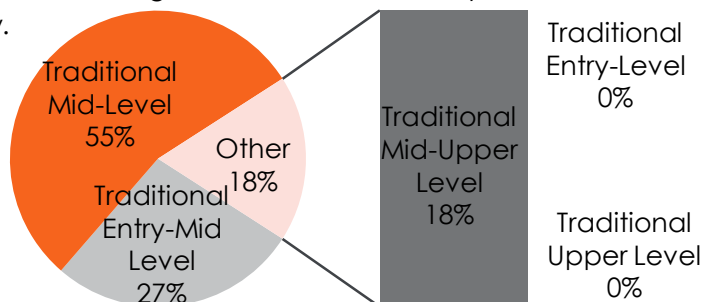
There are 23 golf facilities in the Manuwatu-Whanganui region. Of the total rounds of golf played across New Zealand, approximately 5% of rounds are played in Manuwatu-Whanganui. The average utilisation in Manuwatu-Whanganui is 11%, close to the New Zealand average of 13%. Manuwatu-Whanganui golf facilities range from 4% to 27% utilisation.

As of 2011, there were approximately 10,113 residents per golf facility in Manuwatu-Whanganui. The golf facilities in manuwatu-Whanganui are dispersed across the region as follows.



11 clubs of the 23 clubs in Manuwatu-Whanganui responded to the survey and are used for the below analysis.

64% of Manuwatu-Whanganui golf facilities are used predominantly by members playing at their home club. Manuwatu-Whanganui clubs are currently classified as shown below.



The average age of Manuwatu-Whanganui residents is 38 and the average personal income is \$32,334. This income is below the Auckland average of \$38,064 and the national average of \$36,556.

It is generally more expensive to play golf in Manuwatu-Whanganui. The average membership fee is \$702.01 compared to the national average of \$634.90 but less expensive than Auckland at \$1,176.14. The average non-affiliated green fee of \$29.35 is cheaper compared to the average Auckland non-affiliated green fees of \$54.77 and the New Zealand average of \$38.61.



	M-W Region	Urban Palmerston North	M-W Rural	New Zealand
Average Number of Members	200	220	69	266
Average Membership Fee	\$ 702.01	\$ 707.33	\$580.00	\$ 634.90
Av Non-Affiliated Green Fee	\$ 29.35	\$ 28.61	\$ 35.00	\$ 38.61
Course Quality	7.0	6.8	7.5	7.0
Quality of Service	5.0	5.3	4.1	5.5

Manuwatu-Whanganui has a level of quality at its golf facilities below the national average. When rated out of 10, the average quality of service provided at Manuwatu-Whanganui golf courses is 5.0 compared to 5.5 across New Zealand. With regards to the quality of the course specifically, Manuwatu-Whanganui courses average 7.0 out of 10 compared to 7.0 across New Zealand, however in rural areas the course quality is higher.

Rural golf courses average 373 maintenance activities compared to urban courses averaging 214 maintenance activities. These are significantly higher than the national average of 207.

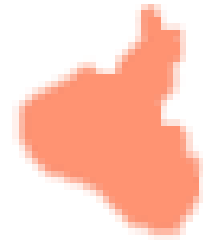
	M-W Region	Urban Palmerston North	M-W Rural	New Zealand
Av. Maintenance Down Days	2.19	1.67	5.00	3
Average Number of Maintenance Activities	236	214	373	207

In Manuwatu-Whanganui, the average operating income (with outliers excluded) is lower than the national average of \$431,965. Operating income in rural golf facilities is less than half that for urban golf facilities. Operating expenditure for golf facilities in Manuwatu-Whanganui is significantly less than the national average of \$425,018. Additionally, 27% of golf facilities in Manuwatu-Whanganui rated their own built assets as “old condition, requires significant future investment.”

	M-W Region	Urban Palmerston North	M-W Rural	New Zealand
Av Operating Income	\$282,413	\$ 310,684	\$120,000	\$ 431,965
Av Operating Expenditure	\$270,218	\$ 308,413	\$ 88,000	\$ 425,018
Expenditure/Income	96%	99%	73%	98%
Av Revenue per 18 Hole Round	\$ 21.02	\$ 20.73	\$ 22.18	\$ 87.17
Av Cost Per Round	\$ 23.42	\$ 23.29	\$ 23.41	\$ 81.83
Net Revenue /Round	-\$2.40	-\$2.55	-\$1.23	\$ 4.65

# Taranaki

## New Plymouth



### KEY STATISTICS

67%

Of Taranaki's populations is urbanised.

5%

Of New Zealand's rounds of golf are supplied by Taranaki.

2%

Of New Zealand's rounds of golf are played in Taranaki.

9%

Average utilisation in Taranaki. National utilisation is 13%.

75%

Of Taranaki golf courses are 18 holes.

The population of Taranaki is 109,700, representing 2% of New Zealand's population, and is projected to grow to 111,400 by 2031. Taranaki has a moderately dispersed population with a density of 15.1 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is New Plymouth with 67% of Taranaki's population.

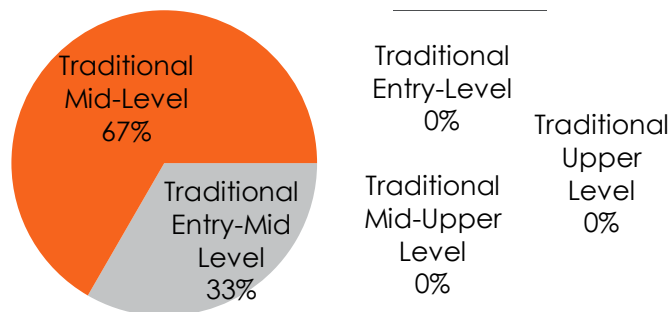
There are 20 golf facilities in the Taranaki region. Of the total rounds of golf played across New Zealand, approximately 2% of rounds are played in Taranaki. The average utilisation in Taranaki is 6%, below the New Zealand average of 13%. Taranaki golf facilities range from 1% to 12% utilisation.

As of 2011, there were approximately 5,485 residents per golf facility in Taranaki. The golf facilities in Taranaki are dispersed across the region as follows.



9 clubs of the 20 clubs in Taranaki responded to the survey and are used for the below analysis.

89% of Taranaki golf facilities are used predominantly by members playing at their home club. Taranaki clubs are currently classified as shown below.



Traditional Entry-Level 0%  
 Traditional Upper Level 0%  
 Traditional Mid-Upper Level 0%

The average age of Taranaki residents is 39 and the average personal income is \$35,464. This income is below the Auckland average of \$38,064 but close to the national average of \$36,556.

It is generally less expensive to play golf in Taranaki. The average membership fee is \$455.00 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee is \$20 compared to the average Auckland non-affiliated green fees of \$54.77 and the New Zealand average of \$38.61.



	Taranaki Region	Urban New Plymouth	Taranaki Rural
Average Number of Members	137	157	57
Average Membership Fee	\$455.00	\$438.75	\$520.00
Av Non-Affiliated Green Fee	\$20.00	\$20.00	\$20.00
Course Quality	6.8	6.4	8.3
Quality of Service	3.9	4.0	3.6

New Zealand
266
\$ 634.90
\$ 38.61
7.0
5.5

Taranaki has a lower level of quality at its golf facilities. When rated out of 10, the average quality of service provided at Taranaki golf courses is 3.9 compared to 5.5 across New Zealand. With regards to the quality of the course specifically, Taranaki courses average 6.8 out of 10 compared to 7.0 across New Zealand.

Rural golf courses average 106 maintenance activities compared to urban courses which have 212 maintenance activities, slightly higher than the national average of 207.

	Taranaki Region	Urban New Plymouth	Taranaki Rural
Av. Maintenance Down Days	1.60	1.75	1.00
Average Number of Maintenance Activities	190	212	106

New Zealand
3
207

In Taranaki, the average operating income (with outliers excluded) is significantly lower than the national average of \$431,965. Operating income in rural golf facilities is less than for urban golf facilities. Operating expenditure for golf facilities in Taranaki are also significantly less than the national average of \$425,018. Additionally, 11% of golf facilities in Taranaki rated their own built assets as "old condition, requires significant future investment."

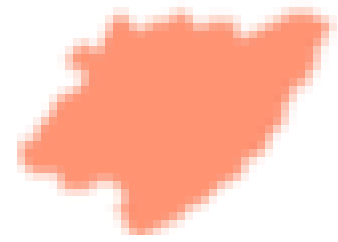
	Taranaki Region	Urban New Plymouth	Taranaki Rural
Av Operating Income	\$175,959	\$195,500	\$97,798
Av Operating Expenditure	\$183,449	\$199,058	\$121,017
Expenditure/Income	104%	102%	124%
Av Revenue per 18 Hole Round	\$27.08	\$28.12	\$22.93
Av Cost Per Round	\$29.38	\$29.63	\$28.37
Net Revenue per Round	-\$2.30	-\$1.51	-\$5.44

New Zealand
\$ 431,965
\$ 425,018
98%
\$ 87.17
\$ 81.83
\$ 4.65



# Wellington

## Wellington City



### KEY STATISTICS

41%

Of Wellington's population is urbanised

The population of Wellington region is 487,900 representing 11% of New Zealand's population, and is projected to grow to 539,700 by 2031. Wellington region has a relatively concentrated population with a density of 60.1 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Wellington with 41% of Wellington region's population.

There are 27 golf facilities in the Wellington region. Of the total rounds of golf played across New Zealand, approximately 9% of rounds are played in Wellington. The average utilisation in Wellington region is 14%, above the New Zealand average of 13%. Wellington golf facilities range from 1% to 33% utilisation.

As of 2011, there were approximately 18,070 residents per golf facility in the Wellington region. The golf facilities in Wellington region are dispersed across the region as follows.

8%

Of New Zealand's rounds of golf are supplied by Wellington.

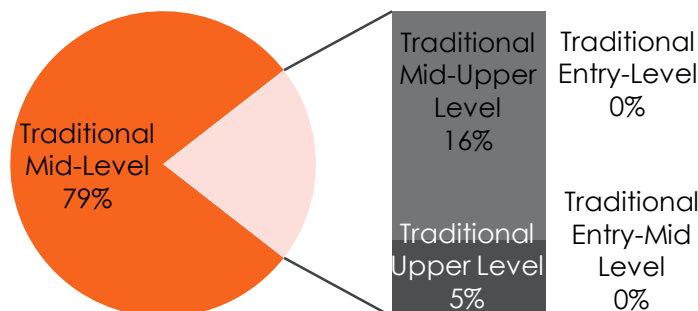


9%

Of New Zealand's rounds of golf are played in Wellington.

19 clubs of the 27 clubs in the Wellington region responded to the survey and are used for the below analysis.

95% of the Wellington region golf facilities are used predominantly by members playing at their home club. Wellington region clubs are currently classified as shown below.



14%

Average utilisation in Wellington. National utilisation is 13%.

The average age of Wellington region residents is 36 and the average personal income is \$41,236. This income is above the Auckland average of \$38,064 and the national average of \$36,556.

70%

Of Wellington golf courses are 18 holes.



It is generally less expensive to play golf in the Wellington region however it is more expensive to play at an urban golf course than a rural golf course. The average membership fee is \$625.53 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee is \$35.83 compared to the average Auckland non-affiliated green fees of \$54.77 and the New Zealand average of \$38.61.



	Wellington Region	Urban Wellington	Wellington Rural	New Zealand
Average Number of Members	207	204	210	266
Average Membership Fee	\$625.53	\$774.13	\$455.71	\$ 634.90
Av Non-Affiliated Green Fee	\$35.83	\$40.31	\$30.71	\$ 38.61
Course Quality	7.5	7.6	7.4	7.0
Quality of Service	5.2	5.7	4.5	5.5

The Wellington region has a slightly lower level of quality at its golf facilities. When rated out of 10, the average quality of service provided at Wellington region golf courses is 5.2 compared to 5.5 across New Zealand. However Wellington facilities have a higher course quality at an average of 7.5 out of 10 compared to 7.0 across New Zealand. Urban golf courses in Wellington have a higher quality for both service and course than rural golf courses.

Rural golf courses average 189 maintenance activities compared to urban courses which average 263 maintenance activities, higher than the national average of 207.

	Wellington Region	Urban Wellington	Wellington Rural	New Zealand
Av. Maintenance Down Days	1.28	1.65	0.86	3
Average Number of Maintenance Activities	229	263	189	207

In the Wellington region, the average operating income (with outliers excluded) is slightly higher than the national average of \$431,965. Operating income in rural golf facilities is less than half that for urban golf facilities. Operating expenditure for golf facilities in the Wellington region is more than the national average of \$425,018, aligned with the higher number of maintenance activities than that of the national average. Additionally, 26% of golf facilities in Wellington rated their own built assets as “old condition, requires significant future investment.”

	Wellington Region	Urban Wellington	Wellington Rural	New Zealand
Av Operating Income	\$442,220	\$628,980	\$ 228,779	\$ 431,965
Av Operating Expenditure	\$437,364	\$629,500	\$217,781	\$ 425,018
Expenditure/Income	101%	100%	105%	98%
Av Revenue per 18 Hole Round	\$270.00	\$415.62	\$103.58	\$ 87.17
Av Cost Per Round	\$236.07	\$359.62	\$94.88	\$ 81.83
Net Revenue per Round	\$33.93	\$56.00	\$8.71	\$ 4.65

# Tasman/Marlborough / West Coast Nelson

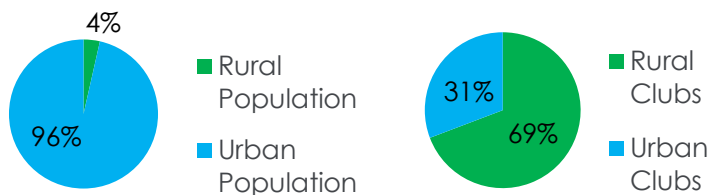


## KEY STATISTICS

The population of Tasman, Marlborough and West Coast (Tasman) regions is 172,700 representing 1% of New Zealand's population, and is projected to grow to 53,900 by 2031. Tasman region has a very dispersed population with a density of 0.3 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Nelson with 96% of Tasman's population.

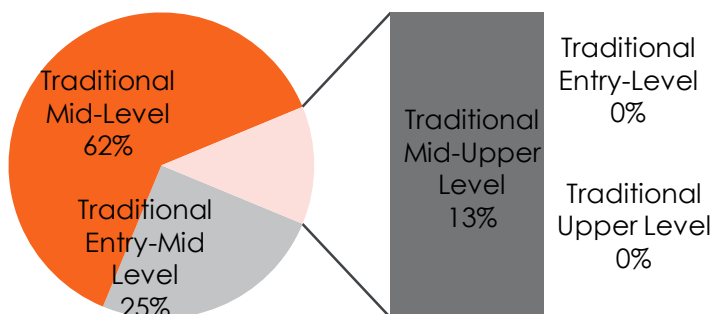
There are 26 golf facilities in the Tasman region. Of the total rounds of golf played across New Zealand, approximately 2% of rounds are played in Tasman. The average utilisation in Tasman region is 9%, below the New Zealand average of 13%. Tasman golf facilities range from 1% to 22% utilisation.

As of 2011, there were approximately 1,846 residents per golf facility in the Tasman region. The golf facilities in Tasman are dispersed across the region as follows.



8 clubs of the 26 clubs in the Tasman region responded to the survey and are used for the below analysis.

88% of the Tasman regions golf facilities are used predominantly by members playing at their home club. Tasman region clubs are currently classified as shown below.



The average age of Tasman residents is 42 and the average personal income is \$35,308. This income is below the Auckland average of \$38,064 and the national average of \$36,556.

27%

Of Tasman's populations are urbanised.

5%

Of New Zealand's rounds of golf are supplied by Tasman.

2%

Of New Zealand's rounds of golf are played in Tasman.

9%

Average utilisation in Tasman. National utilisation is 13%.

38%

Of Tasman golf courses are 18 holes.

It is generally less expensive to play golf in Tasman. The average membership fee is \$523.00 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee is \$41.00 compared to the average Auckland non-affiliated green fees of \$54.77 but above the New Zealand average of \$38.61.



	Tasman Region	Urban Nelson	Tasman Rural	New Zealand
Average Number of Members	220	171	238	266
Average Membership Fee	\$523.00	\$675.00	\$ 421.67	\$ 634.90
Av Non-Affiliated Green Fee	\$ 41.00	\$ 45.00	\$ 38.33	\$ 38.61
Course Quality	7.3	8.0	6.7	7.0
Quality of Service	4.8	5.6	4.0	5.5

There is a large urban versus rural variation between course quality and quality of service at Tasman golf facilities. When rated out of 10, the average course quality of Tasman urban golf courses is 8.0 compared to 6.7 at rural courses. Similarly, the quality of service provided at Tasman urban golf facilities is 5.6 out of 10 compared with 4.0 at rural facilities.

However, Rural golf courses average more maintenance activities at 241 compared to urban courses which have 212 maintenance activities, these are higher than the national average of 207.

	Tasman Region	Urban Nelson	Tasman Rural	New Zealand
Av. Maintenance Down Days	0.20	-	0.33	3
Average Number of Maintenance Activities	229	212	241	207

In the Tasman region, the average operating income (with outliers excluded) is lower than the national average of \$431,965. Operating income in rural golf facilities is less than half that for urban golf facilities. Operating expenditure for golf facilities in the Tasman is also significantly less than the national average of \$425,018. Additionally, 25% of golf facilities in Tasman rated their own built assets as "old condition, requires significant future investment."

	Tasman Region	Urban Nelson	Tasman Rural	New Zealand
Av Operating Income	\$261,809	\$394,678	\$173,230	\$ 431,965
Av Operating Expenditure	\$256,645	\$410,421	\$154,128	\$ 425,018
Expenditure/Income	98%	104%	89%	98%
Av Revenue per 18 Hole Round	\$72.77	\$88.21	\$62.48	\$ 87.17
Av Cost Per Round	\$76.89	\$104.19	\$58.68	\$ 81.83
Net Revenue per Round	-\$4.11	-\$15.98	\$3.80	\$ 4.65

# Canterbury

## Christchurch



### KEY STATISTICS

66%

Of Canterbury's population is urbanised.

15%

Of New Zealand's rounds of golf are supplied by Canterbury.

12%

Of New Zealand's rounds of golf are played in Canterbury.

10%

Average utilisation in Canterbury. National utilisation is 13%.

76%

Of Canterbury golf courses are 18 holes.

The population of Canterbury is 560,800, representing 13% of New Zealand's population, and is projected to grow to 649,200 by 2031. Canterbury has a moderately dispersed population with a density of 12.6 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Christchurch with 66% of Canterbury's population.

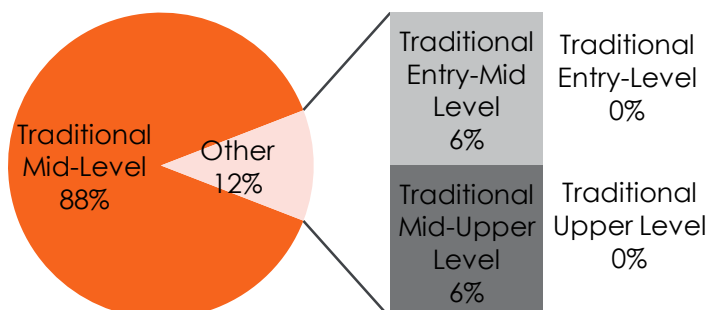
There are 46 golf facilities in the Canterbury<sup>36</sup> region. Of the total rounds of golf played across New Zealand, approximately 12% of rounds are played in Canterbury. The average utilisation in Canterbury is 10%, below the New Zealand average of 13%. Canterbury golf facilities range from 1% to 24% utilisation.

As of 2011, there were approximately 12,191 residents per golf facility in Canterbury. The golf facilities in Canterbury are dispersed across the region as follows.



35 clubs of the 46 clubs in Canterbury responded to the survey and are used for the below analysis.

86% of Canterbury golf facilities are used predominantly by members playing at their home club. Canterbury clubs are currently classified as shown below.



The average age of Canterbury residents is 39 and the average personal income is \$36,764. This income is below the Auckland average of \$38,064 but just above the national average of \$36,556.

<sup>36</sup> Canterbury Golf Facilities include Canterbury District and Aorangi South Canterbury District

It is generally less expensive to play golf in Canterbury. The average membership fee is \$486.71 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee is \$35.06 compared to the average Auckland non-affiliated green fees of \$54.77 and the New Zealand average of \$38.61.



	Canterbury Region	Urban Christchurch	Canterbury Rural	New Zealand
Average Number of Members	208	244	172	266
Average Membership Fee	\$ 486.71	\$ 654.00	\$ 319.42	\$ 634.90
Av Non-Affiliated Green Fee	\$ 35.06	\$ 43.75	\$ 26.38	\$ 38.61
Course Quality	7.6	7.9	7.3	7.0
Quality of Service	4.8	5.3	4.3	5.5

Despite the lower average membership fee, Canterbury generally has a higher course quality at its golf facilities. Canterbury courses average 7.6 out of 10 compared to 7.0 across New Zealand. However the quality of service provided at Canterbury golf courses is 4.8 compared to 5.5 across New Zealand.

Rural golf courses average 176 maintenance activities compared to urban courses which have 234 maintenance activities, higher than the national average of 207.

	Canterbury Region	Urban Christchurch	Canterbury Rural	New Zealand
Av. Maintenance Down Days	3.13	2.90	3.36	3
Average Number of Maintenance Activities	205	234	176	207

In Canterbury, the average operating income (with outliers excluded) is lower than the national average of \$431,965. Operating income in rural golf facilities is less than half than that for urban golf facilities. Operating expenditure for golf facilities in Canterbury is significantly less than the national average of \$425,018. Additionally, 23% of golf facilities in Canterbury rated their own built assets as "old condition, requires significant future investment."

	Canterbury Region	Urban Christchurch	Canterbury Rural	New Zealand
Av Operating Income	\$ 262,282	\$ 366,454	\$ 158,110	\$ 431,965
Av Operating Expenditure	\$ 269,603	\$ 396,898	\$ 142,308	\$ 425,018
Exp./Income	103%	108%	90%	98%
Av Revenue per 18 Hole Round	\$ 43.15	\$ 36.02	\$ 50.28	\$ 87.17
Av Cost Per Round	\$ 41.56	\$ 35.91	\$ 47.21	\$ 81.83
Net Revenue per Round	\$ 1.59	\$ 0.11	\$ 3.06	\$ 4.65

# Otago

## Dunedin



### KEY STATISTICS

60%

Of Otago's populations is urbanised.

The population of Otago is 209,900, representing 5% of New Zealand's population, and is projected to grow to 233,500 by 2031. Otago has a highly dispersed population with a density of 6.7 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Dunedin with 60% of Otago's population.

There are 33 golf facilities in the Otago region. Of the total rounds of golf played across New Zealand, approximately 4% of rounds are played in Otago. The average utilisation in Otago is 7%, below the New Zealand average of 13%. Otago golf facilities range from 1% to 17% utilisation.

8%

Of New Zealand's rounds of golf are supplied by Otago.

As of 2011, there were approximately 7,076 residents per golf facility in Otago. The golf facilities in Otago are dispersed across the region as follows.

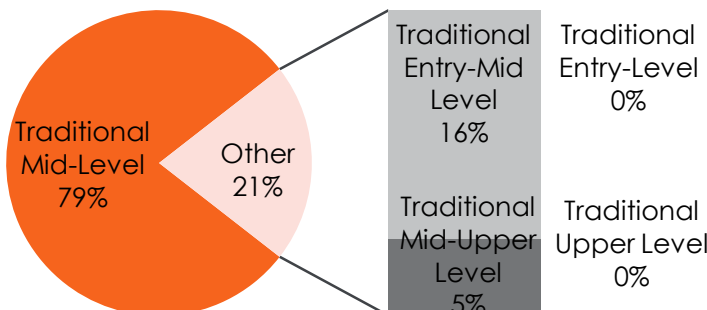


4%

Of New Zealand's rounds of golf are played in Otago.

19 clubs of the 39 clubs in Otago responded to the survey and are used for the below analysis.

95% of Otago golf facilities are used predominantly by members playing at their home club. Otago clubs are currently classified as shown below.



7%

Average utilisation in Otago. National utilisation is 13%.

The average age of Otago residents is 37 and the average personal income is \$35,308. This income is below the Auckland average of \$38,064 and the national average of \$36,556.

33%

Of Otago golf courses are 18 holes.

It is generally less expensive to play golf in Otago. The average membership fee is \$464.91 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. However membership fees in urban areas are twice as much as for those in rural areas. Similarly, the average non-affiliated green fee is \$40.91 compared to the average Auckland non-affiliated green fees of \$54.77 but above the New Zealand average of \$38.61.



	Otago Region	Urban Dunedin	Otago Rural	New Zealand
Average Number of Members	200	316	174	266
Average Membership Fee	\$ 464.91	\$ 852.50	\$ 378.78	\$ 634.90
Av Non-Affiliated Green Fee	\$ 40.91	\$ 55.00	\$ 37.78	\$ 38.61
Course Quality	7.1	6.9	7.1	7.0
Quality of Service	4.6	4.7	4.6	5.5

The lower than average membership fees, reflect the lower than average level of service at Otago golf facilities. When rated out of 10, the average quality of service provided at Otago golf facilities is 4.6 compared to 5.5 across New Zealand. With regards to the quality of the course specifically, Otago courses average 7.1 out of 10 compared to 7.0 across New Zealand.

Rural golf courses average 135 maintenance activities compared to urban courses which have 272 maintenance activities, significantly higher than the national average of 207.

	Otago Region	Urban Dunedin	Otago Rural	New Zealand
Av. Maintenance Down Days	2.55	6.00	1.79	3
Average Number of Maintenance Activities	160	272	135	207

In Otago, the average operating income (with outliers excluded) is lower than the national average of \$431,965. Operating income in rural golf facilities is less than half than that for urban golf facilities. Operating expenditure for golf facilities in Otago is significantly less than the national average of \$425,018, however the operating expenditure for urban golf facilities is twice as much as rural golf facilities. Additionally, 5% of golf facilities in Otago rated their own built assets as "old condition, requires significant future investment."

	Otago Region	Urban Dunedin	Otago Rural	New Zealand
Av Operating Income	\$ 360,861	\$ 629,492	\$ 301,165	\$ 431,965
Av Operating Expenditure	\$ 343,030	\$ 592,053	\$ 287,691	\$ 425,018
Expenditure/Income	95%	94%	96%	98%
Av Revenue per 18 Hole Round	\$ 107.03	\$ 41.24	\$ 121.65	\$ 87.17
Av Cost Per Round	\$108.42	\$39.14	\$123.81	\$ 81.83
Net Revenue /Round	-\$1.39	\$2.10	-\$2.16	\$ 4.65



# Southland

## Invercargill



### KEY STATISTICS

56%

Of Southland's populations is urbanised.

The population of Southland is 94,900, representing 2% of New Zealand's population, and is projected to grow to 94,600 by 2031. Southland has a highly dispersed population with a density of 2.7 residents per km<sup>2</sup> compared to the rest of New Zealand at 16.2 residents per km<sup>2</sup>. The main urban centre is Invercargill with 56% of Southland's population.

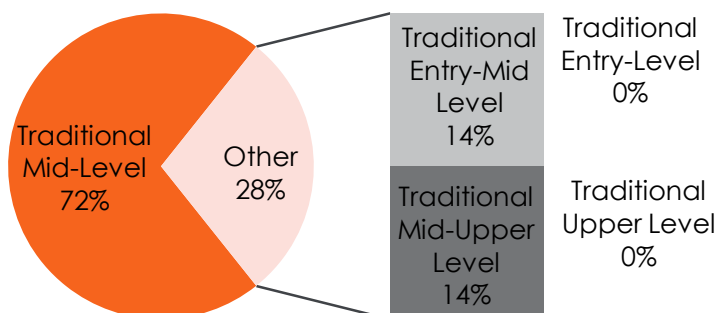
There are 24 golf facilities in Southland. Of the total rounds of golf played across New Zealand, approximately 1% of rounds are played in Southland. The average utilisation in Southland is 6%, below the New Zealand average of 13%. Southland golf facilities range from 1% to 11% utilisation.

As of 2011, there were approximately 3,954 residents per golf facility in Southland. The golf facilities in Southland are dispersed across the region as follows.



7 clubs of the 24 clubs in Southland responded to the survey and are used for the below analysis.

86% of Southland golf facilities are used predominantly by members playing at their home club. Southland clubs are currently classified as shown below.



The average age of Southland residents is 39 and the average personal income is \$35,880. This income is below the Auckland average of \$38,064 and the national average of \$36,556.

5%

Of New Zealand's rounds of golf are supplied by Southland.

1%

Of New Zealand's rounds of golf are played in Southland.

6%

Average utilisation in Southland. National utilisation is 13%.

33%

Of Southland golf courses are 18 holes.



It is generally less expensive to play golf in Southland. The average membership fee is \$350.50 compared to \$1,176.14 in Auckland and \$634.90 in New Zealand. Similarly, the average non-affiliated green fee of \$24.17 is considerably less compared to the average Auckland non-affiliated green fees of \$54.77 and the New Zealand average of \$38.61.



	Southland Region	Urban Invercargill	Southland Rural	New Zealand
Average Number of Members	139	139	-	266
Average Membership Fee	\$ 350.50	\$ 350.50	-	\$ 634.90
Av Non-Affiliated Green Fee	\$ 24.17	\$ 24.17	-	\$ 38.61
Course Quality	5.6	5.6	5.6	7.0
Quality of Service	3.8	3.7	4.3	5.5

[Note: Of the golf clubs which responded to the survey and provided financial information – none were rural golf facilities].

Southland generally has a low level of quality at its golf facilities. When rated out of 10, the average quality of service provided at Southland golf courses is 3.8 compared to 5.5 across New Zealand. With regards to the quality of the course specifically, Southland courses average 5.6 out of 10 compared to 7.0 across New Zealand.

The number of maintenance activities in Southland of 113 is considerably less than the national average of 207.

	Southland Region	Urban Invercargill	Southland Rural	New Zealand
Av. Maintenance Down Days	2.17	2.17	-	3
Average Number of Maintenance Activities	113	113	-	207

In Southland, the average operating income (with outliers excluded) is significantly lower than the national average of \$431,965. Operating expenditure for golf facilities in Southland is less than half of the national average of \$425,018. Additionally, 43% of golf facilities in Southland rated their own built assets as “old condition, requires significant future investment.”

	Southland Region	Urban Invercargill	Southland Rural	New Zealand
Av Operating Income	\$152,500	\$152,500	-	\$ 431,965
Av Operating Expenditure	\$ 157,500	\$ 157,500	-	\$ 425,018
Expenditure/Income	103%	103%	-	98%
Av Revenue per 18 Hole Round	\$ 70.71	\$ 70.71	-	\$ 87.17
Av Cost Per Round	\$ 68.46	\$ 68.46	-	\$ 81.83
Net Revenue per Round	\$ 2.25	\$ 2.25	-	\$ 4.65

## 8.7 CRITICAL ISSUES IN NEW ZEALAND FOR GOLF FACILITIES

There are a number of critical issues which NZ Golf needs to support golf clubs to address in order to create financially sustainable golf facilities and grow the game of golf. The issues were identified through the national survey, research, data analysis and consultation. The general issues identified fall within the following six main categories:

1. Lack of income diversity;
2. Untapped target markets;
3. Increasing operational costs;
4. Lack of genuine differentiation;
5. Critical issues specific to urban golf facilities;
6. Critical issues specific to rural golf facilities.

The issues listed above and outlined below impact the long term sustainability of golf facilities and need to be addressed over the longer term.

### 8.7.1 Lack of Income Diversity

The current lack of income diversity is not only due to the narrow market focus of golf but also by the lack of different golf experiences available for players.

The Victoria University Report<sup>1</sup> comments that members are the main source of golf clubs' funding (median 66.72%, mean 64.15%), although this is higher in urban clubs and lower in rural clubs. Within this a large minority of clubs reported declining revenue (41.9%). To supplement funding 84.2% of clubs applied for at least one grant in the last year. The Report also comments that few clubs have diversified their service offering to generate other funding sources.

This is supported by our research that, for example, on average in Auckland the Playing Income is 46% of total income (internal and external).

Global trends indicate that membership is declining and customers through their actions are showing decreased propensity to commit to and buy memberships. Yet golf clubs continue to focus upon trying to drive membership uptake including promoting derivatives of traditional membership options. More consideration needs to be given to providing different golf experiences which meet current and future player needs. It is acknowledged that some clubs have diversified their income by offering function and corporate hospitality services where the club house facilities allow. However these services are not core to their purpose or business operations and we would suggest do not represent the real opportunity to improve the utilisation and income profile of Golf Clubs.

Again, addressing the lack of income diversity will increase the financial sustainability of clubs.

### 8.7.2 Untapped Markets

As discussed in Section 8.1, golf is currently meeting the needs of a relatively narrow market segment and there are several potential market segments which are not participating in the game. There is considerable opportunity for participation growth



in these new market segments including young people, females, non- Europeans, casual players and families.

This is a critical issue which needs to be addressed to improve the overall sustainability of golf facilities i.e. increasing utilisation by new markets (and therefore increasing income diversity) will in turn increase the financial sustainability of golf facilities.

### **8.7.3 Increasing Operational Costs**

The Victoria University Report<sup>37</sup> comments that Golf clubs' greatest expenditure is on property (median 45.6%, mean 47.05%) followed by administration (median 43%, mean 39.72%). The Report also comments that administration costs are high, indicating a need to make savings and/or share services and suppliers.

Climate change effects include the impact of the increasing scarcity of water and additional maintenance on aging assets putting further strain on already stretched operational expenditure budgets.

There is some evidence of continually increasing customer expectations perhaps stimulated by the following:

- Golf facilities are increasingly competing with many more quality and/or market need fulfilling recreation facility, services and program options;
- Television coverage of international golf events on picturesque courses can lead to increased customer expectations and pressure of Golf clubs to maintain higher standards of green assets than is affordable.

### **8.7.4 Lack of Genuine Differentiation**

Most clubs struggled to identify specific, differentiating factors that set them apart from other clubs.

Broadly there are two competitive strategies available to organisations aiming to outperform other organisations. These are as follows:

- The organisation can aim to provide its products and services from a lower cost base, having a sales price at the industry average so as to earn a higher margin or promoting a sales price below the industry average so as to generate higher sales volumes;
- The organisation can provide its products and services from the same cost base as its competitors, and differentiate its offering and brand so as to sustain a higher sales price and thereby earn higher margins.

In relation to Golf Clubs, the drivers for sustainability are about generating revenue from participation. Achieving cost efficiencies may be beneficial in the short term but this is not the key to long term sustainability. There are certain fixed costs and levels of variable costs; growing the top line revenue is where the focus should be directed.

Therefore, in order to drive increased participation in a market where there is usually a considerable range of similar options for customers, Golf Clubs need to differentiate the products, services and experiences they are offering.

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<sup>37</sup> Cash, sinkholes and sources. Research Report 1: Golf Clubs. Dr Carolyn J. Cordery<sup>1</sup> and Professor Rachel F. Baskerville

Genuine differentiation, designed around understanding target market needs, will lead to increased participation (i.e. sales of golf rounds) and therefore increased revenue. It is worth noting that, in our view, differentiation is not about adding unrelated services in attempt to create non-golf revenue (e.g. promoting club rooms in the functions market) but rather tapping into new market segments for golf participation (e.g. females, children and non-Europeans) as well as new golf experiences as discussed below.

### 8.7.5 Critical issues specific to urban golf facilities

There are number of issues which impact the sustainability of the golf facilities more so in urban areas, these were identified as:

- Lack of diversity in golf experiences and player pathways;
- Quality of Service.

#### *Lack of Diversity in Golf Experiences and Player Pathways*

Consistent with the narrow market focus and the resulting market segments that are not participating in the game, we conclude that there appears to be provision of relatively homogenous golf services and facilities. In business and marketing terms, there is a lack of product and service diversity designed to both overcome the barriers to participation (e.g. time) and leverage the very many strengths of golf as a sport and recreation pastime.

In many urban areas throughout New Zealand there is an oversupply of Development Golf Courses (Traditional Mid-Level 18 hole Golf Courses) and an under supply of Introductory Courses (Traditional Entry Level).

Golf facilities are becoming less relevant to their surrounding community and not evolving alongside societal and technological trends or diversifying the golf experience enough to attract new participants.

#### *Quality of Service*

Community and customer expectations of golf facilities are commensurate with other leading sport and recreation facility options. That is, golf facilities compete not just with other golf facilities but also with other sport and recreation facilities.

The Quality of Service is varied throughout New Zealand with an average of 4.9 and ranging from 2 to a maximum of 8.2 out of 10. The type and quality of services provided at the golf facilities need to reflect their target market i.e. their needs and expectations in terms of quality of facilities.

The overall quality of service incorporates the condition of built assets into the rating. In New Zealand 17% of golf clubs rated their main built assets as “old condition (requires significant future investment; has not had ongoing maintenance)”. This is a significant issue to consider when overlaid with increasing expectations and increasing operational costs. As Victoria University reports there is poor inter-generational equity with 56% of clubs being financially worse off after 4 years' trading and only 38% being better off.

The average surplus/revenue calculation is therefore negative, suggesting long term sustainability is threatened and reinvestment into assets would potentially decrease further decreasing the quality of service offered.

### **8.7.6 Critical issues specific to rural golf facilities**

There are a number of issues which impact the sustainability of golf facilities in rural areas. The issues identified fall within the following main categories and are summarized below:

- Lack of population due to urbanisation;
- Dispersed population and isolation;

#### *Lack of population due to urbanisation*

In New Zealand 65% of residents live in one of the main urban areas used in the analysis. Statistics NZ reports that by 2001 over 80% of New Zealanders lived in either towns or cities, this is compared to approximately 40% in early 1900's. Even though this trend is nothing new the percentage of establishment of rural golf facilities compared to urban golf facilities over the same period has in fact increased.

#### *Dispersed population and isolation*

35% of New Zealanders live outside of the main urban cities, this rural population is dispersed throughout New Zealand.

In regions such as Otago where the population density is 6.7 residents per km<sup>2</sup> even including the urban populations and the number of golf courses is as high as 39 compared to Auckland which also has 39 golf facilities but has a population density of 304 residents per km<sup>2</sup>. These rural golf courses in low population density areas in isolated New Zealand are subject to considerably different challenges to urban golf facilities.

### **8.7.7 Summary Long Term Sustainability**

A number of factors contribute to the long term sustainability of golf clubs and these include the issues discussed above.

The greatest risk facing golf identified by Victoria University and supported by the facility survey is the declining membership base across all clubs generally. The lack of members affects not only clubs' incomes, but also the ability to reinvest and maintain the assets at an acceptable level.

The long term sustainability of golf clubs is dependent upon innovation and differentiation in developing and delivering golf experiences so that the income base is broadened and diversified. That is, for survival golf, like other commercial and community services, has to adapt to changing societal and market needs.

## **8.8 BARRIERS TO CHANGE**

However, the resolution of the majority of the issues listed above is subject to the following barriers to change.

Golf facilities are mainly governed by members, for members. This represents a significant potential barrier to change.

Long term sustainability as referred to in 6.3.8 above requires 'market facing' structures and culture. We put forward the view that under member driven governance structures Golf clubs are inherently 'inward facing'.

The lack of diversity in club governance and drivers based on member interests inhibits the capacity to consider the Golf club business as a whole. Given the size and inherent value of golf assets and the trends evident in the game, diversity of 'thinking' on boards needs to be addressed in order to create long term sustainability of the sport and the facilities.

We note also that most golf clubs are legally structured as Not-for-Profits (NFPs). The New Zealand Charities Commission defines NFPs as: "any organisation that is not carried out for the profit or gain of any member, and whose rules prevent money, property or any other benefits being distributed to any of its members."

There will be valid reasons for golf clubs adopting NFP legal structures, including the ability to apply for grant funding. However, our concern is that the culture and operational focus of golf clubs, where governance is member-representation based and the legal structure is NFP, is predominantly concerned with stakeholders and not concerned enough with generating financial surpluses from operations and long term sustainability.



## 9. RATIONALE, PERFORMANCE, SUSTAINABILITY PROCESS

### 9.1 THE PURPOSE

The RPS process enables the assessment, at regional level, of golf asset opportunities such as course development, current club course development, club course closure, club merger and re-scope of club purpose. The assessment considers the following:

- Regional portfolio of existing golf assets;
- Current and future needs of golfers;
- Expected performance outcomes.

The RPS process involves a disciplined assessment and establishment of a platform for informed, rational decision making. It precedes commissioning of concept drawings and funding strategy.



Figure 28: Overview of the RPS Framework

**Rationale** – Considers the opportunity in the context of the circumstances in which the organisation is operating. That is, the strategic logic, the golf asset profile and the unfulfilled golf customer needs that the opportunity is designed to meet. For example:

- Is it likely that the implementation of the opportunity will promote growth in the sport?
- Does the implementation of the opportunity strengthen the balance of golf facilities in the region?

**Performance** – If the decisions under consideration in relation to the opportunity have a robust rationale then the performance is analysed. Performance considers expected outcomes, risk and return and stakeholder management and/or input.

**Sustainability** – If the decisions under consideration in relation to the opportunity have a robust rationale and the predicted performance outcomes are acceptable, then sustainability is analysed. Sustainability considers the resources and competencies required to deliver the outcomes in both the development process and for on-going operational sustainability.

The RPS process is presented within Appendix 2 - RPS of this report. The Process is a targeted template for NZ Golf to address both within its own deliberations when presented with club course development, merger, or closure opportunities, and when NZ Golf elects to work alongside proponents with the RPS process.

The RPS process is not designed to produce a specific decision. It is designed to promote informed and rational assessment and decision making, backed by contextual insights and objective analysis.





## 10. STRATEGIC RECOMMENDATION 1 - HIERARCHY OF GOLF FACILITIES

Given the assessments provided in the sections above particularly the critical issues identified in 8.6 above, the first recommendation is about the establishment and deployment of a National Hierarchy of Golf Facilities model.

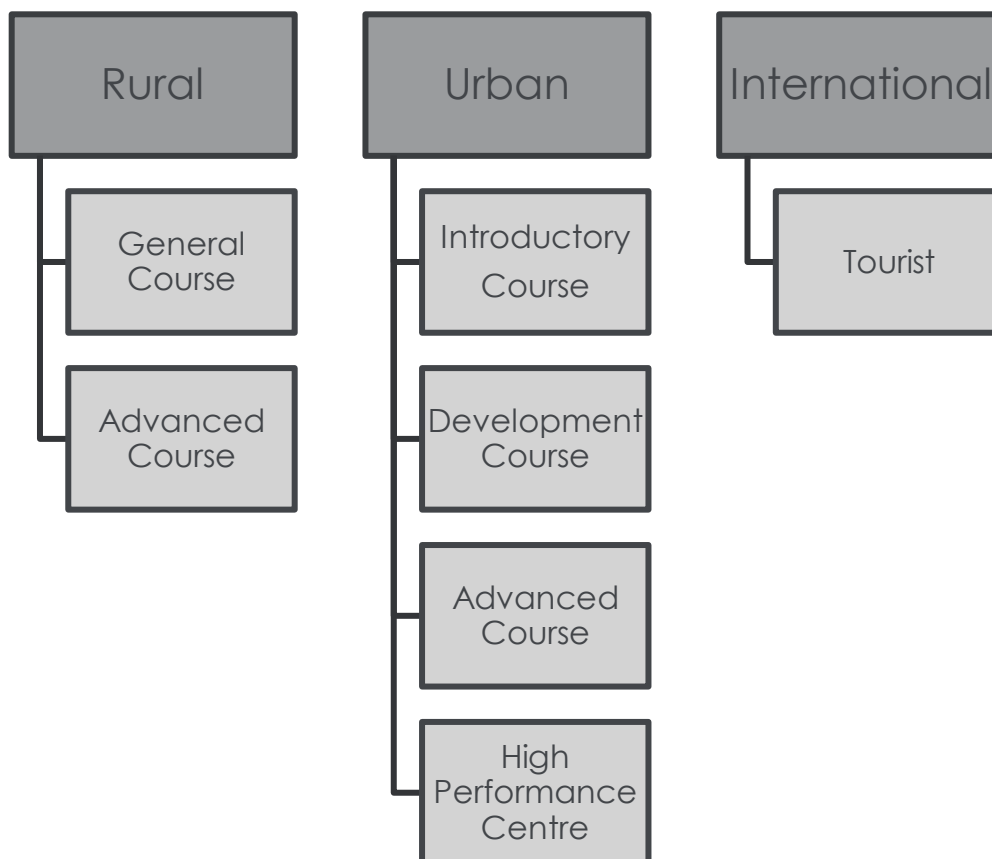


Figure 29: National Hierarchy of Golf Facilities

The aim of the model is to aid the process of designing the optimum future network of sustainable golf facilities throughout New Zealand.

The National Hierarchy of Golf Facilities, depicted in Figure 29 above, incorporates three 2<sup>nd</sup> tier hierarchies which include Rural, Urban and International.

The Hierarchy of Golf Facilities model will enable NZ Golf to aid golf clubs, councils and golf facility owners to develop a sustainable and diverse portfolio of golf assets which will then encourage a greater number of golf customers attracted to, engaged with and immersed in the game of golf in New Zealand.

Additionally the intention of the National Hierarchy of Golf Facilities model is that it provides the following benefits:

- A planned approach to future investment in golf facility infrastructure;
- A guide to assist decision makers in infrastructure provision;
- Differentiated, operationally sustainable golf courses offering a range of golf products and experiences to new market segments;

- A network pathway for golf and community development including an easy transition from beginner through to more advanced golf.

Our recommendation is that NZ Golf deploy the Hierarchy of Golf Model over time as opportunities arise to influence, and where practical lead, decisions in golf facility capital investment, market segment prioritisation, facility role in the regional and national network of golf facilities and facility services provision. The Hierarchy of Golf Model should be utilised in conjunction with the Rationale Performance Sustainability (RPS) framework. Refer to Appendix 2 - RPS for the RPS framework.

### 10.1 RURAL GOLF HIERARCHY

The reason for a separate hierarchy model for rural golf facilities is that rural clubs are subject to a different environment than urban golf facilities, this environment includes variations in:

- Low population density;
- Household demographics;
- Minimal corporate opportunities and less income diversity opportunities;
- High levels of volunteerism compared to urban golf clubs.

The Rural Golf Hierarchy Model is depicted in Figure 30 below and consists of two tiers; General Course and Advanced Course.



Figure 30: The Hierarchy of Golf Facilities for a Metropolitan Area

### 10.1.1 General Course – Rural

The purpose of a General Course is to familiarise new players to the game of golf by creating an inclusive atmosphere throughout the facilities that supports learning the fundamentals of golf as well as to improve and expand the skills of development level golfers.

The General Course has the opportunity to become the community sports hub and to provide shared services. Sharing services and creating a hub can create the following benefits:

- Operating efficiencies for the golf club and other sports who share the services, creating reduced operating costs;
- Opportunity to create a genuine hub and focal point for a community;
- Increases the foot traffic and has the potential to grow utilisation of the golf course.

The General Course should create an inclusive, positive and fun atmosphere and will have a greater family environment, with:

- Membership options and public casual play;
- A social environment that is conducive to meeting other people within the community who are learning to play golf;
- Reflective of the rural target market for example, child services and casual dining for the family market.

A General Course should be of an appropriate difficulty that allows new and less experienced golfers to gain the full golfing experience. The course should be:

- 6, 9 or 18 holes;
- Par 3;
- Have holes with varying lengths;
- Have an average slope rating below the national average.

Practice facilities will be an important part of General Courses and may include:

- A driving range with an appropriate number of bays for the size of the local community;
- Practice pitching area;
- Practice putting area;
- Practice bunker.

A variety of coaching and training programmes should be made available to suit the demographics of the rural community.

General Courses should consider having a range of rental clubs available and a Golf Shop could also be considered. The golf shop conveniently provides golf equipment, clubs and attire on site and could provide revenue for the club; however, this needs to be assessed based on the size of the local community.

General Courses should introduce friendly competition to its golfers.

Appropriate additional facilities and services should also be considered to cater for the rural community

### 10.1.2 Advanced Course - Rural

The purpose of an Advanced Course is to provide a high-end championship level course which attracts the local community but also markets to the domestic golf tourist market. The Advanced Course is a domestic destination course.

Advanced Courses will typically be membership based, with a high quality course and full club house facilities.

The target market sectors for the Advanced Courses are the local community and the domestic golf tourism market. These target markets must be reflected in the facilities and services available at the club. For example, the domestic golf tourism market might need a high-end restaurant and bar, aesthetic appeal of the course, several golf carts for hire and affiliations with local accommodation providers.

As a championship level course, Advanced Courses will be at least 18 holes with a slope rating and NZCR higher than the national average. The holes will typically be longer and more challenging with several water hazards and bunkers. An Advanced Course needs to be of appropriate difficulty and high quality, capable of hosting a national event. National and regional competitions will be a defining feature of Advanced Courses.

Advanced Courses will have an affiliation or relationship with the NZ Golf High Performance Centre. High performance Golf athletes will train both at the High Performance Centre and at Advanced Courses.



## 10.2 URBAN GOLF HIERARCHY



Figure 31: The Urban Hierarchy of Golf Facilities

The hierarchy model for urban golf facilities was established to reflect the urban environment. Compared to rural areas the urban environment includes variations in:

- Higher population density;
- Increased corporate opportunities and greater opportunities for income diversity;
- Lower levels of volunteerism compared to rural golf clubs;
- Greater density of golf facilities and thus greater competition with other urban clubs creating opportunities to differentiate and innovate;
- Greater competition with other sport and recreation activities;
- A more varied demographic.

The Urban Golf Hierarchy Model is depicted in Figure 31 on the previous page and consists of four tiers:

- Introductory Course;
- Development Course;
- Advanced Course – Urban;
- High Performance Centre.

### 10.2.1 Introductory Course

The purpose of an Introductory Course is to familiarise new players to the game of golf by creating an inclusive atmosphere throughout the facilities that supports learning the fundamentals of golf.

The 2008 golf membership and participation study<sup>38</sup> revealed that more experienced golfers feel more welcome in golf clubs and less experienced golfers perceive golf clubs to be less welcoming. The Introductory Course must create an inclusive, positive and fun atmosphere for casual, less experienced golfers or non-golfers. For example, the course must be:

- Public rather than membership based;
- Have a social environment that is conducive to meeting other people who are learning to play golf;
- Be reflective of the target market for example, be family friendly with services for children or services for the corporate market.

An Introductory Course should be of an appropriate difficulty that allows new and less experienced golfers to gain the full golfing experience without getting discouraged or overwhelmed by a full-length difficult 18 hole course. The course should be:

- 6 or 9 holes;
- Par 3;
- Have holes with varying lengths;
- Have a slope rating below the Auckland average.

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<sup>38</sup> Whitaker, Stephen. *Increasing Nationwide Golf Club Membership & Participation – 2008 Survey*, New Zealand 2008.

Practice facilities will be an important part of Introductory Courses, allowing golfers to repeatedly practice certain shots several times in a row while developing their technique. The range of practice facilities could include:

- A driving range;
- Practice pitching area;
- Practice putting area;
- Practice bunker.

These practice facilities will also allow for effective and efficient individual coaching and group lessons. The membership and participation study<sup>39</sup> confirmed that a large proportion of casual golfers would be more attracted to memberships that provide coaching facilities to help them improve. As such, a variety of coaching and training programmes should be available to suit the varying demographics of the target market. Examples of coaching and training programmes could include:

- Individual coaching, one-off lessons;
- Individual coaching, package of lessons;
- Individual training programme, progressing through “levels” as skills are acquired and improved;
- Group training programmes, age-specific and tailored for the age group while progressing through “levels” as skills are acquired and improved;
- Group lesson, one-off lesson on specific skill e.g. pitching
- Golf etiquette, available as a one-off lesson and incorporated into training programmes/coaching packages.

Introductory Courses should consider having a range of rental clubs available for new golfers to use before committing to purchasing their own set. The type and quantity of rental clubs provided should be reflective of the target market, for example, a range of adult clubs versus junior clubs.

An Introductory Course should have strategic partnerships with schools to encourage access to golf for more children; fostering the next generation of golfers and developing a more sustainable future revenue stream for golf clubs. The level of this partnership will depend on whether juniors are the target market of the course.

Innovative approaches need to be taken to get non-golfers interested and excited about learning to play golf. Snag golf is a great example of a fun way to introduce children to golf. New golf technologies such as virtual golf and 60-60 golf are also good examples of ways to create interest in golf from non-golfers.

The Introductory Course will enable new and less experienced golfers to gain the fundamental skills and etiquette required to progress comfortably to a more difficult, 9 or 18 hole Development Course. To encourage this growth and progression, an affiliation or relationship with at least one Development Course should be established by the Introductory Course.

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<sup>39</sup> Whitaker, Stephen.



## 10.2.2 Development Course

The purpose of a Development Course is to improve and expand the skills of golfers in an environment tailored to the demographic needs of the target market that retains golfer interest and commitment to the game.

Similar to the Introductory Course, the Development Course should create an inclusive, positive and fun atmosphere with:

- Membership options and public casual play;
- A social environment that is conducive to meeting other people who are learning to play golf;
- Reflective of the target market for example, sprig bars and restaurants for the corporate market or child services for the family market.

A Development Course should be of an appropriate difficulty that challenges golfers in comparison to an Introductory Course without being discouraging. The course should be:

- 9 or 18 holes;
- Have longer holes than Introductory Course holes;
- Have a slope rating near the Auckland average.

For the time-poor target market, a development course could consider offering a 6 hole, 9 hole or 12 hole option.

Practice facilities will be an important part of Development Courses and should include:

- A driving range;
- Practice pitching area;
- Practice putting area;
- Practice bunker.

A variety of coaching and training programmes should be available to suit the demographics of the target market. Examples of coaching and training programmes are demonstrated above in the Introductory Course description.

Development Courses should consider having a range of rental clubs available that are reflective of the target market. A Golf Shop could also be considered as development level players are likely to be ready to invest in their own clubs, equipment and attire. The golf shop provides access to these products and could provide revenue for the club.

Development Courses should introduce friendly competition to its golfers. The level of competition could range from introductory to competitive and intra-club to inter club competition.

Technology, such as video replay, virtual golf and 60-60 golf, should be incorporated into Development Courses to help retain player interest, aide in stroke improvement and provide a shortened training option for the time-poor markets.

Appropriate additional facilities and services should also be considered for the target market including short term child care, strength and conditioning facilities, and easy access to sports fields or tennis courts for non-golfing family members, for example.



The Development Course should have an affiliation or relationship with at least one Introductory Course to help sustain the golf demand at the club. The competitions and training programmes at Development Courses could also serve as a good place to spot talent and create a feeder into the High Performance pathway.

### 10.2.3 Advanced Course - Urban

The purpose of an Advanced Course is to provide a high-end championship level course. Advanced Courses will typically be membership based, depending on the market, with a high quality course and full club house facilities.

The target market for each Advanced Course must be identified and reflected in the facilities and services available at the club. For example, the corporate market might need a high end restaurant and bar, function room for corporate days and several golf carts for hire. The committed, advanced player market might need a PGA pro on-site, video feedback analysis, coaching and strength and conditioning facilities. International and domestic tourists might also be a target market for an Advanced Course and will have particular interest in the quality and aesthetic appeal of the course and restaurant.

As a championship level course, Advanced Courses will be at least 18 holes with a slope rating and NZCR higher than the national average. The holes will typically be longer and more challenging with several water hazards and bunkers. An Advanced Course needs to be of appropriate difficulty and high quality, capable of hosting a national event. National and regional competitions will be a defining feature of Advanced Courses.

Advanced Courses will have an affiliation or relationship with the NZ Golf High Performance Centre. High performance Golf athletes will train both at the High Performance Centre and at Advanced Courses.

### 10.2.4 High Performance Centre

There will be one NZ Golf High Performance Centre in New Zealand. The report on *NZ Golf High Performance Centre Requirements* recommends that in addition to accessibility to high performance and non-high performance support services, high population base and the potential to develop successful commercial and community revenue earning programs and services are important factors for choosing the location of the Centre.

The High Performance Centre must provide the following facility features:

- Covered driving bays;
- Grassed Bays and Hitting Area;
- Driving range;
- Short game area for shots of 45m and less;
- Pitching practice area;
- Putting practice greens;
- Indoor practice facility;
- Onsite meeting and service provider rooms;
- Club storage and lockers;
- Gymnasium and fitness facilities;

- Accommodation ;
- Club making and repair workshop.

The NZ Golf High Performance Centre does not include a golf course for the High performance athletes to train on. As such, it is important for the High performance Centre to develop affiliations and relationships with Advanced Courses.

### 10.3 INTERNATIONAL GOLF HIERARCHY

The International Golf Hierarchy consists of only one tier, the International Course. The International Course is to provide a high end championship level destination course, primarily for international visitors,

These courses will typically not be membership based but will provide a high quality course and full club facilities comparative to other international courses.

An International Course should differentiate itself in terms of experience than other Countries International I Course and additionally provide the following:

- High quality championship level course, at least 18 holes with a slope rating and NZCR higher than the national average. The holes will typically be longer and more challenging with several water hazards and bunkers.
- This course must be accessible by either airport or cruise ship port;
- The international player may want to access other International Courses within a region to provide a variety, therefore relationships within a network of other International Course is key;
- This course will provide not only golf facilities but provide accommodation and resort amenities;
- The International Course will either be in close proximity to appropriate accommodation or provide resort/luxury accommodation at the course.

These courses will align with the NZ Tourism Golf Strategy to attract high net worth individuals to New Zealand and provide an outstanding experience which will generate return visits.

## 11. STRATEGIC RECOMMENDATION 2 - SUSTAINABLE FACILITIES IN URBAN AREAS

NZ Golf needs to grow the sport of golf throughout New Zealand and increase the probability of financial sustainability. Sustainability is largely achieved not through reduced costs but through increased revenue.

### 11.1 IS THERE AN OVERSUPPLY?

There is an oversupply of Development Golf Courses (Traditional Mid-Level Golf Courses) in many urban areas and an under supply of Introductory Courses. There is not an oversupply of facilities per se. That is there, is no basis in this project for concluding that golf facilities need to close. Many need to transform, to modify their golf experience offering to reflect unfulfilled consumer needs and to access customers from golfers in different parts of the golfer pathway.

### 11.2 RETAINING REVENUE

The predominant user group in urban areas is members of golf clubs. These members are well catered for; the majority of the facilities provided are clubs that are classified as Traditional Mid-Level Clubs. These members are likely to fall within the following golf market segments:

- Regular Golfer | Traditional club member;
- Performing Golfer | High performance competitor;
- Excelling Golfer | Elite performance competitor.

Facilities for these market segments need to be retained. Under the new Hierarchy of Golf Facilities these facilities should be classified as Advanced and possibly some as Development.

Community expectation of recreation facilities is commensurate with other leading recreation facility options and must be met in order to attract and retain members. Therefore the average Quality of Service offered in urban areas should be improved to assist in retaining members.

Additionally, as identified in the March 2008 Participation Survey<sup>40</sup>, golfers primarily play for social reasons and social benefits are valued above all other membership benefits for current members. Therefore the provision of welcoming and social golf facilities for the next generation club member promotes a necessary, positive club culture and encourages socially engaged golfers to play more golf more often.

### 11.3 DIVERSIFICATION OF REVENUE

Sustainability will be achieved through retaining existing members and through increased and broadening of the revenue base through diversification. Increasing and diversifying revenue can be achieved in a number of ways:

- Offering new golfing experiences and products;
- Attracting new customers/consumers to the sport of golf;
- Through functional design the facilities can be utilised for a variety of community, well-being and social activities.

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<sup>40</sup> Increasing Nationwide Golf Club Membership & Participation Survey March 2008



### 11.3.1 New Customers/Consumers = New Golf Experiences and Services

Attracting new customers to the sport of golf will in the long term support the sustainability of golf clubs in New Zealand. Delivering a hierarchy of facilities will provide a pathway for golfers to become engaged and remain engaged in the sport of golf. These customers are likely to fall within the following golf market segments:

- Not yet discovered golf | Non-participant;
- Casual Golfer | Non-club or lapsed member;
- Social Golfer | Non-club or lapsed member.

These market segments are most likely to utilise the facilities which are either classified as Introductory or Development and in some cases Advanced. New golf experiences for example 6060 Golf and/or Executive format courses need to be provided at these facilities to meet the next generation golfer and reflect changing societal trends.

### 11.3.2 Facility design

Facilities, both green and built assets, need to be designed to reflect their intended use (within the Hierarchy of Golf Facilities), their intended customer and with the aim of maximizing revenue generating potential.

#### **Built Assets**

The built assets through functional design need to enable the facilities be utilised for a variety of community and social activities for multiple user groups and to reflect the demographic and consumer utilizing the facility whilst creating much needed revenue options. Consideration should be given to:

- Hierarchy of facility (introductory, development or advanced);
- Community demographics and the golf facilities target market i.e. youth or specific ethnic groups or women;
- Facility social environment and culture;
- Design of club facility to reflect the target market and may include (if appropriate/required) meeting rooms, function facilities separate from member facilities, sprig bar and café easily accessible and welcoming. For example if the golf facilities target market is youth the facility needs to cater for a café selling sandwiches and icecreams etc, access to computers, xbox games and bean bags instead of a bar;
- Depending on the classification of the facility, the design should consider opportunities for shared space for other sports which either compliment the golf facility and add value to the golf facility user or create operating efficiencies for the golf facility operator;
- Depending on the classification of the facility and the community demographic opportunities for community and wellbeing facilities for example child care.

#### **Green Assets**

The design of the green assets should reflect the classification of the facility as described by the hierarchy of facilities and the target market of the golf facility. Additionally the green assets should consider shared spaces including networks of cycle ways and pedestrian pathways through the facility.

The impact future environmental challenges including water conservation and sun protection, increasing operational costs and consideration of is also critical to facility planning.

Our recommendation is that NZ Golf as NSO aims ensure the retention of the current network of golf facilities in many of the urban areas. However NZ Golf also needs to lead and influence the transformation of some golf facilities into facilities that meet new and emerging market needs for new golf customers seeking non-traditional golf experiences.

This can be achieved by using the Hierarchy of Golf Facilities model above, the RPS model (refer Appendix 1) and by working in collaboration with Clubs .



## 12. STRATEGIC RECOMMENDATION 3 – SUSTAINABLE FACILITIES IN RURAL AREAS

Rural golf facilities face difficult challenges with increasing urbanisation. Over the past 100 years, the percentage of golf courses in rural areas compared to urban areas has increased yet the percentage of the rural population compared to the urban population has decreased. There is a resulting oversupply of golf facilities in rural areas and we recommend that certain regions, with particularly low population relative to the number of golf clubs, will need to consider merging golf clubs and operating them out of one facility. The clubs could remain separate entities at the same facility or join as one club but, regardless of the club structure, the sustainability of the facility will be increased with a greater number of players at the course and reduced competition for the relatively small market (i.e. low population). All rural areas in New Zealand suffer from an unsustainable low population to golf facility ratio. The regions with particularly low population per golf facility<sup>41</sup> are:

- Southland;
- Tasman/Marlborough/Nelson;
- Otago;
- Taranaki;
- Northland;
- Poverty Bay.

For all remaining golf facilities in these regions and all rural facilities in other regions; NZ Golf, needs to support and lead the transformation of these facilities to ensure they are more financially sustainable in the long term. As discussed before, sustainability is largely achieved not through reduced costs but through increased revenue. For rural golf clubs there are limited means with which to increase revenue due to low population. One mechanism which could be implemented, depending on the specific local rural community, is to create a sports and recreation hub. Creating a hub could benefit the golf club by creating operating efficiencies and increasing utilisation of the existing facilities as well as potentially increasing the market segments for the golf club. A hub could be achieved through:

- Partnering with local schools and providing additional recreation facilities that the schools would not otherwise have;
- Providing programmes or services which the local community lacks;
- Relocating other sports codes (for example Bowls) to the golf course;
- Provide community amenities;
- Creating a community focal point and a family environment.

For the Advanced Rural Course, the Club has the opportunity to attract people from outside of that local population. This could be achieved through:

- Partnering within local businesses including for example vineyards, hotels and touring companies;
- Innovative differentiation which attracts domestic players to pay a premium and travel to play at this golf course.

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<sup>41</sup> Less than 7,000 residents per golf facility



In order for rural golf courses to become increasingly sustainable, the clubs need to innovate and change with their changing environment.

We recommend that NZ Golf, as an NSO, aims to aide rural golf facilities in becoming more financially sustainable facilities. This may involve merging clubs in low population/club regions, transforming clubs into facilities that better meet community needs by acting as a social and sports hub for the entire family and transforming particular clubs into Advanced domestic destination courses, attracting participation from outside of the rural area.

This can be achieved by using the Hierarchy of Golf Facilities model above, the RPS model (refer Appendix 1) and by working in collaboration with Clubs.



## 13. RECOMMENDED NEXT STEPS

NZ Golf do not own or operate golf facilities. New Zealand Golf Inc. (NZ Golf) is the governing body for golf in New Zealand, responsible for fostering and developing the sport. Their role, in respect of the National Facilities Strategy, is to lead Golf Clubs to become sustainable by promoting, supporting and facilitating.

The Golf Clubs own and operate their golf facilities; they need to own their decision making process and become internally motivated to change. “You can take a horse to water but you can't make it drink”.

### 1. **Communication to Clubs**

NZ Golf needs to communicate nationally the key findings of the report to golf clubs. This will assist clubs to understand the wider issues which are impacting not just their clubs but all clubs nationally. Communication of the report will also help Golf Clubs to realise the potential opportunities which surround them.

### 2. **Support / Resource**

NZ Golf needs to support the Golf Clubs with resources that help them advance their business. Resources will be in the form of professionals that can advise on achieving diversity on boards, examining the market and identifying opportunities, promoting the Club to their target market effectively and how all this change can be implemented.

### 3. **Diversity in Governance**

The National Facilities Strategy identifies current governance structures as the fundamental barrier to change. That is Golf facilities are mainly governed by members, for members.

Under member driven governance structures Golf clubs are inherently ‘inward facing’ and constrained in recognising and responding to market changes. The governance structures also inhibit their capacity to consider the Golf club business as a whole.

Given the size and inherent value of golf assets and the trends evident in the game, diversity of ‘thinking’ on boards needs to be addressed in order to create long term sustainability of the sport and the facilities.

In order for the National Facilities Strategy to be realised NZ Golf must lead Golf Clubs to understand the impact of this barrier to progress and to help Golf Clubs diversify their boards. Diversity on boards, over time, will be a catalyst to significant change.

### 4. **Promote RPS**

Realisation of the issues and diversification of boards will encourage Golf Clubs to consider potential progressive opportunities for their clubs. NZ Golf should promote the RPS to Golf Clubs to assist clubs in evaluating if their ‘potential opportunity’ is feasible.

### 5. **Data & Designation**

NZ Golf needs to own the hierarchy of golf facilities and the designations. Golf Clubs should apply to NZ Golf for their specific designation. NZ Golf will then help promote

these Clubs. NZ Golf will need to continually update their database with information that supports the RPS tool.

#### **6. Stage Implementation**

NZ Golf should look to implement the recommendations in a staged manner with clusters of proactive Golf Clubs, thereby 'leading by example'.



## APPENDIX 1

### AUCKLAND

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
# of courses	31							
Responded	8							
Not Responded	36							
Response Rate	70.4%							
Names of Courses	Akarana	Y	Urban	Inc Society	Club owned	Not Applicable	1927	18
	Aviation	Y	Urban	Inc Society	Lease	Private Owner	1969	18
	Awhitu	Y	Rural	Inc Society	Council	Council	1983	9
	Clarks Beach	Y	Rural	Inc Society	Council	Council	1983	18
	The Grange	Y	Urban	Inc Society	Inc Society	Not Applicable	1924	18
	Gulf Harbour	Y	Rural	Inc Society	Inc Society	Not Applicable	1998	18
	Helensville	Y	Urban	Inc Society	Club owned	Not Applicable	1948	18
	Huapai	Y	Urban	Inc Society	Club owned	Not Applicable	1938	18
	Manukau	Y	Urban	Inc Society	Club owned	Not Applicable	1932	18
	Maramarua	Y	Rural	Inc Society	Club owned	Not Applicable	1946	18
	Maungakiekie	Y	Urban	Inc Society	Club owned	Not Applicable	1909	18
	Maxwells	Y	Rural	Private	Private	Private Owner	2008	9
	Muriwai	Y	Urban	Inc Society	Council	Council	1956	18
	North Shore	Y	Urban	Inc Society	Club owned	Not Applicable	1932	27
	Omaha Beach	Y	Rural	Inc Society	Council	Council	1975	18
	Pakuranga	Y	Urban	Inc Society	Club owned	Not Applicable	1968	18
	Peninsula	Y	Urban	Inc Society	Inc Society	Not Applicable	1956	18



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Pukekohe	Y	Urban	Charitable Trust	Club owned	Not Applicable	1912	18
	Redwood Park	Y	Urban	Inc Society	Council	Not Applicable	1972	18
	Remuera	Y	Urban	Inc Society	Council	Council	1934	18
	Royal Auckland	Y	Urban	Inc Society	Club owned	Not Applicable	1894	18
	South Head	Y	Urban	Inc Society	Inc Society	Not Applicable	1960	18
	Takapuna	Y	Urban	Private	Council	Council	2001	18
	Titirangi	Y	Urban	Inc Society	Club owned	Not Applicable	1909	18
	Waiheke Island	Y	Urban	Inc Society	Lease	Council	1965	9
	Waitakere	Y	Urban	Inc Society	Council	N/A	1948	18
	Waitemata	Y	Urban	Council Lease	Council	Council	1907	18
	Waiuku	Y	Urban	Inc Society	Council	Council	1921	18
	Warkworth	Y	Rural	Inc Society	Inc Society	Not Applicable	1908	18
	Wattle Downs	Y	Urban	Private	Private	Private Owner	1979	9
	Whitford Park	Y	Urban	Inc Society	Club owned	Not Applicable	1968	18
	Chamberlain Park	N	Urban	Council Lease	Council	N/A	N/A	18
	Formosa Auckland Country Club	N	Urban	N/A	N/A	N/A	2001	18
	Howick	N	Urban	N/A	N/A	N/A	1934	18
	Pupuke	N	Urban	N/A	N/A	N/A	1914	18
	Whangaparaoa	N	Urban	N/A	N/A	N/A	1959	18
	Royal NZ Navy Golf Society	N	Urban	N/A	N/A	N/A	N/A	18
	RNZAF	N	Urban	N/A	N/A	N/A	N/A	18
	Great Barrier	N	Rural	N/A	Council	N/A	N/A	9



## BAY OF PLENTY

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	23							
Responded	18							
Not Responded	5							
Response Rate	70.4%							
Names of Courses	Hamurana	Y	Urban	Inc Society	Inc Society	Not Applicable	1952	9
	Hinehopu	Y	Urban	Inc Society	Charitable Trust	Charitable Trust	1985	18
	Kawerau	Y	Rural	Private	Club owned	Not Applicable	1964	18
	Lake View Golf and Country Club	Y	Urban	Inc Society	Inc Society	Not Applicable	2009	18
	Mt Maunganui	Y	Urban	Charitable Trust	Club owned	Not Applicable	1935	18
	Murupara	Y	Rural	Charitable Trust	Charitable Trust	Not Applicable	1958	18
	Ohope Int.	Y	Rural	Inc Society	Lease	Council	1973	18
	Omanu	Y	Urban	Inc Society	Lease	Council	1971	18
	Omokoroa	Y	Urban	Inc Society	Club owned	Not Applicable	1976	18
	Opotiki	Y	Rural	Inc Society	Club owned	Not Applicable	1905	18
	Otumoetai	Y	Urban	Inc Society	Lease	Council	1964	9
	Rotorua	Y	Urban	Inc Society	Lease	Private Owner	1906	18
	Springfield	Y	Urban	Inc Society	Lease	Council	1930	18
	Tauranga	Y	Urban	Inc Society	Lease	Council	1914	18
	Te Puke	Y	Urban	Inc Society	Club owned	Not Applicable	1932	18
	The Kinloch Club	Y	Urban	Private	Private	Not Applicable	2007	18



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Turangi	Y	Rural	Inc Society	0	0	1965	18
	Waikite Valley	Y	Urban	Inc Society	Inc Society	Not Applicable	1985	9
	Renner Park Golf	N	Urban	N/A	N/A	N/A	2003	N/A
	Te Teko Golf Club	N	Rural	N/A	N/A	N/A	N/A	N/A
	Waiotapu Valley Golf Club	N	Urban	N/A	N/A	N/A	N/A	N/A
	Wairakei Tui Golf Club	N	Rural	N/A	N/A	N/A	1970	N/A
	Whakatane Golf Club	N	Rural	N/A	N/A	N/A	1914	N/A



## CANTERBURY

Club Overview		Responded to Survey (Y/N)	R/U	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	485.6285714							
Responded	36.47142857							
Not Responded	11							
Response Rate	70.4%							
Names of Courses	Amberley	Y	Urban	Inc Society	Club owned	Not Applicable	1922	18
	Amuri	Y	Rural	Inc Society	Inc Society	Not Applicable	1920	9
	Ashburton	Y	Rural	Inc Society	Club owned	Not Applicable	1895	18
	Burnham	Y	Urban	Inc Society	Lease	Private Owner	1953	18
	Charteris Bay	Y	Urban	Charitable Trust	Charitable Trust	Charitable Trust	1912	9
	Cheviot	Y	Rural	Inc Society	Inc Society	Not Applicable	1920	18
	Christchurch	Y	Urban	Inc Society	Club owned	Not Applicable	1873	18
	Coringa	Y	Urban	Inc Society	Lease	Council	1969	18
	Ellesmere	Y	Urban	Inc Society	Inc Society	Not Applicable	1934	18
	Gleniti	Y	Rural	Inc Society	Inc Society	Not Applicable	1929	18
	Greendale	Y	Urban	Inc Society	Club owned	Not Applicable	1936	18
	Hanmer Springs	Y	Rural	Inc Society	Inc Society	Not Applicable	1911	18
	Harewood	Y	Urban	Inc Society	Lease	Not Applicable	1923	27
	Hawarden	Y	Rural	Inc Society	Inc Society	Not Applicable	1929	9
	Highfield	Y	Rural	Inc Society	N/A	N/A	1959	18
	Hororata	Y	Rural	Inc Society	Lease	Council	1922	18
	Kaiapoi	Y	Urban	Inc Society	Club owned	Not Applicable	1907	18
	Lincoln	Y	Urban	Inc Society	Lease	Council	1956	9



Club Overview		Responded to Survey (Y/N)	R/U	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Mackenzie	Y	Rural	Inc Society	Lease	Private Owner	1962	9
	McLeans Island	Y	Urban	Inc Society	Lease	Council	1969	18
	Methven	Y	Rural	Inc Society	0	0	1924	18
	Mt Nessing	Y	Rural	Private	Private	Private Owner	1939	9
	Pleasant Point	Y	Rural	Inc Society	Inc Society	Council	1921	18
	St Andrews	Y	Rural	Private	Club owned	Not Applicable	1975	18
	Tai Tapu	Y	Urban	Inc Society	Lease	Council	1933	9
	Templeton	Y	Urban	Inc Society	Lease	Council	1931	18
	Temuka	Y	Rural	Inc Society	Lease	Council	1907	18
	Terrace Downs	Y	Rural	Private	Private	Not Applicable	2001	18
	Timaru	Y	Rural	Inc Society	Inc Society	Not Applicable	1905	18
	Tinwald	Y	Rural	Local Government	Lease	Council	1967	18
	Waimairi Beach	Y	Urban	Inc Society	Club owned	Not Applicable	1932	18
	Waimakariri	Y	Rural	Inc Society	Club owned	Not Applicable	1961	18
	Waimate	Y	Rural	Inc Society	Club owned	Not Applicable	1890	18
	Waitikiri	Y	Urban	Inc Society	Inc Society	Not Applicable	1937	18
	Weedons	Y	Urban	Inc Society	Club owned	Council	1966	18
	Kaituna Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	Maungati Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Mayfield Golf Club	N	Rural	N/A	N/A	N/A	1978	18
	Pegasus Golf Club	N	Urban	N/A	N/A	N/A	2000	18
	Rakaia Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Rangiora Golf Club	N	Urban	N/A	N/A	N/A	1908	18
	Rawhiti Golf Club	N	Urban	N/A	N/A	N/A	N/A	18
	Richmond Hill - Ferrymead	N	Urban	N/A	N/A	N/A	1909	9





Club Overview		Responded to Survey (Y/N)	R/U	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Russley Golf Club	N	Urban	N/A	N/A	N/A	1927	18
	Scargill Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Windsor Golf Club	N	Urban	N/A	N/A	N/A	N/A	18



## HAWKE'S BAY

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	497							
Responded	60							
Not Responded	7							
Response Rate	70.4%							
Names of Courses	Cape Kidnappers Golf Club	Y	Urban	Private	Private	Not Applicable	2004	18
	Cape Turnagain Golf Club	Y	Rural	Inc Society	Club owned	Not Applicable	1949	9
	Dannevirke	Y	Urban	Inc Society	Club owned	Private Owner	1902	18
	Hastings	Y	Urban	Inc Society	Club owned	Not Applicable	1898	18
	Hawkes Bay	Y	Urban	Inc Society	Inc Society	Not Applicable	1968	18
	Karamu	Y	Urban	Private	Private	Not Applicable	2011	9
	Mahia	Y	Rural	Inc Society	Lease	Private Owner	1983	9
	Napier	Y	Urban	Inc Society	N/A	N/A	1896	18
	Norsewood	Y	Rural	Private	Private	Private Owner	1987	9
	Onga Onga	Y	Rural	Inc Society	Inc Society	Not Applicable	1935	9
	Puketitiri	Y	Urban	Local Government	Club owned	Not Applicable	1965	9
	Waipukurau	Y	Rural	Private	Club owned	Not Applicable	1910	18
	Flemington Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Pongaroa Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Porangahau Golf Club	N	Rural	N/A	N/A	N/A	N/A	9



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Takapau Golf Club	N	Rural	N/A	N/A	N/A	N/A	12
	Te Pohue Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Waipawa Golf Club	N	Rural	N/A	N/A	N/A	N/A	12
	Wairoa Golf Club	N	Rural	N/A	N/A	N/A	N/A	18



## MANAWATU-WHANGANUI

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	23							
Responded	11							
Not Responded	12							
Response Rate	70.4%							
Names of Courses	Apiti	Y	Rural	Inc Society	Private	Not Applicable	1920	9
	Feilding	Y	Urban	Inc Society	Inc Society	Not Applicable	1904	18
	Foxton	Y	Urban	Inc Society	Lease	Council	1949	18
	Manawatu	Y	Urban	Inc Society	Club owned	Not Applicable	1895	18
	Marton	Y	Urban	Inc Society	Lease	Private Owner	1914	18
	Pahiatua	Y	Urban	Inc Society	Club owned	Not Applicable	1904	18
	Palmerston North	Y	Urban	Inc Society	Lease	Council	1964	18
	Rangatira	Y	Rural	Inc Society	Inc Society	Not Applicable	1964	18
	Rangitikei	Y	Urban	Inc Society	Club owned	Not Applicable	1936	18
	Waimarino	Y	Rural	Inc Society	Club owned	Not Applicable	1926	18
	Wanganui	Y	Urban	Inc Society	Inc Society	Not Applicable	1894	27
	Brookfields Park Golf Club	N	Rural	N/A	N/A	N/A	1976	9
	Buckley Golf Club	N	Urban	N/A	N/A	N/A	1936	14
	Castlecliff Golf Club	N	Urban	N/A	N/A	N/A	1925	18
	Hawkestone Golf Club	N	Urban	N/A	N/A	N/A	N/A	14
	Levin Golf Club (Inc)	N	Rural	N/A	N/A	N/A	1911	18
	Linton Camp Golf Club	N	Urban	N/A	N/A	N/A	1970	18



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Parapara Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	RNZAF Base Ohakea Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Taihape Golf Club	N	Rural	N/A	N/A	N/A	1909	18
	Tawhero Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	Waiouru Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Eketahuna Golf Club	N	Rural	N/A	N/A	N/A	N/A	18



## NORTHLAND

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	26							
Responded	17							
Not Responded	9							
Response Rate	70.4%							
Names of Courses	Bay of Islands	Y	Rural	Private	BOI Golf Club Kerikeri	Not Applicable	1936	18
	Carrington Golf Club	Y	Rural	Private	Private	Not Applicable	2001	18
	Houhora	Y	Rural	Inc Society	Inc Society	Not Applicable	1952	9
	Kaitaia	Y	Rural	Inc Society	Club owned	Not Applicable	1937	18
	Kauri Cliffs	Y	Rural	Private	Club owned	Not Applicable	2000	18
	Mangawhai	Y	Rural	Inc Society	Lease	Council	1979	18
	Matarua	Y	Rural	Inc Society	Private	Private Owner	1940	9
	Ngunguru	Y	Urban	Inc Society	N/A	Not Applicable	1990	9
	Northern Wairoa	Y	Rural	Inc Society	Inc Society	Not Applicable	1906	18
	Northland	Y	Rural	Inc Society	Inc Society	Not Applicable	1933	18
	Okaihau	Y	Rural	Inc Society	Club owned	Not Applicable	1950	9
	Sherwood Park	Y	Rural	Inc Society	Inc Society	Not Applicable	1967	18
	Waiotira	Y	Urban	Inc Society	Inc Society	Not Applicable	1969	9
	Waipu	Y	Urban	Inc Society	Inc Society	Not Applicable	1934	18
	Waitangi	Y	Rural	Inc Society	Lease	Not Applicable	1946	18
	Wellsford	Y	Rural	Private	Club owned	Not Applicable	1936	18
	Whangarei	Y	Urban	Inc Society	Inc Society	Not Applicable	1905	18



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Bay of Islands Golf Club Kerikeri	N	Rural	N/A	N/A	N/A	1936	18
	Broadwood Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Hikurangi Golf Club	N	Urban	N/A	N/A	N/A	N/A	18
	Kaikohe Golf & Squash Club	N	Rural	N/A	N/A	N/A	N/A	18
	Paparoa Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Rawene Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Tapora Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	The Pines Golf Club	N	Urban	N/A	N/A	N/A	1968	18
	Whangaroa Golf Club	N	Rural	N/A	N/A	N/A	N/A	18



## OTAGO

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	39							
Responded	19							
Not Responded	20							
Response Rate	70.4%							
Names of Courses	Alexandra	Y	Rural	Inc Society	Lease	Council	1901	18
	Arrowtown	Y	Rural	Private	N/A	N/A	1912	18
	Balclutha	Y	Rural	Inc Society	Club owned	Not Applicable	1906	18
	Belleknowes	Y	Urban	Inc Society	N/A	N/A	1923	9
	Clinton	Y	Rural	Inc Society	Club owned	Not Applicable	1937	9
	Dunstan	Y	Rural	Inc Society	N/A	N/A	1940	9
	Glenorchy	Y	Rural	Private	Lease	Council	1976	9
	Lower Waitaki	Y	Rural	Inc Society	Inc Society	Not Applicable	N/A	9
	Middlemarch	Y	Rural	Inc Society	Inc Society	Not Applicable	N/A	9
	Naseby	Y	Rural	Inc Society	Club owned	Not Applicable	1904	18
	North Otago	Y	Rural	Inc Society	Club owned	Not Applicable	N/A	9
	Otago	Y	Urban	Inc Society	Club owned	Not Applicable	N/A	9
	Owaka	Y	Rural	Inc Society	Lease	Not Applicable	N/A	9
	Port Chalmers	Y	Urban	Inc Society	Club owned	Not Applicable	N/A	9
	Queenstown	Y	Rural	Inc Society	Lease	Council	N/A	9
	Roxburgh	Y	Rural	Inc Society	Lease	Council	N/A	9
	Taieri Lakes	Y	Urban	Inc Society	Club owned	Not Applicable	N/A	18
	Toko	Y	Urban	Charitable Trust	Club owned	Not Applicable	1988	9





Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Twelve Oaks	Y	Urban	Inc Society	N/A	N/A	N/A	18
	Gladfield Country Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	Maniototo Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Millbrook Resort & Country Club	N	Rural	N/A	N/A	N/A	2010	27
	Omakau Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Omarama Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Otakou Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	Otematata Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Patearoa Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	St Clair Golf Club	N	Urban	N/A	N/A	N/A	N/A	18
	Tapanui Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Tarras Golf Club	N	Rural	N/A	N/A	N/A	1956	9
	Tokarahi Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Waitoa Park Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Wanaka Golf Club	N	Rural	N/A	N/A	N/A	1922	18



## POVERTY BAY AND EAST COAST

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	8							
Responded	3							
Not Responded	5							
Response Rate	70.4%							
Names of Courses	Patutahi	Y	Urban	Inc Society	Lease	Council	1935	9
	Poverty Bay	Y	Urban	Inc Society	Club owned	Not Applicable	1894	18
	Waikohu	Y	Rural	Inc Society	Inc Society	Not Applicable	1954	9
	Ruakituri Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Tahunga Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Te Puia Hot Springs Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Tolaga Bay Golf Club	N	Rural	N/A	N/A	N/A	1919	9
	Gisborne Park Golf Club	N	Urban	N/A	N/A	N/A	N/A	18



## SOUTHLAND

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	24							
Responded	7							
Not Responded	17							
Response Rate	70.4%							
Names of Courses	Drummond	Y	Urban	Inc Society	Lease	Council	1950	9
	Greenacres Country	Y	Urban	Inc Society	Club owned	Not Applicable	1969	18
	Hedgehope	Y	Urban	Inc Society	Club owned	Council	1968	9
	Invercargill	Y	Urban	Inc Society	Club owned	Not Applicable	1900	18
	Riverton	Y	Urban	Inc Society	Inc Society	Not Applicable	1910	9
	Southland	Y	Urban	Inc Society	Lease	Council	1970	18
	Te Anau	Y	Rural	Inc Society	N/A	N/A	1964	18
	Bluff Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	Dipton Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Gore Golf Club	N	Rural	N/A	N/A	N/A	1904	18
	Kingston Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Lumsden Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Mossburn Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Nightcaps Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Ohai Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Otautau Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Queens Park Golf Club	N	Urban	N/A	N/A	N/A	N/A	18



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Ringa Ringa Heights Golf Club	N	Rural	N/A	N/A	N/A	1988	9
	Riversdale Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Tokanui Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Tuatapere Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Waikaia Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Winton Golf Club	N	Urban	N/A	N/A	N/A	N/A	18
	Wyndham Golf Club	N	Urban	N/A	N/A	N/A	N/A	9



## TARANAKI

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	20							
Responded	9							
Not Responded	11							
	0							
Response Rate	70.4%							
Names of Courses	Eltham	Y	Urban	Inc Society	Lease	Council	1905	12
	Fitzroy	Y	Urban	Inc Society	Lease	Council	1936	18
	Inglewood	Y	Urban	Inc Society	Inc Society	Not Applicable	1898	18
	Manaia	Y	Rural	Inc Society	Lease	Council	1905	18
	Manukorihi	Y	Urban	Inc Society	N/A	Not Applicable	1904	18
	Stratford	Y	Urban	Inc Society	Club owned	Not Applicable	1905	18
	Strathmore	Y	Rural	Inc Society	Club owned	Not Applicable	1932	9
	Tumahu	Y	Urban	Inc Society	Club owned	Not Applicable	1949	9
	Waverley	Y	Urban	Inc Society	Club owned	Not Applicable	1905	18
	Hawera Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Kaitake Golf Club	N	Urban	N/A	N/A	N/A	N/A	18
	New Plymouth Golf Club(Inc)	N	Urban	N/A	N/A	N/A	N/A	18
	Opunake Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Patea Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Pungarehu Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Taranui Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Te Ngutu Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Urenui Golf Club	N	Urban	N/A	N/A	N/A	N/A	9



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Waitara Golf Club	N	Urban	N/A	N/A	N/A	N/A	18
	Westown Golf Club	N	Urban	N/A	N/A	N/A	N/A	18



## TASMAN

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	26							
Responded	8							
Not Responded	18							
Response Rate	70.4%							
Names of Courses	Greenacres	Y	Urban	Inc Society	Inc Society	Not Applicable	1939	18
	Nelson	Y	Urban	Inc Society	Inc Society	Not Applicable	1897	18
	Onekaka Links	Y	Rural	Inc Society	Private	Not Applicable	2010	18
	Picton	Y	Rural	Inc Society	Club owned	Not Applicable	1905	9
	Rarangi	Y	Rural	Inc Society	Club owned	Not Applicable	1957	18
	Takaka	Y	Rural	Inc Society	Lease	Council	1947	9
	Tasman	Y	Urban	Inc Society	Club owned	Not Applicable	1937	9
	Wairau Valley	Y	Urban	Inc Society	Lease	Council	1966	9
	Awatere Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Blenheim Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Golden Downs Golf Club	N	Rural	N/A	N/A	N/A	1946	9
	Greymouth Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Hokitika Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Ikamatua Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Kaikoura Golf Club	N	Rural	N/A	N/A	N/A	1911	18
	Karamea Golf Club	N	Rural	N/A	N/A	N/A	N/A	9



	Marlborough Golf Club	N	Rural	N/A	N/A	N/A	1900	18
	Motueka Golf Club	N	Urban	N/A	N/A	N/A	1920	18
	Murchison Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Nopera Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	Reefton Golf Club	N	Rural	N/A	N/A	N/A	N/A	12
	RNZAF Base Woodbourne Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Totaradale Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	Waahi Taakaro Golf Club	N	Urban	N/A	N/A	N/A	N/A	9
	Westport Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Whataroa Golf Club	N	Rural	N/A	N/A	N/A	N/A	9





## WAIKATO

Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	25							
Responded	19							
Not Responded								
Response Rate	70.4%							
Names of Courses	Coromandel	Y	Rural	Inc Society	Club owned	Not Applicable	1921	9
	Hamilton	Y	Urban	Inc Society	Lease	Council	1903	18
	Horsham Downs	Y	Urban	Inc Society	Lease	Council	1946	9
	Hukanui	Y	Urban	Inc Society	N/A	Not Applicable	1942	9
	Huntly	Y	Urban	Inc Society	Club owned	Council	1935	18
	Lochiel	Y	Urban	Charitable Trust	Club owned	Not Applicable	1935	18
	Matamata	Y	Rural	Inc Society	Club owned	Not Applicable	1935	18
	Mercury Bay	Y	Rural	Inc Society	Inc Society	Not Applicable	1960	18
	Morrinsville	Y	Urban	Inc Society	Club owned	Not Applicable	1911	18
	Narrows	Y	Urban	Inc Society	Club owned	Not Applicable	1935	18
	Ngahinepouri	Y	Urban	Inc Society	Club owned	Not Applicable	1929	9
	Ngaruawahia	Y	Urban	Inc Society	Lease	Council	1956	18
	Onewhero	Y	Rural	Inc Society	Inc Society	Not Applicable	1929	18
	Pio Pio Aria	Y	Rural	Inc Society	Inc Society	Not Applicable	1979	18
	Purangi	Y	Rural	Inc Society	Club owned	Not Applicable	1991	9
	Putaruru	Y	Rural	Inc Society	Inc Society	Not Applicable	1924	18
	Raglan	Y	Urban	Inc Society	Lease	Not Applicable	1969	18
	Stewart Alexander	Y	Urban	Private	Club owned	Not Applicable	1971	18



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Tahuna	Y	Urban	Local Government	Lease	Council	1951	18
	Taumarunui	Y	Rural	Inc Society	Lease	Council	1917	18
	Te Kowhai	Y	Urban	Inc Society	Inc Society	Not Applicable	1965	9
	Waihi	Y	Rural	Inc Society	Club owned	Not Applicable	1906	18
	Waikare	Y	Rural	Inc Society	N/A	Not Applicable	1930	18
	Waiterimu	Y	Rural	Inc Society	Lease	Council	1959	9
	Whangamata	Y	Rural	Inc Society	Club owned	Not Applicable	1968	18
	Cambridge Golf Club	N	Urban	N/A	N/A	N/A	1900	18
	Hauraki Golf Club	N	Rural	N/A	N/A	N/A	1935	18
	Kawhia Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Lakes Resort Pauanui	N	Rural	N/A	N/A	N/A	2000	18
	Mangakino Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Okoroire Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Paeroa Golf Club Inc	N	Rural	N/A	N/A	N/A	1904	18
	Pauanui Sports & Recreation Club Inc	N	Rural	N/A	N/A	N/A	N/A	9
	Pirongia Golf Club (Inc)	N	Urban	N/A	N/A	N/A	N/A	18
	Te Akau Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Te Aroha Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Te Awamutu Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Thames Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	The Dunes Matarangi Golf Links	N	Rural	N/A	N/A	N/A	N/A	18



Club Overview		Responded to Survey (Y/N)	Rural/Urban	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Tirau Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Tokoroa Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Waitomo Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Walton Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Taupo	N	Rural	N/A	N/A	N/A	1931	18



## WELLINGTON

Club Overview		Responded to Survey (Y/N)	R/U	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
Number of courses	27							
Responded	19							
Not Responded	8							
Response Rate	70.4%							
Names of Courses	Alfredton	Y	Rural	Inc Society	Lease	Charitable Trust	1935	9
	Boulcott's Farm Heritage	Y	Urban	Inc Society	Club owned	Not Applicable	Hutt Golf Club 1892/BFH GC Merger 2012	18
	Castlepoint	Y	Rural	Inc Society	Club owned	Private Owner	1972	9
	Judgeford	Y	Urban	Inc Society	Club owned	Not Applicable	1949	18
	Kapiti	Y	Rural	Inc Society	Inc Society	Not Applicable	1971	9
	Karori	Y	Urban	Inc Society	Club owned	Not Applicable	1970	18
	Mahunga	Y	Rural	Inc Society	Club owned	Not Applicable	1934	18
	Manor Park	Y	Urban	Inc Society	Club owned	Not Applicable	1913	18
	Martinborough	Y	Rural	Inc Society	Lease	Council	1908	18
	Masterton	Y	Rural	Inc Society	Inc Society	Not Applicable	1899	18
	Miramar	Y	Urban	Inc Society	Club owned	Not Applicable	1903	18
	Ohariu Valley	Y	Urban	Inc Society	Lease	Private Owner	1952	9
	Otaki	Y	Rural	Inc Society	Inc Society	Not Applicable	1898	18
	Royal Wellington	Y	Urban	Private	N/A	Not Applicable	1895	18



Club Overview		Responded to Survey (Y/N)	R/U	Club Ownership	Land Ownership	Land Leasor	Year Club Founded	Holes
	Shandon	Y	Urban	Inc Society	N/A	Not Applicable	1926	18
	Silverstream	Y	Urban	Limited Liability Company	Lease	Private Owner	2010	9
	Te Marua	Y	Urban	Private	N/A	Not Applicable	N/A	18
	Titahi	Y	Urban	Inc Society	Lease	Council	1958	9
	Trentham Camp	Y	Urban	Inc Society	Lease	Not Applicable	1970	18
	Carterton Golf Club	N	Rural	N/A	N/A	N/A	1911	18
	Featherston Golf Club	N	Rural	N/A	N/A	N/A	N/A	18
	Mornington Golf Club	N	Urban	N/A	N/A	N/A	1916	18
	Paraparaumu Beach Golf Club	N	Rural	N/A	N/A	N/A	1949	18
	Pauatahanui Golf Club	N	Rural	N/A	N/A	N/A	1967	9
	Riversdale Beach Golf Club	N	Rural	N/A	N/A	N/A	N/A	9
	Waikanae Golf Club	N	Rural	N/A	N/A	N/A	1969	18
	Wainuiomata Golf Club	N	Urban	N/A	N/A	N/A	1935	18



## APPENDIX 2 - RPS

### 1. THE OPPORTUNITY

- a) Describe, in 70 words or less, the opportunity that is under development or consideration.

### 2. RATIONALE

#### 2.1 ESTABLISHING THE STRATEGIC LOGIC

- a) State briefly the logic behind the opportunity (why is it a good idea?).

- b) Summarise the gaps in the golf market that the opportunity will exploit if implemented.



c) List up to four strengths of the current situation that the opportunity will leverage.

d) List up to four weaknesses of the current situation that will be remedied through implementation of the opportunity.

e) List up to four threats to the organisation that will be avoided by the successful delivery of the opportunity.

f) List the alternatives to the opportunity that were considered. Identify if each alternative is still under consideration or if it has been discarded. If it has been discarded, explain why.

*Table 1: Alternatives to the Opportunity Being Explored*

Alternative	Alternative Discarded?		Reason for Discarding Alternative
	<input type="checkbox"/> Y	<input type="checkbox"/> N	
	<input type="checkbox"/> Y	<input type="checkbox"/> N	
	<input type="checkbox"/> Y	<input type="checkbox"/> N	



## 2.2 UNDERSTANDING GOLFERS' NEEDS

- a) Complete Table 2 below by marking an 'X' in the appropriate boxes. Descriptions of predominant user groups are available in Appendix 1.

Table 2: Predominant User Group of Golf Clubs in the Region

Clubs	International Tourist	Membership	Casual Players
Golf Club A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club F	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club G	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club H	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club I	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club J	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals</b>			
<b>Proposed Opportunity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- b) State which market segment is your primary target for securing profitable 'rounds of golf' income by placing an 'X' in the appropriate row in Table 3 below.

Table 3: Potential 'Round of Golf' Target Market Segments

Market Segment Descriptors	Target Market Segments
Not Yet Discovered Golf   Non-Participant	<input type="checkbox"/>
Armchair Golfer   Non-Participant	<input type="checkbox"/>
<b>Casual Golfer   Non-Club or Lapsed Member</b>	<input type="checkbox"/>
Social Golfer   Non-Club or Lapsed Member	<input type="checkbox"/>
Regular Golfer   Next generation Club Member	<input type="checkbox"/>
Regular Golfer   Traditional Club Member	<input type="checkbox"/>
Performing Golfer   High Performance Competitor	<input type="checkbox"/>
Excelling Golfer   Elite Performance Competitor	<input type="checkbox"/>
Other   Please Describe	<input type="checkbox"/>





### 2.3 UNDERSTANDING THE EXISTING REGIONAL GOLF ASSET PROFILE

a) Complete Table 4 below by marking an 'X' in the appropriate boxes.

Table 4: Number of Holes at Existing Golf Facilities in the Region

Clubs	27 Holes	18 Holes	12 Holes	9 Holes	6 Holes	Pitch n Put/Par 3's	Other
Golf Club A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club F	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club G	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club H	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club I	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Golf Club J	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
<b>Total Number</b>							
<b>Proposed Opportunity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

b) Complete Table 5 below by marking an 'X' in the appropriate boxes. Descriptions of club classifications are available in Appendix 1.

Table 5: Club Classifications of Golf Clubs in the Region

Clubs	Introductory Club	Development Club	Advanced Club	High Performance Facility
Golf Club A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club B	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club C	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club D	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club E	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club F	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club G	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club H	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club I	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Golf Club J	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals</b>				
<b>Proposed Opportunity</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c) Will the implementation of the opportunity strengthen or weaken the balance of the portfolio of golf assets in the region? State the basis of your answer.



Having completed Tables 2-6 above, please answer the questions below:

- d) In considering the target market segment/s that the opportunity will prioritise (i.e. Table 3 above) state the unfulfilled golfing needs or experiences this segment of the market exhibits. Include reference to relevant research, analysis or evidence.

- e) Outline the key points of genuine benefit differentiation of this opportunity when implemented (unique facility, service or experience benefits that the target market will respond to).

- f) Summarise the strategy behind the opportunity for profitably meeting the unfulfilled golfing needs or experiences.

- g) Outline how the opportunity will promote and deliver increased participation in golf. State the basis of your answer including reference to relevant research, analysis or evidence. If the opportunity is not intended to increase participation in Golf, state why.

- h) Have you completed any analysis of the extent to which implementation of the opportunity will adversely impact on other clubs in the region (e.g. loss of membership, casual play, rounds sold, etc.)? If so, summarise the outcome of this work.

- i) Will the opportunity lead to successful financial performance? State the basis of your answer.

### 3. PERFORMANCE

#### 3.1 UNDERSTANDING PERFORMANCE OUTCOMES

- a) Describe the profitability analysis methodology completed for the opportunity (e.g. ROCE, Payback period, DCF). A sample profitability analysis template is to be provided by New Zealand Golf.

- b) Include the high level profitability analysis outcome below.

- c) Outline any non-financial benefits. Include relevant research, analysis or evidence.

- d) If possible, quantify the value of the benefits above in financial terms.

### 3.2 UNDERSTANDING RISK

- a) Have you completed a risk sensitivity analysis? If so, outline the assumptions changed and the altered profitability performance outcome. A sample risk sensitivity analysis template is to be provided by New Zealand Golf.

- b) Outline any risks involved with changing the current financial model.



- c) Outline the underlying assumptions of the post development financial operating model.

### 3.3 STAKEHOLDER INSIGHTS

- a) In Table 6, list the key stakeholder organisations/people you have engaged with. Include their role or connection to your organisation, the level of influence they have, how they were engaged (i.e. workshop, one-on-one consultation, questionnaire, etc.) and comment on whether they were engaged, interested, supportive or opposed to the opportunity.

Table 6: Key Stakeholders

Stakeholder	Role/ Connection	Level of Influence (V/S/M)*	Engagement Method	Comments

\*Level of Influence Key: V=Very Influential, S=Somewhat Influential, M=Minor Influence



## 4. SUSTAINABILITY

### 4.1 GOVERNANCE AND MANAGEMENT

- a) Describe the Governance and Management structures in place for the development, completion and launch of the opportunity under consideration.

- b) Describe the Governance and Management structures confirmed (or planned) for the ongoing operation post completion and launch.

### 4.2 FINANCIAL

- a) Outline briefly the organisation's capital funding strategies including post development debt obligations and related funding plans (if any).



b) Complete Table 7 below.

Table 7: Supply and Demand for Rounds of Golf in the Region

Clubs	Rounds Available p.a.	Rounds Played p.a.	Unused Rounds Capacity p.a.	Regional Utilisation (rounds played/rounds available)
Golf Club A				
Golf Club B				
Golf Club C				
Golf Club D				
Golf Club E				
Golf Club F				
Golf Club G				
Golf Club H				
Golf Club I				
Golf Club J				
<b>Totals</b>				
<b>Proposed Opportunity</b>				

c) In your view, is the regional market for golf rounds over supplied or under supplied? State the basis of your answer.

d) Attach the post development financial operating model to this document and outline the underlying assumptions of the model below.

