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Auckland Golf Facility Strategy
New Zealand Golf
15/07/2013

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TABLE OF CONTENTS

1.	Executive Summary	5
1.1	Strategic Recommendation 1 – Hierarchy of Golf Facilities	6
1.2	Strategic Recommendation 2 – Sustainable Facilities	8
1.3	Strategic Recommendation 3 – Auckland Council	9
2.	Introduction	11
2.1	Project Overview	11
2.2	Project Intent	11
2.2.1	Information Gaps	12
2.2.2	Terminology	12
3.	Auckland	14
3.1	Population Growth	14
3.1.1	Local Board Population & Demographics	15
3.2	Auckland Age Profile	15
3.3	Auckland Ethnic Profile	16
3.4	So Who Is Playing Golf?	17
3.4.1	Active Participation	17
3.4.2	Young Persons Survey	20
3.4.3	Participation & Membership Trends	22
3.4.4	Conclusion	23
3.5	The Future of Auckland – The Auckland Plan	24
3.5.1	Sports Hub & Public Space	24
3.5.2	Events - ATEED	25
3.5.3	World's Most Liveable City	27
3.6	City Growth – The Urban Sprawl	28
3.6.1	Golf & Recreation Land	30
3.7	Climate / Environmental	33
4.	Global Golf	36
4.1	Global Challenges	36
4.2	Future Global Trends	36
4.3	New Products Or Product Trends	38
4.3.1	Snag Golf	38
4.3.2	Urban Golf (UK)	38
4.3.3	60 60 Golf	39
4.3.4	Executive 6, 9 or 12 hole Courses	40
4.3.5	Modern Practice Facilities	40
4.4	Golf Tourism	41
6.	Golf Environment in Auckland	42
6.1	The Survey	42
6.1.1	Financial Sustainability Indicators	51
6.2	Auckland Facility Landscape / Portfolio	56
6.3	Critical Issues in Auckland	74
6.3.1	Lack of Income Diversity	74
6.3.2	Increasing Operational Costs	74
6.3.3	Lack of Diversity in Golf Experiences and Player Pathways	75
6.3.4	Quality of Service	75
6.3.5	Oversupply of rounds in Auckland & Low Utilisation	76
6.3.6	Untapped Markets	76
6.3.7	Local Board Communities & Demographics	76

6.3.8	Summary Long Term Sustainability	76
6.4	Barriers to change	77
7.	Local Government & Golf	78
7.1	Current state	78
7.2	Councils in New Zealand	79
7.3	International councils	80
7.3.1	Common Management Structures	80
7.3.2	International City Examples	81
7.4	Recommendations	82
8.	Strategic Recommendation 1 - Hierarchy of Golf Facilities	83
8.1	Introductory Course	85
8.2	Development Course	86
8.3	Advanced Course	87
8.4	High Performance Centre	87
9.	Strategic Recommendation 2 - Sustainable Facilities in Auckland	89
9.1	Is there an overSupply?	89
9.2	Retaining Revenue	89
9.3	Diversification of Revenue	90
9.3.1	New Customers/Consumers = New Golf Experiences and Services	90
9.3.2	Facility design	90
10.	Conclusion	92
10.1	Next Steps	92
	Appendix 1 RPS Process	93
	Appendix 1 (of RPS Framework)	105

1. EXECUTIVE SUMMARY

This Report was prepared for New Zealand Golf Inc. (NZ Golf) to provide strategic direction for golf facilities in Auckland. The intent of the project has been to enable NZ Golf to make informed and objective decisions in relation to investing in, or supporting investment in, golf facilities in the Auckland region, such that the following aims can be achieved:

- Increased participation in golf and more Aucklanders more active more often;
- Establishment of a financially sustainable network of quality golf facilities in Auckland;
- Increased utilization of golf facilities in Auckland;
- Clarity for key stakeholders in golf facilities in relation to their role in owning and operating golf facilities.

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

We note the following:

- Forecast sustained high population growth for Auckland (two million people by 2031);
- Consequent increased demand for sport and recreational services;
- Trend towards more intense utilisation of land in Auckland;
- The number of golf courses and the large land area the sport of golf commands.

Given the four factors above, it is prudent from a NZ Golf perspective to adopt a considered, planning based process to the future for golf facilities in Auckland.

This project has reviewed the golf facilities in the Auckland region in the context of both the current situation and the desired future aspirations of NZ Golf and key stakeholder in golf facilities.

There are a number of critical issues which the Auckland region needs to address to sustain golf facilities and grow the game of golf. The issues were identified through the national survey, research, data analysis and consultation. The issues identified fall within the following main categories below:

- Increasing operational costs: *Increasing customer expectations and climate change effects (increasing scarcity of water) will continually adversely affect the operational expenditure of golf courses.*
- Lack of income diversity: *Golf courses have traditionally relied upon membership revenue as their main source of income.*
- Lack of diversity in golf experiences and player pathways: *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: 20% of clubs in Auckland that 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 customer expectations and increasing operational costs.
- Oversupply of rounds in Auckland and low utilization: Utilisation of golf courses across Auckland is very low at 23%. There is an oversupply of relatively homogenous golf services and facilities and therefore an oversupply of rounds at these facilities.
- Untapped target markets: Golf is currently meeting the needs of a relatively narrow part of the potential market and there is considerable opportunity for participation growth in new market segments. For example the Children and Young Persons Survey reports the following:
 - Golf's participation ranking of 8th in the Active Participation Survey (see Figure 2) and that includes at least two activities that would not be classified as sport;
 - Golf's very low regular participation rate among eleven to eighteen year olds of 1.1% to 3.9%;(see Table 5 above);
 - Golf's sport participation ranking for boys between 13th to 17th place in Table 7. Note: Golf does not rank as a participation sport for girls.

Given this information, and the positive characteristics of golf (safety, accessible to all shapes and sizes, ages and abilities), it would appear there is tremendous potential to develop services and offerings that attract young people to the game.

- Communities & Demographics: It is of critical importance that golf clubs identify their target market and tailor their golf facilities and services to the needs of that market. If the nearby surrounding population comprises a substantial proportion of the club's target market, the demographics of the club's Local Board Area needs to be examined and incorporated in all aspects of planning.
- Barriers to change: Golf facilities are mainly governed by members, for members. This represents a significant potential barrier to change.

The issues listed above impact the long term sustainability of golf facilities and need to be addressed if the region is to have a quality network of golf facilities. 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 not only affects clubs' incomes, but also the ability to reinvest and maintain the assets at an acceptable level.

1.1 STRATEGIC RECOMMENDATION 1 – HIERARCHY OF GOLF FACILITIES

It is recommended that NZ Golf deploy the Hierarchy of Golf Model for a Metropolitan area, over time as opportunities arise (with Clubs, Auckland Council et

al) to influence, and where practical lead, decisions in golf facility capital investment, market segment prioritisation, facility role in the Auckland network of golf facilities and facility services provision.

The aim of the model is to aid the process of designing the desired future network of sustainable golf facilities in Auckland with an emphasis on the need for greater diversification of accessible golf experiences for a greater number of golf customers.



1.2 STRATEGIC RECOMMENDATION 2 – SUSTAINABLE FACILITIES

NZ Golf seeks to support the needs of golf in the region and increase the probability of financial sustainability. Sustainability is largely achieved not through reduced costs but through increased revenue.

The population of Auckland is projected to reach approximately two million residents by 2031 and if there were to remain 39 golf clubs at that point, there would be one golf club per 50,464 residents (as of 2011 there were 38,659 Auckland residents per golf course). Additionally the city will become denser with residential housing therefore open space and recreation areas will become of greater importance to the World's Most Livable City.

Retaining Revenue

The predominant user group in Auckland is members of golf clubs (89%). These members are well catered for; 81% of the facilities for which data was available are clubs that are classified as Traditional Mid Level Clubs¹.

The average Quality of Service offered in Auckland should be improved to assist retaining members.

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.

Diversification of Revenue

Sustainability will be achieved through retaining existing members and through increased and diversified revenue. 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 used for a variety of community, well-being and social activities.

Facility design

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

Built Assets

The built assets, through functional design, need to enable the facilities to be used 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.

¹ Refer page 44 – Traditional Mid Level Club refers to a club that has open membership, junior membership, on-site or off-site professional, readily available green fee times, practice putting area, driving range.

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 of the Auckland Plan, future environmental challenges including water conservation and sun protection, increasing operational costs are critical to facility planning.

It is recommended that NZ Golf use their role as a National Sporting Organisation (NSO) to ensure the retention of the current network of golf facilities in Auckland. 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 Facility model above, the RPS model (refer to National Facilities Strategy) and by working in collaboration with Clubs.

1.3 STRATEGIC RECOMMENDATION 3 – AUCKLAND COUNCIL

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.

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.

Auckland Council 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. All of these golf courses have varying models of contract in operation.

Consultation with eight city councils around New Zealand demonstrated the importance of a Service Level Agreement (SLA) in the lease.

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.

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 contract compliance.

2. INTRODUCTION

2.1 PROJECT OVERVIEW

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

This report is the result of a NZ Golf commissioned independent review of the golf assets located in the Auckland region. It provides insight into the challenges and opportunities facing those who manage golf facilities in Auckland. For NZ Golf and Auckland Council the report will facilitate and support informed decision making in relation to future golf assets in the region. The aim of this project, in part, has been to identify golf asset profiles that have an increased likelihood of on-going sustainability.

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

We note the following:

- Forecast sustained high population growth for Auckland (2 million people by 2031);
- Consequent increased demand for sport and recreational services;
- Trend towards more intense utilisation of land in Auckland;
- The number of golf courses and the 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 to the future for golf facilities in Auckland.

NZ Golf seeks to increase participation, improve golf experiences and ensure financial sustainability at all levels of the game. Auckland Council is committed to Auckland being the world's most liveable city and getting more Aucklanders more active more often.

This project has reviewed golf assets in the Auckland region in the context of both the current situation and the desired future aspirations of NZ Golf.

2.2 PROJECT INTENT

The specific aims of this project were to:

- Undertake an assessment of Auckland's golf asset portfolio;
- Provide an assessment against the national framework and to identify gaps and opportunities for Auckland;
- Provide recommendations for Auckland Council on options in relation to ownership and operation of golf assets.

O'Connor Sinclair understands the intent of the project has been to enable NZ Golf to make informed and objective decisions in relation to investing in, or supporting

investment in, golf facilities in the Auckland region, such that the following aims can be achieved:

- Increased participation in golf and more Aucklanders more active more often;
- Establishment of a financially sustainable network of quality golf facilities in Auckland;
- Increased utilization of golf facilities in Auckland;
- Clarity for key stakeholders in golf facilities in relation to their role in owning and operating golf facilities.

2.2.1 Information Gaps

The National Survey was conducted among 393 golf clubs in New Zealand. The results from the National Survey have formed the basis of the analysis of the golf environment in Auckland. Of the 39 golf clubs located within the Auckland region:

- 31 golf clubs responded to the Survey;
- Of the 31 golf clubs, some golf clubs only partially completed the Survey;

The eight golf clubs which did not respond to the Survey included:

- Chamberlain Park Golf Club;
- Formosa Country Club;
- Howick Golf Club;
- Pupuke Golf Club;
- Whangaparoa Golf Club;
- Great Barrier Golf Club;
- Royal Navy;
- RNZAF.

For purposes of the analysis Royal Navy, RNZAF and Great Barrier have been excluded and considered outliers due to the following;

- Great Barrier is isolated from the main Auckland region;
- RNZAF Golf Club is managed, administered and resourced as well as primarily used by a singular organization (RNZAF).

Therefore, it is assumed that Great Barrier and RNZAF Golf Club are not subjected to the same influences as the other clubs in the Auckland region and have been excluded from analysis.

For the five other clubs that did not respond to the Survey and the clubs that only partially completed the Survey, information gathered through clubs websites, DotGolf or averages from the rest of the Auckland region were applied to those clubs.

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. These indicators are for internal purposes only.

2.2.2 Terminology

For the purposes of this report we use the following terminology:

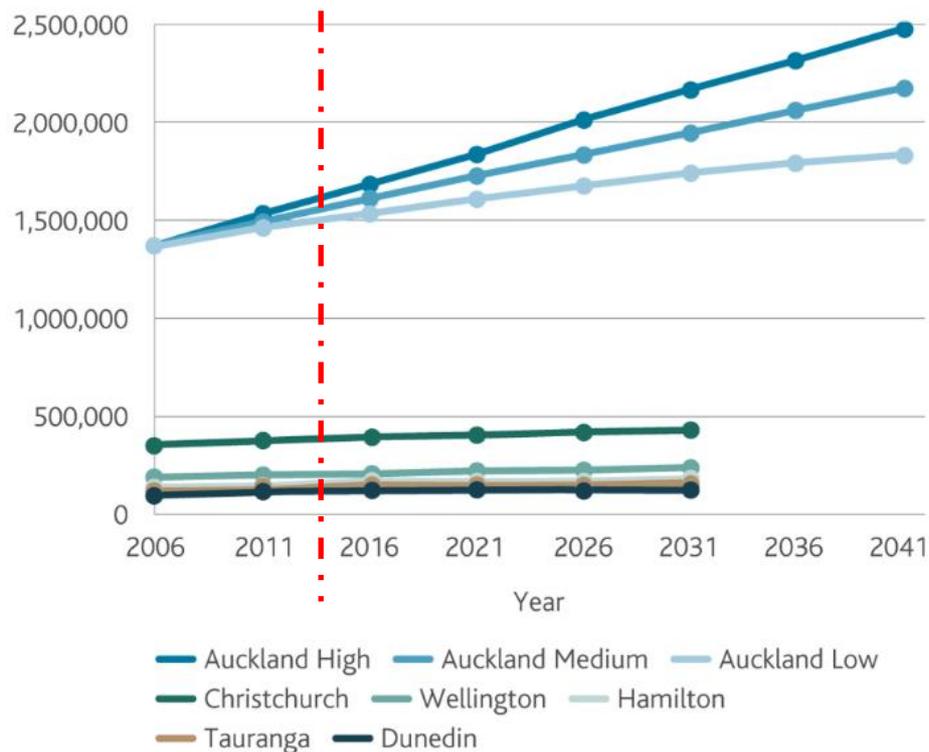
- Golf facility refers to the Golf course and the Club facilities;
 - Golf course refers to the green (i.e. grass) assets;
 - Club facilities refers to the built assets (i.e. the buildings);
- The Golf Club refers to the organisation that operates and utilizes the Golf facility.

3. AUCKLAND

3.1 POPULATION GROWTH

Auckland's population reached 1.5 million in 2012 and will continue to grow. It is estimated that the population will reach almost 2 million by 2031. Auckland's unique environment and diverse population provide opportunities for creating unique recreation spaces.

Figure 1 below illustrates Auckland's forecast population growth rate compared to other New Zealand main cities.



Source: Statistics NZ and Auckland Council

Figure B.1 Auckland's Population Projections (2006-2041)*

Figure 1: Projected population growth from 2006 to 2031 for Auckland and other main cities.

In the latest census data from 2006, updated in 2012, New Zealand had a population of 4,184,600 people, of which 33% (1,373,000) resided in the Auckland region. It is predicted that by 2031, 38% (1,968,100) of the projected 5,194,600 residents in New Zealand will live in the Auckland region.

Auckland is expected to grow by 595,100 people between 2006 and 2031 with an average annual growth rate of 1.5%. By number of additional people per annum, this represents the highest expected growth rate of all regional council areas in New Zealand.

3.1.1 Local Board Population & Demographics

As of the 2006 census, Howick, Henderson-Massey and Albert-Eden were the three most populous local board areas while Great Barrier, Waiheke and Papakura had the lowest populations.

By 2031, it is projected that Howick will remain as the most populous local board area, increasing by 65% to 196,800 residents. Henderson-Massey is projected to remain as the second most populous local board area growing 39% to 143,900. Albert-Eden is expected to increase in population by 23% and Waitemata is projected to be the third largest population with an 89% increase to 125,800. In 2031, Great Barrier and Waiheke are expected to remain as the local board areas with the smallest populations.

Franklin and Waitemata have the greatest percentage of residents employed at 70% each. Mangere-Otahuhu has the lowest percentage of residents employed at 55%. Median household incomes range from \$22,501 in Great Barrier to \$88,714 in Orakei.

3.2 AUCKLAND AGE PROFILE

In the 2006 census, more than one third (37.2%) of the Auckland population was under the age of 24 years which equates to 33.8% of young people in New Zealand.

Statistics New Zealand data suggests the number of children and young people in New Zealand will double by 2031. The proportion of young people within Auckland's population is expected to decrease from 37.2% to 32.1% in that period. The median age of Auckland residents is projected to increase from 35.5 in 2006 to 39.8 in 2031.

Table 1 below shows the Auckland region projected population increase by age groups.

Table 1: Current and projected age profile of Auckland residents

Year	0-14	15-39	40-64	65+
2006	298,200	525,100	415,600	134,000
2031	361,800	698,600	574,800	332,900
Population Increase ²	63,600	173,500	159,200	198,900
Percentage Increase ³	21%	33%	38%	148%

As can be seen from Table 1, the majority of Auckland residents in 2031 will continue to be between the ages of 15 and 39 while the largest percentage increase is expected to be in the 65+ age group.

² O'Connor Sinclair interpretation

³ O'Connor Sinclair interpretation

Natural increases (births minus deaths) are expected to account for 66% of Auckland population growth to 2031 and net migration (external and internal) is expected to account for 34% of the increase⁴.

3.3 AUCKLAND ETHNIC PROFILE

As can be seen in Table 2 below, in 2006 residents of European ethnicity represented the largest percentage of Auckland's population at 56.5%. The second largest ethnicity group was Asians at 18.9% followed by Pacific Peoples at 14.4%.

Europeans in Auckland represent 26.8% of Europeans in New Zealand while Asians and Pacific Peoples in Auckland represent 66.1% and 66.9% of all Asians and Pacific Peoples in New Zealand.

Table 2: Ethnic Composition of Auckland Region Population as at the 2006 census.⁵

	Total response	Ethnic group as a % of Auckland population	Total Responses New Zealand	Auckland population as a % of NZ total
European	698,622	56.5	2,609,589	26.8
Māori	137,133	11.1	565,329	24.3
Pacific Peoples	177,936	14.4	265,974	66.9
Asian	234,222	18.9	354,552	66.1
Middle Eastern/ Latin America/ African	18,555	1.5	34,746	53.4
New Zealander	99,258	8.0	429,429	23.1
'Other' Ethnicity	648	0.1	1,494	43.1
Total People	1,237,239	-	3,860,163	32.1

Table 3: Region of birth, for those aged 15 years and over, of Auckland region residents (2006)⁶

	Number of residents	Percentage %
New Zealand	552,123	57.6
Australia	16,116	1.7
Pacific Islands	89,976	9.4
United Kingdom and Ireland	81,765	8.5
Europe (excl. United Kingdom and Ireland)	23,697	2.5
North America	7,725	0.8
Asia	147,948	15.4
Other	38,781	4.0

⁴ O'Connor Sinclair interpretation

⁵ Source - <http://monitorauckland.arc.govt.nz/our-community/ethnicity-and-diversity/ethnic-composition.cfm>

⁶<http://www.arc.govt.nz/albany/fms/main/Documents/Auckland/Population%20and%20stats/Immigration%20and%20Ethnicity%20in%20the%20Auckland%20region%202006.pdf>
2006 Census Series - Immigration and Ethnicity in the Auckland Region

	Number of residents	Percentage %
Not Elsewhere Included	56,367	-
Total aged 15 years and over	1,014,495	100.0

3.4 SO WHO IS PLAYING GOLF?

Outlined below is summary research information that provides insight into who is playing golf.

3.4.1 Active Participation

Findings from the 2007/08 Active New Zealand Survey – Golf are presented in Figure 2 below. A total of 4,443 adults aged 16 years and over participated in the 2007/08 Active New Zealand Survey.

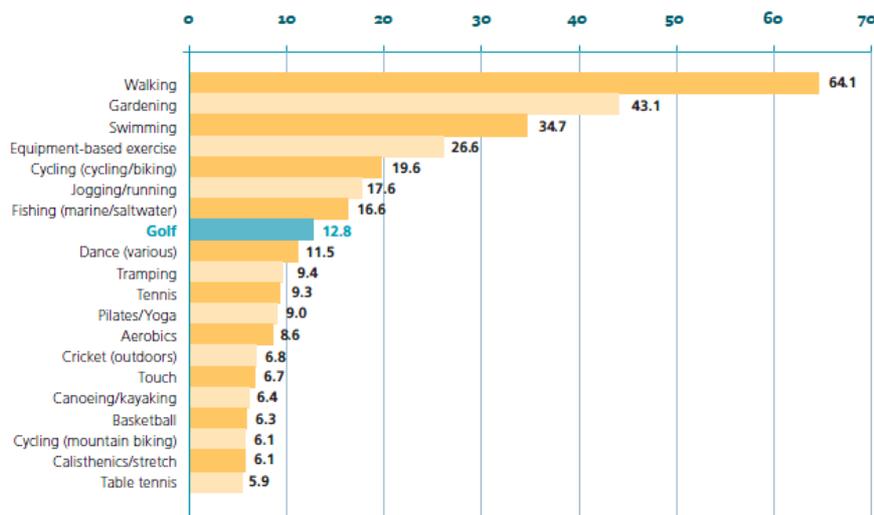


Figure 2: 2007/2008 Active NZ Survey – Participation in Golf compared to other sports

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.

Other useful 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;
- 86.5% of these adults reported that the most common location for playing golf was 'outdoors at a sports facility'.

Table 4 below provides a breakdown of the participants in golf across New Zealand, as recorded in the Active New Zealand Survey.

Table 4: Golf Participant Demographics

	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 Year	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	4.4 (0.4-8.3)	2,754

	Percentage (95% CI)	Population
Quintile 5 – five or more deprivation characteristics were reported.		

From the perspective of NZ Golf's goal of increasing participation in golf, and Auckland Council's aspiration of more people more active more often, findings to note from Table 4 include the following⁷:

- Nationally, 5.8% of women played golf at least once in the survey period and of those men and women who participate in golf, women represent approximately 24% of participants;
 - Given approximately 51.5%⁸ of the Auckland 15 years and over population is female, there may be an opportunity for NZ Golf to provide services that attract more women into golf.
- 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;
 - Given projected increase in the median age of Auckland residents from 35.5 to 39.8, and significant proportion of population growth in the 40+ age groups, the implications on the golf service offerings may need to be reviewed to retain and further increase participation for older participants.
- 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;
 - Given the largest proportion of the Auckland population is, and will remain, in the 15 to 39 age group, there may be an opportunity to increase the participation of this age group in golf from the (relatively) low current base.
 - We note that due to the physical characteristics of playing golf, it is a game for life and so successful investment in increasing the participation in the 15 to 39 age group (and indeed younger age groups) should have cumulative beneficial effects.
- People of European ethnicity represented 77.84% of participants and 14.5% of people in this group played golf at least once in the survey period;
 - Given the increasingly diverse ethnic make-up of Auckland (43.50% non-European in 2006) there may be an opportunity for NZ Golf to provide services that attract more non-Europeans into golf.
- 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;

⁷ It is recognised the data is based on all of New Zealand, not Auckland specifically.

⁸ Statistics NZ Dataset: Auckland local board population projections by sex and age, 2006(base)-2031: Projected 30 June 2011, 605,800 are female 15 and over of a total population of 1,1176,300: 51.5%

- There may be 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 NZ Golf has the opportunity to increase participation by:

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

Likewise, Auckland Council has the opportunity to get more people more active through golf.

3.4.2 Young Persons 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. Tables 5 to 7 below present summarised data from the survey as it related to golf participation.

Table 5: Young Persons Survey Data, Frequency of Boys and Girls Participating in Golf.

Years	Boys			Girls		
	Not done this year %	Done a few times this year %	Done regularly* this year %	Not done this year %	Done a few times this year %	Done 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 6: Young Persons Survey Data, Boys and Girls Participating in Golf.

Years	Boys			Girls		
	Done while "mucking around"*	Organised by school (outside of class time)	With a club (outside of	Done while "mucking around" %	Organised by school (outside of class time)	With a club (outside of

Years	Boys			Girls		
	%	%	school) %	%	%	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 and these sports/activities have 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 7: 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 8th in the Active Participation Survey (see Figure 2) and that includes at least two activities that would not be classified as sport;
- Golf's very low regular participation rate among eleven to eighteen year olds of 1.1% to 3.9%;(see Table 5 above);
- Golf's sport participation ranking for boys between 13th to 17th place in Table 7. Note: Golf does not rank as a participation sport for girls.

Given this information, and the positive characteristics of golf (safety, accessible to all shapes and sizes and abilities), 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, club structures to attract young people to their sport (e.g. netball, football, rugby, athletics), golf is either ignoring this market or is not effective in 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 NZ Golf (and Auckland Council). It may also represent future challenges if golf is unable or unwilling to tangibly provide access and services that attract and retain young people.

3.4.3 Participation & Membership Trends

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.

It is not evident that the Auckland region is providing sufficient diversity of golf services and facilities to attract female 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%) casual golfers report 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.

It is not evident that the Auckland region is providing sufficient diversity of golf services and facilities to attract more people to play golf more often.

3.4.4 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 questions that emerge from this conclusion are:

- Why is golf serving such a narrow market?
- Is this desirable and sustainable in terms of NZ Golf's aims around participation growth and Auckland Council's aims to have 'more people more active more often'?
- Are the Golf facilities in Auckland part of the current barrier to (and future opportunity for) stimulating participation growth in the game of golf in the Auckland region?

3.5 THE FUTURE OF AUCKLAND – THE AUCKLAND PLAN

The future of Auckland is guided by the Auckland Plan (30 year plan), adopted by Auckland Council in March 2012. It addresses and guides issues such as:

- Transport and housing shortages;
- Giving children and young people a better start;
- Creating more jobs;
- Protecting the environment.

The Auckland Plan articulates through Strategic Direction 5 'Promote individual and community wellbeing through participation and excellence in recreation and sport' the importance of connecting the community with recreation. The Auckland Plan states that Aucklanders 'will continue to have access to exciting and innovative opportunities to participate and achieve in recreation and sport'.

Auckland Council through this project is seeking to understand and clarify its role in providing golf facilities in Auckland. The Auckland Plan gives direction to encourage all Aucklanders, particularly children and young people, to participate in recreation and sport.

Therefore in Auckland Council's role as a significant owner of golf facilities, it should aim to ensure that golf facilities in Auckland deliver products, services and experiences that promote increased participation in golf. It would seem logical that Auckland Council supports NZ Golf to prioritise segments of the market that are not currently regular participants in golf while also ensuring retention of those already participating in golf.

The strategic directions within the Auckland Plan which support this are:

- Providing a variety of opportunities for participation at all ages is central to planning for the future;
- Quality public open space is a critical component for healthy lifestyles in an urban environment. Protect and expand on the use of public space. For example, the use of new technologies, such as artificial turf, can improve the usability of sports grounds;
- Street connectivity is a key design feature to promote and encourage physical activity. It creates linkages between our parks and reserves;
- Ensure there is a range and type of facilities available to support changing preferences in recreational activities;
- Encourage ethnic communities to participate in existing sporting codes, as well as support sports which our new migrants enjoy.

3.5.1 Sports Hub & Public Space

The Auckland Plan also outlines the requirement for an improved coordinated Auckland-wide approach to planning clusters of recreational facilities with other amenities such as libraries, town centres, and transport facilities. That is, provide localised and accessible activities within community hubs. The hubs can include multiple sports clubs and facilities as appropriate.

For the Golf Club, a hub can potentially create the following opportunities:

- Revenue diversification;
- Efficiencies in operating the facility through shared services;
- Added value to customers.

Golf Clubs, which typically feature relatively large land areas, are usually single use facilities due to health and safety issues (i.e. a hard ball flying through the air). In a high population market, where many other sport facility assets have multiple uses (e.g. fields that have rugby, soccer, league uses) and/or considerable junior participation (e.g. netball) there is a risk for golf that a perception of Golf Clubs as large area, low utilisation facilities emerges.

As Auckland utilises residential areas more intensively, open space will become more important. The Auckland Plan directs that:

- Higher residential and commercial density neighbourhoods encourage walking and cycling through features such as connected street networks with public amenities such as parks, wide footpaths, street lighting, attractive street furniture, street trees and traffic calming;
- Access to public open space will be maintained and improved as Auckland grows, so that recreation remains an easy option. Networks of walkways, cycleways and bridleways can link our public open spaces;
- The regional cycling network provides an opportunity for a transformational shift to connect schools, tertiary facilities, public transport centres and key community infrastructure;
- Auckland will strengthen the integrated planning and management of our outdoor public spaces to develop walking, cycling and bridleway networks.

Golf Clubs in Auckland, especially those which are in higher residential and commercially dense metropolitan areas, will need to consider how networks of walkways and cycleways can be incorporated into the layout of the golf course. Rather than a constraint on the facility, it may represent an opportunity. Benefits could include leveraging the large land area characteristic of golf facilities to achieve the following:

- Promotion of the sport and the golf facility;
- Improved community connection to the golf facility through increased foot traffic;
- Contribution to increased access to and utilisation of the open space and therefore Golf facility sustainability as a relevant asset.

3.5.2 Events - ATEED

The Auckland Plan also proposes that for Auckland to fulfill its vision, residents need to support the sporting success of Aucklanders at national and international events which helps create a shared sense of identity and pride.

The Auckland Plan directs that Auckland needs to attract high-profile sporting events to New Zealand, with flow-on economic benefits and to build on Auckland's strengths to attract sporting events of international standing to Auckland.

Council Controlled Organisation (CCO) Auckland Tourism Events and Economic Development (ATEED), through its statement of intent, positions Auckland as a major events destination and will:

- Enhance domestic and international marketing of Auckland's major events offer;
- Leverage domestic and international recognition of Auckland's brand proposition through major events;
- Communicate and promote the outcomes of major events to residents and ratepayers;
- Leverage RWC2011 as a springboard for future marketing activity.

The aim of Auckland is to be recognized nationally and internationally as having exceptional visitor and event experiences. For Auckland to be recognised as an international events capital, Auckland needs to deliver an array of different events.

If Auckland is to deliver major golf event/s it requires investment and support of a golf facility that can host a high profile golf event.

Auckland's golf clubs that have hosted past major golf events include:

- Gulf Harbour - World Cup of Golf in 1999 and the New Zealand Golf Open on the European Tour in 2005 and 2006;
- Formosa Auckland Country Club - New Zealand Golf Open in 1998;
- Royal Auckland Golf Club - Many National and International tournaments have been held on the course including New Zealand Opens, New Zealand Amateurs and the Bonallack Trophy in 2006;
- The Grange Golf Club - NZ Open in 2001 and has been used more than any other course for hosting the New Zealand Open Championship.

Our understanding is that in order to achieve increased participation and other aims and objectives, NZ Golf does not consider being owner, promoter and/or operator of major events (the NZ Open excluded).

Our understanding of Auckland Council and ATEED priorities is that they are increasingly considering strategies that transition Auckland from a gateway city to a destination where visitors stay longer.

The potential role golf can play in these strategies is not clear; nor is the potential role that major golf events can play. What we can say is that should ATEED seek to secure or develop a major golf event, then Auckland Council would need to determine which golf facility in Auckland is most suitable and the extent of investment required to prepare that facility for the event.

Golf events around the globe and in particular Australia do receive significant investment from central and local government given the substantial profile and economic benefits they deliver. New Zealand Tourism is developing a golf tourism and events strategy to attract the quality large spending of golf visitors to New Zealand.

3.5.3 World's Most Liveable City

The Auckland Plan articulates the vision for Auckland as becoming the world's most livable city.

In 2012, Auckland maintained its position as the world's third most liveable city in the 2012 Mercer Quality of Living survey, and is the highest ranked city in the Asia-Pacific region.

The Mercer Quality of Life Survey is conducted by the American global human resource and related financial services consulting firm Mercer and releases annually the Quality of Living Survey, comparing 221 cities based on 39 criteria. New York is given a baseline score of 100 and other cities are rated in comparison. Important criteria are safety, education, hygiene, health care, culture, environment, recreation, political-economic stability and public transportation.

The total index is based on the following categories:

Consumer goods	Political and social environment
Economic environment	Public services and transport
Housing	Recreation
Medical and health considerations	Schools and education
Natural environment	Socio-cultural environment

The 2012 World Rankings are as follows:

1. Vienna Austria;
2. Zurich Switzerland;
3. Auckland New Zealand;
4. Munich Germany;
5. Vancouver Canada;
6. Düsseldorf Germany;
7. Frankfurt Germany;
8. Geneva Switzerland;
9. Copenhagen Denmark;
10. Bern Switzerland.

Recreation is the 7th category in the Quality of Life Survey. The Recreation category includes the following criteria and weighting:

- Variety of restaurants =10 weighting;
- Theatrical and musical performances = 8 weighting;
- Cinemas = 9 weighting;
- Sport and leisure activities = 10 weighting.

The Quality of Living September 2012 report for Auckland noted that Auckland is renowned for its sport and leisure activities.

In order to retain and improve Auckland's ranking, in line with the vision of being the world's most livable city, Auckland should maintain and maximize the offerings and utilisation of its golf facilities. Table 8 on the following page compares golf club per capita indicators across the main cities in the top Quality of Life Rankings. Of the cities

listed Auckland has the lowest population per golf course, indicating that Auckland has more golf offerings relative to those other cities.

Table 8: City comparison of golf clubs per capita.

City	Number of Golf Courses	Golf Course Per Capita*
Auckland	39	38,659
Zurich Switzerland	7	271,429
Melbourne	74 Excludes VGL and VWGL clubs and womens golf network	56,339
Vancouver	44	56,276
Sydney	Sydney Metro Area Metro Zone A 31 Metro Zone B 30 Metro Zone C 30	50,850
Perth	38	45,758
*Calculated using 2012 population estimates.		

3.6 CITY GROWTH – THE URBAN SPRAWL

The Auckland Plan identifies the need to provide for up to 400,000 additional households and 275,000 employees by 2040. On the basis of moving to a quality compact Auckland, 70% of this future residential growth is intended to be accommodated within the existing urban area over 30 years. At the same time, provision will be made for up to 40% of new homes and new business land to be accommodated outside the existing metropolitan urban area (for example Pukekohe and Warkworth).

The Rural Urban Boundary (RUB) replaces the previous Metropolitan Urban Limit (MUL) and will define the maximum extent of urban development in greenfield land to help meet the growth projected in the Auckland Plan. There are 160,000 new dwellings proposed in rural Auckland and 280,000 new dwellings in urban Auckland. Figure 3 on the following page illustrates the residential expansion across the Auckland region.

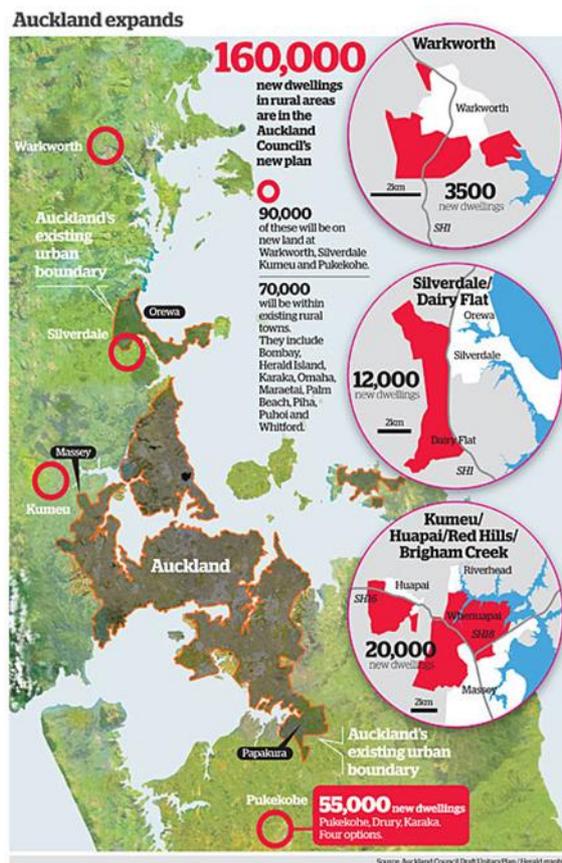


Figure 3: Auckland residential expansion⁹.

70% of Auckland future residential growth is intended to be accommodated within existing urban areas. This will create a greater population density and therefore increasing importance in maintaining open space for recreation and play as areas are more intensively utilised (By building up and not out).

Consideration needs to be given to maintaining and protecting the land currently used for golf. Consideration should also be given to making some of the land, currently used exclusively for golf, a shared space environment, for example; footpaths, cycle-ways, multi sports or sports hub environments.

Issues to give consideration to may include:

- Protecting greens;
- Hours of operations;
- Sports that could align or co-habitat with golf clubs due to the community need or the demographic of the main user group of the golf club.

Figure 4 below illustrates the proposed residential expansion in relation to the location of the existing golf courses (green dots).

⁹ Resource Auckland Council Unitary Plan



Figure 4: Proposed Auckland Residential Expansion in relation to existing golf courses.

The increase in the Rural Urban Boundary through greenfield areas for future residential and business land will be a staged release over the next 30 years.

3.6.1 Golf & Recreation Land

The Unitary Plan will be Auckland's planning 'rulebook', setting out where and how Auckland grows in the future, the draft Auckland Unitary Plan issued in March 2013 for consultation is subject to change.

The new Unitary Plan will replace the existing 31 Open Space zones in the existing District Plans with four new Public Open Space zones. The four new Public Open Space zones are:

- Informal Recreation;
- Sport & Active Recreation;
- Civic & Community;
- Major Recreation Facilities.

The purpose of zoning public open space is to acquire and develop a high quality network of public open spaces and recreation facilities and will become of greater importance as the city grows. The majority of Golf courses fall within the proposed new Sport & Active Recreation zone. This zone '...provides for a range of indoor and outdoor organised sporting and active recreation activities. It applies to open space in which sportsfields, equestrian activities, hard court areas, greens and associated buildings predominate. Most sites will retain an open, spacious character....'

Table 9 below lists Auckland golf courses, current zoning and the proposed zoning under the Unitary Plan.

Table 9: Auckland Golf Course Rezoning in the Draft Unitary Plan

Golf Course	Current Zoning	Proposed Zoning
Huapai Golf Club	General Rural	Rural Production
Helensville District Golf Club	General Rural	Rural Production
Muriwai Golf Club	Open Space 2	POS Informal Recreation
Peninsula Golf Course	Future Urban	Future Urban
South Head Golf Club	General Rural	Rural Coastal
Whangaparaoa Golf Club	Open Space 5	POS S & A Recreation
Gulf Harbour Country Club	Special Zone 3	POS S & A Recreation
Titirangi Golf Club	Living 2	Single House
North Shore Golf Club	Recreation 4	POS S & A Recreation
Pupuke Golf Club	Recreation 4	POS S & A Recreation
Takapuna Golf Course	Recreation 4	POS S & A Recreation
Waitemata Golf Club	Recreation 4	POS S & A Recreation
Akarana Golf Club	Open Space 3	POS S & A Recreation
Chamberlain Park Golf Course	Open Space 3	POS S & A Recreation
Maungakiekie Golf Club	Open Space 3	POS S & A Recreation
Remerua Golf Club	Open Space 3	POS S & A Recreation
Waiheke Island Country Club	Open Space 3	Hauraki Gulf Islands
Auckland Golf Club	Main Residential	Single House
Aviation Country Club	Airport: Land Use	Airport
Formosa Auckland Country Club	Special Rural 1	Countryside Living
The Grange Golf Club	Main Residential	Mixed Housing
Howick Golf Club	Public Open Space 2	POS Informal Recreation
Pakuranga County Club	Main Residential	Mixed Housing
Wattle Downs Golf Course	Main Residential	Single House
Whitford Park Golf Club	Rural 1	Countryside Living
Manukau Golf Club	Residential 4	Single House
Awhitu Golf Club	Designated land (99)	POS Informal Recreation
Clarkes Beach Golf Club	Recreation Zone	POS S & A Recreation

Golf Course	Current Zoning	Proposed Zoning
Maramarua Golf Club	Rural Zone	Now outside Auckland
Onewhero Golf Club	Rural Zone	Now outside Auckland
Pukekohe Golf Club	Rural Zone	Rural Production
Waiuku Golf Club	Recreation Zone	POS S & A Recreation

15 of the golf courses are zoned Public Open Space (either Informal or Sport & Active Recreation); however, another 15 of the golf courses are proposed to be zoned for other use.

It's noted from this list provided by Auckland Council that a number of golf courses are not included on the list. These clubs are:

- Maxwells;
- Omaha Beach;
- Redwood Park;
- Waitakere;
- Warkworth.

This list was not comprehensive as the list was prepared to demonstrate the different approaches that the former Councils had to the zoning of golf courses as opposed to a definitive list of golf course zoning.

It is not within the scope of this project to assess and comment upon the potential impacts the proposed Unitary Plan will have on golf facilities in Auckland. However we note the Auckland Council consultation process. We recommend that;

- NZ Golf forms a view on the risks and opportunities the Unitary Plan presents for golf in the region, relative to NZ Golf's aspirations for the game;
- NZ Golf prepares a submission as part of the consultation process.

3.7 CLIMATE / ENVIRONMENTAL

One of the main costs to golf clubs is the operational and maintenance costs of the green assets. These costs are significantly impacted by climate conditions. An example of this is the 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 organisations. 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 10 below qualitatively summarises the main features of the New Zealand climate projections. All estimates in Table 10 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 10: Main features of New Zealand Climate Change Projections for 2040 and 2090 (Ministry for the Environment, 2008).

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 (see Ministry for the Environment, 2008)	See Ministry for the Environment, 2008
Mean rainfall	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 (see Ministry for the Environment, 2008)	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 (*)
Extreme rainfall	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	Increases in heavy rainfall most likely in areas where mean rainfall is projected to increase (***)

Climate variable	Direction of change	Magnitude of change	Spatial and seasonal variation
	(***)	through to fourfold reduction in return period by 2090 (**) [See note 2]	

**** = 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 5 illustrates the projected annual mean precipitation change for the period from 1990 to 2040.

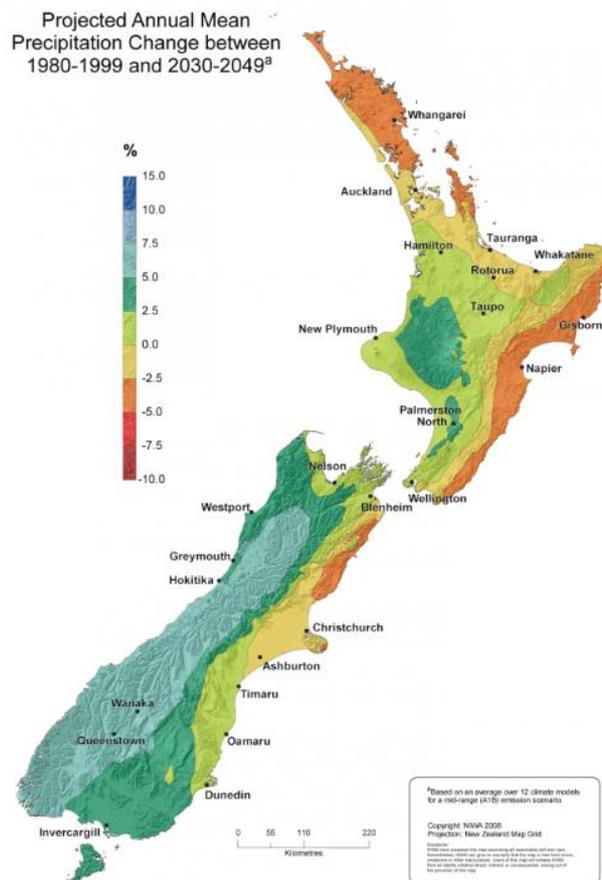


Figure 5: Projected Annual Mean Precipitation Change for the Period from 1990 to 2040¹⁰

¹⁰ Resource: NIWA Climate Change Scenario Reports

For Auckland the scarcity of water is predicted to become an issue and this could adversely affect 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 Auckland 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;
- New technologies becoming mainstream 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. ¹¹

¹¹ Golf's 2020 Vision: The HSBC Report

4. 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.

4.1 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 sustainability challenges, the increasing scarcity of water 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.

4.2 FUTURE GLOBAL TRENDS

The independent HSBC 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, will 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.

4.3 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 financial pressures. Outlined below is a select sample of evolving golf products and services.

4.3.1 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, 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 yet by 2012 only 13 golf clubs had embraced SNAGGOLF.



Figure 6a and 6b 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 SNAGGOLF 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.

4.3.2 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, that its:

- 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, fun and which is attended by others of a similar demographics;
- Corporate and private parties;
- Golf Lessons often with others that are at a similar level in a relaxed environment.



Figure 7: Urban Golf Simulators

4.3.3 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 8) 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 range.

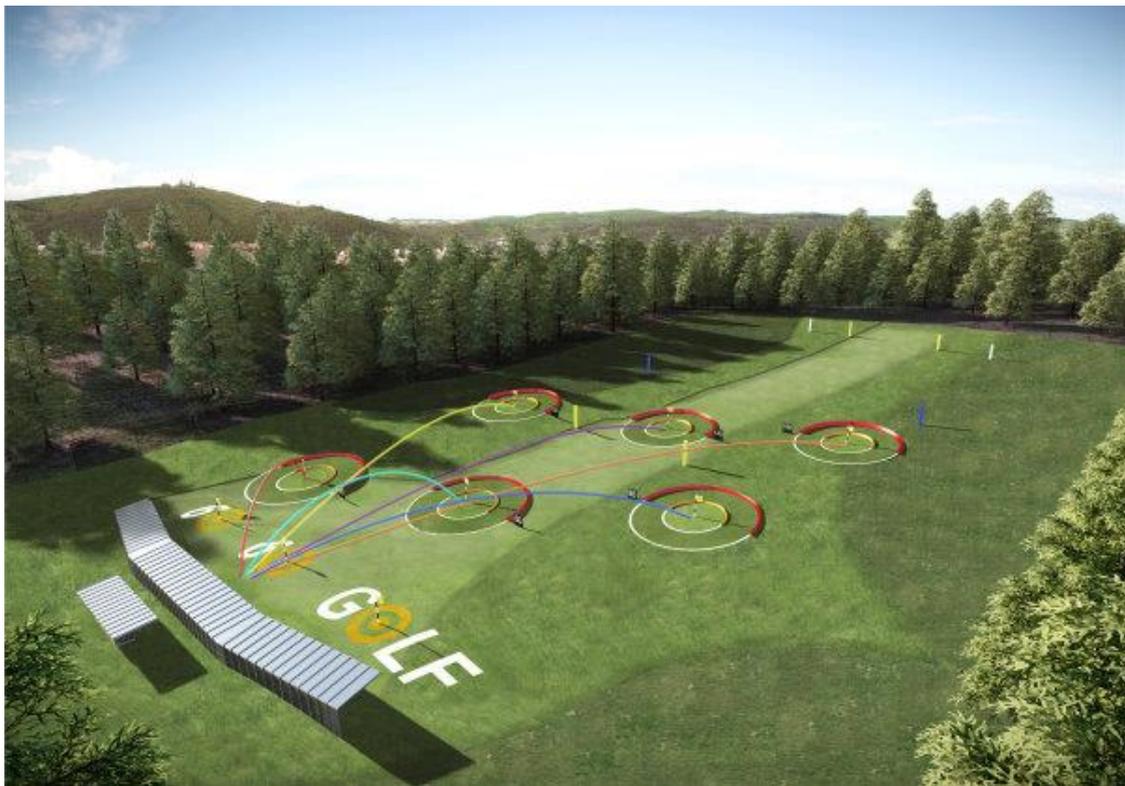


Figure 8: 6060 Golf Targets

4.3.4 Executive 6, 9 or 12 hole Courses

As people are becoming increasingly selective with the leisure time choices, some are seeking short, 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 also popular with young professionals, as 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), time poor women and youth.

The New Zealand 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.

4.3.5 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;

- 6060 Golf facility at the driving range (refer 4.3.3);
- Open to boys & girls between ages of 4 to 16;
- Programmes specifically designed for juniors. Each progression stage runs for 8 weeks and upon the completion of a stage each junior receives a certificate. Juniors can also keep track of their progress online.

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.

4.4 GOLF TOURISM

Golf courses which target golf tourism are outliers from the sample of golf clubs within the region. Often they are privately owned and have diverse revenue streams including resort accommodation, restaurants and other outdoor activities which support the operation of a golf course.

6. GOLF ENVIRONMENT IN AUCKLAND

As early as 1870's golf began to flourish in New Zealand; the momentum advanced north to Auckland in the 1890's.

The longest standing golf club in Auckland is Royal Auckland Golf Club, founded in 1894, with the first course situated at the Auckland Domain. In the late 1890's the Club moved to farmland at Greenlane and in April 1900 Royal Auckland Golf Club's lease of the One Tree Hill site was secured. In 1907 the Club purchased land at Otahuhu which is now the permanent home of Royal Auckland Golf Club with the course opened in April 1910.

In this period golf in Auckland was thriving and between the period of 1894 and 1930 ten golf clubs in Auckland were established (all of which are still operating today). The period of 1931 to 1960 saw similar growth with an additional eleven courses opening. From 1961, even with significant population growth, the rate of new course development significantly reduced.

Today in the Auckland region there are 39 golf clubs, each with their own course within a population of approximately 1.5 million residents. This provides one golf course per 38,659 Auckland residents compared to for example Sydney which has one golf course per 50,850 residents (refer Table 8).

The population of Auckland is projected to reach approximately 2 million residents by 2031 and if there were to be 39 golf clubs at that point, there would be one golf club per 50,464 residents (2031 estimated population of 1,485,300).

Of the 39 golf clubs in Auckland only two golf courses are classified as Links (Muriwai and Omaha), the remainder being Parkland courses (or variations of Parkland layouts).

6.1 THE SURVEY

The National Survey was conducted among 393 golf clubs in New Zealand. The results from the National Survey have formed the basis of the analysis of the golf environment in Auckland. Of the 39 clubs located within the Auckland region:

- 31 golf clubs responded to the Survey;
- Of the 31 golf clubs, some golf clubs only partially completed the Survey;

The eight golf clubs that did not respond to the Survey included:

- Chamberlain Park Golf Club;
- Formosa;
- Howick;
- Pupuke;
- Whangaparoa;
- Great Barrier;
- Royal Navy;
- RNZAF.

For purposes of the analysis Royal Navy, RNZAF and Great Barrier have been excluded and considered outliers due to the following;

- RNZAF Golf Club which is managed, administered, resourced and the majority of the utilisation is assumed to be by a singular organization (RNZAF) and therefore assumed to not be subjected to the same influences as the other clubs in the Auckland region;
- Great Barrier is isolated from the main Auckland region.

For the five other clubs that did not respond to the Survey and the clubs that only partially completed the Survey, information was gathered through club websites and DotGolf with averages from the rest of the Auckland region applied selectively to those clubs.

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. These indicators are for internal purposes only.

Club Classification

The Club Classification indicator was developed to enable analysis of the type and provision of different facilities in Auckland. This is one of the indicators that will help to provide an understanding of the range and type of facilities available. The classifications developed in consultation with NZ Golf are:

- | | |
|-------------------------------------|--|
| Traditional Entry-Level Club | <ul style="list-style-type: none"> • 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 | <ul style="list-style-type: none"> • Open membership • Junior membership • On-site or off-site professional • Readily available green fee times • Practice putting area • Driving range |
| Traditional Upper-Level Club | <ul style="list-style-type: none"> • 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 they are not clearly one or the other. In these cases they are classified under two classifications, for example Traditional Entry – Mid Level Club.

Figure 9 below is the current club classifications (for clubs that responded to the survey) in Auckland. Under this classification the vast majority of the clubs in Auckland, 81% of clubs for which data was available, are Traditional Mid – Level

Clubs with the only key differentiator being location. There are no club facilities in Auckland that operate solely as Traditional Entry Level Clubs and 6% of the clubs are classified as Traditional Upper Level Clubs.

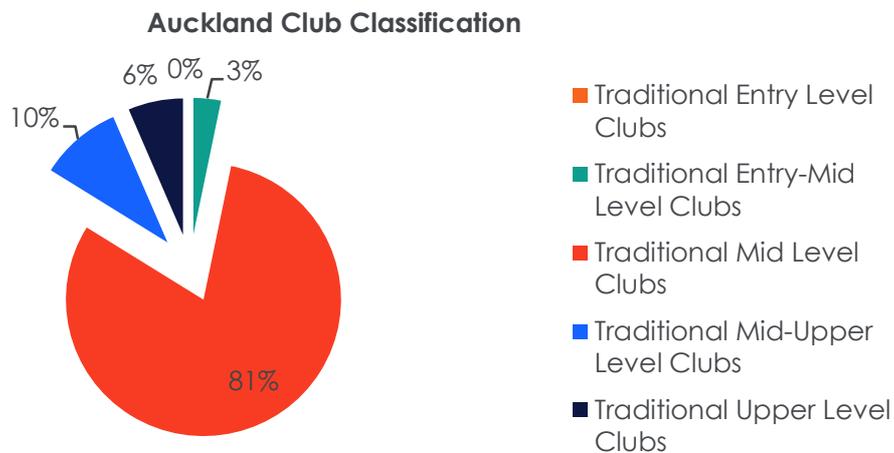


Figure 9: Auckland Golf Club Classifications

Predominant User Group:

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

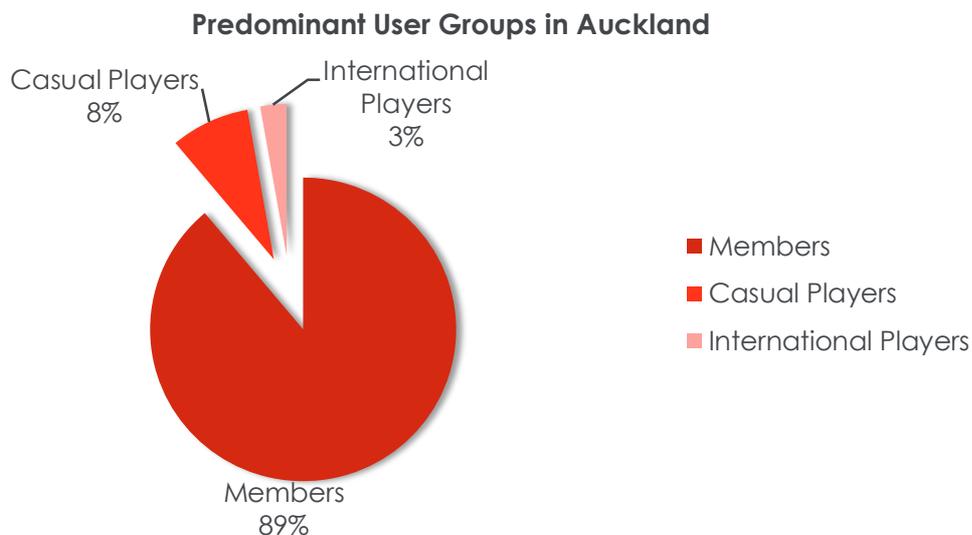


Figure 10: Predominant User Groups in Auckland

In Auckland the predominant user group of golf facilities is members, 89%, followed by casual players, 8% and then international / tourists, 3%.

Members as the predominant user group in Auckland is not surprising given, as shown in Figure 9, 81% of the facilities are Traditional Mid-Level Clubs.

Note: The predominant user group was determined as members if more than 50% of rounds played at that club were by members of that club and as casual if 50% or more of rounds played at the clubs were played by casual golfers or members of other clubs.¹²

Rounds Supplied:

The 36 golf facilities in Auckland (excluding three golf club outliers) supply a total of 3,753,131 rounds in a year.

The number of rounds supplied (capacity) was calculated by assuming the ideal scenario of one tee-off by a group of four every eight minutes. "Down-days" have been subtracted for each day of maintenance, bad weather and December 25th, with the exclusion of courses that remain open on December 25th.

Rounds Played:

The number of rounds played in Auckland is approximately 869,868 rounds per year.¹³ This was calculated using DotGolf data for rounds played and overlaid with the average affiliated and casual player numbers in the Auckland region.

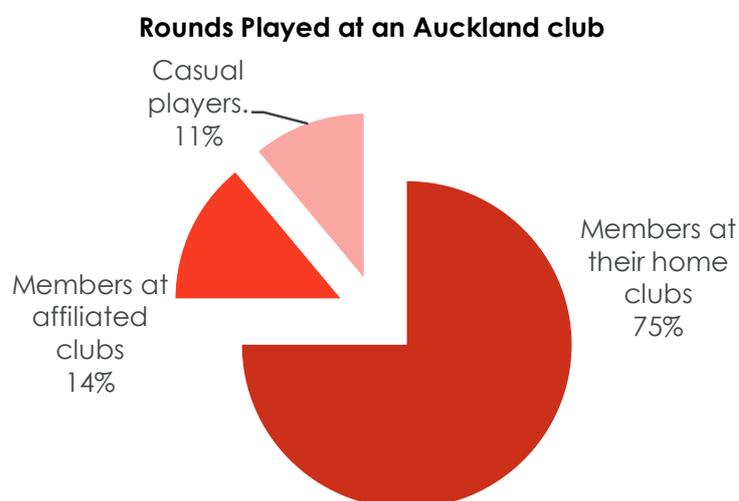


Figure 11: Who Plays the Rounds of Golf in Auckland?

The DotGolf data in many cases is significantly less than the number of rounds reported by the clubs that completed the National Survey.

¹² Note: rounds data obtained from DotGolf with the exception of Wattle Downs (no data on DotGolf so used their survey response).

¹³ Note: DotGolf provided data only for membership rounds and affiliated member rounds. Average percentage of casual rounds was calculated from the data provided by golf courses in the survey. This percentage was then applied across all clubs for the DotGolf data.

Utilisation

Utilisation is the number of rounds played as a percentage of the capacity (supply). The average utilisation in Auckland, based on the estimated number of rounds played across Auckland, is 23%.

Clubs in Auckland ranged from a maximum utilisation of approximately 40% (Remuera and Pakuranga) to a minimum utilisation of 1% (Maxwells) followed by 4% (Awhitu).

Fees

- Average membership fee across Auckland = \$1,176
- Average affiliated green fee = \$43
- Average non-affiliated green fee = \$55

Note: These fees are averages of all 36 clubs and therefore differ to the fees listed in Table 11 below which are averages of the 22 clubs included in the financial analysis.

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 Auckland. 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 the following:

- The provision and quantity of practice facilities, which include:
 - Driving ranges, covered or open, and length;
 - Chipping, pitching, putting practice areas;
 - Practice bunkers;
 - Practice short game areas.
- The quality of the course (rated by a selection of players and NZ Golf employees) 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 using the club response to the survey questions related to condition and investment in built assets over the last 10 years.
- The provision and quantity of Coaching, Programmes and Administration 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 the Auckland region is 5.5 (out of 10). The Quality of Service offered ranged from 2.4 at Awhitu to 7.2 at Gulf Harbour and North Shore.

Figure 12 below shows the relationship between the quality of service provided at Auckland golf facilities and the membership fee at each facility.

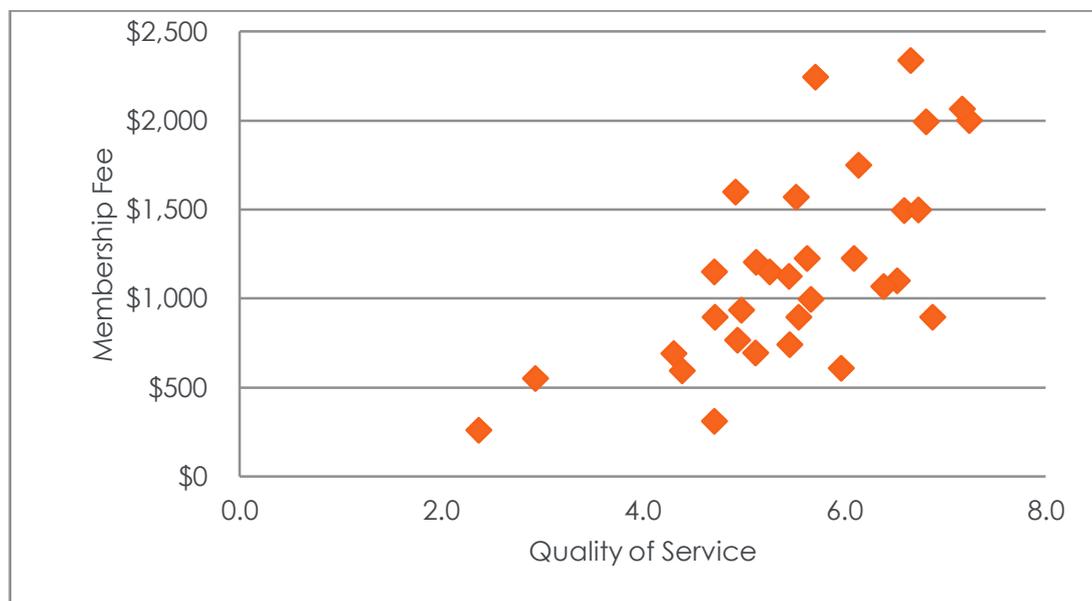


Figure 12: Quality of Service versus Membership Fees at Auckland Golf Facilities

As can be seen in Figure 12, golf facilities that provide a higher quality of service tend to have more expensive membership fees.

Considering the casual golfer that is primarily concerned with the golf course rather than the golf facility as a whole, course quality has been compared with the non-affiliated green fees of Auckland courses in Figure 13 below.

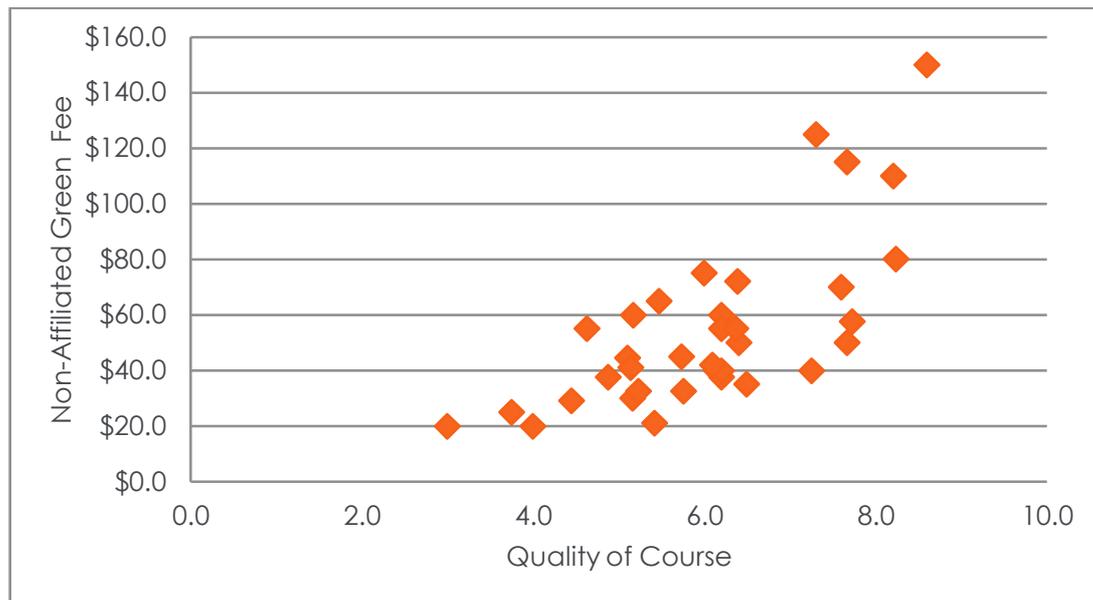


Figure 13: Course Quality versus Non-Affiliated Green Fees at Auckland Golf Courses

Figure 13 illustrates a strong positive correlation between higher quality golf courses and more expensive green fees.

It has been demonstrated that golf facilities that offer a higher quality of service and higher course quality charge more expensive fees; however, golfers are not necessarily willing to pay higher fees to gain access to the higher quality facilities as demonstrated in Figure 14.

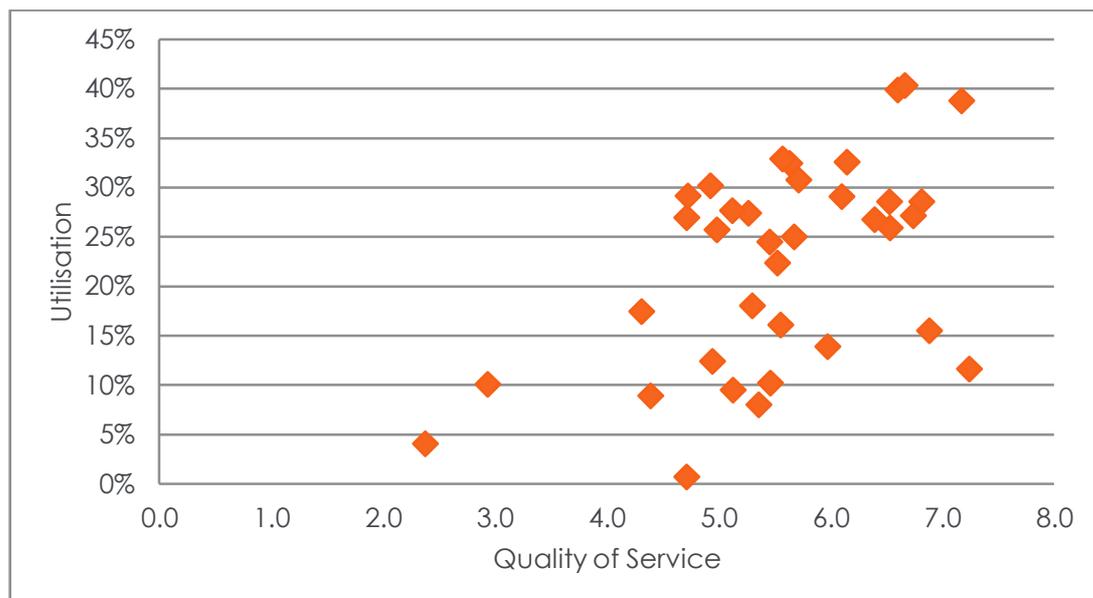


Figure 14: Quality of Service versus Utilisation of Auckland Golf Courses

Figure 14, shows a weak correlation between higher utilisation and golf facilities that provide a higher quality of service (and therefore generally charge more for access to the facilities).

The effect of fees versus utilisation has been further examined by keeping the level of service constant. Figure 15 below identifies in orange the Auckland golf clubs that have a level of service of 5.5 to 5.7 and their corresponding membership fees.

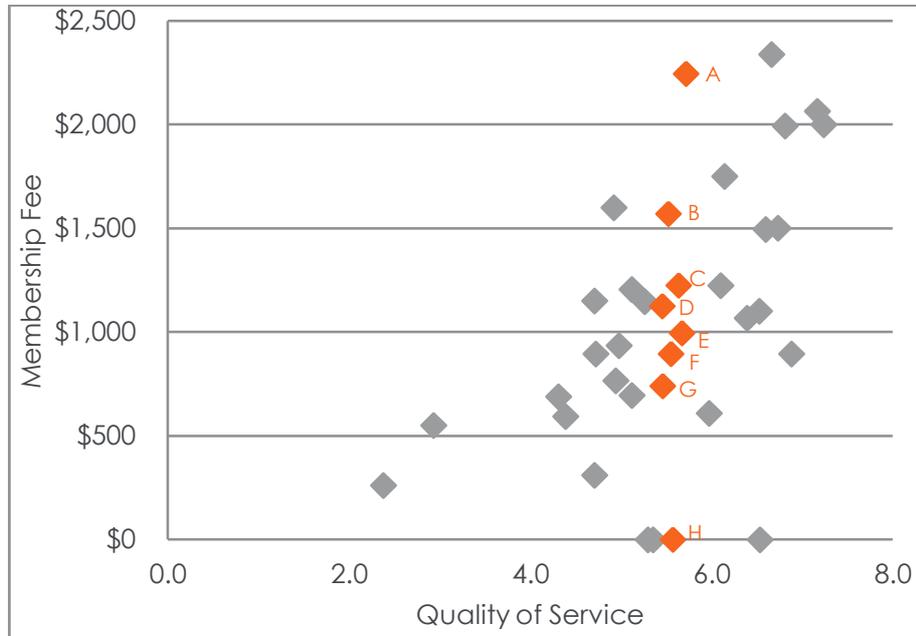


Figure 15: Membership Fee versus Quality of Service – Focusing on Golf Courses That Have a Quality of Service of 5.5 to 5.7

Within the positive correlation of quality of service and membership fees, there are ranges of fees that members at different courses are willing to pay for the same quality of service. Please note that Club H can be ignored in this case because it does not offer memberships.

A similar picture is presented in Figure 16 which compares the same clubs with a quality of service from 5.5 to 5.7 and their corresponding green fees.

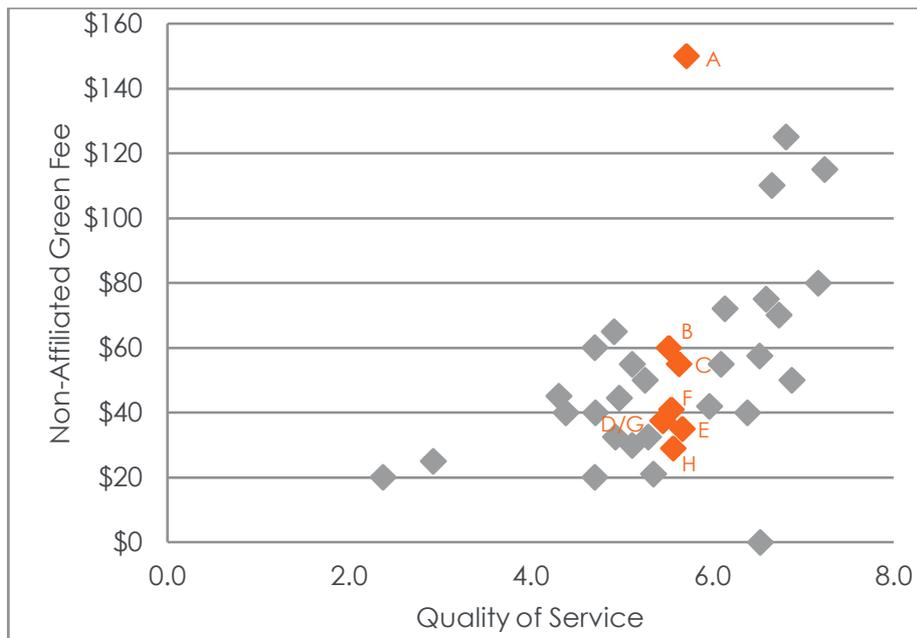


Figure 16: Non-Affiliated Green Fee versus Quality of Service – Focusing on Golf Courses That Have a Quality of Service of 5.5 to 5.7

From Figures 15 and 16, one would assume that Club A would have a lower utilisation since it costs more to access a golf facility with the same quality of service as the other clubs. It would also be expected that Club H would have a high utilisation since it provides the same quality of service at a lower price. However, when quality of service versus utilisation for these clubs is plotted, as in Figure 17 below, the above assumptions are proven incorrect.

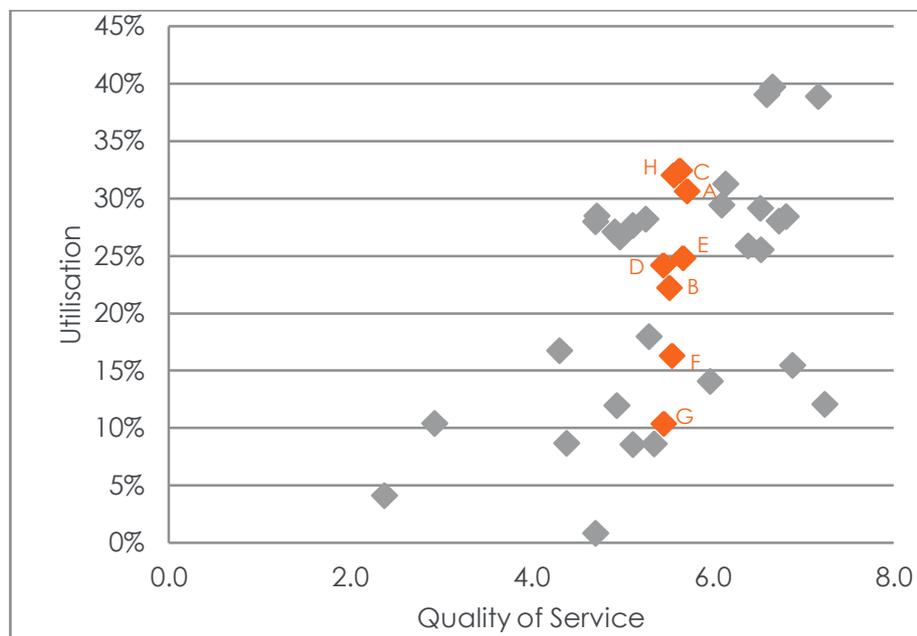


Figure 17: Utilisation versus Quality of Service – Focusing on Golf Courses That Have a Quality of Service of 5.5 to 5.7

Even though Club A and Club H offer the same level of service at very different prices, there is a similar utilisation rate at these courses. This shows that high utilisation is not strictly dependent on cheaper prices for the same quality of service. Rather, there are external factors that affect the utilisation rate of a golf course such as the market the golf club is targeting and the demographics of the surrounding population.

6.1.1 Financial Sustainability Indicators

Financial Sustainability indicators were developed to enable high level analysis to understand the income diversity and breakeven point of golf clubs in Auckland. These indicators use information collected by Victoria University and information collected through survey monkey. However, the following clubs opted out of providing adequate financial information and so are not included within the analysis:

- Aviation;
- Chamberlain;
- Formosa;
- Gulf Harbour;
- Howick;
- Huapai;
- Peninsula
- Pupuke;
- Royal Auckland;
- Waiheke;
- Waitakare;
- Waiuku;
- Whangaparaoa.

Manukau golf club was also removed from the financial analysis as an outlier due to the Manukau operating surplus being more than two standard deviations away from the mean operating surplus of all Auckland clubs that provided financial data.

Consequently, the financial analysis for Auckland is based on the following 22 golf clubs:

- Akarana;
- Awhitu;
- Clarks Beach;
- The Grange;
- Helensville;
- Maramarua;
- Maungakiekie;
- Maxwells;
- Muriwai;
- North Shore;
- Omaha Beach;
- Pakuranga;
- Pukekohe;
- Redwood Park;
- Remuera;
- South Head;
- Takapuna;
- Titirangi;
- Waitemata;
- Warkworth;
- Wattle Downs;
- Whitford Park.

The primary source of income for golf clubs is the fees collected for access to the club's main product: a round of golf. Table 11 on the following page shows the average fees for members, affiliated members and non-affiliated members across the above mentioned 22 golf clubs.

Table 11: Average Number of Members, Membership Fees and Green fees.

Average Number Of Members	638
Average Membership Fee	\$ 1,196.83
Average Affiliated Green Fee	\$ 44.73

Average Non-Affiliated Green Fee	\$	58.91
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The fees listed in Table 11 were used with the number of rounds played by members, affiliated members and non-affiliated members to calculate the average price paid for a round of golf in Auckland.

As can be seen in the first row of Table 12, the number of rounds played by members brings the average price per round of golf well below the average green fees. However, when golfers are at the club they are buying food, drinks, golf balls, tees, lessons, hats and other products that increase the revenue generated by a golfer coming to a golf club.

Table 12 shows that the average income generated per round of golf is \$58.94. This is just slightly above the costs to provide a round of golf and the experience that goes with it. Table 12 shows that with the current number of rounds played, it costs a club \$54.94 on average to provide the course, built facilities and services to the golfer. Therefore, the club is generating an average surplus of \$4.00 per round of golf.

Table 12: Financial indicators for Auckland Golf Clubs

Average Price per Round¹⁴ (Playing Income / # of Rounds Played)	\$	31.67
Average Revenue Generated per 18 hole Round (Total Income / # Rounds Played)	\$	58.94
Average Cost Per 18 Hole Round (Opex/# Rounds Played)	\$	54.94
Net Revenue per Round	\$	4.00

Clubs can earn greater net revenue per round if the number of rounds played is increased. This disperses the salaries, maintenance and all other costs over a greater number of rounds.

However, the trend over the last ten years from 2001 to 2011 show that membership declines at approximately 1.6% per year. Moreover, the mean percentage of a golf club's income from membership is 64.15%, as stated in the report from Victoria University¹⁵. Figure 18 below highlights the potential financial effect, over the next ten years, for an average Auckland golf club if nothing is changed to slow or reverse the current rate of membership decline.

¹⁴ One round is assumed to be 18 holes

¹⁵ Cash, sinkholes and sources. Research Report 1: Golf Clubs. Dr Carolyn J. Cordery and Professor Rachel F. Baskerville

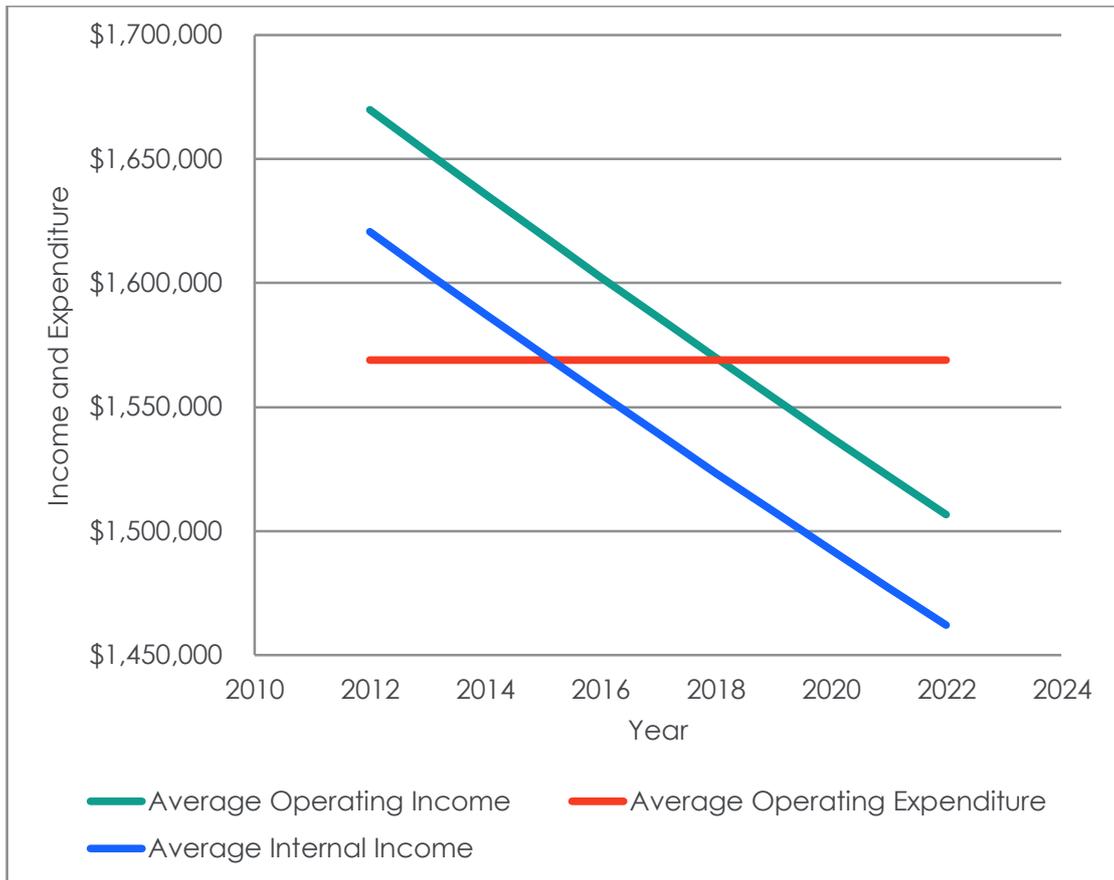


Figure 18: Average Operating Expenditure versus Income of 22 Auckland Golf Courses.

Figure 18 shows that if membership continues to decline at 1.6% per year, based on the last ten years, and nothing else is changed the average Auckland golf club will increasingly have lower income than expenditure. This is the case if the clubs continue to receive the same grants and charitable donations as they currently have, shown as total operating income, or if the current grants and donations are not renewed, shown as internal income.

It was calculated that with the current situation approximately twenty six thousand 18 hole rounds of golf need to be played at each Auckland course each year for the courses to break-even. This is just under the number of rounds currently being played but well below the average number of rounds being supplied on average per club (indicated with a 24% utilisation rate at these 22 clubs). This information is summarised on the following page in Table 13.

Table 13: Golf Rounds Indicators for Auckland Golf Clubs

Average Break-Even Point per Club (Opex/Revenue Generated per Round)	25,964
Average Number of Rounds Played per Club (Demand)	26,302

Average Actual Capacity for Rounds per Club (Supply)	103,134
Average Utilisation of Golf Courses (Demand/Supply)	24%

Note: The figures in Table 13 may not align with figures earlier in the report as Table 13 is based on the 22 clubs used for the financial analysis rather than all 36 clubs.

With the current declining membership trend (1.6% per year), the number of rounds required to break-even increases to offset operating expenditure. This is illustrated below in Figure 19.

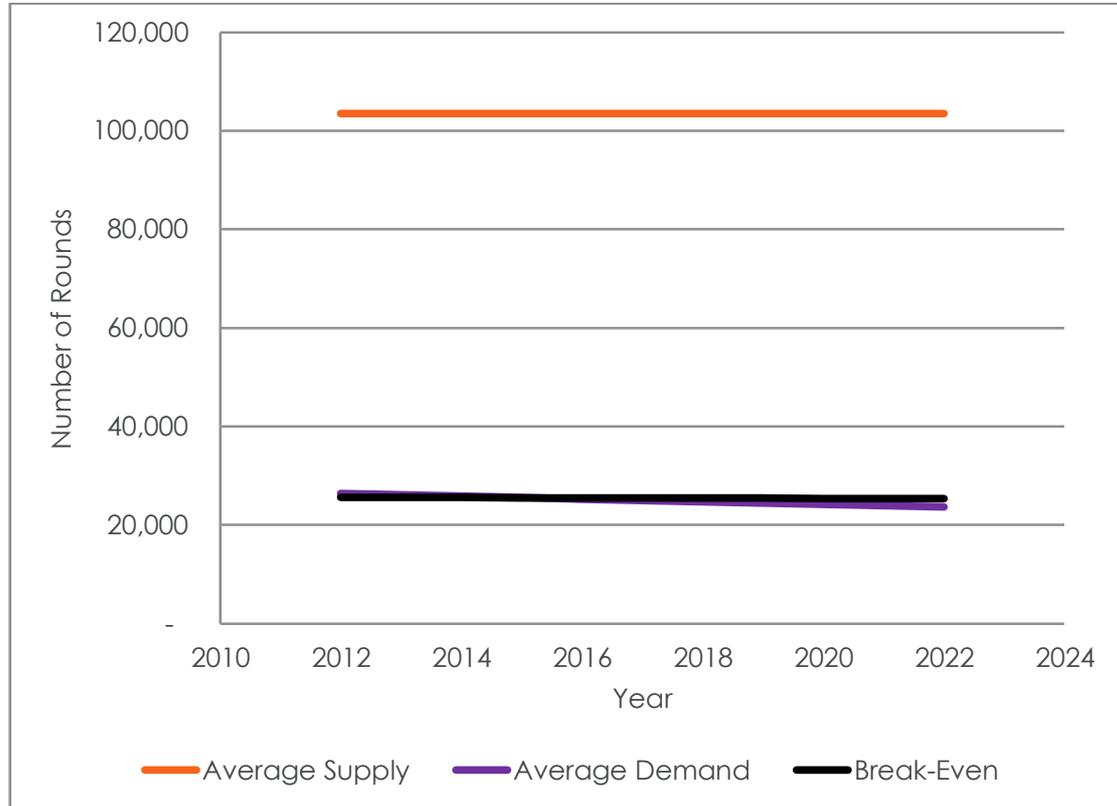


Figure 19: Average Number of Rounds Supplied, Demanded and Required to Break Even at Auckland Golf Courses with Current Membership Trends.

It is important to note that Figure 19 assumes a golfer who cancels their membership stops playing golf. It is recognised that many ex-members will continue to play golf as a casual player but will likely not play as many rounds as when they had the commitment to a club and were paying membership fees.

To put this into perspective, each ex-member would need to play 21 rounds of golf per year to generate the same income for the golf club from non-affiliated green fees as they did through an average membership fee (i.e. 21 rounds to prevent income from decreasing). However, the average casual golfer plays 8 games of golf¹⁶ each year.

¹⁶ Resource: Increasing Nationwide Golf Club Membership & Participation – March 2008 Membership Survey

A commonly suggested solution to the oversupply of rounds of golf is simply to reduce the number of golf courses. Figures 20 and 21 below demonstrate the approximate effects of closing one golf course per year with all other factors unchanged. That is, all existing casual players and members of a closed course will continue to play at another course in Auckland while membership continues on its declining trend of the last decade at 1.6% per year.

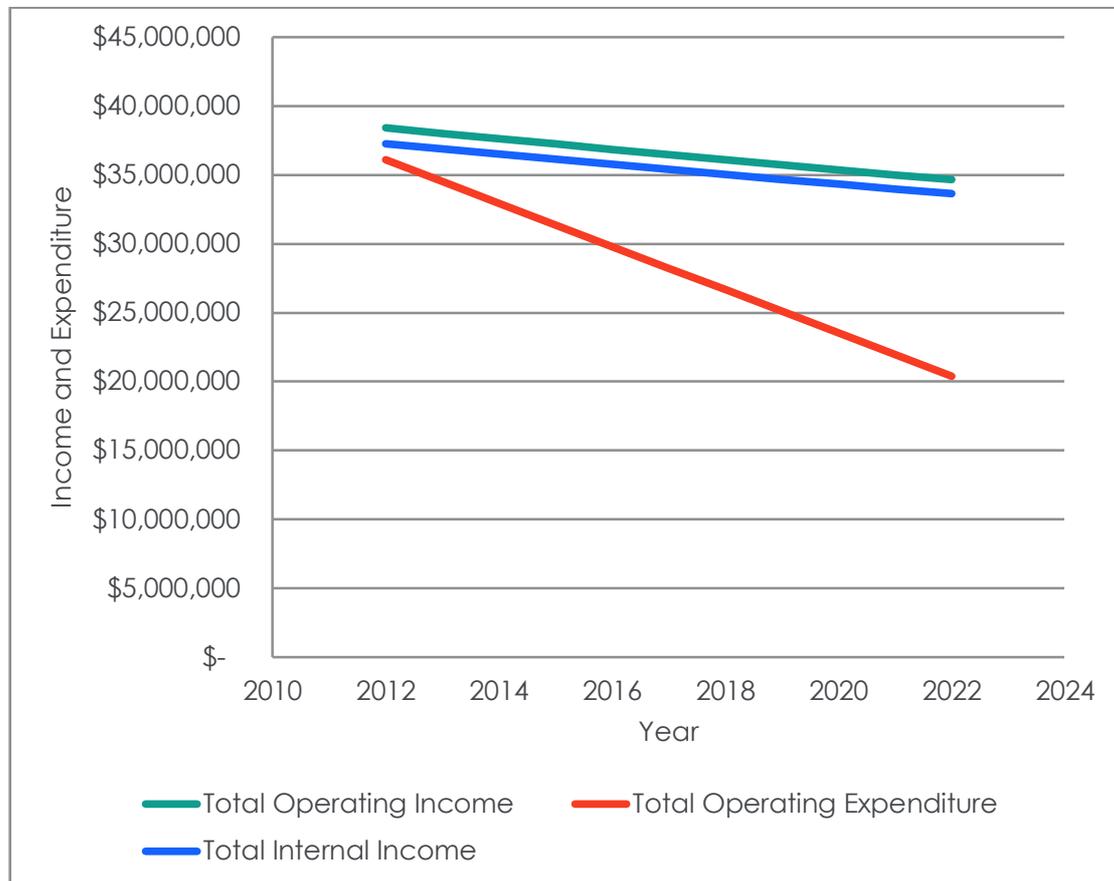


Figure 20: The Effect of Closing One of the 22 Auckland Golf Courses per Year on Income and Expenditure at the Courses

Figure 20 shows that closing one golf club per year decreases expenditure faster than income declines. While this may seem like an easy solution, it is not sustainable in the long term. If membership continues to decline, with all other factors unchanged, courses will have to continue to close, perhaps at a rate slower than one course per year but consistently on a downward trend. Furthermore, fewer golf clubs reduces the accessibility of golf clubs and may potentially further encourage the declining membership trend and also reduce the number of casual rounds played.

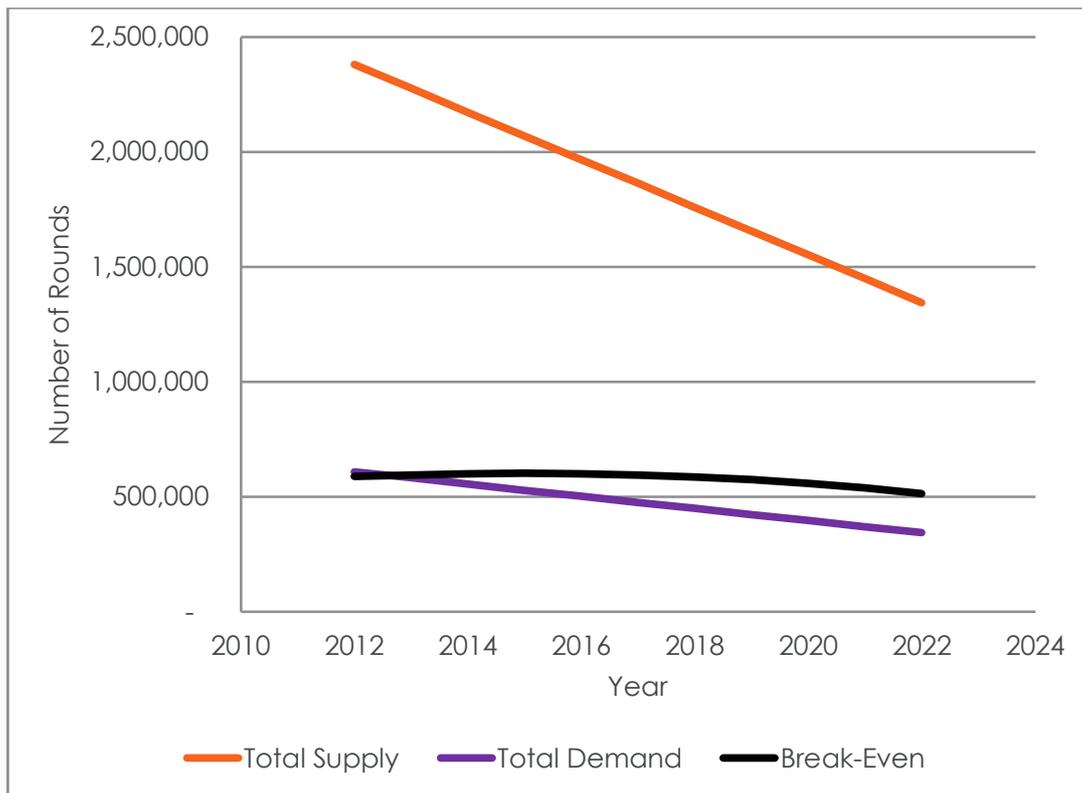


Figure 21: The Effect of Closing One of the 22 Auckland Golf Courses per Year on the Number of Rounds Supplied, Demanded and Required to Break Even

Figure 21 above shows that closing one course per year greatly reduces the supply of rounds but there will be few remaining courses by the time the number of rounds supplied matches the number of rounds demanded. This also does not solve the problem of the projected number of rounds demanded being less than the projected number of rounds required to break even.

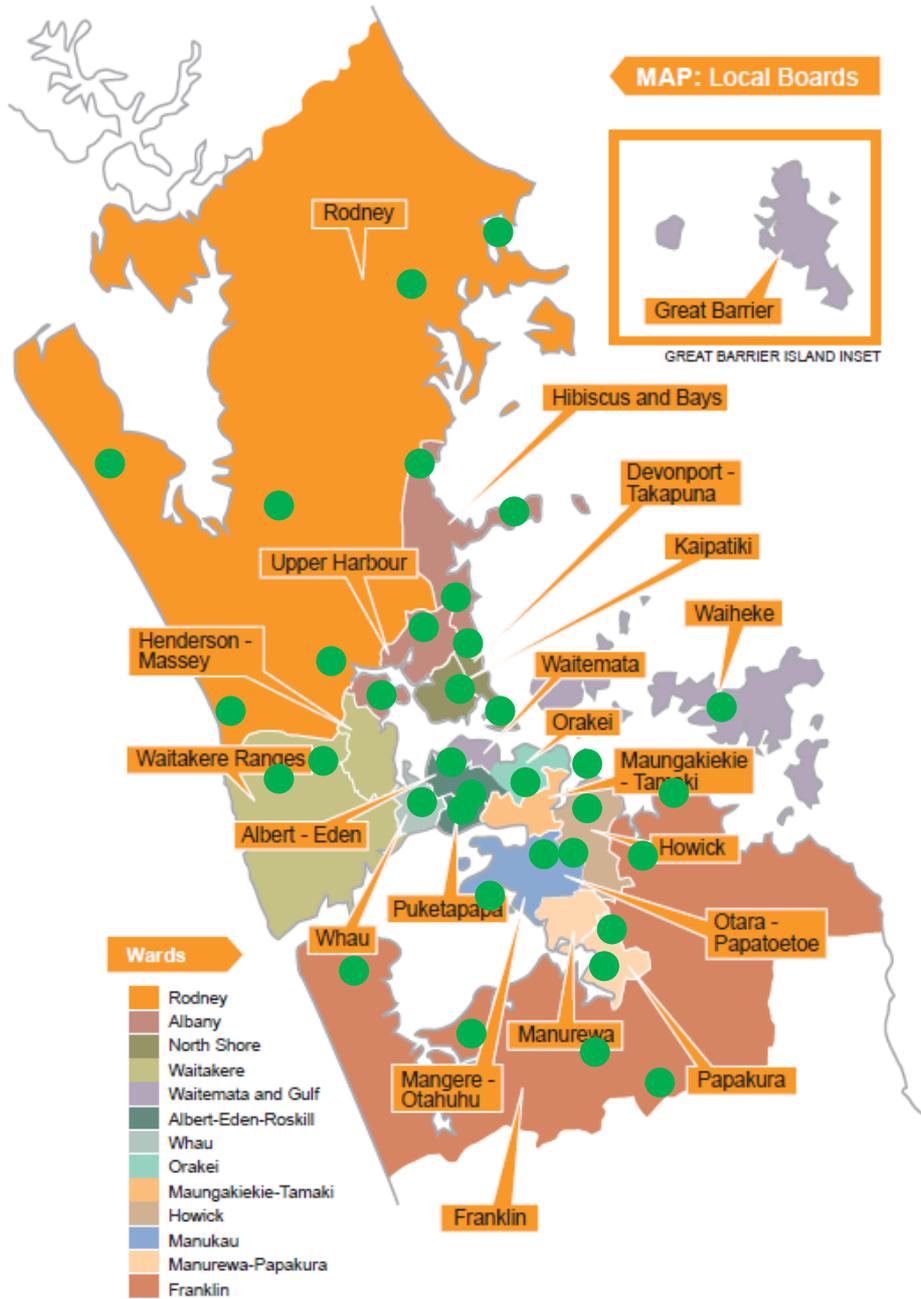
Instead of decreasing the number of courses, efforts should be focused on finding a way to increase demand at these courses. This could be accomplished by increasing the existing golfer demand or by creating new demand, bringing new people into the game of golf by diversifying what is offered to target untapped markets.

6.2 AUCKLAND FACILITY LANDSCAPE / PORTFOLIO

There are 21 Local Boards in the Auckland region, of these Local Boards four Local Boards do not contain a golf facility. These Local Boards include:

- Maungakiekie-Tamaki Local Board;
- Waitemata Local Board;
- Otara – Papatoetoe Local Board;
- Papakura Local Board.

For the 17 Local Boards that do have golf facilities, there is an analysis of each Local Board below.



Rodney

Local Board



KEY STATISTICS

Golf Facilities

Rodney supplies 17% of the total rounds of golf in Auckland through six golf facilities in the local board area. All six of the golf facilities have traditional mid-level golf courses and all six are used predominantly by members playing at their home club.

Among the six golf facilities in Rodney, three of them have parkland courses, two have links courses and one has a rural course. These two links courses are the only links courses in the Auckland region.

It is generally less expensive to play golf in Rodney. The average membership fee is \$930 compared to \$1176 in the Auckland region. Similarly, the average affiliated green fee is \$42.20 and non-affiliated green fee is \$47.50 compared to average Auckland affiliated fee of \$42.64 and non-affiliated fee of \$54.77.

Despite the lower membership fees and green fees, Rodney has a higher level of quality at its golf facilities. When rated out of 10, the average quality of service provided at Rodney golf courses is 5.9 compared to 5.5 across Auckland. With regards to the quality of the course specifically, Rodney courses average 6.4 out of 10 compared to 6.1 across Auckland.

Golf Demand

The population of Rodney is expected to grow from 56,200 in 2011 to 88,600 in 2031 with a 58% population increase.

As of 2011, there were approximately 9,400 residents per golf facility in Rodney. With the projected population increase and the existing six golf facilities, it is expected that there will be approximately 14,800 residents per golf facility in 2031.

In 2011, 80% of Rodney residents were of European descent. The largest percentage of residents, 37%, were between the ages of 40 and 64 but this is expected to decrease to 30% by 2031, on par with the 15-39 year old age group.

Of the total rounds of golf played across Auckland, approximately 16% of rounds are played in Rodney. The average utilisation in Rodney is 22%, close to the Auckland average of 23%. Rodney golf courses ranges from 14% to 29% utilisation.

17%

Of Auckland's rounds of golf are supplied by Rodney.

16%

Of Auckland's rounds of golf are played in Rodney.

22%

Average utilisation in Rodney.

100%

Of Rodney golf courses are traditional mid-level courses with 18 holes and predominantly used by members.

58%

Projected population increase from 2011 to 2031.

Hibiscus and Bays

Local Board



KEY STATISTICS

Golf Facilities

Hibiscus and Bays supplies 12% of the total rounds of golf in Auckland through four golf facilities in the local board area. All four of the golf facilities are predominantly used by members playing at their home club and have 18 hole courses.

Among the four golf facilities in Hibiscus and Bays, one of them has a championship course with characteristics of a traditional mid-level and upper-level course. The other three facilities are all traditional mid-level courses.

Membership fees in Hibiscus and Bays are lower on average, at \$1087, compared to the Auckland average of \$1176. However, green fees are more expensive with an average affiliated green fee of \$51.30 and non-affiliated green fee of \$60.00 in Hibiscus and Bays compared to \$42.64 and \$54.77, respectively, in Auckland.

Aligned with the higher green fees, Hibiscus and Bays has a higher than average level of quality at its golf facilities. When rated out of 10, the average quality of service provided at Hibiscus and Bays golf courses is 5.9 compared to 5.5 across Auckland. With regards to the quality of the course specifically, Hibiscus and Bays courses average 6.4 out of 10 compared to 6.1 across Auckland.

Golf Demand

The population of Hibiscus and Bays is expected to grow from 91,300 in 2011 to 127,600 in 2031 with a 40% population increase.

As of 2011, there were approximately 22,825 residents per golf facility in Hibiscus and Bays. With the projected population increase and the existing six golf facilities, it is expected that there will be approximately 31,900 residents per golf facility in 2031.

In 2011, 80% of Hibiscus and Bays were of European descent. The largest percentage of residents, 35% were between the ages of 40 and 64 but this is expected to be the age group with the smallest population increase. By 2031, the 15-39 year old age group will be the largest at 31% of residents, closely followed by 40-64 at 30%.

Of the total rounds of golf played across Auckland, approximately 11% of rounds are played in Hibiscus and Bays. The average utilisation in Hibiscus and Bays is 22%, close to the Auckland average of 23%. Hibiscus and Bays golf courses range from 12% to 32% utilisation.

12%

Of Auckland's rounds of golf are supplied by Hibiscus and Bays.

11%

Of Auckland's rounds of golf are played in Hibiscus and Bays.

22%

Average utilisation in Hibiscus and Bays.

100%

Of Hibiscus and Bays golf courses are 18 holes and predominantly used by members.

40%

Projected population increase from 2011 to 2031.

Upper Harbour

Local Board



KEY STATISTICS

Golf Facilities

Upper Harbour supplies 4% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by members playing at their home club.

The parkland course at the facility has characteristics of a traditional mid-level and upper-level course. It is also the only 27 hole course in the Auckland region.

The membership fee of \$2,065 is significantly more expensive compared to the Auckland average of \$1176. Green fees are also more expensive with an affiliated green fee of \$60.00 and a non-affiliated green fee of \$80.00 in compared to an average affiliated green fee of \$42.64 and non-affiliated green fee of \$54.77 in Auckland.

Aligned with the higher green fees, Upper Harbour has the highest level of quality at its golf facilities in comparison to the averages among other local board areas and Auckland as a whole. When rated out of 10, the quality of service provided at the Upper Harbour course is 7.2 compared to an average of 5.5 across Auckland. With regards to the quality of the course specifically, Upper Harbour, at 8.2 out of 10, is not the highest rated but it is well above the Auckland average course quality of 6.1.

Golf Demand

The population of Upper Harbour is expected to grow from 51,200 in 2011 to 83,000 in 2031 with a 62% population increase, the highest projected population increase across Auckland.

As of 2011, 64% of Upper Harbour residents were of European descent with a large Asian community at 22%. The 2011 median household income was \$75,320, well above the regional average and the median age was 33.9. The largest percentage of residents, 36% are between the ages of 15 and 39. While the 65+ age group is expected to increase by 192% by 2031, 15-39 will remain the largest age group in Upper Harbour.

Of the total rounds of golf played across Auckland, approximately 7% of rounds are played in Upper Harbour. The average utilisation in Upper Harbour is 39%, well above the Auckland average of 23%.

4%

Of Auckland's rounds of golf are supplied by Upper Harbour.

7%

Of Auckland's rounds of golf are played in Upper Harbour.

39%

Average utilisation in Upper Harbour.

100%

Of Upper Harbour golf facilities, the one course, is 27 holes and predominantly used by members.

62%

Projected population increase from 2011 to 2031.

Kaipatiki

Local Board



KEY STATISTICS

Golf Facilities

Kaipatiki supplies 3% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by casual golfers and affiliate members of other clubs.

The 18 hole parkland course at the facility has characteristics of a traditional mid-level course.

The facility does not have a full playing membership but offers a weekday membership and a handicap and affiliated membership for \$185 plus green fees for each round. The green fees at this course are much lower than average with both affiliated and non-affiliated green fees averaging \$29 between weekdays and weekends versus the Auckland average affiliated green fee of \$42.64 and non-affiliated green fee of \$54.77.

Despite the well below average green fees, the Kaipatiki golf facility offers a level of service similar to the average across Auckland. When rated out of 10, the quality of service provided at the Kaipatiki facility is 5.6 compared to an Auckland average of 5.5. However, the quality of the Kaipatiki course is low at 4.5 out of 10, below the Auckland average course quality of 6.1.

Golf Demand

The population of Kaipatiki is expected to grow from 88,300 in 2011 to 100,400 in 2031 with a 14% population increase, the lowest projected population increase across Auckland.

As of 2011, 61% of Kaipatiki residents were of European descent with a large Asian community at 22%. The 2011 median household income was above average at \$64,083, and the 2011 median age of 34 was the same as the Auckland median age. Most residents, 38% of Kaipatiki, are between the ages of 15 and 39, this is expected to remain stable through to 2031, decreasing slightly to 37%.

Of the total rounds of golf played across Auckland, approximately 4% of rounds are played in Kaipatiki. The average utilisation in Kaipatiki is 32%, well above the Auckland average of 23%.

3%

Of Auckland's rounds of golf are supplied by Kaipatiki.

4%

Of Auckland's rounds of golf are played in Kaipatiki.

32%

Average utilisation in Kaipatiki.

100%

Of Kaipatiki golf facilities, the one course, are 18 hole traditional mid-level courses predominantly used by members.

14%

Projected population increase from 2011 to 2031.

Devonport-Takapuna

Local Board



KEY STATISTICS

Golf Facilities

Devonport-Takapuna supplies 3% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by members playing at their home club.

The 18 hole parkland course at the facility has characteristics of a traditional mid-level course.

The fees at the Devonport-Takapuna facility are slightly less than the Auckland average. Membership fees are \$1069 compared to \$1176 for Auckland and the affiliated and non-affiliated green fees both average \$40, compared to the Auckland average affiliated green fee of \$42.64 and non-affiliated green fee of \$54.77.

Despite the below average green fees, the Devonport-Takapuna golf facility offers a higher level of service compared to the Auckland average. When rated out of 10, the quality of service provided at the Devonport-Takapuna facility is 6.4 compared to an Auckland average of 5.5. Furthermore, the quality of the Devonport-Takapuna course was rated 7.3 out of 10, well above the Auckland average course quality of 6.1.

Golf Demand

The population of Devonport-Takapuna is expected to grow from 58,700 in 2011 to 79,000 in 2031 with a 35% population increase.

As of 2011, 72% of Devonport-Takapuna residents were of European descent. The 2011 median household income was above average at \$68,745, and the 2011 median age of 38.2 was four years above the Auckland median age. The 15-39 and 40-64 age groups both contain 34% of Devonport-Takapuna residents. The 15-39 age group is expected to remain stable while the 40-64 age group is expected to decrease to 29% in 2031.

Of the total rounds of golf played across Auckland, approximately 3% of rounds are played in Devonport-Takapuna. The average utilisation in Devonport-Takapuna is 26%, above the Auckland average of 23%.

3%

Of Auckland's rounds of golf are supplied by Devonport-Takapuna.

3%

Of Auckland's rounds of golf are played in Devonport-Takapuna.

26%

Average utilisation in Devonport-Takapuna.

100%

Of Devonport-Takapuna golf facilities, the one course, are 18 hole traditional mid-level courses predominantly used by members.

35%

Projected population increase from 2011 to 2031.

Henderson-Massey

Local Board



KEY STATISTICS

Golf Facilities

Henderson-Massey supplies 3% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by members playing at their home club.

The 18 hole parkland course at the facility has characteristics of a traditional mid-level course.

The fees at the Henderson-Massey facility are less than the Auckland average. Membership fees are \$895 compared to \$1176 for Auckland. The average affiliated green fee is \$35 and non-affiliated green fee is \$40, compared to the Auckland average of \$42.64 and \$54.77, respectively.

Aligned with the below average fees, the Henderson-Massey golf facility offers a lower level of service compared to the Auckland average. When rated out of 10, the quality of service provided at the Henderson-Massey facility is 4.7 compared to an Auckland average of 5.5. With regards to the quality of the course specifically, the Henderson-Massey course was rated 6.2 out of 10, close to the Auckland average course quality of 6.1.

Golf Demand

The population of Henderson-Massey is expected to grow from 114,000 in 2011 to 149,600 in 2031 with a 31% population increase. Henderson-Massey is expected to move from the second most populous local board to the third most populous by 2031.

As of 2011, the ethnic make-up of Henderson-Massey was 54% European, 19% Pacific, 17% Asian and 16% Maori. The 2011 median household income at \$55,733 and median age at 32.5 were both below the Auckland averages. The 15-39 age group contains the most, 37%, of Henderson-Massey residents and is expected to remain the largest age group with 35% of residents in 2031.

Of the total rounds of golf played across Auckland, approximately 4% of rounds are played in Henderson-Massey. The average utilisation in Henderson-Massey is 28%, above the Auckland average of 23%.

3%

Of Auckland's rounds of golf are supplied by Henderson-Massey.

4%

Of Auckland's rounds of golf are played in Henderson-Massey.

28%

Average utilisation in Henderson-Massey.

100%

Of Henderson-Massey golf facilities, the one course, are 18 hole traditional mid-level courses predominantly used by members.

31%

Projected population increase from 2011 to 2031.

Waitakere

Local Board



KEY STATISTICS

Golf Facilities

Waitakere Ranges supplies 3% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by members playing at their home club.

The 18 hole parkland course at the facility has characteristics of a traditional mid-level course.

The fees at the Waitakere Ranges facility are less than the Auckland average. Membership fees are \$765 compared to \$1176 for Auckland. The average affiliated green fee is \$30 and non-affiliated green fee is \$33, compared to the Auckland average of \$42.64 and \$54.77, respectively.

Aligned with the below average fees, the Waitakere golf facility offers a lower level of service compared to the Auckland average. When rated out of 10, the quality of service provided at the Waitakere facility is 4.9 compared to an Auckland average of 5.5. Similarly, the quality of the Waitakere Ranges course was rated 5.8 out of 10, lower than the Auckland average course quality of 6.1.

Golf Demand

The population of Waitakere Ranges is expected to grow from 50,200 in 2011 to 62,900 in 2031 with a 25% population increase.

As of 2011, 70% of Waitakere Ranges were of European descent. The 2011 median household income of \$55,733 was lower than the Auckland average and the median age of 34.7 was slightly above the Auckland average. The 15-39 and 40-64 age groups both contain 34% of Waitakere Ranges residents. The 15-39 age group is expected to decrease slightly to 33% while the 40-64 age group is expected to decrease to 28% in 2031.

Of the total rounds of golf played across Auckland, approximately 2% of rounds are played in Waitakere Ranges. The average utilisation in Waitakere Ranges is 12%, well below the Auckland average of 23%.

3%

Of Auckland's rounds of golf are supplied by Waitakere Ranges.

2%

Of Auckland's rounds of golf are played in Waitakere Ranges.

12%

Average utilisation in Waitakere Ranges.

100%

Of Waitakere Ranges golf facilities, the one course, are 18 hole traditional mid-level courses predominantly used by members.

25%

Projected population increase from 2011 to 2031.

Waiheke

Local Board



KEY STATISTICS

Golf Facilities

Waiheke supplies 1% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by members playing at their home club.

The 18 hole parkland course at the facility has characteristics of a traditional mid-level course.

The fees at the Waiheke facility are significantly less than the Auckland average. Membership fees are \$550 compared to \$1176 for Auckland. The average affiliated green fee and non-affiliated green fees are both \$25 compared to the Auckland average affiliated green fee of \$42.64 and non-affiliated green fee of \$54.77.

Aligned with the low fees, the Waiheke golf facility offers a lower level of service compared to the Auckland average. When rated out of 10, the quality of service provided at the Waiheke facility is 2.9 compared to an Auckland average of 5.5. Similarly, the quality of the Waitakere Ranges course was rated 3.8 out of 10, much lower than the Auckland average course quality of 6.1.

Golf Demand

The population of Waiheke is expected to grow from 8,750 in 2011 to 11,200 in 2031 with a 28% population increase.

As of 2011, 82% of Waiheke was of European descent. The 2011 median household income of \$38,725 was well below the Auckland average while the median age of 41.3 was well above the Auckland average. The 40-64 age group contains the most, 39%, of Waiheke residents and is expected to remain the largest age group with 39% of residents in 2031.

Of the total rounds of golf played across Auckland, approximately 1% of rounds are played in Waiheke. The average utilisation on Waiheke is 10%, well below the Auckland average of 23%.

1%

Of Auckland's rounds of golf are supplied by Waiheke.

1%

Of Auckland's rounds of golf are played in Waiheke.

10%

Average utilisation on Waiheke.

100%

Of Waiheke golf facilities, the one course, are 18 hole traditional mid-level courses predominantly used by members.

28%

Projected population increase from 2011 to 2031.

Whau

Local Board



KEY STATISTICS

Golf Facilities

Whau supplies 3% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by members playing at their home club but also targets international players.

The championship 18 hole course at the facility has characteristics of a traditional upper-level course.

Fees at the Whau golf facility are among the highest in the Auckland region with the second most expensive membership fee and most expensive green fees. The membership fee is \$2,245 compared to the Auckland average of \$1176. The average affiliated green fee is \$90.00 and the non-affiliated green fee is \$150.00 compared to an average affiliated green fee of \$42.64 and non-affiliated green fee of \$54.77 in Auckland.

Aligned with the most expensive green fees, the Whau course has the second highest course quality in the Auckland region. The quality of the Whau course was rated as 8.6 out of 10 compared to the Auckland average course quality of 6.1. However, the overall level of service provided at the Whau facility is not among the highest in the region. The quality of service provided at the Whau course is 5.7 compared to an average of 5.5 across Auckland.

Golf Demand

The population of Whau is expected to grow from 78,900 in 2011 to 103,400 in 2031 with a 31% population increase.

As of 2011, 45% of Whau residents were of European descent with a large Asian community at 31%, the second highest in the Auckland region. The 2011 median household income was \$52,315, the third lowest of Auckland local boards and the median age was 34.1, similar to the Auckland average. The largest percentage of residents, 39%, are between the ages of 40 and 64 and is expected to remain the largest age group at 36% in 2031.

Of the total rounds of golf played across Auckland, approximately 4% of rounds are played in Whau. The average utilisation in Whau is 31%, above the Auckland average of 23%.

3%

Of Auckland's rounds of golf are supplied by Whau.

4%

Of Auckland's rounds of golf are played in Whau.

31%

Average utilisation in Whau.

100%

Of Whau golf facilities, the one course, are 18 hole traditional upper level course and predominantly used by members.

31%

Projected population increase from 2011 to 2031.

Albert-Eden

Local Board



KEY STATISTICS

Golf Facilities

Albert-Eden supplies 3% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by casual players and members of affiliated clubs.

The 18 hole parkland course at the facility has characteristics of a traditional mid-level course.

Green fees at the Albert-Eden facility are among the lowest fees in the Auckland region. The green fees average at \$21 compared to the Auckland average affiliated green fee of \$42.64 and non-affiliated green fee of \$54.77.

Despite the significantly lower green fees, the Albert-Eden golf facility offers a level of service comparable with the Auckland average. When rated out of 10, the quality of service provided at the Albert-Eden facility is 5.4 compared to an Auckland average of 5.5. With regards to the quality of the course specifically, the Albert-Eden course was rated 5.4 out of 10, lower than the Auckland average course quality of 6.1.

Golf Demand

The population of Albert-Eden is expected to grow from 101,200 in 2011 to 120,700 in 2031 with a 19% population increase.

As of 2011, 58% of Waiheke was of European descent with a large Asian population of 26%. The 2011 median household income of \$69,660 was above the Auckland average of \$61,783 while the median age of 32.8 was below the Auckland average 34.3. The 15-39 age group contains the most, 44%, of Albert-Eden residents and is expected to remain the largest age group with 38% of residents in 2031.

Of the total rounds of golf played across Auckland, approximately 1% of rounds are played in Albert-Eden. The average utilisation in Albert-Eden is 9%, well below the Auckland average of 23%.

3%

Of Auckland's rounds of golf are supplied by Albert-Eden.

1%

Of Auckland's rounds of golf are played in Albert-Eden.

9%

Average utilisation in Albert-Eden.

100%

Of Albert-Eden golf facilities, the one course, are 18 hole traditional mid-level courses predominantly used by casual players.

19%

Projected population increase from 2011 to 2031.

Puketapapa

Local Board



KEY STATISTICS

Golf Facilities

Puketapapa supplies 6% of the total rounds of golf in Auckland through two golf facilities in the local board area. Both of the golf facilities are predominantly used by members playing at their home club.

Both of the golf facilities in Puketapapa are also 18 hole parkland courses with characteristics of traditional mid-level courses.

Membership fees in Puketapapa are above average, at \$1660, compared to the Auckland average of \$1176. Green fees are also more expensive with an average affiliated green fee of \$51.00 and non-affiliated green fee of \$66.00 compared to \$42.64 and \$54.77, respectively, in Auckland.

Puketapapa has a slightly above average level of service at its golf facilities. When rated out of 10, the average quality of service provided at Puketapapa golf courses is 5.8 compared to 5.5 across Auckland. With regards to the quality of the course specifically, Puketapapa courses average 6.3 out of 10 compared to 6.1 across Auckland.

Golf Demand

The population of Puketapapa is expected to grow from 57,700 in 2011 to 71,300 in 2031 with a 24% population increase.

As of 2011, there were approximately 28,850 residents per golf facility in Puketapapa. With the projected population increase and the existing two golf facilities, it is expected that there will be approximately 35,650 residents per golf facility in 2031.

In 2011, 40% of Puketapapa were of European descent, closely followed by Maori at 39%. The median household income was below the Auckland average at \$58,274 and the median age of 34.0 was near the Auckland average of 34.3. The largest percentage of residents, 42%, were between the ages of 15 and 39 and, despite a small 2% projected population increase, is expected to remain as the largest age group in 2031 at 35% of Puketapapa residents.

Of the total rounds of golf played across Auckland, approximately 7% of rounds are played in Puketapapa. The average utilisation in Puketapapa is 27%, above the Auckland average of 23%.

6%

Of Auckland's rounds of golf are supplied by Puketapapa.

7%

Of Auckland's rounds of golf are played in Puketapapa.

27%

Average utilisation in Puketapapa.

100%

Of Puketapapa golf courses are 18 hole traditional mid-level courses predominantly used by members.

24%

Projected population increase from 2011 to 2031.

Orakei

Local Board



KEY STATISTICS

Golf Facilities

Orakei supplies 3% of the total rounds of golf in Auckland with one golf facility in the local board area. This facility is predominantly used by members playing at their home club.

The parkland 18 hole course at the facility has characteristics of a traditional upper-level course.

Fees at the Orakei golf facility are among the highest in the Auckland region with the most expensive membership fee and third most expensive green fees. The membership fee is \$2,340 compared to the Auckland average of \$1176. The average affiliated green fee is \$80.00 and the non-affiliated green fee is \$110.00 compared to an average affiliated green fee of \$42.64 and non-affiliated green fee of \$54.77 in Auckland.

The level of service offered at the Orakei course is above the typical service level throughout the Auckland region. When rated out of 10, the quality of service provided at the Orakei facility is 6.7 compared to an Auckland average of 5.5. With regards to the quality of the course specifically, the Orakei course was rated 8.2 out of 10, among the highest in the Auckland region where the average course quality is 6.1.

Golf Demand

The population of Orakei is expected to grow from 82,700 in 2011 to 103,100 in 2031 with a 25% population increase.

As of 2011, 72% of Orakei residents were of European descent. The 2011 median household income was \$88,714, the highest of all Auckland local board areas and the median age was 38.2, four years above the Auckland average. The largest percentage of residents, 36%, are between the ages of 15 and 39 but the 40-64 year-old age group is expected to be the largest at 33% in 2031.

Of the total rounds of golf played across Auckland, approximately 5% of rounds are played in Orakei. The average utilisation in Orakei is 40%, the largest of all Auckland local boards and well above the Auckland average of 23% utilisation.

3%

Of Auckland's rounds of golf are supplied by Orakei.

5%

Of Auckland's rounds of golf are played in Whau.

40%

Average utilisation in Orakei.

100%

Of Whau golf facilities, the one course, are 18 hole traditional upper level course and predominantly used by members.

25%

Projected population increase from 2011 to 2031.

Howick

Local Board



KEY STATISTICS

Golf Facilities

Howick supplies 6% of the total rounds of golf in Auckland through two golf facilities in the local board area. Both of the golf facilities are predominantly used by members playing at their home club.

Both of the golf facilities in Howick are also 18 hole parkland courses with characteristics of traditional mid-level courses.

Fees for golf facilities in Howick are similar to those found throughout Auckland. Average Howick membership fees are \$1245, compared to the Auckland average of \$1176. Average Howick affiliated green fees are \$42.50 and non-affiliated green fees are \$55.00 compared to \$42.64 and \$54.77, respectively, in Auckland.

The level of service provided at Howick golf facilities are slightly above the average service level throughout Auckland. When rated out of 10, the average quality of service provided at Howick golf facilities is 6.1 compared to 5.5 across Auckland. With regards to the quality of the course specifically, Howick courses average 6.2 out of 10 compared to 6.1 across Auckland.

Golf Demand

The population of Howick is expected to grow from 132,500 in 2011 to 162,400 in 2031 with a 23% population increase. Howick is the most populous local board area in Auckland.

As of 2011, there were approximately 66,250 residents per golf facility in Howick. With the projected population increase and the existing two golf facilities, it is expected that there will be approximately 81,200 residents per golf facility in 2031.

In 2011, 56% of Howick were of European descent and 32% were of Asian descent. The median household income and median age were above the Auckland averages at \$71,274 and 35.9, respectively. The 15 to 39 age group had the largest percentage of residents at 36% in 2011 and is expected to remain the largest by 2031 with 33% of Howick residents.

Of the total rounds of golf played across Auckland, approximately 8% of rounds are played in Howick. The average utilisation in Howick is 32%, well above the Auckland average of 23%.

6%

Of Auckland's rounds of golf are supplied by Howick.

8%

Of Auckland's rounds of golf are played in Howick.

32%

Average utilisation in Howick.

100%

Of Howick golf facilities are 18 hole traditional mid-level course and predominantly used by members.

23%

Projected population increase from 2011 to 2031.

Mangere-Otahuhu

Local Board



KEY STATISTICS

Golf Facilities

Mangere-Otahuhu supplies 6% of the total rounds of golf in Auckland through two golf facilities in the local board area. Both of the golf facilities are predominantly used by members playing at their home club.

Both of the golf facilities in Mangere-Otahuhu are also 18 hole parkland courses with characteristics of traditional mid-level courses.

Fees for golf facilities in Mangere-Otahuhu are more expensive than the average fees throughout Auckland. Average Mangere-Otahuhu membership fees are \$1572, compared to the Auckland average of \$1176. Average Mangere-Otahuhu affiliated green fees are \$52.50 and non-affiliated green fees are \$92.50 compared to \$42.64 and \$54.77, respectively, in Auckland.

The level of service provided at Mangere-Otahuhu golf facilities are slightly above the average service level throughout Auckland. When rated out of 10, the average quality of service provided at Mangere-Otahuhu golf facilities is 5.8 compared to 5.5 across Auckland. With regards to the quality of the course specifically, Mangere-Otahuhu courses average 6.2 out of 10 compared to 6.1 across Auckland.

Golf Demand

The population of Mangere-Otahuhu is expected to grow from 78,600 in 2011 to 106,300 in 2031 with a 35% population increase.

As of 2011, there were approximately 39,300 residents per golf facility in Mangere-Otahuhu. With the projected population increase and the existing two golf facilities, it is expected that there will be approximately 53,150 residents per golf facility in 2031.

In 2011, 58% of Mangere-Otahuhu residents were of Pacific Islands descent. The median household income was below the Auckland average at \$51,387 and the median age of 27.4 was the youngest of all Auckland local board areas. The 15 to 39 age group had the largest percentage of residents at 39% in 2011 and is expected to remain the largest by 2031 with 38% of Mangere-Otahuhu residents.

Of the total rounds of golf played across Auckland, approximately 7% of rounds are played in Mangere-Otahuhu. The average utilisation in Mangere-Otahuhu is 28%, above the Auckland average of 23%.



6%

Of Auckland's rounds of golf are supplied by Mangere-Otahuhu.



7%

Of Auckland's rounds of golf are played in Mangere-Otahuhu.



28%

Average utilisation in Mangere-Otahuhu.



100%

Of Mangere-Otahuhu golf facilities, are 18 hole traditional mid-level courses and predominantly used by members.



35%

Projected population increase from 2011 to 2031.

Manurewa

Local Board



KEY STATISTICS

Golf Facilities

Before one of the courses was sold, Manurewa supplied 4% of the total rounds of golf in Auckland through two golf facilities in the local board area. Both of the golf facilities are predominantly used by members playing at their home club.

Both of the golf facilities in Manurewa had parkland courses and the remaining course has 9 holes with characteristics of a traditional mid-level course.

Fees for golf facilities in Manurewa were slightly less expensive than the average fees throughout Auckland. Average Manurewa membership fees were \$1147, compared to the Auckland average of \$1176. Average Manurewa affiliated green fees are \$32.50 and non-affiliated green fees are \$47.50 compared to \$42.64 and \$54.77, respectively, in Auckland.

Aligned with the lower prices, the level of service provided at Manurewa golf facilities are also below the average service level throughout Auckland. When rated out of 10, the average quality of service provided at Manurewa golf facilities is 5.0 compared to 5.5 across Auckland. With regards to the quality of the course specifically, Manurewa courses average 5.3 out of 10 compared to 6.1 across Auckland.

Golf Demand

The population of Manurewa is expected to grow from 90,300 in 2011 to 107,900 in 2031 with a 19% population increase.

As of 2011, there were approximately 45,150 residents per golf facility in Manurewa. With the projected population increase and one of the courses that was open in 2011 now closed, it is expected that there will be 107,900 residents per golf facility in 2031.

In 2011, the ethnic make-up of Manurewa consisted of 40% European, 29% Pacific, 28% Maori and 15% Asian. The median household income was below the Auckland average at \$58,790 and the median age of 28.8 was well below the Auckland average of 34.3. The 15 to 39 age group had the largest percentage of residents in 2011 and is expected to remain the largest group at 37% of residents in 2031.

Of the total rounds of golf played across Auckland, approximately 5% of rounds were played in Manurewa. The average utilisation in Manurewa is 28%, above the Auckland average of 23%.

4%

Of Auckland's rounds of golf are supplied by Manurewa.

5%

Of Auckland's rounds of golf are played in Manurewa.

28%

Average utilisation in Manurewa.

100%

Of Manurewa golf facilities, are 18 hole traditional mid-level courses, predominantly used by members.

35%

Projected population increase from 2011 to 2031.

Franklin

Local Board



KEY STATISTICS

Golf Facilities

Franklin supplies 23% of the total rounds of golf in Auckland through nine golf facilities in the local board area. Eight of the nine golf facilities are predominantly used by members at their home club and two are used predominantly by casual players.

Seven of the golf facilities in Franklin have 18 hole courses and two have 9 hole courses. All nine courses have characteristics of traditional mid-level clubs with additional entry-level characteristics at one course and upper-level characteristics at one other course.

Average Franklin membership fees are less expensive at \$725, compared to the Auckland average of \$1176. Green fees are similarly less expensive with average Franklin affiliated green fees \$33.44 and non-affiliated green fees are \$42.81 compared to \$42.64 and \$54.77, respectively, in Auckland.

The level of service provided at Franklin golf facilities are below the Auckland average. When rated out of 10, the average quality of service provided at Franklin golf facilities is 5.1 compared to 5.5 across Auckland. With regards to the quality of the course specifically, Franklin courses average 5.7 out of 10 compared to 6.1 across Auckland.

Golf Demand

The population of Franklin is expected to grow from 66,200 in 2011 to 101,400 in 2031 with a 53% population increase.

As of 2011, there were approximately 7,356 residents per golf facility in Franklin. With the projected population increase and the existing nine golf facilities, it is expected that there will be approximately 11,267 residents per golf facility in 2031.

In 2011, the 77% of Franklin residents were European. The median household income and median age were above the Auckland average at \$66,390 and 37.2, respectively. The 40 to 64 age group had the largest percentage, 36%, of residents in 2011 but the 15-39 age group is expected to be the largest in 2031 at 30%.

Of the total rounds of golf played across Auckland, approximately 16% of rounds are played in Franklin. The average utilisation in Franklin is 16%, below the Auckland average of 23%.

23%

Of Auckland's rounds of golf are supplied by Franklin.

16%

Of Auckland's rounds of golf are played in Franklin.

16%

Average utilisation in Franklin.

78%

Of Franklin golf facilities, are 18 hole traditional mid-level courses, predominantly used by members.

53%

Projected population increase from 2011 to 2031.

6.3 CRITICAL ISSUES IN AUCKLAND

There are a number of critical issues which the Auckland region needs to address to sustain golf facilities and grow the game of golf. The issues were identified through the national survey, research, data analysis and consultation. The issues identified fall within the following main categories and are summarized below:

- Lack of income diversity;
- Increasing operational costs;
- Lack of diversity in golf experiences and player pathways;
- Quality of Service;
- Oversupply of rounds in Auckland and low utilization;
- Untapped target markets;
- Local Board Communities & Demographics;
- Barriers to change.

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

6.3.1 Lack of Income Diversity

The Victoria University Report¹ 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, on average, in Auckland the Playing Income comprises 46% of the total income (internal and external).

Global trends indicate that membership is declining and that customers, through their actions, are showing decreased propensity to memberships. Yet golf clubs continue to focus upon trying to drive membership uptake or derivatives of traditional membership options and generally show little interest or capability in diversifying services and broadening their income base. 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.

As discussed in Section 3, there is a considerably narrow market focus. There are several potential market segments which are not participating in the game. This is a critical issue which needs to be addressed to improve the overall sustainability of golf facilities i.e. increasing utilisation will in turn increase the financial sustainability of golf facilities.

6.3.2 Increasing Operational Costs

The Victoria University Report¹⁷ 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.

¹⁷ Cash, sinkholes and sources. Research Report 1: Golf Clubs. Dr Carolyn J. Cordery¹ and Professor Rachel F. Baskerville

Climate change effects include the impact of the increasing scarcity of water and aging assets requiring additional maintenance puts 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 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.

6.3.3 Lack of Diversity in Golf Experiences and Player Pathways

Consistent with the narrow market focus, and the market segments that are not participating in the game, we can 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.

There is an oversupply of Development Golf Courses (Traditional Mid-Level 18 hole Golf Courses) in Auckland and an under supply of Introductory Courses (Traditional Entry-Level Courses).

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

6.3.4 Quality of Service

Community expectations of recreation facilities are commensurate with other leading recreation facility options and must be met in order to attract and retain members.

The Quality of Service¹⁸ is varied across Auckland with an average of 5.5 and ranging from 2.4 to a maximum of 7.2 out of 10. The type and quality of services provided at the golf facilities need to reflect their target market i.e. what their needs are and what their expectations are in terms of quality of facilities.

The overall quality of service incorporates the condition of built assets into the rating. In Auckland the average condition of built assets is 5.3 out of 10 reflecting that most clubs are well maintained. However, 20% of clubs in Auckland (of clubs that responded to the question) rated their main built assets as "(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, causing the quality of service offered to further decrease.

¹⁸ The Quality of Service indicator was developed to enable comparison of similar facilities for the sole use of this report.

6.3.5 Oversupply of rounds in Auckland & Low Utilisation

Utilisation of golf courses across Auckland is low at 23%. It was concluded earlier that there is an oversupply of relatively homogenous golf services and facilities and therefore an oversupply of rounds at these facilities. It is important to note that this does not imply an oversupply of golf facilities.

6.3.6 Untapped Markets

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.

6.3.7 Local Board Communities & Demographics

It is of critical importance that golf clubs identify their target market and tailor their golf facilities and services to the demographics of that market. If the nearby surrounding population comprises a substantial proportion of the club's target market, the demographics of the club's Local Board Area needs to be examined and incorporated in all aspects of planning.

The demographics of Auckland residents vary widely across the 21 Local Board Areas. Some of the key demographic statistics to examine, for both the current state and the projected future state, would include:

- Population;
- Age distribution of population;
- Percentage of males versus females;
- Percentage of each ethnicity;
- Percentage of residents employed;
- Median household income.

These statistics need to help shape the golf facility and its services. Examples using statistics of age, ethnicity and household income are explored below.

A club targeting a Local Board Area with a high projected population in the 35-45 age range would likely want to cater for a time-poor golfer with children that need supervision, while a course targeting a Local Board Area with a high projected population in the 65+ age range would cater for a time-rich golfer.

A club targeting a Local Board Area with a high percentage of an ethnicity that has traditionally had low participation rates in golf should consider altering their golf facilities and services to gain interest from that ethnicity and tap into new demand.

Finally, a club targeting a Local Board Area with a high median household income could increase fees to improve the quality of services while a club targeting a Local Board Area with a low median household income might sacrifice some of the level of service to decrease green fees and keep the course accessible to most households.

It is acknowledged that in some circumstances the target market may not be geographically based however the point would remain: customized the facilities and services to meet the needs of the target market so as to attract more business from that market.

6.3.8 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 golf to survive, like other commercial and community services, it has to adapt to changing societal and market needs.

6.4 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 also note 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 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.

7. 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.

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 are economically and environmentally sustainable.

7.1 CURRENT STATE

Auckland Council 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.

Tables 14, 15 and 16 below summarise the club ownership, land ownership and lessors (if applicable) of current Auckland golf clubs.

Table 14: Club Ownership Models of Auckland Golf Clubs.

Club Ownership	# Clubs	% Among Clubs That Responded
Incorporated Society	26	84%
Private	3	10%
Council Lease	1	3%
Charitable Trust	1	3%
No Response	5	N/A

Table 15: Land Ownership Models of Auckland Golf Clubs.

Land Ownership	# Clubs	% Among Clubs That Responded
Club owned	12	40%
Auckland Council*	9	30%
Incorporated Society	5	17%
Lease	2	7%
Private	2	7%
No Response	6	N/A
*Only 9 listed as owned by Auckland Council due to certain Clubs not responding to the survey question.		

Table 16: Lessors of Auckland Golf Clubs.

Leasor	# Clubs	% Among Clubs That Responded
Not Applicable	18	62%
Council	8	28%
Private Owner	3	10%
No Response	6	N/A

Tables 14 and 15 above indicate that the majority of golf clubs in Auckland are owned by incorporated Societies and the land is owned by the club. Table 16 indicates that the majority of clubs are not leased and, among those that are leased, Auckland Council leases the most clubs.

7.2 COUNCILS IN NEW ZEALAND

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

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

The summaries from the City Council consultations are included below.

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.

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 carpark 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.

7.3 INTERNATIONAL COUNCILS

7.3.1 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 structures¹⁹ 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.

¹⁹ Source of management structures and descriptions: NGF Consulting, *Operational Review and Recommendations For the City of Houston Municipal Golf Operation*, Florida, 2005.

Self Operation

Under self-operation, the city has complete control over golf assets operations and receives all revenue. This model has the highest level of city control and provides the greatest potential financial gain but also involves a higher level of financial risk. Most City Council courses in the United States are self-operated.

7.3.2 International City Examples

Continuing with the United States, the role of three cities are explored briefly below in regards to management and operation of golf facilities.

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 managers²⁰.

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 courses²¹.

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 functions²². Two important trends were noted in Los Angeles:

1. There is a trend towards "public agencies moving to a management contract approach to operations and maintenance."²³
2. There is a trend away from "employing maintenance-based staff and towards employing operations and revenue-oriented staff."²⁴

In the United Kingdom, several Council-owned clubs have recently sold or changed their management structure of struggling golf facilities. 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.²⁵

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

²⁰ NGF Consulting

²¹ *Seattle Parks and Recreation Golf Master Plan, 2009.*

²² Tom Frost Golf Inc., *Evaluation of Operating Options Los Angeles Municipal Golf Course System, California, 2011.*

²³ Tom Frost Golf Inc.

²⁴ Tom Frost Golf Inc.

²⁵ Williams, Emma, *More Municipal Clubs Set to Close, 2012.*

and facilities."²⁶ 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.²⁷

7.4 RECOMMENDATIONS

Consultation with the eight 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 what services are to be provided, 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 Auckland 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.

²⁶ Birmingham Seeks External Operator to Manage City Golf

²⁷ Williams, Emma.

8. STRATEGIC RECOMMENDATION 1 - HIERARCHY OF GOLF FACILITIES

Given the assessments provided in the sections above, particularly the critical issues identified in Section 6.3, the first recommendation is about the establishment and deployment of a Hierarchy of Golf Facilities model.

The aim of the model is to aid the process of designing the optimum future network of sustainable golf facilities in Auckland with an emphasis on the need for greater diversification of accessible golf experiences for a greater number of golf customers.

If the model is used and over time implemented (so that there is not a predominance of 18 holes courses with inward member focus, rather a mix of golf experiences for a diverse range of customer needs) then there will be greater numbers of golf customers attracted to, engaged with and immersed in the game of golf in Auckland.

Additionally the intention of the 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.

The Hierarchy of Golf Facilities for a metropolitan area is described in Figure 22 on the next page.

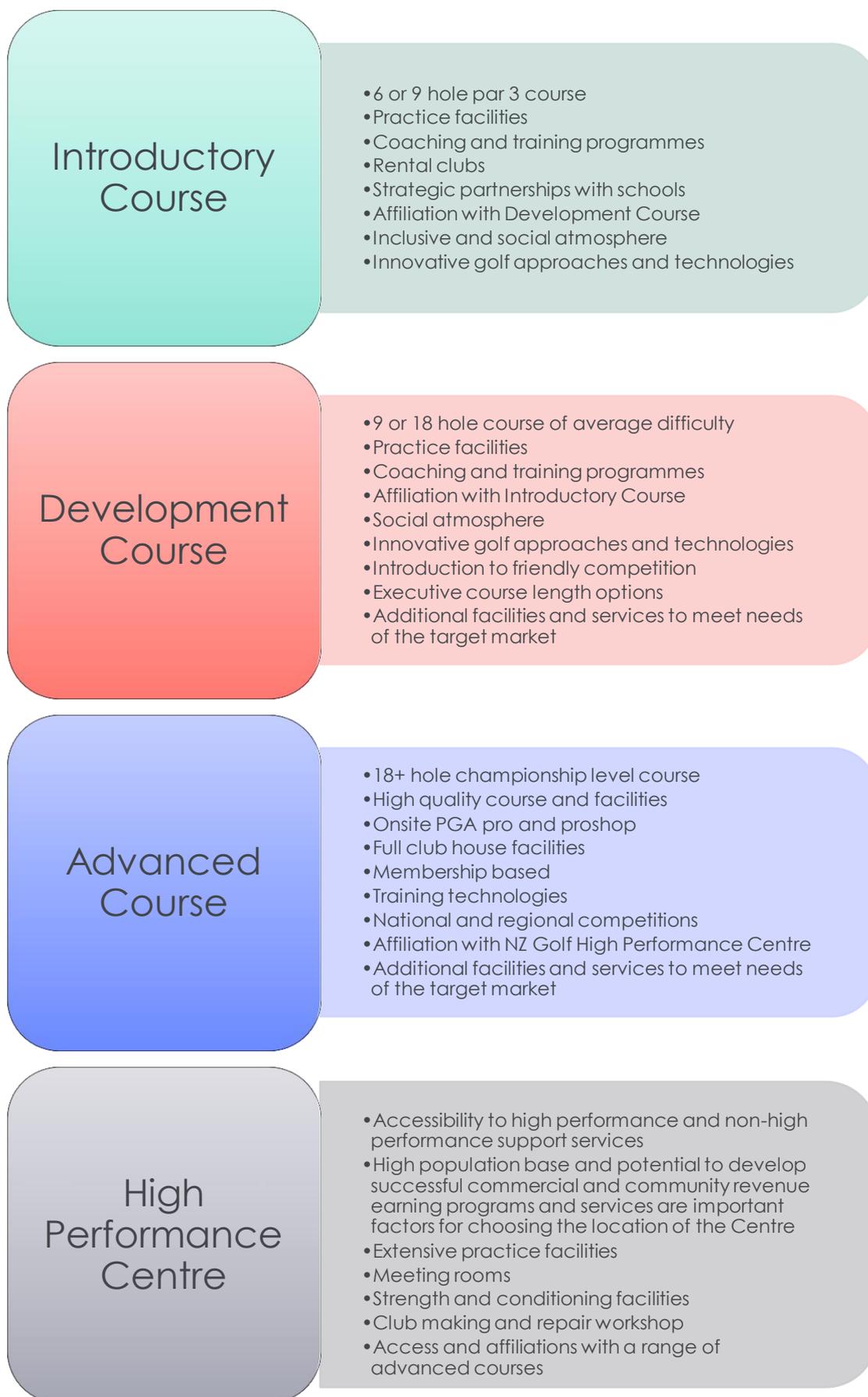


Figure 22: The Hierarchy of Golf Facilities for a Metropolitan Area

It is recommended that NZ Golf deploy the Hierarchy of Golf Model over time as opportunities arise (with Clubs, Auckland Council et al) to influence, and where practical lead, decisions in golf facility capital investment, market segment prioritisation, facility role in the Auckland network of golf facilities and facility services provision. The Hierarchy of Golf Model should be utilized in conjunction with the

Rationale Performance Sustainability (RPS) framework. Refer to Appendix 1 for this RPS framework.

8.1 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 study²⁸ 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;
- 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.

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 study²⁹ 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

²⁸ Whitaker, Stephen. *Increasing Nationwide Golf Club Membership & Participation – 2008 Survey*. New Zealand 2008.

²⁹ Whitaker, Stephen.

- 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 current 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.

8.2 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.

8.3 ADVANCED COURSE

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.

8.4 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 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.

9. STRATEGIC RECOMMENDATION 2 - SUSTAINABLE FACILITIES IN AUCKLAND

Auckland Council and NZ Golf need to grow the sport of golf in the region and increase the probability of financial sustainability. Sustainability is largely achieved not through reduced costs but through increased revenue.

9.1 IS THERE AN OVERSUPPLY?

It could be suggested that in the Auckland region one golf course per 38,659 Auckland residents (2012 population, 39 courses) is an oversupply of golf courses compared to for example Sydney which has one golf course per 50,850 residents (refer Table 8).

However consideration should be given to the fact that the population of Auckland is projected to reach approximately 2 million residents by 2031 and if there were to be 39 golf clubs at that point, there would be one golf club per 50,464 residents (2031 population estimate of 1,968,100). Additionally the city will become more densely populated with residential housing therefore open space and recreation areas will become of greater importance to achieving the World's Most Livable City title.

There is an oversupply of Development Golf Courses (Traditional Mid-Level Golf Courses) in Auckland and an under supply of Introductory Golf Courses (Traditional Entry-Level Golf 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.

9.2 RETAINING REVENUE

The predominant user group in Auckland is members of golf clubs (89%). These members are well catered for; 81% 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. The average Quality of Service offered in the Auckland region is 5.5 (out of 10). The Quality of Service of the existing facilities offered ranged from 2.4 at Awhitu to 7.2 at Gulf Harbour and North Shore.

Community expectations of recreation facilities are 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 Auckland should be improved to assist in retaining members.

Additionally, as identified in the March 2008 Participation Survey³⁰, 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.

³⁰ Increasing Nationwide Golf Club Membership & Participation Survey March 2008

9.3 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.

9.3.1 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.

9.3.2 Facility design

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

Built Assets

The built assets, through functional design, need to enable the facilities to be used for a variety of community and social activities for multiple user groups. The built assets also need to reflect the demographic and consumer utilising 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, a sprig bar and a café easily accessible and welcoming. For example if the golf facility's target market is youth the facility needs to cater for a café selling food such as sandwiches and icecreams, access to computers, Xbox games and bean bags rather than gourmet food and 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 could be incorporated in the design, 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 of the Auckland Plan, future environmental challenges including water conservation and sun protection, increasing operational costs are critical to facility planning.

It is recommended that NZ Golf, as an NSO, aims to ensure the retention of the current network of golf facilities in Auckland. 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 and key stakeholders in Auckland golf.

10. CONCLUSION

This project identified that golf facilities in Auckland have an exciting opportunity to grow the game of golf when one considers the following facts:

- There is currently an oversupply of relatively homogenous golf services and facilities and therefore an oversupply of rounds at these facilities. It is important to note that this does not imply an oversupply of golf facilities.
- Golf in Auckland 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 such as young people, females, non- Europeans and casual players.

NZ Golf, as a National Sports Organisation, is an incorporated society and is the key leadership, influencing and administration organisation for the game of golf in New Zealand. On matters related to golf facilities it is not a decision making organisation; however, NZ Golf is presented with an opportunity to lead the golf clubs in Auckland to become sustainable. NZ Golf needs to equip themselves to aide golf clubs by providing a dedicated resource to support and assist change management.

Thus to usefully deploy the findings in this report, NZ Golf has the role of thought leadership, holder of intellectual property, influencer and, crucially, supporter of golf facility initiatives in Auckland that are aligned to the principles of this report.

10.1 NEXT STEPS

The following is a list of recommended next steps for NZ Golf to implement:

- Diversify the golf facility portfolio mix through the Hierarchy of Golf Facilities model so as to ensure a greater variety of accessible, differentiated golf experiences. The aim would be to both increase and broaden participation.
- Transform the governance and operating models of selective golf facilities with the aim of ensuring they have market facing culture rather than member driven culture. The facilities and services provided would be more likely to exploit market opportunities and thus improve the likelihood of increasing the number of golf rounds played and improving the financial sustainability of the golf facilities.
- Improve diversity in thinking regarding golf facility governance to enable the opportunity of change and the potential to increase sustainability of golf clubs.

APPENDIX 1 RPS PROCESS

1 Introduction

Purpose of the RPS (Rationale, Performance, Sustainability) Process

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.



Diagram 1: 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 following pages present targeted template matters for New Zealand Golf to address both within its own deliberations when presented with club course development, merger, or closure opportunities, and when New Zealand 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.

2 The Opportunity

- a) Describe, in 70 words or less, the opportunity that is under development or consideration.

3 Rationale

3.1 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	

3.2 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"/>
Totals			
Proposed Opportunity	<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"/>
Casual Golfer Non-Club or Lapsed Member	<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"/>

3.3 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"/>	_____					
Golf Club B	<input type="checkbox"/>	_____					
Golf Club C	<input type="checkbox"/>	_____					
Golf Club D	<input type="checkbox"/>	_____					
Golf Club E	<input type="checkbox"/>	_____					
Golf Club F	<input type="checkbox"/>	_____					
Golf Club G	<input type="checkbox"/>	_____					
Golf Club H	<input type="checkbox"/>	_____					
Golf Club I	<input type="checkbox"/>	_____					
Golf Club J	<input type="checkbox"/>	_____					
Total Number	_____	_____	_____	_____	_____	_____	_____
Proposed Opportunity	<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"/>
Totals	_____	_____	_____	_____
Proposed Opportunity	<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.

4 Performance

4.1 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.

4.2 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.

4.3 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

5 Sustainability

5.1 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.

5.2 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				
Totals				
Proposed Opportunity				

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.

e) Outline any asset management and replacement plans below and attach the relevant work to this document.

A large, empty rectangular box with a thin orange border, positioned below the text. It is intended for the user to outline asset management and replacement plans and attach relevant work to this document.

APPENDIX 1 (OF RPS FRAMEWORK)

Explanation of Predominant User Group Terms

In Table 2, a single predominant user group is identified using the following guidelines:

- International Tourist:
 - The club self-identifies its target market as international and domestic tourists and the club has a championship level course.
- Members:
 - More than 50% of the total rounds played in an average year are by members of the club.
- Casual
 - More than 50% of the total rounds played in an average year are by members of a different club or by casual players.

Explanation of Club Classification Terms

In Table 5, the club classification is identified as one of the classifications below. These classifications are explained in greater detail in Section 8 above.

Introductory Course

- 6 or 9 hole par 3 course
- Practice facilities
- Coaching and training programmes
- Rental clubs
- Strategic partnerships with schools
- Affiliation with Development Course
- Inclusive and social atmosphere
- Innovative golf approaches and technologies

Development Course

- 9 or 18 hole course of average difficulty
- Practice facilities
- Coaching and training programmes
- Affiliation with Introductory Course
- Social atmosphere
- Innovative golf approaches and technologies
- Introduction to friendly competition
- Executive course length options
- Additional facilities and services to meet needs of the target market

Advanced Course

- 18+ hole championship level course
- High quality course and facilities
- Onsite PGA pro and proshop
- Full club house facilities
- Membership based
- Training technologies
- National and regional competitions
- Affiliation with NZ Golf High Performance Centre
- Additional facilities and services to meet needs of the target market

High Performance Centre

- Accessibility to high performance and non-high performance support services
- High population base and potential to develop successful commercial and community revenue earning programs and services are important factors for choosing the location of the Centre
- Extensive practice facilities
- Meeting rooms
- Strength and conditioning facilities
- Club making and repair workshop
- Access and affiliations with a range of advanced courses