2020 Australian Golf Competition Rounds Trends & The Impact of COVID-19

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Par 4, 9th Hole / Mount Osmond Golf Club, SA
Photo: Mount Osmond Golf Club / David Brand

Key Findings

- At the national level, including all states and territories, **YTD August total competition rounds are down by 1%** compared to 2019.

- With a slightly slower month on month start to the year in 2020 than that seen in 2019, as initial closure impacts from Covid began to hit in **April YTD rounds were down by 16%.**

- With post first wave course re-openings, significantly stronger rounds demand through the winter months has resulted in **near all of the 16% YTD deficit clawed back**.

- The YTD national results have been materially impacted by the increased restrictions in place in Victoria. **Removing Victoria, the national result YTD August of -1% moves to +4%,** with **an extra 218,000 competition rounds being played YTD August vs 2019**.

- The YTD data indicates that **rounds growth has predominantly occurred in the Metropolitan markets, up 8% YTD** when excluding Victoria. **Regional market growth has been more subdued at +2%.**

- **Growth by gender** has been more consistent **at +3% for females and +4% for males** respectively.

- Since the country recovered from the first Covid wave, all markets have enjoyed a material bounce with both **male and female demand up by +21%** since this time. **Metropolitan markets are +27%** and **regional markets at +17%** over YTD 2019 results.

- By age cohort, material YTD growth has been experienced across the 20-49 age cohort, with **demand up 22% over 2019** and **+44% over the last four months**.

Introduction

Two months ago Golf Australia released its annual club participation report. Some of the key findings in the report included member demand increasing for the first time in 21 years, total competition rounds up by 2.1% topping 10 million, and total 9-hole rounds increasing by 100,000 over the prior year.

The 2019 report also outlined, for the first time, average member frequency by age cohort. This data, coming straight from the GolfLink database, revealed average member frequency had increased by 3% to 31 rounds per member per year.

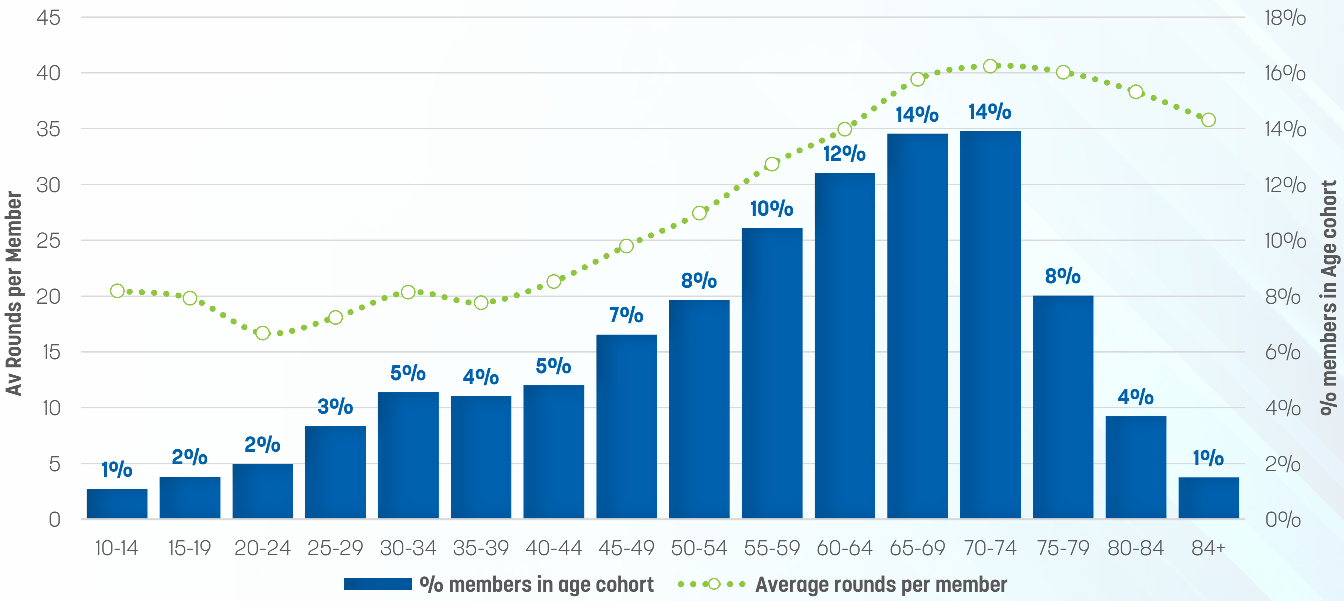


Chart 1: Average competition rounds by age cohort

This information is provided as context for the current rounds trends being experienced across the country.

Much has been written about golf currently enjoying a global rounds boom. Reported rounds in the UK are surging, up by an average of 40% over the last three months. Similarly, rounds in the USA, down by 16% YTD April due to initial Covid-19 course closures, are now up 4% YTD, having jumped 14% and 20% in June and July respectively over same month 2019 numbers.

As the NGF aptly summarised in their recent monthly newsletter, "The Q":

> *"There's no question the leading driver of golf's nationwide surge is less resource competition - fewer commitments, fewer trips, fewer available activities, and fewer ways to spend disposable income. There've been other transient factors too, like favourable weather, and perhaps even a pandemic-induced need for mental and physical escape."*

Australian Experience

Golf Australia is pleased to report that most of Australia is enjoying the same outcome for all of the same reasons. Due to the varying restrictions being endured across the country during the 2020 year thus far, the year to date data takes some explaining.

At the national level, including all states and territories, YTD August total competition rounds are actually down by 1% compared to 2019.

Table 1 summarises YTD August outcomes by state.

Table 1: YTD August total competition rounds by state

State	YTD 2019	% share	YTD 2020	% share	% Change
NSW	2,751,752	38%	2,932,273	41%	7%
NT	30,174	0%	32,161	0%	7%
QLD	1,288,508	18%	1,336,864	19%	4%
SA	511,556	7%	554,711	8%	8%
TAS	188,550	3%	165,503	2%	-12%
VIC	1,784,467	25%	1,498,953	21%	-16%
WA	678,464	9%	649,589	9%	-4%
Total	**7,235,490**	**100%**	**7,172,074**	**100%**	**-1%**

With a slightly slower month on month start to the year in 2020 than that seen in 2019, as initial closure impacts from Covid began to hit in April, YTD rounds were down by 16%. With post first wave course re-openings, and those favourable "new normal" society and leisure changes occurring, significantly stronger rounds demand through the winter months has resulted in near all of the 16% YTD deficit being clawed back.

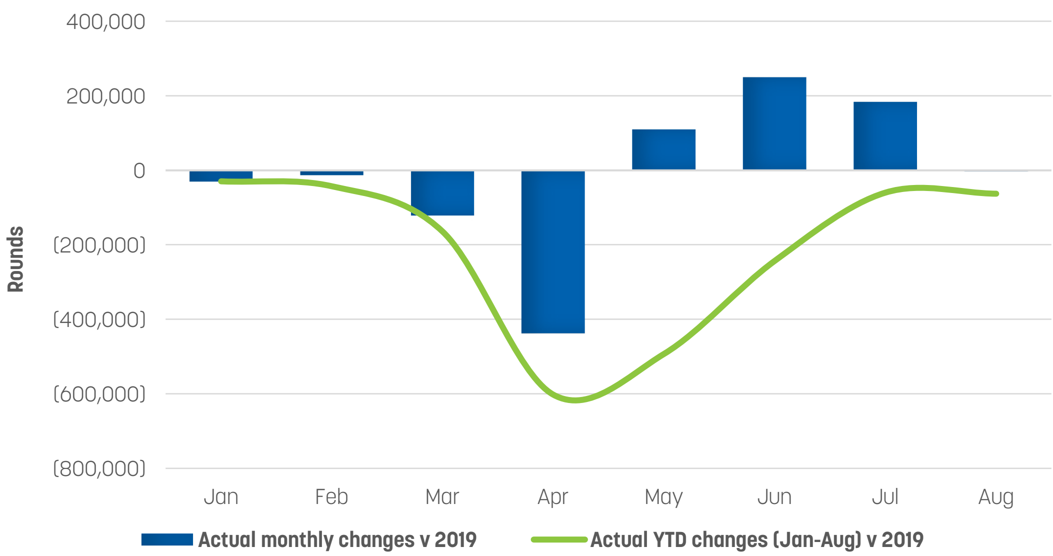


Chart 2: Changes in total competition rounds 2020 vs 2019 nationally

The YTD national results have been materially impacted by the increased restrictions in place in Victoria. Evident in the graph below, YTD results for Victoria have been impacted by outcomes in the months of April when the state was is near full lock down and August when the metropolitan market was closed. The cumulative impact to date is 285,000 lost rounds, reflecting lost competition fee income of approximately $2 million.

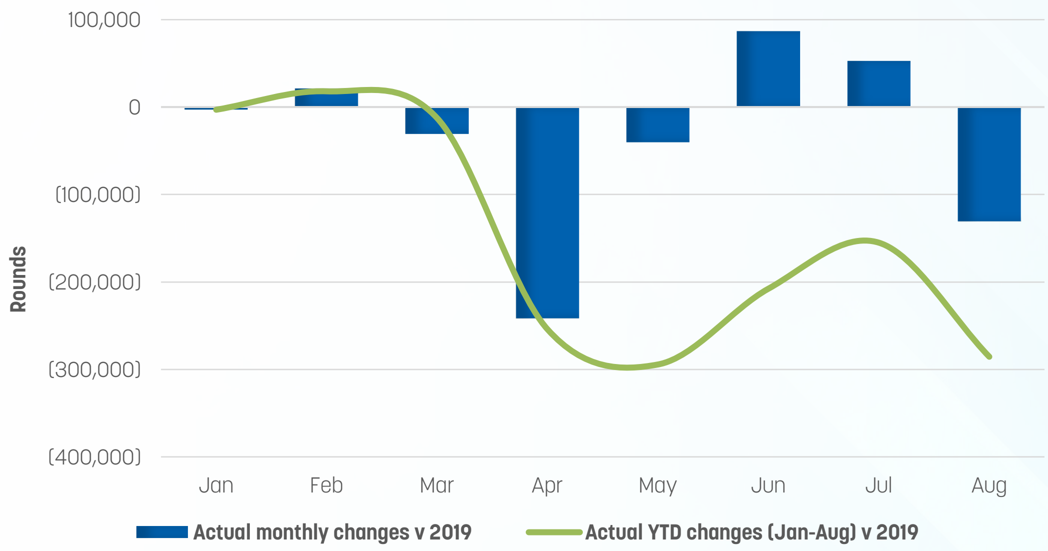


Chart 3: Changes in total competition rounds 2020 vs 2019 in Victoria

National Results (ex Victoria)

Noting the impact of Victoria on the national results, the rounds story becomes more positive story when Victorian data is removed from the YTD analysis. The national result YTD August of -1% moves to +4%, with an extra 218,000 competition rounds being played YTD August vs 2019.

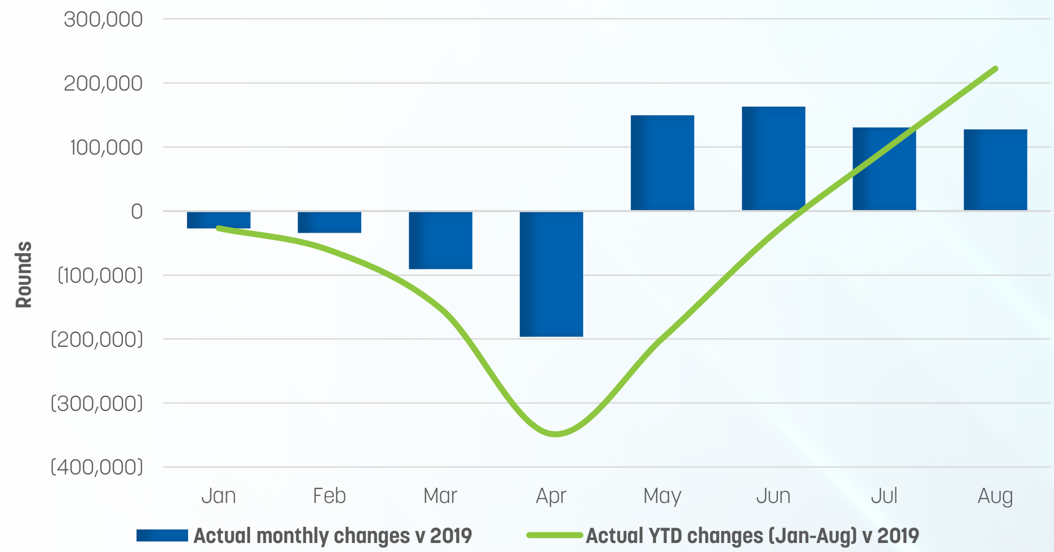


Chart 4: Changes in total competition rounds 2020 vs 2019 (ex Victoria)

One off or a long term benefit?

As the market considers the long-term benefit of this demand, and whether it has given the industry another chance to engage with a new/returning audience, further insight is available into what markets have been driving the demand growth.

The YTD GolfLink data indicates that rounds growth has predominantly occurred in the Metropolitan markets, up 8% YTD when excluding Victoria. Regional market growth has been more subdued at +2%. Growth by gender has been more consistent at +3% for females and +4% for males respectively.

Table 2: YTD total competition rounds by market segment

	YTD 2019	YTD 2020	% Change
Metro			
Female	489,707	496,573	1%
Male	2,463,241	2,443,638	-1%
Total	**2,952,948**	**2,940,211**	**0%**
Regional			
Female	830,958	800,103	-4%
Male	3,448,857	3,429,709	-1%
Total	**4,279,815**	**4,229,812**	**-1%**
Total			
Female	**1,320,665**	**1,296,676**	**-2%**
Male	**5,912,098**	**5,873,347**	**-1%**
Total	**7,232,763**	**7,170,023**	**-1%**

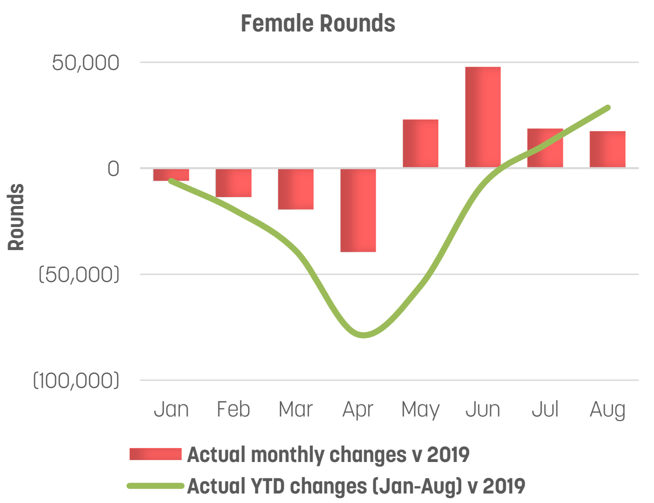
	YTD 2019	YTD 2020	% Change
Metro (ex Victoria)			
Female	357,940	391,312	9%
Male	1,712,318	1,840,997	8%
Total	**2,070,258**	**2,232,309**	**8%**
Regional (ex Victoria)			
Female	645,793	641,087	-1%
Male	2,732,386	2,797,674	2%
Total	**3,378,179**	**3,438,761**	**2%**
Total (ex Victoria)			
Female	**1,003,733**	**1,032,399**	**3%**
Male	**4,444,704**	**4,638,671**	**4%**
Total	**5,448,437**	**5,671,070**	**4%**

The real story in the YTD results are the national outcomes achieved since the country recovered from the first Covid wave. As illustrated below, all markets have enjoyed a material bounce since this time.

Both male and female demand is +21%, with metropolitan markets at +27% and Regional markets at +17% over YTD 2019 results.

Chart 5: (below left) Changes in total female competition rounds 2020 vs 2019

Chart 6: (below right) Changes in total male competition rounds 2020 vs 2019



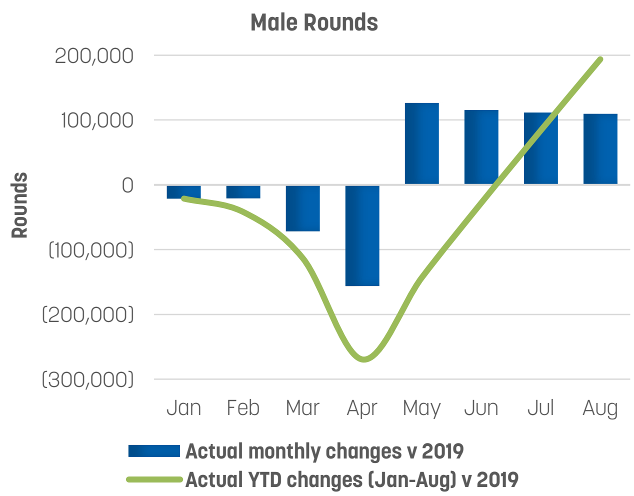
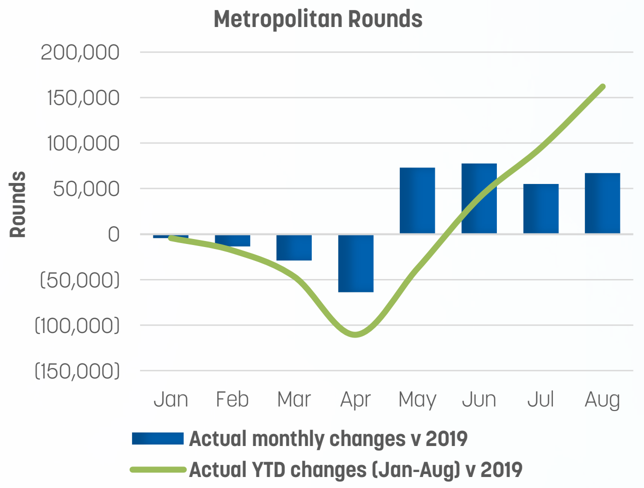
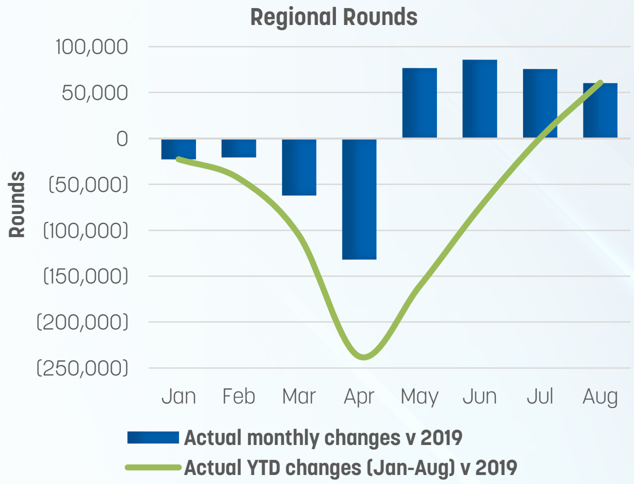


Chart 7: (below left) Changes in total metropolitan competition rounds 2020 vs 2019

Chart 8: (below right) Changes in total regional competition rounds 2020 vs 2019





Analysis by age cohort is also possible, this telling perhaps the most interesting story of all. Material YTD growth has been experienced across the 20-49 age cohort, with demand up 22% over 2019, up 37% for the 20-29 age cohort.

The monthly trend reveals the particular strength of this demand in the last four months, with demand through the 20-49 cohort growing by +44% over this period. This growth has undoubtedly been spurred along by the lack of other sporting options available during the winter months. The 50-70+ cohort has enjoyed 18% growth over this time.

Table 3: YTD August total competition rounds by age cohort

Age Cohort	YTD 2019	YTD 2020	% Change
All Markets (ex Victoria)			
<20 yrs	93,771	100,032	7%
20-29 yrs	125,537	171,761	37%
30-39 yrs	264,794	315,383	19%
40-49 yrs	369,666	440,681	19%
50-59 yrs	766,158	882,299	15%
60-69 yrs	1,412,650	1,524,341	8%
70 yrs +	1,717,029	1,540,556	-10%
Total	**4,749,605**	**4,975,053**	**5%**

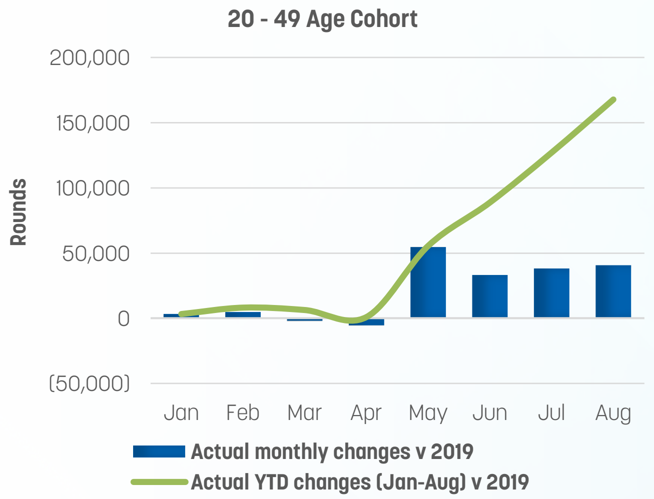


Chart 9: Changes in total competition rounds (20-49 age cohort) 2020 vs 2019

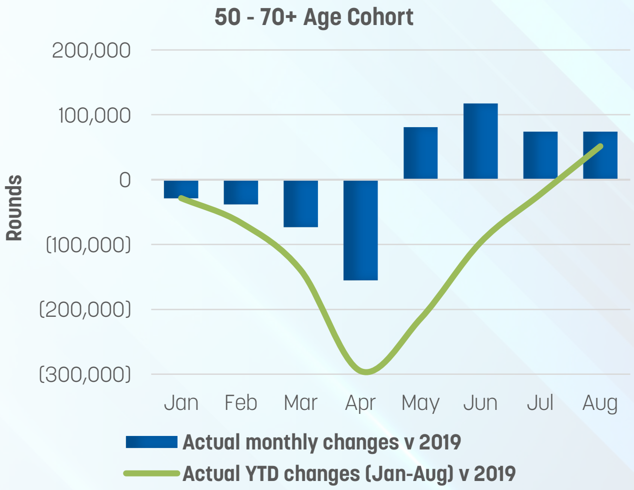


Chart 10: Changes in total competition rounds (50-70+ age chort) 2020 vs 2019

Referencing the graph from the 2019 Participation Report presented at the beginning of this report, illustrated below is the YTD August trend by age cohort for 2020 against the 2019 results. As is evident, there has been a consistent increase in the average YTD frequency for all age cohorts , for save the 75+ age cohort.

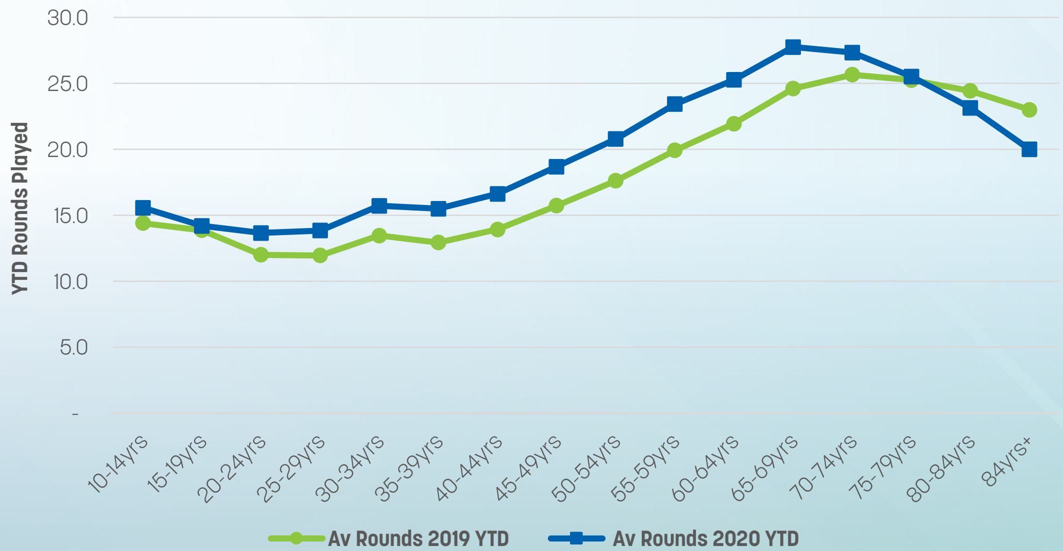


Chart 11: Frequency of competition rounds 2020 vs 2019 nationally

Conclusions

The industry is certainly enjoying a boom in rounds demand, this boom occurring in many cohorts that are key to the industry's long-term health. As noted by many internationally and locally, this demand does create a wonderful opportunity for the industry. The challenge at the facility level is to ensure this demand indeed continues to be the "new normal".

In the next article, the trend evident in new member demand. Pleasingly, it too is well in advance of new demand levels typically seen by this time of year. It also indicates that the 25-45 age cohort is engaging at a greater level than in recent times.

This report has been prepared for Golf Australia by Golf Business Advisory Services (GBAS).

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