



THE VALUE OF GOLF TOURISM TO AUSTRALIA

SEPTEMBER 2014



CONTENTS

1. REPORT HIGHLIGHTS.....	1
2. INTRODUCTION.....	2
Source Data	3
Tourism Research Australia	3
2014 Golf Tourism Survey	3
About The Author.....	5
3. TOURISM IN AUSTRALIA	6
Recent trends	6
Domestic Tourism.....	6
Outbound Tourism	7
Inbound Tourism.....	7
4. DOMESTIC GOLF TOURISM.....	8
Domestic Golf Travel	8
Overnight Trips including Golf	8
Day Trips including Golf.....	10
Factors Driving Destination Choice	10
Destination Share Of Market	12
5. OUTBOUND GOLF TOURISM	14
Introduction	14
Trip Volumes	15
Average Spend And Age Profile.....	16
Trip Nights	16
Other Trip Information.....	17
6. INBOUND GOLF TOURISM	18
Introduction	18
Historical National Trends.....	19
Main Inbound Markets.....	19
7. THE VALUE OF GOLF TOURISM TO AUSTRALIA	20
Methodology	20
Value	21



REPORT HIGHLIGHTS

Introduction

The following key highlights are found in this report:

Domestic Golf Tourism

- Tourism Research Australia report that 1.575 million golf trips were taken in Australia in 2013, generating 8.4 million golf visitor nights.
- New South Wales dominates core golf trip volume, capturing around 40% of all domestic golf trips. Queensland ranks second with 22% and Victoria third with 18%.
- The average spend by core domestic golf tourists on a per night basis is \$302, who stay on average 5.3 nights.
- Core domestic golf tourism is predominantly based around short trips with 62% of trips being of four nights or less.
- Tasmania is the leading state in terms of its ability to lure people from interstate for the purpose of golf tourism.
- Queensland is the only mainland state to have more interstate than intrastate golf tourists.
- Since 2008 the number of day trips including golf have increased by an average rate of 2% per year.
- Most core golf tourists travel with family and friends and typically play three to five rounds over one or two courses.
- 75% of core golfer trips are booked directly with the facility, evenly spread across online and phone bookings.
- More than 50% of core golf trips are booked within 12 weeks of departure date.
- The Murray River and Gold Coast retain their position as the most frequently visited golf destinations by the core golf tourist in Australia. The largest gain has been recorded by Northern Tasmania, increasing ten places to be the 4th most frequently visited golf destination in Australia.
- The two most important features sought by the core golfing tourist are an ability to play premium courses and course variety.



Inbound Golf Tourism


- Tourism Research Australia report that there were 174,000 international tourists who played golf when visiting Australia in 2013, representing 3.2% of all international visitors.
- The top five inbound golf tourism markets account for 61% of total international golf visitor nights to Australia, and have grown by 50% over the five year period since 2008.
- The United Kingdom, accounting for 25% of total golf visitor nights, is now the largest source of golf demand, having grown by 46% since 2008.
- Whilst only accounting for 9% of total golf visitor nights, the Chinese market accounts for 17% of total golf visitor spending.

Outbound Golf Tourism

- Southeast Asia is the leading international destination for Australia's core golf tourists, accounting for 34% of all international golf trips.
- The average core golf tourist spend on international golf trips is \$7,380.
- Booking directly with the facility online is the most common method of booking international trips.
- Core golf tourists are twice as likely to book an international golf holiday through a specialist golf travel agent as compared to booking domestic trips.

For 2013 it is estimated that total golf tourism expenditure incurred by the tourist who has golf as a primary motivating factor for travel approximated \$820 million ranging to a high estimate of approximately \$1.09 billion. On a market basis, it is estimated that international tourism accounts for 20% of this amount, reaching \$180 million per annum.

Introduction



Globally, it is estimated the value of golf tourism exceeds \$25 billion and is growing.

The emergence of the Asian middle class is leading to increased demand for golf holidays as golfers are proving to be valuable consumers for any country, region or facility.

This reality is being recognised on the international stage with numerous national tourism organisations (NTO's) and governments incorporating golf tourism as a key component of wider national tourism development strategies. Established and emerging markets, including Scotland, New Zealand, Indonesia and Malaysia, have recently developed specific golf tourism strategies. Tourism Thailand has teamed up with the country's best golf clubs, hotels and resorts to promote golf tourism under the Golf in a Kingdom banner in order to grow Thailand into a global golf tourism leader.

Travel activity around golf is a driver of domestic and international tourism in Australia. Australia is recognised as a mature golf market that has a wide array of golf courses available for play. At the very top end it presently has seven golf courses that are ranked in the world's top 100 courses by the USA golf publication Golf Magazine, with Australia being the fourth most represented country behind the USA, Scotland, and England. These courses have significant international profile and the level of relatively low pricing they offer compared to their global peers undoubtedly has a positive impact on the level of international golf tourism attracted to Australia.

Golf in Australia is a very readily available and affordable recreational activity. An analysis of the published green fees of Australia's top 100 public access courses shows the average green fee to only be \$75, and for many of the courses around Australia, public green fees do not exceed \$30. Further, the annual climate in Australia also ensures that for most golfers, golf is a year round sport.

With each course a destination in its own right, golf and travel are the perfect partners. Whilst being a natural fit golf tourism in Australia is presently under researched. To date, there are no strategic initiatives to grow the value of golf tourism and its associated economic benefits. The state of Victoria is the only state to have published a dedicated golf tourism strategy.

Golf facilities across Australia are reliant on casual and visitor revenue streams to support their economic models. Golf tourism, as a subset of this casual and visitor income stream is increasingly important as overall membership participation rates decline.

From a broader perspective, the rise of golf in Asia presents both an opportunity and a threat for Australia's golf tourism economy. The opportunity lies in being able to market our world class courses to a growing consumer base who have an increasing capacity and propensity for leisure travel. Conversely, increased consumer choice provided by golf facility development in Asia is a threat, in not only competing for the Asian consumer but through providing Australian golf tourists with more travel options.

In order to maximise the increasing opportunities available from golf tourism in Australia, it is first necessary to establish the current outcomes being achieved and the trends apparent across the market. Recognising this, and as the industry seeks to enhance the level of golf tourism activity, the AGIC has commissioned this report to identify the current trends in Australian golf tourism and to establish the profile of the golf tourist in Australia. It is hoped that this report will be the pre-cursor to the development of enhanced federal and state golf tourism strategies.



Source Data

Two main sources of data are used within this report, being data from **Tourism Research Australia (TRA)** and the **2014 Golf Tourism Survey (2014 Survey)**.

Tourism Research Australia

TRA is the government body responsible for the capture and dissemination of data concerning Australian tourism. A number of reports are published by TRA, including quarterly updates for both domestic and international markets and a year-end summary titled the State of the Industry Report. The two main reports it publishes are the **National Visitor Survey (NVS)** and the **International Visitors Survey (IVS)**.

The NVS is the major source of information about the characteristics and travel patterns of domestic tourists. It measures travel for all reasons, including holiday and leisure travel, business travel and travel to visit friends and relatives. The results presented in the NVS documents are based on an annual sample size of over 120,000 Australian residents, aged 15 years and over.

The IVS survey is a research method used to capture the travel habits of international visitors to Australia. It samples 40,000 departing international travellers in the international airports of Australia over the age of 15 years who have visited Australia on a short term basis.

TRA publishes generic domestic and international tourism data. Whilst publishing purpose of visit and spending data, it does not publish any data that contains any analysis by activities undertaken, such as golf, whilst travelling.

The NVS and IVS data referenced in this report has been provided by TRA as a customised data set, with participation in golf during travel cross tabulated with overall travel. The data defines a golf tourist as someone who played golf during their travel. It is important to recognise that playing golf may not have been the main motivator for travel.

TRA advises that the average size of the golf sample for the period contained within this report ranges from 700 to 1,000 for domestic data and 1,300 to 1,500 for international golfers.

Given this sample size, all data derived from TRA surveys are subject to sample error. In extracting an activity where a comparably low level of activity has been recorded, the data is therefore subject to further sampling error as in some cases instances a low sample size was evident in the data extraction.

For the domestic data, when assessed on a state basis, the segment data for the smaller states of South Australia, Western Australia, Tasmania, and the ACT and the Northern Territory, has been noted by TRA as unreliable due to sample size. These markets are therefore excluded from any TRA analysis. For the international data, source market data from ten of the 23 countries, accounting for approximately 25% of all inbound golf tourists is also noted as unreliable.

2014 Golf Tourism Survey

The second source of data is the 2014 Survey conducted by GBAS in July 2014. This online survey sought information regarding the traveller profile, destination visited, length of stay, group type, frequency of play, booking patterns and trip spending of Australia's golfers. The survey was conducted over a three week period, with 4,050 responses received.

The 2014 Survey returned a total of 6,373 trips which were deemed valid and make up the sample set for the following analysis. 83% were domestic trips with the remaining 17% being outbound international trips.

It is noted that the sample size achieved in the 2014 Survey is approximately five times greater than the sample available from the NVS. Such a sample size heightens the statistical validity of the 2014 Survey findings and makes the 2014 survey a very reliable source of data concerning the Australian golf tourist.



SURVEY PROFILE

The respondent profile evident in the 2014 Survey is outlined below.

The majority of respondents were from **New South Wales, Victoria and Queensland** who accounted for **seventy-eight percent of all respondents**. The survey distribution is in line with national golf participation rates within respective states. In comparing the survey distribution with the respective state participation percentages as published by the Australian Sports Commission, **responses from New South Wales, Victoria, South Australia and Tasmania** were slightly ahead of **relative national participation distribution**. Queensland, Western Australia have relative response rates below their national participation distribution. Overall, variances were not deemed to be of sufficient size to skew the survey findings.



The largest income range amongst the respondents was the \$70k to \$100k range, followed by the \$40k to \$70k and then the \$130k plus ranges. Twenty-one percent of respondents who answered this question elected "Prefer Not to Say". The trip profile exhibited by the Prefer Not to Say group is closely aligned to the trip profile of the \$100k to \$130k and \$130k plus groups. Based on this analysis, we conclude the majority of the Prefer Not to Say respondents would have an annual income of \$100k or more and are therefore included in this range for further analysis.

74%
of respondents were aged
45 years of age or over

Age based distribution is consistent with previous findings in relation to the Australian golf tourist. The largest age range group was between 55 and 64 years, followed by the 45 to 54 year olds and then the 65 and overs. Golf tourism by Australians is heavily skewed towards the older age groups.



92%
of respondents
played golf at
least **once every
two weeks**

Ninety-four percent of respondents identified themselves as golf club members. Sixty-one percent played golf at least once a week with almost ninety-two percent playing golf at least once every two weeks.

It is clear the respondents to the 2014 Survey are Australia's core golfers.



GBAS
GOLF BUSINESS ADVISORY SERVICES
ASIA PACIFIC

About the Author

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

GBAS is a specialist independent advisory company providing dedicated, professional advice around the business of golf within the Asia Pacific region. GBAS brings together the expertise of Jeff Blunden and Nick Hanvin, two industry professionals who have completed a variety of engagements spanning the full spectrum of the industry.

Noted for their research skills, Jeff is also the author of many of the major industry reports that have been published in recent years. These include a number of first time reports covering a wide range of topics that include national participation, club operations, salary benchmarking, membership attrition and retention, national rounds played, and golf retail.

Tourism in Australia

In order to put the golf tourism trends in Australia into a wider perspective, this section contains an overview of tourism trends in Australia.



Recent Trends

Domestic Tourism

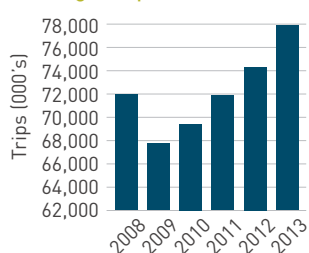
According to the NVS, since 2008 incremental growth has been achieved across most of the key domestic tourism measures.

From a base of 72 million overnight trips in 2008, total overnight trips have been trending upward, growing by an average of 1% per year with 3% annual growth achieved since 2010. Despite increasing trip demand, a declining average length of stay, falling by 5% since 2008 to now average of 3.7 nights, has

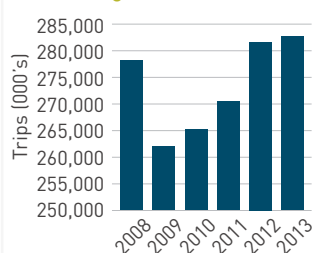
softened the rate of visitor night growth. Averaging 2% growth since 2010, visitor nights now exceed 280 million nights per annum.

Minor increases have been recorded in average spending per trip. Whilst average stay periods have been declining, the average spend, when measured on a per night basis, has been trending upward, growing by 6% over the period.

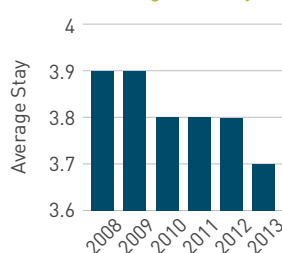
Overnight Trips



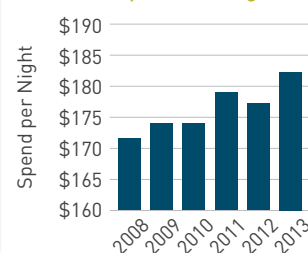
Visitor Nights



Visitor Av Length of Stay



Visitor Av Spend Per Night

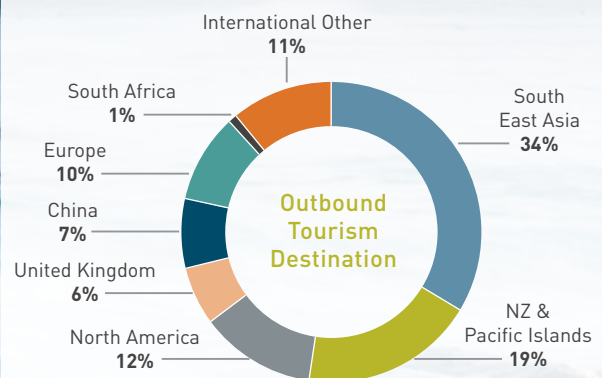




Outbound Tourism

Data from TRA indicates that more Australians are travelling overseas each year. In the year to September 2013, 7.6 million people travelled overseas, up from 5.2 million for the year to December 2008.

More than 50% of outbound tourists are going to South East Asia and New Zealand, with North America accounting for 12% of outbound demand, as illustrated below.



Tourism Research Australia

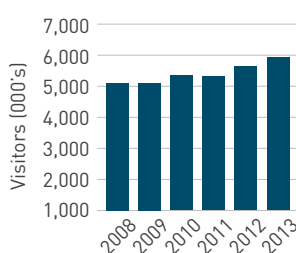
Inbound Tourism

According to the IVS, since 2008 incremental growth has been achieved across all of the key international tourism measures.

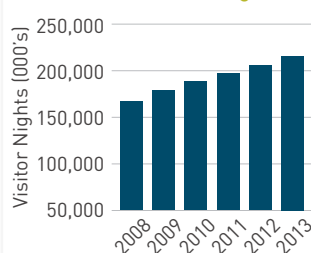
Total visitors have been trending upward, growing by an average of 3% per year with 5% annual growth achieved since 2011. With average stay growing by an average of 4 nights over

the period to reach 37 nights in 2013, total visitor nights have also been trending upward, averaging 5% growth per year since 2008. Average spending levels are also trending upward, growing by an average of 5% per year.

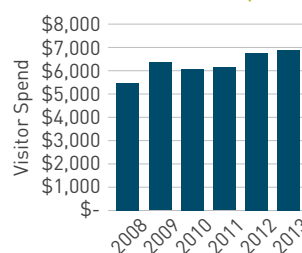
International Visitors



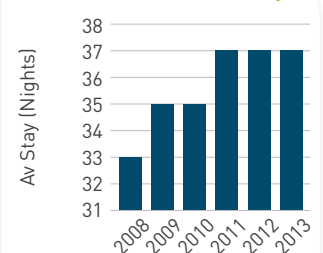
International Visitor Nights



International Visitor Av Spend



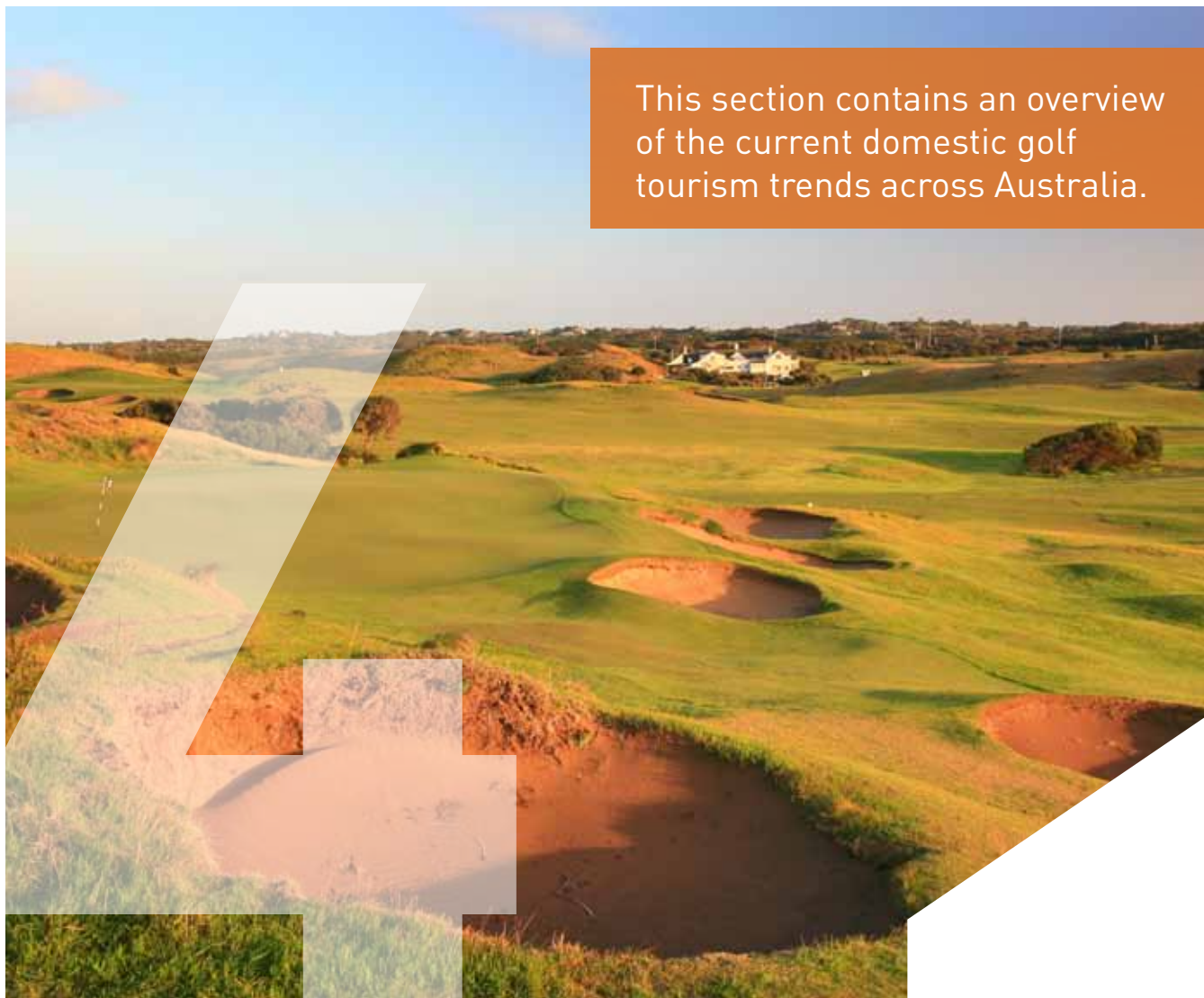
International Visitor Av Stay



Tourism Research Australia

Domestic Golf Tourism

This section contains an overview of the current domestic golf tourism trends across Australia.



Domestic Golf Travel

Domestic golf trips contribute significantly to the financial health and sustainability of the Australian golf industry. This section of the report focuses on domestic golf tourism within Australia by Australians. Within this segment there are two types of travel, being day trips and overnight trips.

Two sources of data are used in the analysis. The NVS is used to give a longer term overview of domestic golf tourism trends. The 2014 Survey is used to analyse trip profiles and characteristics.

Overnight Trips including Golf

Historical Trends

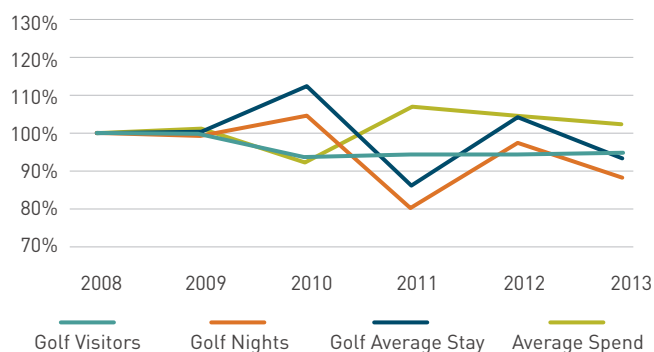
The NVS publishes data around number of trips, trip nights, average stay duration and spend per night.

TRA report that in 2013 there were 1.575 million overnight trips that included golf, generating 8.4 million visitor nights. Such demand represents only 2% of total overnight trips and 3% of total visitor nights. Recent outcomes within domestic golf tourism nationally show a flattening in trips taken, and due to a declining average length of stay, also

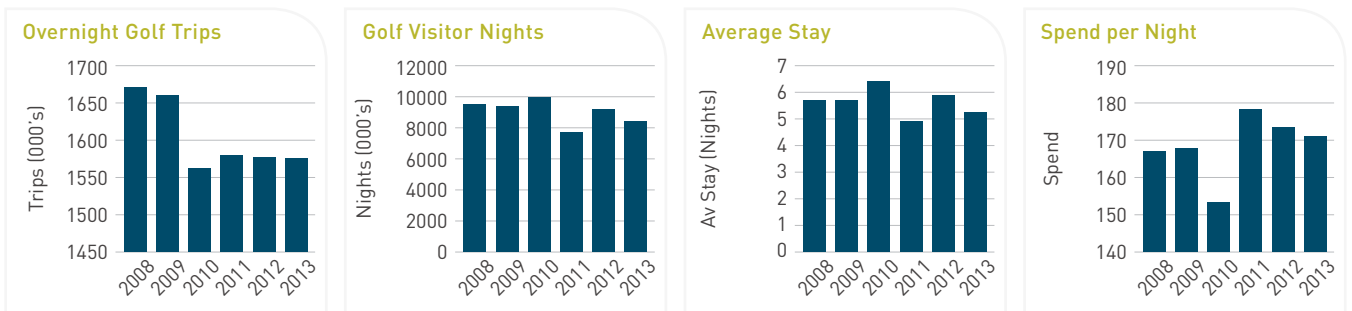
a softening in visitor nights, falling by an average of 2.5% annually. Spending on a per night basis has remained steady, approximating an average of \$170.

The chart below shows the percentage movement since 2008 for each of these indicators.

NVS Golf Tourism Relative Trends



Tourism Research Australia 2014 (unpublished data)



Tourism Research Australia 2014 (unpublished data)

State Market Share

Data obtained from TRA also provides a breakdown of each states respective share of domestic golf trip volume. This information was also captured as part of the 2014 Survey.

When comparing each State's relative market share there are a number of variances in the results. The 2014 Survey found the NVS overstated Victoria, South Australia and Western Australia's relative market share. On the other hand, it was also found New South Wales, Tasmania, and Queensland each had a larger relative market share than was reported in the NVS.

According to the 2014 Survey, New South Wales dominates golf trip volume, capturing around 40% of all domestic golf trips. Queensland ranks second with 22% and Victoria third with 18%.

Proportionately, Tasmania's market share was found to be almost four times larger than what was reported in the 2013 NVS data. (We note in the data provided by TRA, the Tasmania number was flagged as being statistically weaker and should be used with caution.)

Average Spends

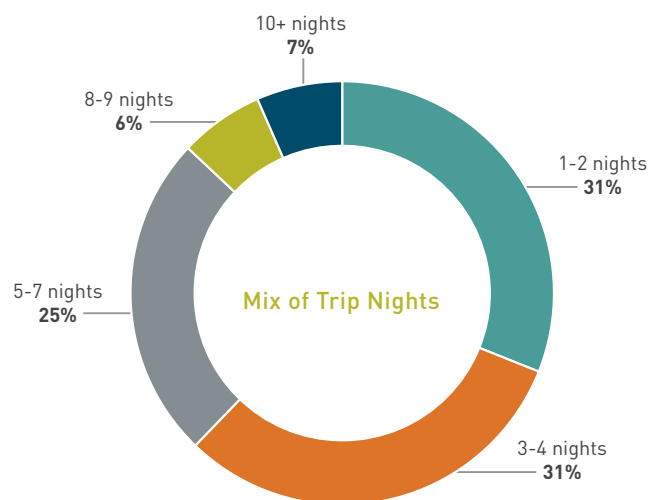
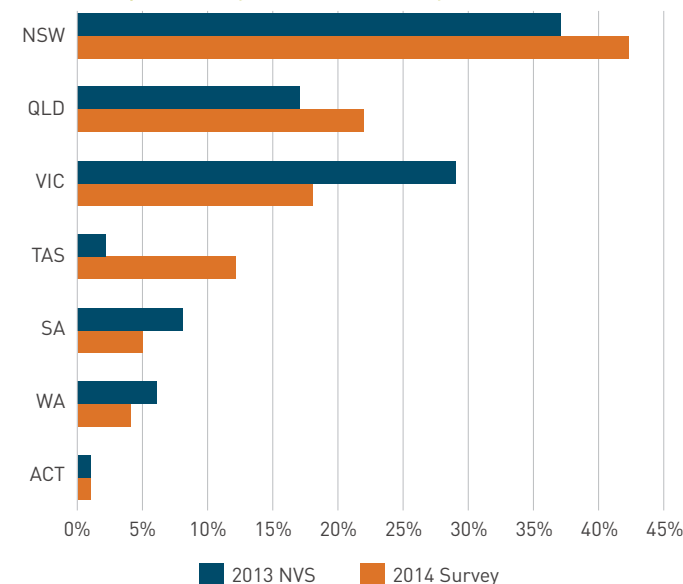
The 2014 Survey found Queensland has the highest average spend per trip at \$1,940, followed by Tasmania (\$1,770), Western Australia (\$1,400), South Australia (\$1,270), Victoria (\$1,250) and New South Wales (\$1,040), in line with average length of stay patterns for each of these states.

Overall, the 2014 Survey found the average spend per night for the core golf tourist was \$302. Average per night spends for shorter trips (up to 4 nights) were significantly higher than those for longer trips (10 nights and more).

Trip Nights

The majority of domestic golf trips are short breaks. The 2014 Survey found 62% of trips are four nights or less. Of these short breaks, New South Wales accounts for 46%, followed by Victoria on 18% and Queensland on 17%. Only 13% of domestic golf trips are for a duration of eight nights or more. There is a greater propensity for longer trips in Queensland.

Relative Trip Volume by State - 2014 Survey vs 2013 NVS

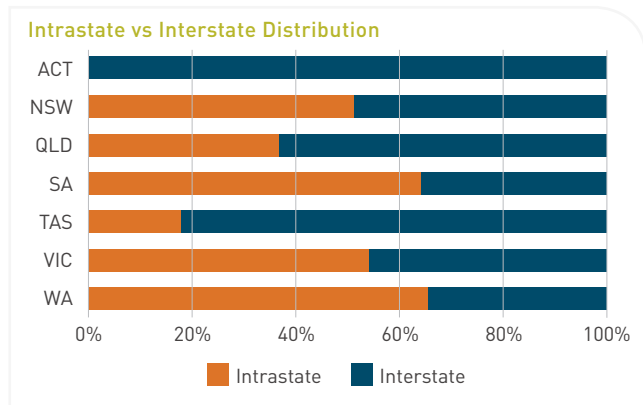


2014 Survey

Domestic Golf Tourism (Cont)

Consumer Origin

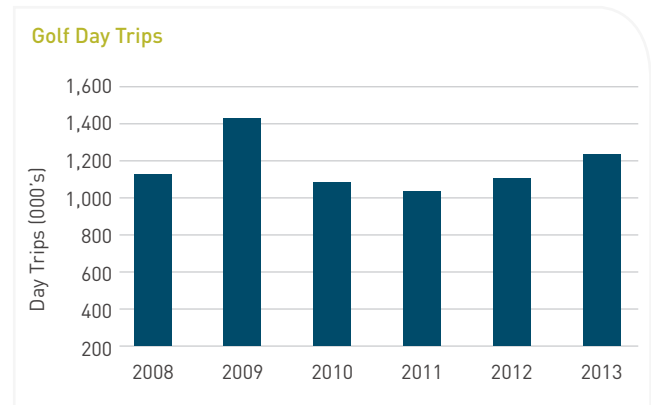
Illustrated below is the consumer mix between interstate travellers and intrastate travellers. An intrastate traveller is defined as someone who has the same home state as the destination state, conversely an interstate traveller has differing home and destination states. Excluding the ACT, Tasmania is the leading state in terms of its ability to lure people from interstate for the purpose of golf tourism. Queensland is the only other state to have more interstate than intrastate golf tourists.



2014 Survey

Day Trips including Golf

In addition to overnight trips, a key component of domestic golf tourism are day trips including golf. Since 2008, the number of day trips including golf have increased by 9%, an average rate of 2% per year through to the end of 2013. At year end 2013 total day trips including golf were estimated at 1.235 million. The state of Victoria captured 35% of these trips followed by NSW with 28% of all golf day trips.



Tourism Research Australia

Factors Driving Destination Choice

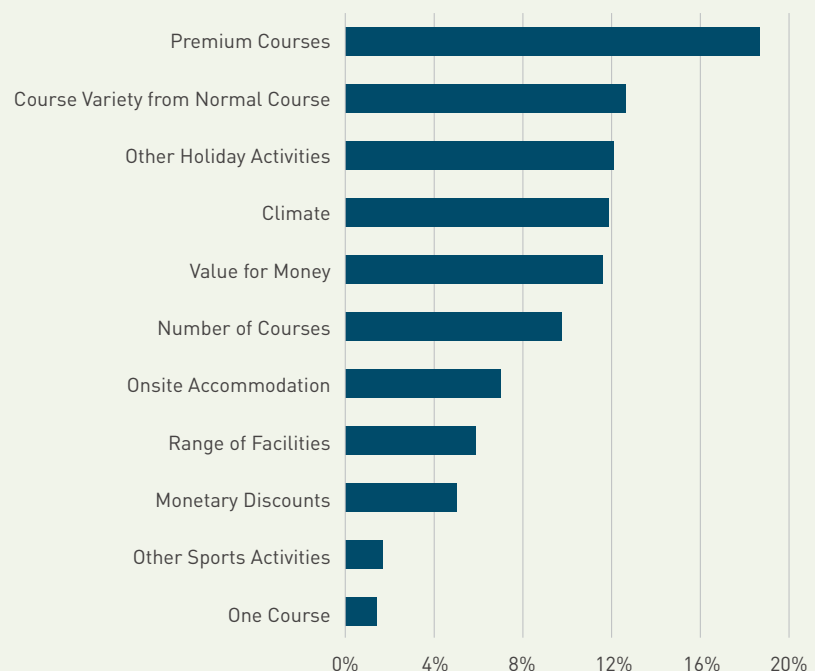
In selecting a golf holiday destination, some features of the destination are more important than others.

The five key features sought (in order) by the golfing tourist are:

- 1 An ability to play premium courses
- 2 Course variety
- 3 Other holiday activities
- 4 Climate
- 5 Value for money offer

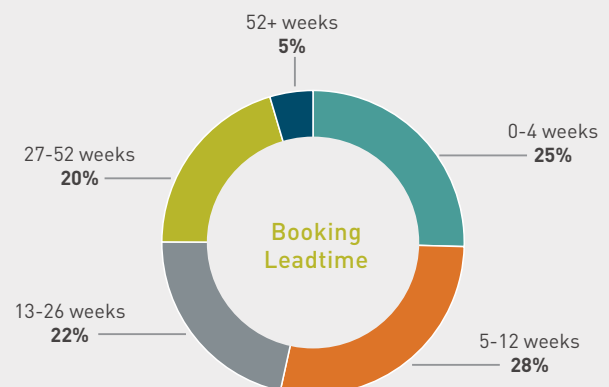
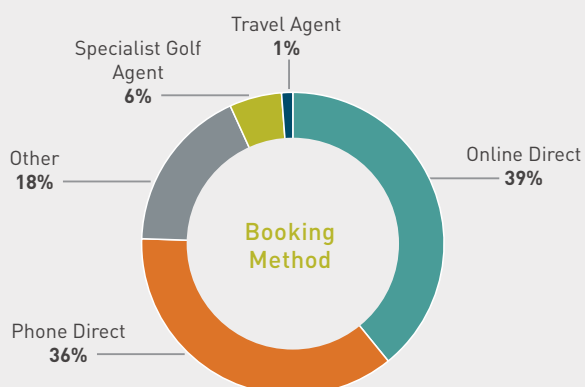
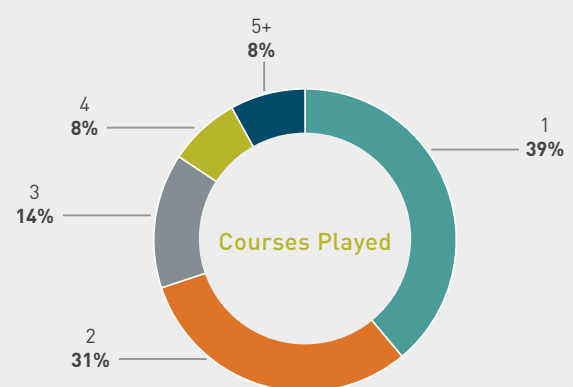
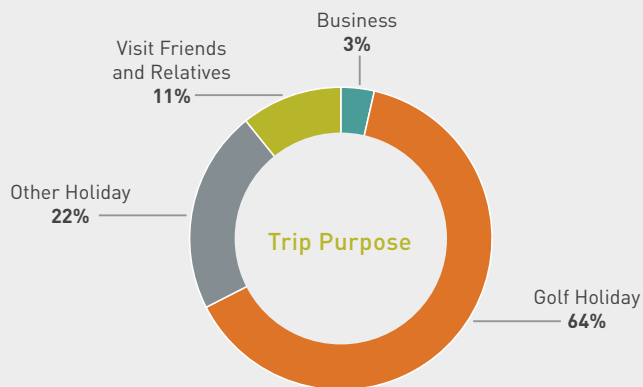
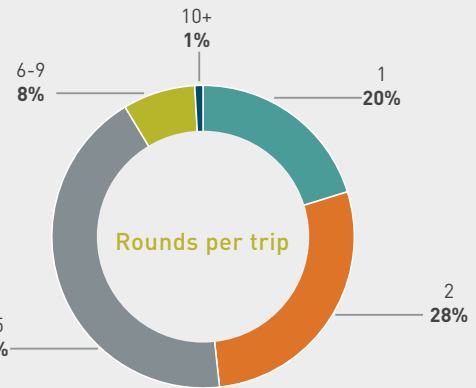
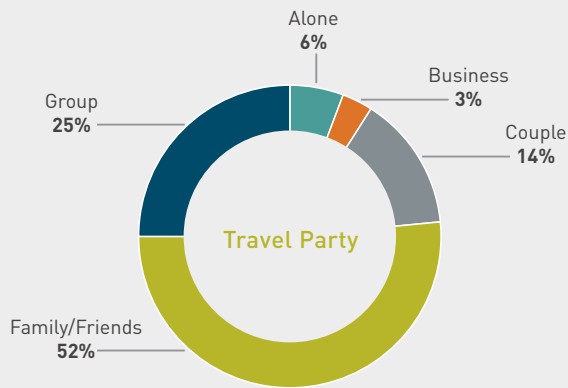


Factors impacting destination choice





The following charts provide additional information about domestic golf trips in Australia



2014 Survey

Key observations are:

- Most people travel with family and friends
- Golf was the primary purpose for sixty-four percent of trips
- It is most common to play three to five rounds over one or two courses
- Seventy five percent of trips are booked directly with the facility, evenly spread across online and phone bookings
- Over fifty-three percent of trips are booked within 12 weeks of departure date

Domestic Golf Tourism (Cont)

Destination Share of Market

There has been a reasonable amount of change within the share of destinations visited by the golf tourist since last measured in 2005.

The Murray River and Gold Coast retain their position as the most visited golf destinations in Australia, with the Mornington Peninsula moving to third position from fifth position in 2005.

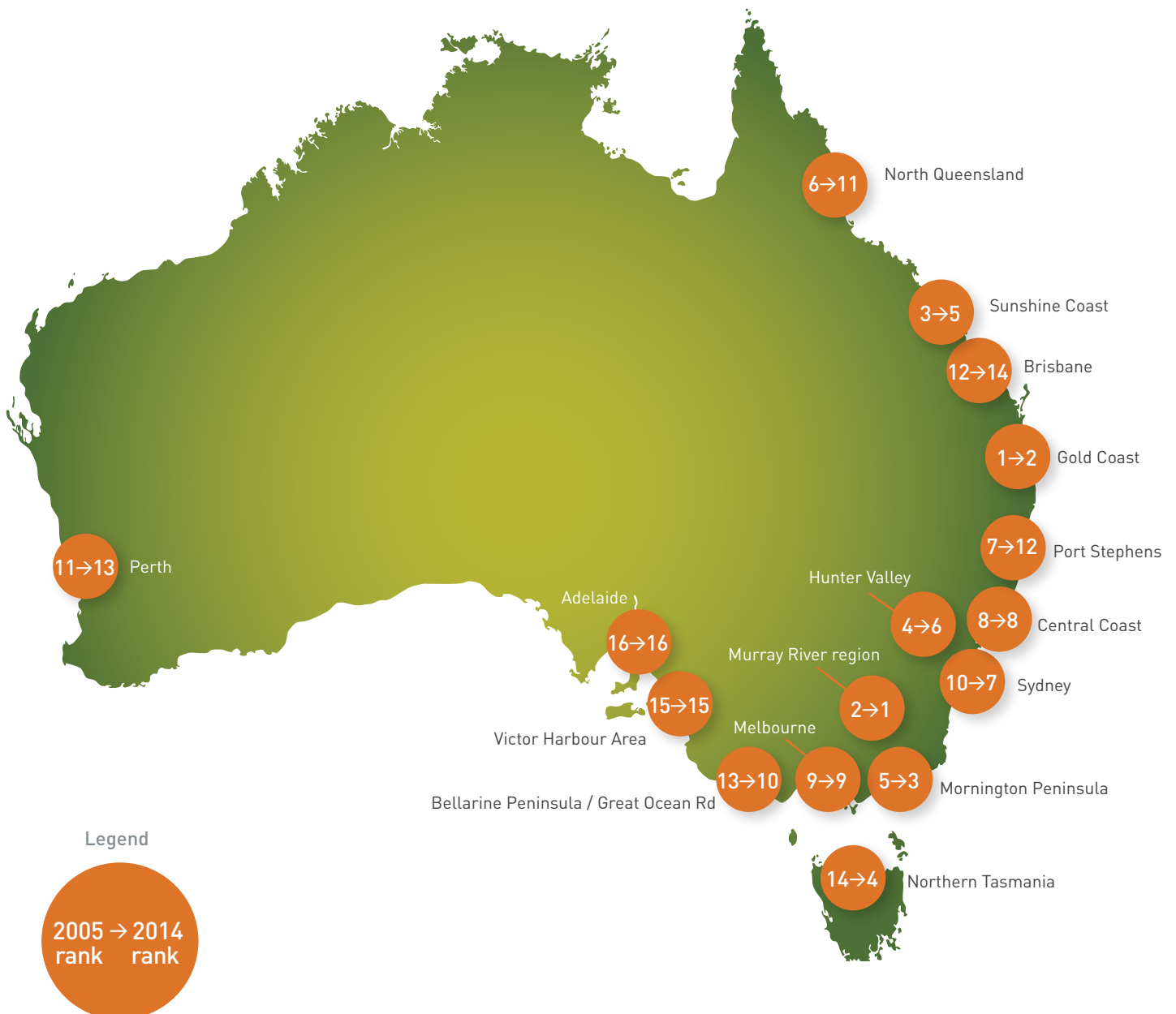
The largest gains have been recorded in Northern Tasmania, increasing ten places to be the 4th most visited golf destination in Australia. Other notable increases have been evident within Sydney and the Bellarine Peninsula.

Destinations which have experienced notable declines include Northern Queensland and Port Stephens, dropping to 11th and 12th respectively.

Within the top 10 destinations, smaller falls have been recorded by the Sunshine Coast and Hunter Valley, declining to 5th and 6th place respectively.


Full rankings are identified below.

Most popular Australian golf destinations





Outbound Golf Tourism



This section contains an overview of the current golf tourism trends for Australians travelling overseas.

International destinations are increasingly challenging the domestic golf tourism industry for the Australian consumer.

Introduction

The relatively low cost and high quality offer coming out of Asia is presenting the Australian golf tourist with more choices than ever. This, combined with a strong Australian dollar and emergence of regional low cost air carriers means the prospect of an international golf holiday is a reality for more of Australia's golfers than may have been the case in the past.

The 2014 Survey measured international trips by destination, nights, average spend, number of courses played, number of rounds, type of travel party, primary purpose of trip, booking method and booking lead-time.

GBAS also has access to the detailed data set from the 2005 Australian Golfer Survey, which comprised information on over thirteen thousand golf tips. Where comparisons of measures between the two data sets are possible, long term trends are discussed at a high level.

All detailed trip information refers to the 2014 Survey unless clearly defined as otherwise.

Trip Volumes

Southeast Asia is the leading international destination for Australian golf tourists. The region accounted for 34% of all international golf trips taken by survey respondents.

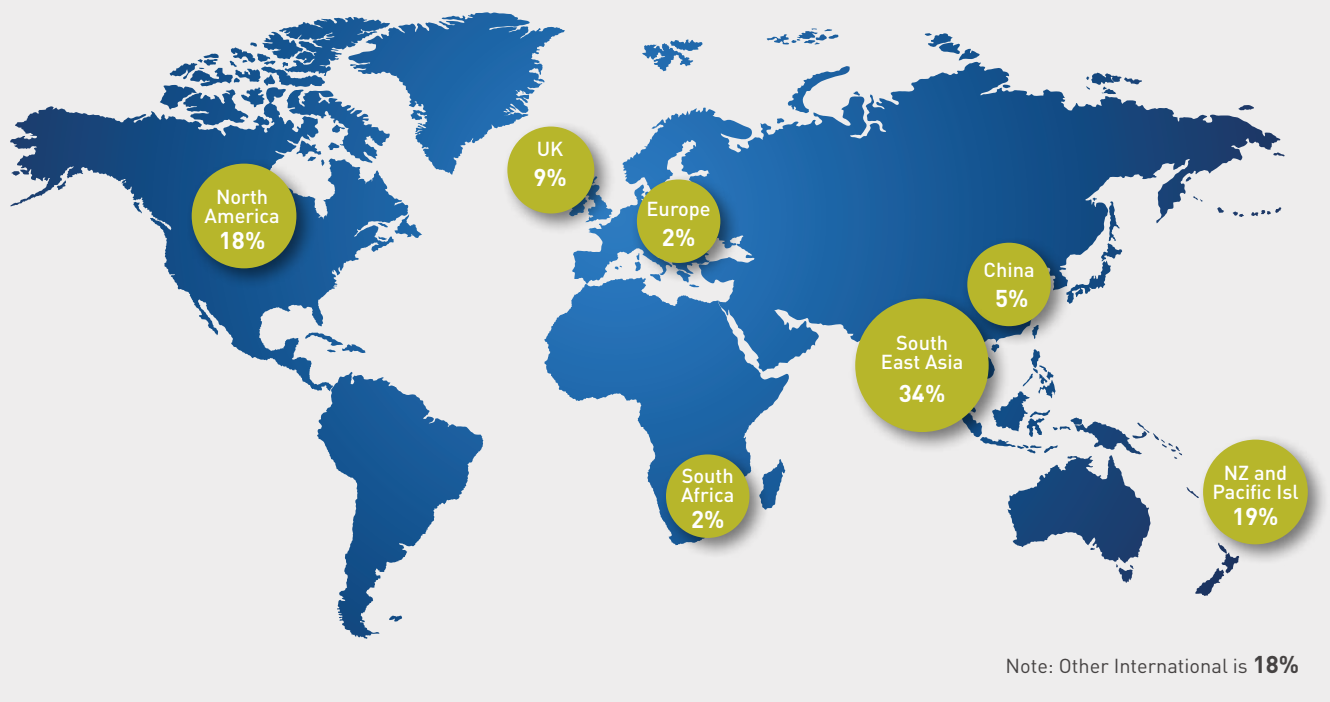
In 2005, Asia accounted for 25% of all international golf trips. In 2014, if China and Southeast Asia are combined to give a comparative market share, the region now accounts for 39% of outbound golf travel.

Asia was the only region to experience growth in relative market share when comparing the 2014 Survey against 2005 results. This market growth has come at the expense of domestic destinations, in particular Queensland and other more established international golf tourism markets.

The United Kingdom and New Zealand are both down six percent on 2005 values with a relative share of 18% and 19% respectively in 2014. North America only suffered a slight decline of one percent to 18% of trips in 2014.

Whilst no data was collected around visitation to the US Masters, or other major golf championships, we assume the international pull of these events has helped maintain North America's share of international trip volumes. The strength of the Australian dollar combined with more organised tour groups attending these events are our main reasons for this assumption.

Outbound Destinations



2014 Survey

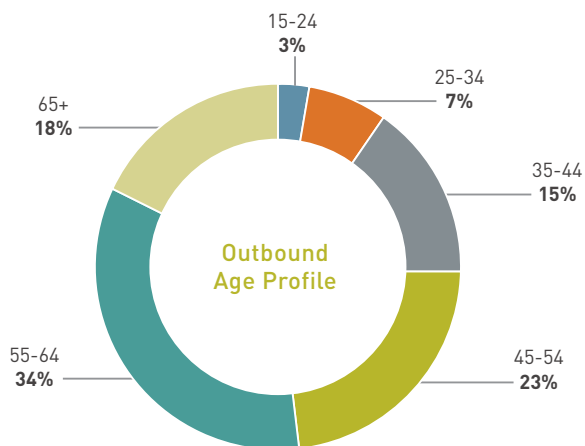
The relatively low cost and high quality offer coming out of Asia is presenting the Australian golf tourist with more choices than ever. This, combined with a strong Australian dollar and emergence of regional low cost air carriers mean the prospect of an international golf holiday is a reality for more of Australia's golfers than may have been the case in the past.

Outbound Golf Tourism (Cont)

Average Spend and Age Profile

The average spend recorded across all outbound golf tourism was \$7,380. The geographic destinations furthest from Australia, including North America, the United Kingdom and Europe have the highest average trip spends in excess of \$11,000. Closer destinations such as China, Southeast Asia and New Zealand all recorded average spends per trip of approximately \$5,000.

The age profile evident within the outbound golf tourist indicates that the 75% of travellers are aged over 45 years with over 50% aged over 55 years.



2014 Survey

Trip Nights

Trip nights in general were of a greater duration in line with the relative distance a destination is from Australia. The table below shows the most common trip duration for each destination.

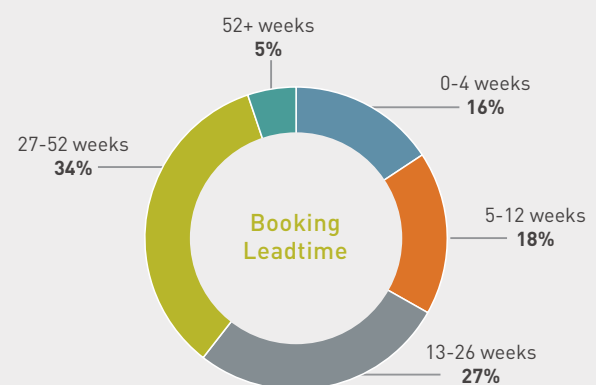
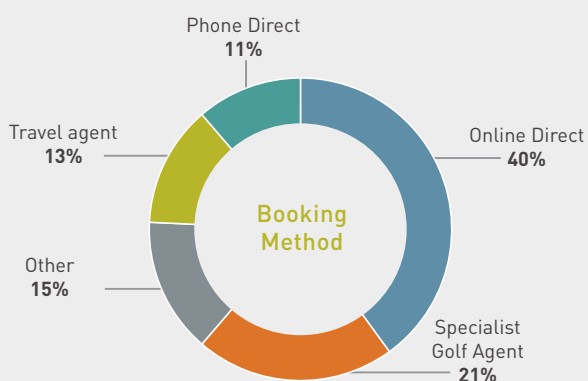
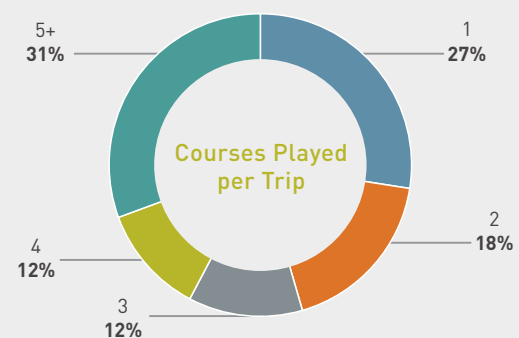
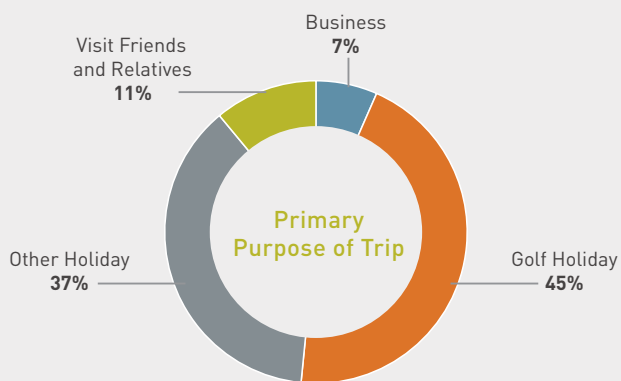
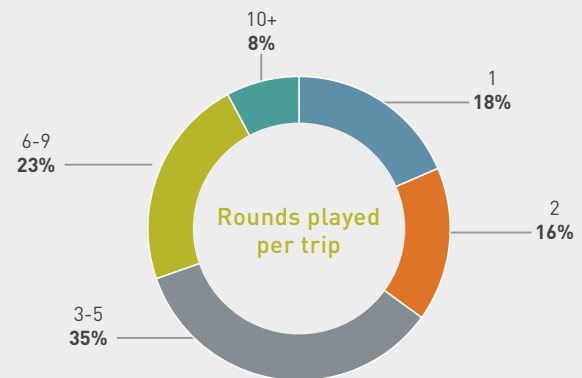
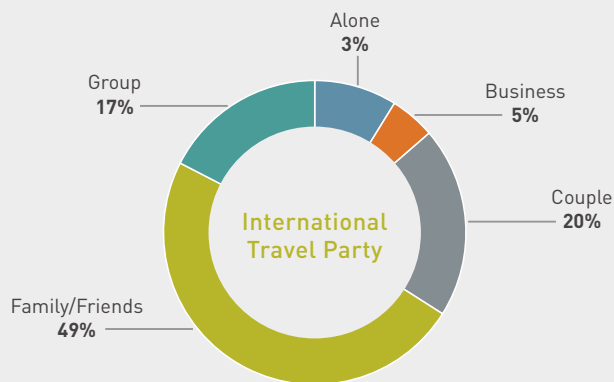
Destination	Common Trip Length
China	5 to 9 Nights
Europe	10 Nights Plus
New Zealand and Pacific	5 to 7 Nights
North America	10 Nights Plus
Southeast Asia	8 to 9 Nights
United Kingdom	10 Nights Plus
South Africa	10 Nights Plus

2014 Survey





The following charts provide additional information about outbound golf trips by Australians



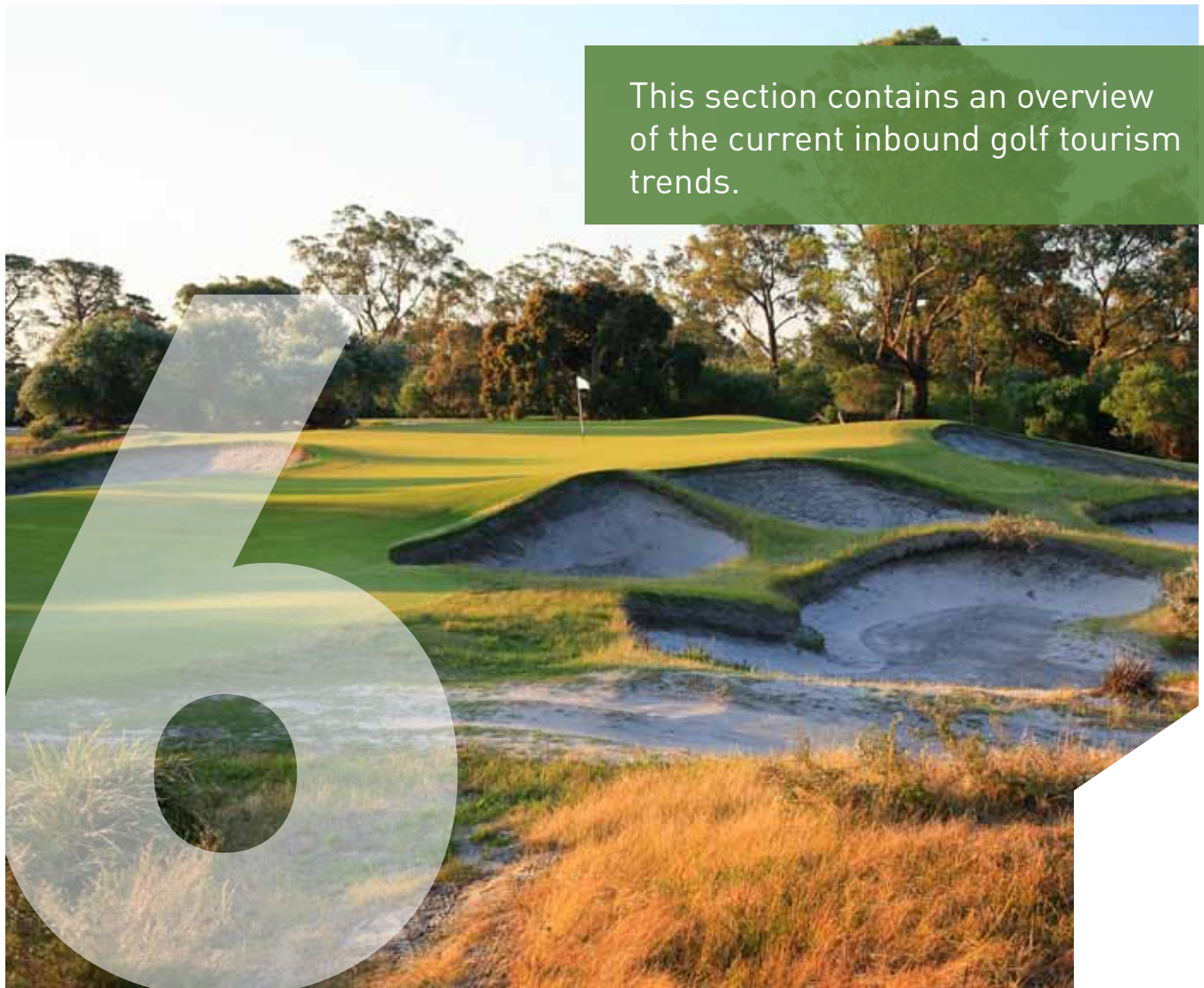
2014 Survey

Key observations are:

- Most people travel with family and friends
- A certain volume of golf is expected, with more than half of outbound travellers seeking between three and nine rounds of golf across a minimum of three courses
- Booking directly with the facility online is the most common method of booking international trips
- People are twice as likely to book an international golf holiday through a specialist golf travel agent as compared to booking domestic trips

Inbound Golf Tourism

This section contains an overview of the current inbound golf tourism trends.



The rapidly emerging golf market is that of China. Whilst accounting for 9% of total golf visitor nights in 2013, demand from this market has grown by 73% in the last five years. With an average spend almost double that of other international tourists, the Chinese market accounts for 17% of inbound golf tourism spend.

Introduction

Analysis in this section is reliant on the IVS published by TRA. It is worth restating the basis upon which IVS data is collected. Inbound golf tourism data is captured by TRA and its IVS via identification of particular activities undertaken whilst in Australia, a subset of the main purpose of visit questions. This data therefore includes, and classifies as the same, a visitor who plays a minimum of only one game of golf in Australia and a visitor whose sole purpose was a golf orientated trip.

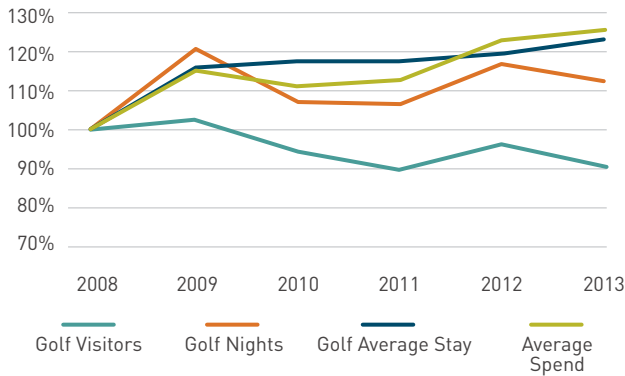
Historical National Trends

TRA report that in 2013 there were 174,000 international golf tourists who visited Australia, representing 3.2% of all international visitors. The IVS publishes data around number of visitors, trip nights, average stay duration and spend per trip.

The number of inbound visitors playing golf has declined by an average of 2% per year since 2008. Whilst total golf visitors have declined, due to an increasing average length of stay, total golf visitor nights have grown, increasing by an average of 2% per year. Average spending over the period has also increased, growing by an average of 5% per year.

The chart below shows the relative percentage movement since 2008 in each of these indicators.

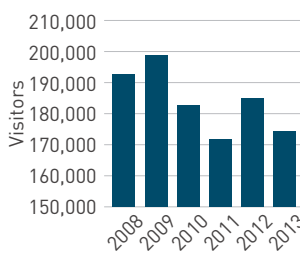
IVS Golf Tourism Relative Trends



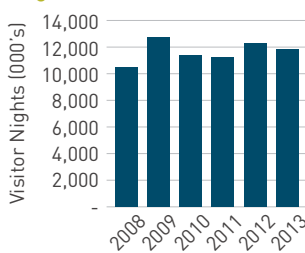
Tourism Research Australia 2014 (unpublished data)

Whilst total golf visitors have declined, due to an increasing average length of stay, total golf visitor nights have grown, increasing by an average of 2% per year

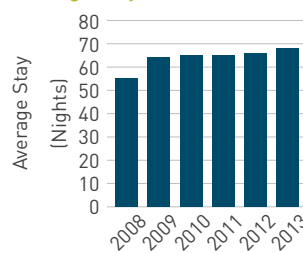
International Golf Visitors



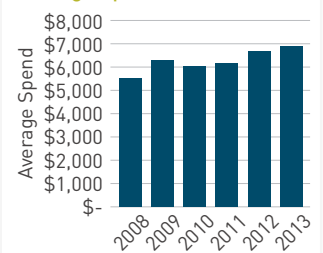
International Golf Visitor Nights



International Golf Visitor Average Stay



International Golf Visitor Average Spend



Tourism Research Australia 2014 (unpublished data)

Main Inbound Markets

In 2013 the top five inbound golf tourism markets account for 60% of total visitors and golf visitor nights to Australia. Whilst the United Kingdom, New Zealand and the USA have been constants in the top five markets over time, Japan and Korea have more recently been replaced in the top five by China and Other Europe.

The following table summarises inbound golf visitors to Australia in 2013.

Top 5 Inbound Golf Markets

Markets	Visitors	% of Visitors	Visitor Nights	% of Visitor Nights	Average Stay	Average Spend
United Kingdom	33,347	19%	2,961,387	25%	89 nights	\$7,071
New Zealand	30,264	17%	1,017,352	9%	34 nights	\$8,979
China	14,854	9%	1,105,010	9%	74 nights	\$13,468
Other Europe	13,639	8%	1,281,840	11%	94 nights	\$3,268
USA	13,291	8%	807,494	7%	61 nights	\$6,223
Total Top 5	105,395	61%	7,173,083	61%	70 nights	\$7,802
Total All Markets	174,017	100%	11,836,308	100%	68 nights	\$6,849

In terms of total visitor nights, the top five markets have grown by 50% over the five year period since 2008. The United Kingdom market accounts for 25% of total golf visitor nights and is the largest source of golf demand to Australia, having grown by 46% since 2008. Accounting for 17% of nights, but with a much shorter average length of stay, New Zealand is the second largest golf market.

The Value of Golf Tourism to Australia

This section estimates the current value of golf tourism to Australia.



Golf tourism not only generates green fee income for golf facilities but also associated spending around travel including accommodation, food and beverage, transportation and entertainment.

Methodology

This report aims to quantify the value of “core” golf tourism, defined as being where golf is the primary purpose of the trip.

Other international studies have estimated that of the total spend made by golf tourists, only one quarter is directly spent around golf participation. As outlined in the previous section, the domestic and international tourism data collected by the TRA concerning golf is the sum of all activity undertaken during travel. Data based on level of participation in golf during travel is not collected and as such the golf tourist, whose primary motivating factor behind the travel was golf, and the general tourist who may have played only one game of golf, are grouped together.

TRA report the total expenditure attributed to tourists who have participated in golf to be \$2.63 billion per annum, with an international market estimate of \$1.19 billion and domestic estimate of \$1.4 billion. Being an aggregation of consumer types, it is acknowledged that this figure does not represent the value of golf tourism where the primary motivating factor behind travel is to play golf. The challenge presented is how to separate this market.

Recently Tourism New Zealand, in its New Zealand International Golf Tourism Strategy, acknowledged the same data challenges to Australia. It chose to adopt a weighting and classified of 70% of their 63,000 annual international golf visitors who participated in golf as being golf related tourists. Utilising this ratio, based on annual visitation of approximately 44,000 golfers, spending on average approximately \$3,200 per trip, Tourism New Zealand estimated that the international golf tourism to New Zealand generates annual spending levels of \$145 million.

The mix and source of golf tourists to New Zealand impacts the weighting adopted. With over 30% of golf tourists coming to New Zealand originating from Australia, a short haul destination, the likelihood of a more golf specific travel itinerary is increased. For Australia, with less than 10% of the total inbound market being short haul, 35% being from the Asian continent and more than half being from long haul destinations, the likelihood of a golf only travel itinerary being followed is reduced.

There is a further view that given the typical distances travelled to Australia by international markets that the level of demand for play on our best courses is a key indicator to the level of golf specific international travel attracted by Australia. In this regard it is estimated that 20,000 to 30,000 rounds a year are played by international tourists on our leading courses. Utilising the methodology outlined above, it is thus estimated that 10% to 20% of our international golf visitors have golf as a primary factor for travel.

Domestically, TRA report the sum of total expenditure attributed to those who, grouped together, have participated in golf whilst holidaying domestically to be \$1.44 billion per annum. Also being an aggregation of consumer types, it is acknowledged that this figure does not represent the value of golf tourism where one of the primary motivating factors behind the travel is to play golf. The methodology used for this estimate of domestic golf tourism expenditure in this report therefore also takes a weighted approach, adopting the spending patterns exhibited by the core golf tourist as outlined earlier in this report.

Value

A range of value estimates are presented in the matrix below, determined by the percentage of core golfers adopted for each market.

Domestic				
Core Golf %	20%	30%	40%	50%
\$ Domestic (millions)	\$425	\$638	\$851	\$1,063
International				
Core Golf %	10%	15%	20%	25%
\$ International (millions)	\$119	\$179	\$238	\$298
Total (millions)	\$544	\$817	\$1,089	\$1,361

Whilst a number of separate combinations can be adopted, for 2013 it is estimated that total golf tourism expenditure incurred by the tourist who has golf as a primary motivating factor for travel approximated \$820 million, ranging to high estimate of approximately \$1.09 billion. On a market basis, it is estimated that international golf tourism accounts for 20% of this amount, reaching \$180 million per annum.

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