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# Economic Assessment of Proposed World-Class Golf Facility in Muriwai

Prepared for:  
**The Bears Home Project Management Limited**

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## 2. Executive Summary

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The Bears Home Company Limited owns 507 hectares of rural land northeast of the Muriwai township on Auckland's west coast, which is currently used for farming and quarrying. It wishes to develop some of the land into a world-class golf facility comprising a championship 19-hole golf course, 9-hole short course, clubhouse, practice areas, sports academy, tennis courts, and a luxury lodge (Project). This report assesses the Project's likely regional economic effects.

The assessment begins by identifying and describing the subject site, its zoning, and current uses. These existing uses include sheep and beef pastoral farming, dairy farming, and a small-scale sandstone quarry.

Next, we summarise the strategic context for the Project, including various central and local Government strategies/plans aimed at harnessing the benefits of golf and golf tourism. Then, two land use options are identified for the site – the status quo, and with the Project. The latter retains most existing rural productive activities, except dairy farming, while enabling a comprehensive high-end golf facility to also establish on the site over time.

Our assessment captures the one-off impacts of developing the golf courses and associated buildings, the lodge, and enabling infrastructure that collectively comprise the Project, plus the ongoing annual impacts of operating these businesses. In addition, it considers offsite tourism spending by future visitors, then adjusts for regional economic activity displaced or relocated by the Project to derive its net annual regional impacts.

According to our analysis, the various tasks associated with preparing the land for development then constructing the golf courses, the lodge, and the various buildings that comprise the Project will collectively boost regional GDP directly by more than \$26 million, create direct employment for 237 people-years, and boost regional sales/wages directly by nearly \$17 million. In addition, construction will create significant flow-on effects via the purchase of supplies and services from regional businesses.

Once operational, the Project will also provide an enduring stream of economic benefits. Including offsite tourism spending by future visitors and accounting for regional activity displaced or relocated, we estimate that the collective future Project operations will directly boost regional GDP by \$17 million per annum, provide direct employment for nearly 200 people, and sustain nearly \$10 million of additional regional wages and salaries each year.

In addition, the Project will have a range of broader strategic/economic benefits, including support for Government and Council plans and strategies, strengthening New Zealand's network of marquee golf courses, destination marketing to prospective high net-worth visitors, and enabling a higher and better use of the land.

## 3. Introduction

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### 3.1. Scope and Purpose of Report

The Bears Home Company Limited owns 507 hectares of rural land, which is located northeast of the Muriwai township on Auckland's west coast. It is currently used for farming and quarrying but the applicant, The Bears Home Project Management Limited wishes to develop some of it to create a luxury golf resort facility of international standing. Once complete, the development will include a championship 19-hole golf course, 9-hole short course, water reservoir, clubhouse, practice areas, Sports Academy, and tennis courts (the Golf Business), and a world-class luxury lodge (the Lodge Business) (collectively the Project). In addition, the proposed Sports Academy will accommodate Golf New Zealand's (Golf NZ) national offices onsite. To assist, this report assesses the likely economic benefits of the Project compared to the status quo.

### 3.2. Structure of Report

The remainder of this report is structured as follows:

- **Section 3** identifies and describes the subject site, including its zoning and current uses.
- **Section 4** summarises the strategic context for the Project, including the importance of golf tourism to New Zealand.
- **Section 5** identifies two land use options for the site, namely the status quo and the Project.
- **Section 6** explains the methodology used to quantify the likely one-off and ongoing economic impacts of the Project.
- **Section 7** estimates the one-off economic impacts of constructing the various elements that comprise the Project.
- **Section 8** estimates the corresponding ongoing economic impacts of the Project.
- **Section 9** briefly considers other likely economic/strategic impacts of the Project.
- **Section 10** provides a summary and conclusion.

## 4. About the Project Site

This section provides background information about the Project site.

### 4.1. Site Location and Description

The Project site is located within the Muriwai Downs Property (shown in Figure 2) which comprises approximately 507 hectares of rural land, located northeast of the Muriwai township on Auckland’s west coast. Its location is illustrated by the red dot in the Figure 1 below.

Figure 1: Location of the Project Site in Regional Context

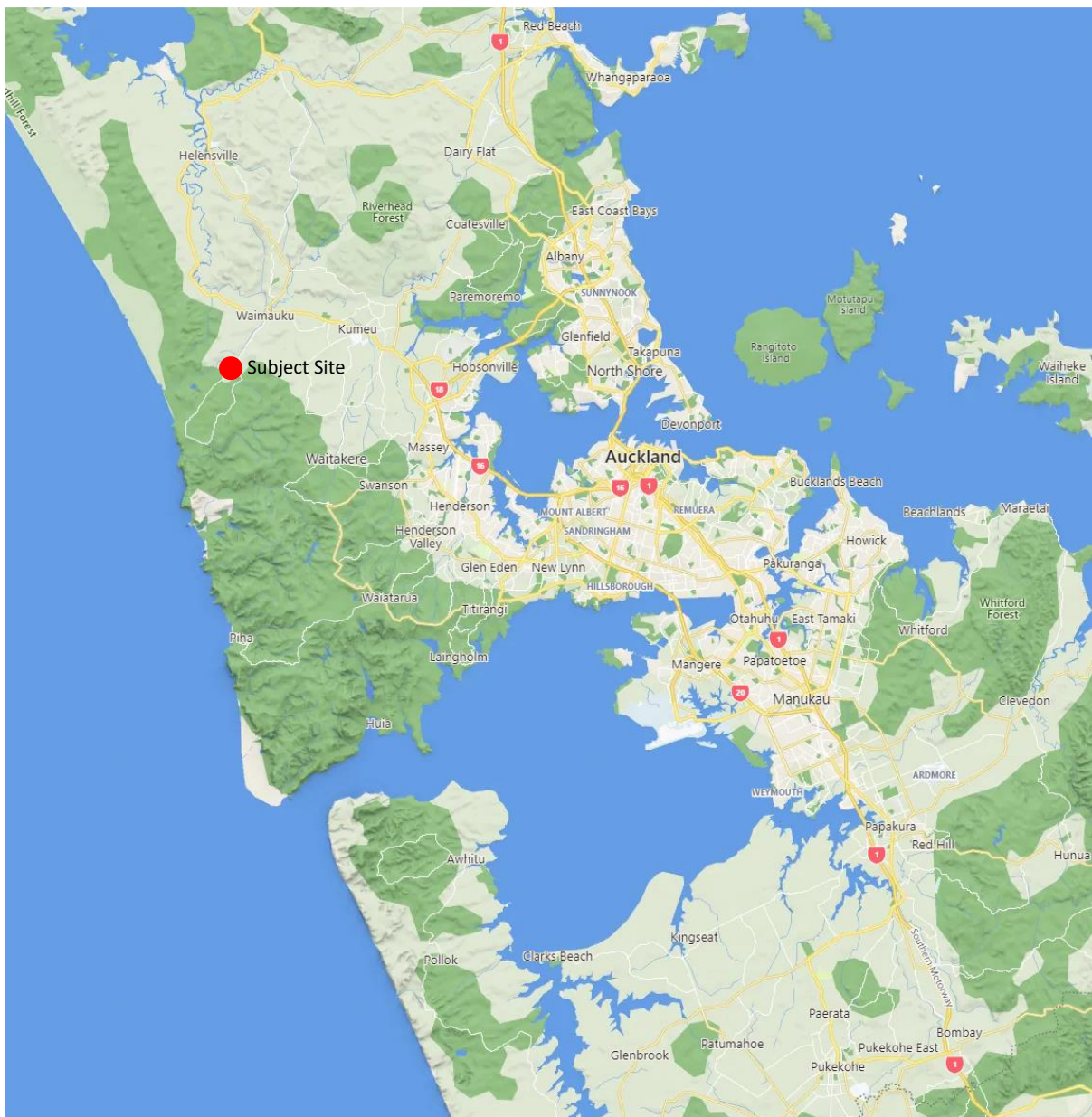
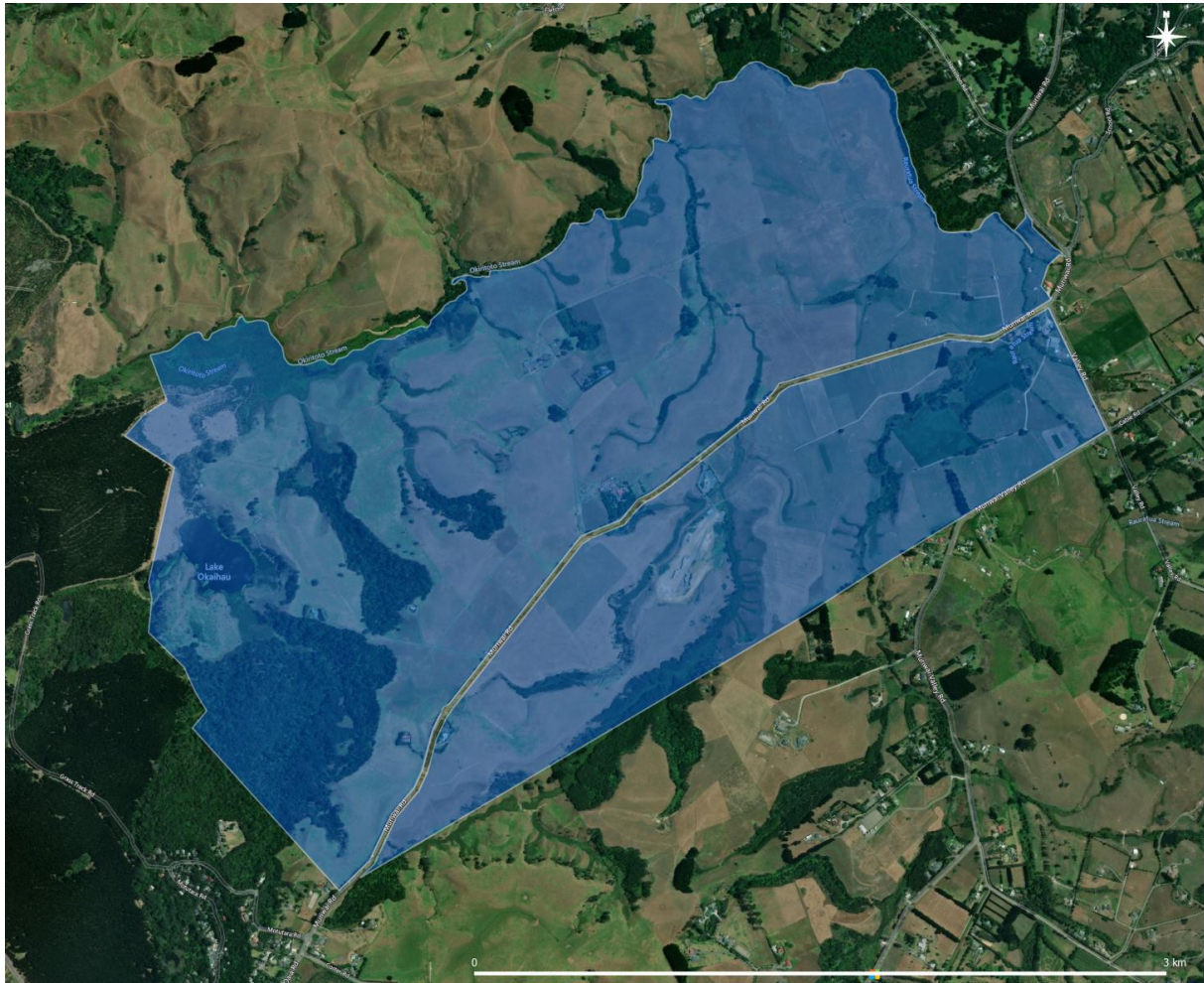


Figure 2 zooms into to provide a close-up view of the site. It is bound by the natural contours of the Ōkiritoto Stream to the north, with the Rauratua Stream and Valley Road to the east. The

southern boundary is straight and follows the initial direction of Muriwai Valley Road from its intersection with Valley Road in the east through to Muriwai Road in the west. The site's western extent lies just 350 metres east of the edge of the Muriwai township. While most of the Property is farmed pasture, it also contains ecological areas, including kauri forest, wetlands, and an inland dune lake.

Figure 2: Close-Up view of the site



#### 4.2. Zoning

The site is zoned Rural – Rural Production under the Auckland Unitary Plan Operative in Part (AUP), which enables the use and development of rural land for productive purposes, while maintaining the natural and amenity values of rural environments.

#### 4.3. Current Uses

The site is currently used for low-level rural production, namely pastoral farming, dairy farming, and sandstone quarrying. Further descriptions of current uses are provided in a subsequent section.

## 5. Strategic Context

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This section briefly describes the strategic context for the Project.

### 5.1. Overview

As one of New Zealand’s most popular sports, golf makes a significant contribution to the health and wellbeing of participants, as well as offering positive environmental impacts and significant contributions to the national economy. According to Golf New Zealand, the sector employs over 2,000 people, has more than 6,000 volunteers, and contributes more than a billion dollars to the national economy each year.<sup>1</sup>

### 5.2. National Plans & Strategies

Golf NZ is the governing body for golf in New Zealand and is responsible for growing and supporting the game across all levels. Its strategic plan (“Enriching Lives Through Golf”) articulates a shared vision for the future and sets priorities to 2025. Set amidst increased golf participation but waning membership rates, the strategy's three key planks are to:

1. Increase the positive profile of golf;
2. Grow participation; and
3. Support clubs and facilities.

The New Zealand International Golf Tourism Strategy was developed in 2013 by Tourism New Zealand Ltd. It highlights the opportunity to grow New Zealand as a golf tourism destination and seeks to unite disparate stakeholders to realise this potential. Priority target markets are identified, and the distinctive attributes of the New Zealand golf product are defined. The report sets out marketing strategies for stimulating demand in target markets and culminates with recommendations for a leadership and advocacy model to achieve the goals outlined. This led to the subsequent establishment of Golf Tourism New Zealand.

According to the strategy, both public and private sectors should be encouraged to invest in new and existing golf facilities that will make meaningful contributions to the country’s golf trails, with investment in new marquee courses specifically to be encouraged. These courses cater for a subset of ‘luxury’ golf travellers, a target segment that is explicitly identified in the strategy.

Golf continues to be a Special Interest Sector identified by Tourism New Zealand.

### 5.3. Network of Marquee Courses

Marquee golf courses are high quality, aspirational courses, selected based on their location, scenery, architectural merit, and ability to meet the discerning expectations of travelling golfers<sup>2</sup>.

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<sup>1</sup> Enriching Lives Through Golf: Golf New Zealand’s Strategic Plan 2020 to 2025, p6

<sup>2</sup> <https://www.newzealand.com/nz/feature/new-zealands-marquee-golf-courses/>



New Zealand currently has fourteen marquee courses ten in the North Island, and four in the South Island. Figure 3 illustrates their locations.<sup>3</sup>

Figure 3: New Zealand’s Marquee Golf Course Network



<sup>3</sup> Source: Golf Tourism New Zealand Progress Report, Fifth Edition, March 2018, p9

## 5.4. Auckland Council Golf Plans/Strategies

In addition to the national documents cited above, Auckland Council also has its own draft golf strategy in place. The Golf Investment Plan 2020-2040 sets out a framework to ensure every Council-owned or managed golf course is accessible, connected to its community, and environmentally sustainable. It seeks to increase participation in golf, while also making better use of golfing land by incorporating additional recreational activities such as play spaces, walking and cycling trails.

In addition to the Golf Investment Plan, Auckland Unlimited (formerly ATEED) also operate a strategy called GEM. This was initiated in 2012 and has been deployed in the China and US markets, as well as the superyacht society since. The aim is to target influential high net wealth individuals and establish direct contacts and relationships with these people based around their expensive hobbies which Auckland has strong propositions to associate with, namely Golf, Equine and Marine. Auckland Unlimited's previous efforts to influence this ultra-premium segment through traditional tourism channels had not been successful therefore the GEM programme was developed as an innovative non-traditional channel, and Auckland Unlimited's strategy is to create awareness in sectors where Auckland can leverage its "brand" and assets strongly.

By establishing relationships with these hard-to-reach influential individuals, we understand that Auckland Unlimited has managed to promote Auckland and New Zealand not just around the GEM areas but everything across the board including making leisure holidays, doing businesses, investment, education as well as investor immigration. The strategy is also centred around the basis of word-of-mouth. Once these HNWI's start making their mark here, they will influence and bring their extended families, colleagues, circle of friends and peers to New Zealand.

Finally, we note that the project may also help the region to recover more quickly from the devastating effects of Covid-19 by creating economic stimulus during construction, then by attracting high net-worth visitors over the longer term.

## 5.5. Importance and Value of Golf Tourism

In 2018, over 61,000 international visitors played golf in NZ, contributing over \$425 million to the national economy<sup>4</sup>. And, prior to the onset of the Covid-19 pandemic, inbound golf tourism was growing.<sup>5</sup> The latest Golf Tourism New Zealand update<sup>6</sup> shows rising international marquee rounds, with particularly strong growth out of China and elsewhere in Asia.

International golf tourism is a lucrative segment, with golfing visitors to New Zealand staying longer and spending more on average than their non-golfing counterparts<sup>7</sup>. In fact, a recent infographic report showed that the average spend of golf visitors from the USA was approximately

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<sup>4</sup> Enriching Lives Through Golf: Golf New Zealand's Strategic Plan 2020 to 2025, p13

<sup>5</sup> Golf Tourism New Zealand Progress Report, Fifth Edition, March 2018

<sup>6</sup> ibid

<sup>7</sup> <https://www.tourismnewzealand.com/media/3424/special-interest-infographic.pdf>

\$19,000 vs \$3,900 for all other holiday visitors.<sup>8</sup> Golf tourists also provide significant wider benefits through off-course expenditure on transport, accommodation, food and beverage services, retail, and other recreational activities.

For example, a recent report by McDermott Consultants<sup>9</sup> considered the off-course spending of visitors to Mangawhai's Tara Iti golf course. It found that, in 2018, staff of the prestigious golf course organised itineraries for 66 visitors with an average cost of \$12,700 per person. Since this was just the cost of the organised tours themselves, it excluded discretionary spending such as shopping that would have occurred along the way. Clearly, visiting golfers playing at high-end courses have the capacity to be high-value tourists.

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<sup>8</sup> *ibid*

<sup>9</sup> "The Economic Benefit of Overseas Investment in Golf Courses, Te Arai South", McDermott Consultants Ltd, April 2019, p23

## 6. Land Use Options

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This section identifies and describes two possible land use options for the site: the status quo, and the Project.

### 6.1. Option 1 – Status Quo

Option 1 represents a continuation of the status quo, where the land is used for low-level rural production as follows:

- **Pastoral Farming** – there are currently approximately 3,000 stock units of pastoral beef and sheep onsite, which equates to a wintered stocking rate of 11 to 12 units per hectare.
- **Dairy Farming** – in addition, there are approximately 150 dairy cows, which currently produce an estimated 57,000 kilograms of milk solids per annum.
- **Sandstone Quarry** – an existing sandstone quarry operates at relatively modest levels of intensity, extracting about 600 tonnes of product per year, or less than 2 tonnes per day.

Importantly, a Farming Operations Report by Dean Nikora – the farm manager at the site – has identified practical issues with the ongoing operations of existing farming activities.<sup>10</sup> Mr Nikora concludes that recent changes to freshwater regulations (National Environmental Standards for Freshwater Management 2020) would require further capital investment to make the farm compliant with the new standards and, even then, the farm may still not be capable of continuing at current levels.<sup>11</sup> More generally, Mr Nikora’s report notes that existing dairy farm infrastructure is tired and needs investment, and that such pending investments may render the dairy farm unit unviable over the longer term. Accordingly, caution should be applied if assuming that current operations can continue without additional costs and/or reductions in output to meet new regulations and environmental standards.

### 6.2. Option 2 – Proposed Golf Development

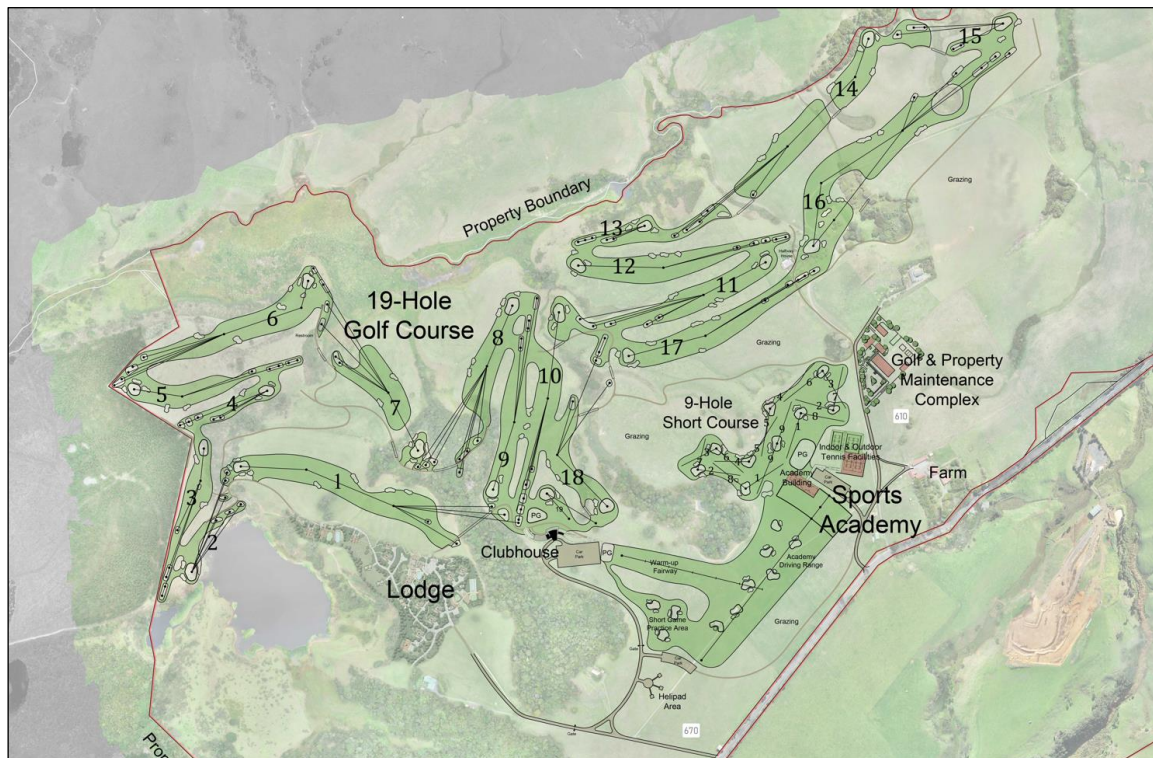
In addition to the Project, Option 2 sees the most rural production continue onsite, namely pastoral farming and quarrying, with the dairy farming unit discontinued. Figure 4 shows the latest indicative layout of the golf resort, with each element described further below.

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<sup>10</sup> Farming Operations Plan Report, Appendix 9 of the AEE, at page 12.

<sup>11</sup> *ibid*

Figure 4: Indicative Masterplan for the Golf Resort



### Golf Courses & Clubhouse

The 19-hole golf course<sup>12</sup> has been designed by preeminent golf course designer Kyle Phillips and will be constructed and operated to high standards. It is anticipated that the course will achieve ‘Marquee’ status (see Section 5.3), adding to New Zealand’s existing inventory of premium golf courses. In addition to the course itself, a warm-up range and short-game practice area are proposed, consistent with world-class golf facilities.

The Clubhouse serves as the operational and social hub of the facility. Located centrally within the site, it is the arrival point for golfers, guests, and caddies, as well a congregation point for golfers finishing their rounds. Clubhouse amenities include a pro shop (where golfers check in for play and can purchase golf clothing, equipment, and accessories), a restaurant and bar, a members lounge, and changing room amenities. In addition, the Clubhouse provides administration spaces and a storage area for golf carts and other bulky items.

### Lodge

Nestled into a native forest, the lodge is expected to offer a total of 26 units of varying configurations, each with private outdoor spaces. A restaurant and bar will service lodge guests and members, with limited spaces available for pre-booked casual dining. The lodge development also proposes to feature a wellness centre, which would include an indoor pool and sauna, a gymnasium, several treatment rooms for spa services and a separate yoga/meeting room.

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<sup>12</sup> Constructing 19 holes of golf allows rounds of 18 to continue uninterrupted when a hole may be out of service temporarily for maintenance purposes.

## Sports Academy

The establishment of a Sports Academy onsite provides tangible support for promoting the game of golf at all levels. Year-round instruction will be available to golfers from the club's membership, as well as the public, and will range from introductory lessons right through to high performance coaching for elite players. The academy will be operated by the Institute of Golf (IOG), who currently operate out of three separate Auckland locations. As the country's largest golf coaching group, IOG has a proven track record of introducing new players to golf, and developing talented golfers, including Lydia Ko.

The Sports Academy operations will take place both indoors and outdoors, and will include:

- A nine-hole, reversible par three golf course;
- A driving range and other dedicated short-game practice areas;
- Indoor teaching studios;
- Physiotherapy rooms;
- Four tennis courts (two indoor, one outdoor grass, and one outdoor clay court)
- A multi-purpose room/gymnasium; and
- A café, available for breakfast and lunch service, and open to the public.

## Golf NZ Headquarters

It is expected that Golf NZ will relocate its national headquarters to the Sports Academy building. Our assessment assumes that Golf NZ will occupy part of the Sports Academy building.

### 6.3. Option Comparison

Table 1 below summarises the various land uses under both options.

Table 1: Land Use Summary

Activity	Option 1: Status Quo	Option 2: Golf Development
Golf Course	✗	✓
Clubhouse	✗	✓
Lodge	✗	✓
Golf Academy	✗	✓
Golf NZ HQ	✗	✓
Beef farming	✓	✓
Sheep farming	✓	✓
Quarry	✓	✓
Dairy farming	✓	✗

## 7. Methodology

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This section describes the methodology that we used to assess the likely economic impacts of the Project compared to the status quo.

### 7.1. Approach to the Analysis

This report quantifies the tangible economic impacts on regional GDP, incomes, and employment of constructing and operating the various elements and businesses that comprise the Project. Plus, it estimates the wider economic effects of future spending by patrons on tourism goods and services available nearby. Finally, it adjusts the Project's gross impacts to reflect displaced/relocated regional activity to arrive at its likely net ongoing economic impacts.

### 7.2. Quantifying One off and Ongoing Economic Impacts

The numerous processes associated with obtaining all necessary consents, finalising the site design, preparing the land for development, installing necessary infrastructure, and then constructing the golf courses, the lodge, and the various buildings that comprise the Project, will create significant economic stimulus. In addition, once operational, the various facilities and businesses enabled by the Project will sustain significant ongoing activity, and thus have enduring economic effects.

We quantified these one-off and ongoing economic impacts using a technique called multiplier analysis, which is based on detailed matrices called input-output tables. These describe the various supply chains that comprise the regional economy, and therefore enable the wider economic impacts of the Project to be traced through to estimate its overall impacts. These impacts include:

- **Direct effects** – which capture onsite activities directly enabled by the Project, plus the impacts of businesses that supply goods and services directly to the Project; plus
- **Indirect effects** – which arise when businesses working directly on the Project source goods and services from their suppliers, who in turn may need to source good/services from their own suppliers, and so on; and
- **Induced effects** – which occur when a share of the additional wages and salaries generated by the Project (directly or indirectly) are spent in the local/regional economy and therefore give rise to additional rounds of economic impacts.

Economic effects are usually measured in terms of:

- **Contributions to value-added (or GDP).** GDP measures the difference between a firm's outputs and the value of its inputs (excluding wages). It captures the value that a business adds to its inputs to produce its own outputs.

- **The number of people employed** – this is measured in terms of employment counts, which include both part-time and full-time workers.
- **Total wages and salaries** paid to workers, which are often labelled ‘household incomes.’

### **7.3. Maturity Periods**

Future activity at the new facility will take time to reach its long-run potential. We acknowledge this “ramp-up period” and estimate the annual impacts of the facility at a hypothetical future date when it is assumed to be operating at full capacity.



## 8. One-off Economic Impacts

This section estimates the likely one-off economic impacts of constructing the Project.

### 8.1. Input and Assumptions

Extensive work is required to prepare the land for development, and then construct the golf courses and the various associated buildings, with these activities expected to take approximately 3-4 years to complete, subject to construction programming.

It is anticipated that the Golf Business will be constructed first. Once the physical works are nearing completion, the Golf Business will commence operations (including for example by presale of memberships) The next phase of the Project would involve the development of the Lodge Business. This would result in a staggered construction period but may also mean some of the economic benefits associated with the operations of the Golf Business commence prior to the approximated 3-4 year construction phase. Accordingly, the estimated benefits should be considered conservative.

We estimated the total one-off regional impacts of the full range of development activities based on the following forecasts provided by GSG:

- Approximately \$62.8million for construction of the Golf Business; and
- Approximately \$50.2million for construction of the Lodge Business.

Noting the unique characteristics of the Project and the lack of a directly comparable example in the Auckland context the above figures have had conservative contingencies added to them. According to those, the Project's development phase will cost just over \$113 million, most of which is attributable to land development, and building construction. The split of these estimated one-off costs are summarised below in Table 2 and form the basis of our one-off economic impact estimates.

Table 2: Estimated Total Development Costs

Development Phase	Total Cost (\$m)	Golf Business Cost (\$m)	Lodge Business Cost (\$m)	Share
Planning/Design/Consent	5.4	4.4	1.0	4%
Land Development & Construction	103.1	53.9	48.2	93%
Pre-Opening Capex	4.5	4.5	~1.0	3%
<b>Approximated Total</b>	<b>113.0</b>	<b>62.8</b>	<b>50.2</b>	<b>100%</b>

### 8.2. Estimated Regional Impacts

The resulting one-off regional economic impacts of the expenditures above are set out in Table 3 below.

Table 3: Total Regional Economic Impacts of the Proposal

Planning/Design/Consent	Direct	Indirect	Induced	Total
Regional GDP (\$ millions)	\$2.7	\$1.1	\$1.2	\$5.0

Employment (People-years)	27	11	10	48
Salaries/Wages (\$ millions)	\$1.5	\$0.6	\$0.4	\$2.5
<b>Land Development/Construction</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	
Regional GDP (\$ millions)	\$21.7	\$41.3	\$20.2	\$83.2
Employment (People-years)	192	404	172	768
Salaries/Wages (\$ millions)	\$14.1	\$20.2	\$7.4	\$41.7
<b>Pre-Opening Capex</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	
Regional GDP (\$ millions)	\$2.3	\$0.7	\$0.9	\$3.9
Employment (People-years)	18	7	8	33
Salaries/Wages (\$ millions)	\$1.3	\$0.3	\$0.3	\$1.9
<b>Total One-Off Impacts</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	
Regional GDP (\$ millions)	\$26.6	\$43.1	\$22.3	\$92.0
Employment (People-years)	237	422	191	850
Salaries/Wages (\$ millions)	\$16.8	\$21.1	\$8.2	\$46.1

Table 3 shows that the Project will have significant economic impacts, particularly at the land development and construction phases. For clarity, we restate these below in terms of the number of people directly and indirectly employed at each stage of the project's development. These figures assume that FTEs equal 90% of employment counts based on recent Australian construction employment data.

- In 2021-2022, 24 direct FTE jobs will be created in the planning/design/consent stages, with a further 10 FTE jobs created indirectly in sectors that support planning/design/consent.
- In 2022-2025, 173 direct FTE jobs will be created in the infrastructure/land development/building construction stages, with a further 364 FTE jobs created indirectly in sectors that support infrastructure and land development.
- In 2025-2026, 16 direct FTE jobs will be created in the pre-opening capital expenditure stage, with a further 6 FTE jobs created indirectly in sectors that support this expenditure.

While the Project is expected to also have induced impacts, where people employed by the Project spend wages/salaries locally and cause additional effects, these are less tangible than the direct and indirect effects noted above. Accordingly, we focus on direct and indirect effects here.

## 9. Ongoing Economic Impacts

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This section estimates the ongoing annual economic impacts of the Project when operating at full capacity, plus likely wider spending by club members and visitors across the region. Then, it accounts for regional activity displaced or “crowded out” by the Project to determine net annual regional impacts.

### 9.1. Overview

The various components of the Project will provide ongoing incomes and employment for workers of varying skills and experience levels, thereby sustaining economic activity. Below, we summarise key operating metrics for the Project at maturity, before considering its likely ongoing regional economic impacts.

### 9.2. Summary of Key Operating Metrics

GSG supplied us with detailed information about the likely performance of each Project element, which we used to estimate the corresponding regional economic impacts at maturity. Below is a summary of the key operating metrics that underpin our estimates of the Project’s ongoing economic impacts. Please note that some metrics are suppressed for confidentiality reasons.

Golf course membership will be capped at 300 members. Membership sales will commence as early as a year prior to completion of the golf course. Members, along with their guests and patrons of the luxury lodge, are forecast to play approximately 12,500 rounds of golf annually. 80% will be played during the summer peak season, with the other 20% off-peak.

The 26 luxury lodge units are expected to achieve a 60% annual occupancy rate, with an average of 2 guests per room, which translates to more than 11,380 annual guest nights per annum.

Once relocated onsite, the Golf Academy is expected to operate at 25% above its current levels (across its three existing locations). About 60% of this activity will occur during the peak season, and about 40% off-peak.

### 9.3. Onsite Incomes and Employment

The operating information provided by GSG also included estimates of onsite incomes and employment by Project element. That information is provided in Table 4 below, including the likely split between peak and off-peak employment.<sup>13</sup>

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<sup>13</sup> Please note that these figures also include 30 FTE positions, and just under \$1.5m of corresponding annual salaries/wages, for various services shared by the proposal’s key operating elements. These include office functions, such as management, accounting, human resources and information technology, as well as building maintenance, gardening, laundry, and housekeeping.

Table 4: Ongoing Onsite Employment Assumptions

Component	Peak Season FTEs	Off-Peak Season FTEs	Annual Average FTEs	Annual Wages/Salaries	Average Wages/Salaries
Golf Course & Clubhouse	55	18	36	\$3.7	\$103,000
Lodge	73	43	58	\$4.0	\$70,000
Academy	21	18	20	\$1.2	\$59,000
Golf NZ	26	26	26	\$2.7	\$103,000
<b>Total</b>	<b>176</b>	<b>105</b>	<b>140</b>	<b>\$11.7</b>	<b>\$83,000</b>

Table 4 shows that the various key elements that comprise the project will employ about 140 people full time and pay total wages and salaries of about \$11.7 million. This translates to an average wage/salary of \$83,000 per full-time worker.

### 9.4. Gross Annual Onsite Impacts

We combined the annual employment and income data above with the forecast operating profits of the Project's various elements to derive the amount of regional GDP created onsite annually. Then, we mapped the ongoing purchase of goods and services by onsite businesses from regional suppliers and overlaid regional economic multipliers to derive the overall annual impacts of future onsite activities. These are illustrated in Table 5 below.

Table 5: Gross Ongoing Economic Impacts of the Proposal

<b>Golf Course &amp; Clubhouse</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$6.2	\$0.8	\$0.7	\$7.7
Employment counts	55	8	6	69
Salaries/Wages (\$ millions)	\$4.6	\$0.4	\$0.3	\$5.2
<b>Lodge</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$13.4	\$2.9	\$2.5	\$18.8
Employment counts	154	27	21	202
Salaries/Wages (\$ millions)	\$7.0	\$1.3	\$0.9	\$9.2
<b>Golf Academy</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$0.5	\$0.0	\$0.0	\$0.5
Employment counts	20	0	0	20
Salaries/Wages (\$ millions)	\$1.2	\$0.0	\$0.0	\$1.2
<b>Golf NZ</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$5.4	\$1.0	\$0.9	\$7.3
Employment counts	54	10	8	72
Salaries/Wages (\$ millions)	\$3.8	\$0.5	\$0.3	\$4.7
<b>Ongoing Totals</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$25.4	\$4.7	\$4.2	\$34.3
Employment counts	283	45	36	363
Salaries/Wages (\$ millions)	\$16.6	\$2.2	\$1.5	\$20.3

Table 5 shows that the Project will have significant ongoing direct economic impacts from the date of full operations, including employment for more than 280 people, annual wages and salaries of \$16.6 million, and more than \$25 million of regional GDP. In addition, the Project will create strong indirect and induced economic effects, but its direct effects are likely to be of greatest interest to decision makers, so we focus on those here.

## 9.5. Wider Tourism Spending

The figures above capture the economic impacts of onsite activities, plus those arising from the ongoing purchase of goods and services from regional suppliers. In addition, future (high net worth) visitors of the site will create additional impacts via spending at nearby facilities, such as wineries, tourism operators, and artisan craft shops. This subsection estimates their potential annual value.

To begin, we first identified tourism-related businesses located within 10 kilometres of the site. There are nearly 50, as listed in Table 6 below, which indicates that there will be ample opportunity for future visitors to spend locally and hence generate additional economic impacts.

Table 6: Local Tourism Outlets/Facilities

Category	Name	Category	Name
Accommodation	216 Luxury Accommodation	Food & Beverage Services	Bethells Café
	Ara Station		Sand Dunz Beach Café
	Bethells Beach Cottages	Personal Services	Moko Ink
	Bush Sand and Sea		Sole Reflexology
	Coast Retreat Muriwai		SOS Survival Training
	Kumeu Countryside Haven		Starlight Tattoo Studio
	Mataia Homestead		Absolute Essential
	Only Fools and Horses	Retail Outlets	Earthbound Honey
	Parihoa Farm		Feldon Shelter
	Scenic Ridge		GlidePro
	Tanglewood Retreat		Goose Creek Olive Oil
	The Barn @ Kumeu		Kauri Crafts and Furniture
Auckland Shore Excursions	Kumeu Flower Farm		
Diamond Lodge Equestrian	Next Swell		
Good from Scratch	Serenity Candles & Gifts		
Kumeu Riding School	Te Henga Studios		
Maria Miller Equestrian Academy	The Floral Studio		
Activity Providers	Muriwai Beach Horse Treks Auckland	Event Venues & Vineyards	Aio Wira Seminar & Retreat
	Muriwai Golf Club		Flaxmere House
	Muriwai Surf School		Gracehill Vineyard Estate
	Pae o te Rangi Disc Golf Course		Jonkers Farm
	Pedaltours		Little Wilderness
	Tree Adventures		McGrath Estate
	Waitakere Golf Club		The Barn Waimauku

Next, we used information provided by GSG to identify the proportion of future users/visitors that are likely to live outside Auckland, and thus are visitors from a regional perspective. These are identified in Table 7 below by facility and season.

Table 7: Origins of Users/Visitors

<b>Peak (Oct-Apr)</b>	<b>Aucklanders</b>	<b>Visitors</b>
Golf & Clubhouse	30%	70%
Lodge	2%	92%
Academy	53%	47%
<b>Off-Peak (May-Sep)</b>	<b>Aucklanders</b>	<b>Visitors</b>
Golf & Clubhouse	72%	28%
Lodge	40%	60%
Academy	53%	47%

We applied these proportions to the expected number of users by onsite facility and season to calculate the number of regional visitors. Then, we overlaid estimates of offsite spend per visitor to derive Table 8 below of annual impacts associated with wider tourism spending.

Table 8: Ongoing Economic Impacts of Wider Tourism Associated with the Project

<b>Golf Course &amp; Clubhouse</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$2.4	\$1.3	\$1.2	<b>\$4.8</b>
Employment (FTE-years)	48	12	10	<b>70</b>
Salaries/Wages (\$ millions)	\$1.4	\$0.6	\$0.4	<b>\$2.4</b>

According to our calculations, future offsite spending by high net-worth visitors will generate \$2.4 million per annum in direct GDP, create direct employment for 48 people, and create \$1.4 million in direct wages/salaries. Again, there are additional economic impacts arising from flow-on effects, but we focus on direct effects here. Suffice to note that offsite spending by regional visitors will provide significant ongoing financial support for a wide range of local tourism businesses.

## 9.6. Impacts on Rural Production

As noted earlier, the site is currently used for various rural productive activities, namely beef and sheep pastoral farming, dairy farming, and sandstone quarrying. Since the Project will occupy only a fraction of the site, most of this rural production will continue. Only dairy farming operations will cease. In addition, we note that the Farm Operations Report by Dean Nikora notes that the loss of the dairy farm would reduce total farm employment by only 1.5 FTEs<sup>14</sup>, with an additional 0.5 FTEs required to assist with ongoing pastoral farming. As a result, loss of the dairy unit would cause a reduction in total farm employment of only 1 FTE. This small reduction in farm employment is more than offset by the adoption of very conservative assumptions elsewhere in this analysis and can therefore safely be ignored.

<sup>14</sup> Farm Operations Report, Appendix 9 of the AEE, page 12.

## 9.7. Net Economic Impacts

Some of the onsite economic activity captured in section 9.4 above would have occurred absent the Project. For example, some users/visitors will be Aucklanders, whose onsite spending represents money that would have been spent elsewhere in the regional economy anyway. Accordingly, it generates no net regional benefits. In addition, Golf NZ and the Institute of Golf are existing Auckland organisations, so their prospective relocation to the subject site also will not generate net regional benefits (assuming that neither grow due to co-location with the new course and other facilities, which seems likely).

To ensure that the analysis accurately captures the net impacts of the Project on a regional basis, these displaced or relocated economic activities need to be subtracted from the Project's gross impacts (as calculated above). Table 9 below presents our resulting estimates of net impacts, which account for displaced/relocated regional activity.

Table 9: Net Ongoing Regional Economic Impacts of the Proposal

<b>Impact Measures</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Regional GDP (\$ millions)	\$17.0	\$3.8	\$3.4	<b>\$24.1</b>
Employment (FTEs)	199	36	29	<b>264</b>
Salaries/Wages (\$ millions)	\$9.9	\$1.7	\$1.2	<b>\$12.8</b>

Overall, we expect the Project to increase direct regional employment by nearly 200 FTEs, generate almost an extra \$10 million in direct annual wages/salaries, and boost regional GDP directly by \$17 million per annum. These are significant net annual impacts, particularly from just one new development.

## 10. Wider Economic/Strategic Benefits

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This section considers various likely wider economic/strategic impacts of the Project.

### 10.1. Support for Government & Council Golf Plans/Strategies

As discussed earlier, central government, national sporting organisations, and Auckland Council have strategies specifically aimed at harnessing the economic and social benefits of golf and golf tourism. The Project acknowledges and directly responds to these strategies by providing a world-class golf resort that will not only attract very high net worth visitors, but the Sports Academy facilities will also help foster the next generation of casual golfers and elite players. In doing so, they help give effect to the various central and local government strategies and policies aimed at golf.

### 10.2. Strengthening of NZ Marquee Course Network

Figure 3 in section 5.3 showed that New Zealand's international golf tourism proposition is underwritten by a network of world-class "marquee" courses, which themselves are backed by a complementary network of experience courses. The stronger this network of courses is, the more attractive New Zealand becomes as a destination for high net wealth international golf tourists.

The Project aims to be formally identified as a new marquee course, taking the total in Auckland to five. This, in turn, will make Auckland an even more compelling destination for future golf tourists, both domestic and international, for the benefit of the regional economy.

### 10.3. Destination Marketing with High-Net Wealth Individuals

In the previous section, we estimated the ongoing economic impacts of wider spending by high-value tourists attracted to the region by the Project. This is an important source of economic value and forms a core part of the Project's overall economic rationale. However, in addition, the Project will perform an additional role as destination marketing for high-value tourists and their network of friends and family. In short, having completed a successful trip to New Zealand and visited the Project, high-value tourists will return home and espouse its virtues to friends and family. This word-of-mouth destination marketing is an invaluable source of free advertising for "New Zealand Inc" and is therefore an important feature of the project's broader economic effects.

### 10.4. Higher and Better Use of Land

Finally, we note that the Project will enable the site to be put to a higher and better use, and therefore improve economic efficiency in the underlying land market. Indeed, not only does the Project allow a range of employment-generating activities to establish onsite, but it also retains most of its existing rural productive uses. In addition, there may be synergies between the Project and existing rural uses, with the latter adding to the authenticity of the tourism experience offered by the proposed golf facilities.



## 11. Summary and Conclusions

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This report has considered the likely economic costs and benefits of enabling a world-class golf facility to establish on an operating farm in Muriwai, in the north-western reaches of Auckland. It has shown that the Project will accommodate a wide range of complementary and interrelated golf activities and businesses to establish onsite over time, while also retaining most of its existing rural productive capacity. As a result, it will provide a net increase in economic value generated and sustained by the land, while avoiding any material economic costs.

## Appendix A - Golf in New Zealand and Associated Benefits



# GOLF IN NEW ZEALAND AND ASSOCIATED BENEFITS

November 29, 2021

REF: 0800-2111-1067

PREPARED BY:  
RYAN BRANDEBURG, PGA  
GOLF STRATEGY GROUP®



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## 1.0 About Golf Strategy Group & The Author

Ryan Brandeburg is a director of Golf Strategy Group (GSG), a boutique New Zealand based consultancy. Our client list includes projects completed for central governments, councils, golf clubs, investor groups, and private owners both here and abroad. GSG's main areas of focus are golf course development and design, golf course operations, golf and premium tourism, and advisory services for potential investments into the areas listed above.

A member of the Professional Golfer's Association of America (PGA), Ryan has managed golf and resort properties, and lead a variety of golf and premium tourism projects in the USA, New Zealand, Australia, and China.

Educated at Coastal Carolina University (USA) with a degree in Business Marketing and Professional Golf Management (one of the few universities in the world to offer such a degree), Ryan worked for private clubs, individual high net worth owners, and the world's largest private equity firm before being recruited to New Zealand in 2009 to run the country's two flagship properties, Kauri Cliffs and Cape Kidnappers. In this role, he was responsible for the course's operations, strategic direction, branding, and international sales and marketing. He also worked closely with the hospitality team and lodge management, and in Mr. Robertson's other businesses (farming and wine).

Since GSG's formation in 2015, Ryan has been instrumental in managing the relationships and delivering advisory services to several high net worth clients. He has also overseen GSG's government contracts, which include his ongoing work for Auckland Unlimited (formerly ATEED), and his role as Executive Director of Golf Tourism New Zealand, the entity responsible for more than tripling the economic value of inbound golf tourism to New Zealand, where he was chosen for the position by then Prime Minister and Minister of Tourism, Sir John Key.

Ryan sits on the board of the New Zealand Golf Industry Council, and regularly contributes to several high profile publications including writing the largest ever feature piece for *Golf Digest*, provides keynote speaking services on golf tourism and advisory topics, and has authored two books aimed at educating young PGA Professionals.

## 2.0 Executive Summary

Golf is both a high performance sport and a game enjoyed by many in a recreational sense. In New Zealand, it is our highest participation sport, attracting people of all ages and backgrounds to get outdoors and active.

The benefits of golf are far reaching and include positive impacts made across our communities, health and wellbeing, the economy, and our environment.

The cumulation of the topics covered in this report will show why Auckland Council, via Auckland Unlimited, have used golf as a key part of their tourism strategy for several years, and plan to do so for several years to come.

The body of this report will cover:

- 11 areas where golf makes a positive impact on New Zealand, including annual industry contributions (pre-pandemic) of \$1.5 billion NZD with almost 750 golf jobs in Auckland alone.
- Golf's significant contribution to the visitor economy
- Measures taken to improve environmental impact and sustainability throughout the industry

### 3.0 Golf's Impact on New Zealand and Auckland

While golf is both a high performance sport, and a game with a significant worldwide following, there are several benefits not often considered when weighing up the impact golf makes on the local community and the nation as a whole.

The following sections articulate the benefits of golf:

#### 3.1 Current Impact on the Community

Golf is officially the highest participation sport in the country (per Golf New Zealand, November 2021). The benefits of golf are far reaching and go well beyond that of sport.

Golf provides life skills and quality family time, produces champion athletes representing New Zealand, is an excellent form of exercise, ensures greenspace is maintained and well looked after, employs thousands of people, provides a financial contribution, has a significant charitable impact, promotes New Zealand through events, and is a significant tourism earner for the country.

#### 3.2 Key Life Skills and Family Time

Golf is a sport that promotes key life skills including courtesy, honesty, respect, and integrity. These life skills are a core fundamental of junior golf programmes. While an individual pursuit, golf is often enjoyed with others and provides excellent opportunities for quality family time in a fun, safe, and outdoor environment. Since golf can be played at any age, it is one of a few select physical activities that families, and multi-generational families can enjoy together.

#### 3.3 Health, Wellbeing, and Social Value

Golf provides crucial health benefits by means of non-strenuous, low impact exercise. Additionally, while several activities are inaccessible to people with disabilities or those with breathing conditions such as asthma, golf is not.

According to New Zealand's Ministry of Health, "Regular physical activity can reduce your risk of some health conditions and help you to manage others. A recent study by the University of Edinburgh has found playing golf helps prevent 40 major chronic diseases such as type II diabetes, heart attacks, strokes, breast and colon cancer and can help reduce the risk of anxiety, depression and dementia while improving self-esteem, self-worth and self-confidence<sup>1</sup>."

A golfer walking a typical golf course will burn over 2,000 calories and cover over eight kilometres...one more kilometre than a rugby player during a game<sup>1</sup>. Even golf by cart has exercise benefits, with golfers choosing to ride still walking over three kilometres during a round. For a golfer that plays golf walking 18 holes once per week, the annual distance covered on a golf course is over 416 kilometres, almost the distance from Auckland's CBD to Napier. These all factor into the overwhelming statistic that on average, golfers live five years longer than non-golfers<sup>1</sup>.

Closer to home, research undertaken by SBP and Street Ryan for Golf Victoria (Australia), found that golf's physical health benefits save the State of Victoria \$33 million AUD due to the prevention of heart disease, Type 2 Diabetes, stroke, colorectal cancer, and breast cancer<sup>2</sup>.

Recently, golf bodies have been investigating the social value of golf and a 2017 study conducted by England Golf and the PGA concluded that golf has an overall social value of £1.8 billion to the UK. It further showed that every £1 spent on golf generates £1.17 worth of social benefits<sup>3</sup>. Conducted by the Sport Industry Research Centre (SIRC) at Sheffield Hallam University, the research takes into consideration the total social value of golf participation measured through factors such as subjective wellbeing, health and social capital and divides this by total inputs into the sport from golf players, volunteers, funders of the sport and the delivery bodies. When mentioning social value, it is also important to recognise that golf provides regular social interaction, which aids mental wellbeing and allows people to spend quality time with friends and family.

New Zealand's governing body for golf, Golf New Zealand, has launched three programmes aimed at inclusiveness and activity for a variety of ages, genders, and demographics. All three programmes are part of the larger "Love Golf" initiative, aimed at increasing participation and changing the perception of golf.

1. 'She Loves Golf' is focused on bringing more women and girls into the sport. Through the use of influencers such as Lydia Ko, Toni Street, and Gemma McCaw, the She Loves Golf campaign shows women and girls that golf is a sport for all genders and ages.
2. 'Love Golf Futures' is targeted to the youth market and aims to inspire them to create a lifelong relationship to the sport of golf. These young people are taught valuable life skills, have the ability to meet new

friends, be outdoors and active, and provide opportunities for the entire family to play together.

3. 'Love Golf All Abilities' uses golf as a means to enrich the quality of life to those with disabilities with a view to illustrating that golf is a sport that can be enjoyed by those with a variety of disabilities (including physical disabilities) in a safe and fun environment.

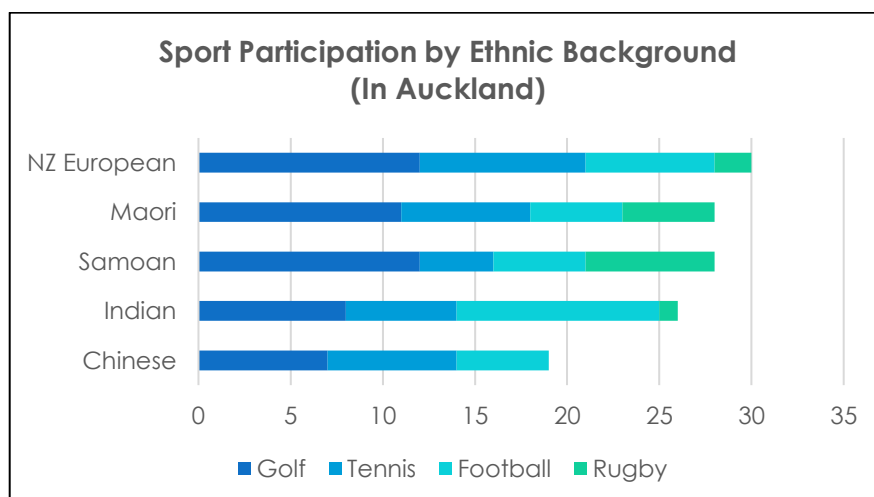
Golf also plays a role in keeping people active as they age. 92% of the burden of disease that results from a lack of physical activity is borne by people aged 15 and above. There is a benefit to society by keeping people active as they grow older<sup>5</sup>.

In other popular sports such as tennis, football, rugby, and netball, participation drops considerably as people age. All four sports mentioned above, plus golf, have their highest active participation between the ages of 18-24. However, as shown by the chart below, the longevity of a golfer playing their sport is significantly longer<sup>2</sup>.

Participation in Popular NZ Sports by Age						
	Ages					
	18-24	25-34	35-49	50-64	65-74	75+
<b>Golf</b>	13%	11%	12%	12%	11%	8%
<b>Tennis</b>	14%	9%	10%	7%	3%	2%
<b>Football</b>	17%	9%	8%	2%	0%	0%
<b>Rugby</b>	8%	4%	2%	0%	0%	0%
<b>Netball</b>	14%	10%	5%	1%	0%	0%

*\*Golf leads participation in all boxes highlighted in yellow*

Golf in Auckland is also ethnically diverse, and engages with several groups within the larger Auckland community, which has over 200 ethnic groups (and is therefore the 4<sup>th</sup> most diverse city in the world<sup>4</sup>).



The chart below, produced by Golf New Zealand, illustrates the many health benefits of playing golf.

# LOVE GOLF, LIVE LONG

## GET OUT FOR A ROUND

The burden of physical activity costs New Zealand more than \$2 billion every year. 92% of the burden of disease from physical activity is from people aged 15 and above.

There are an estimated 500,000 golfers in New Zealand and it is New Zealand's most popular club based sport for adults.

The moderate physical activity that golf provides increases life expectancy, has mental health benefits and can help prevent and treat more than 40 major chronic diseases.

- Dr Andrew Murray

**MANAGE OR LOSE WEIGHT AND IMPROVE BODY COMPOSITION**

**IT'S GREAT TO WATCH**

**IMPROVES SELF CONFIDENCE AND SELF ESTEEM**

**GOLF HELPS US RELAX**

**GOLF HELPS US CONNECT WITH NATURE**

**PREVENTION AND TREATMENT OF OVER 40 MAJOR CHRONIC DISEASES**

**AN INCREASED LIFE EXPECTANCY**

**IMPROVES COORDINATION, BALANCE, MUSCLE STRENGTH AND ENDURANCE**

**GOLF HAS POSITIVE MENTAL HEALTH BENEFITS**

**IMPROVED RESPIRATORY FUNCTION**

**PLAYING 18 HOLES OF GOLF IS ROUGHLY EQUIVALENT TO:**

- 12,000 steps
- Burning 2,000 calories
- A 5 - 6km run
- A 45 minute fitness class

**LOVE GOLF. NZ 1973**

LEARN MORE AT [LOVEGOLF.CO.NZ](http://LOVEGOLF.CO.NZ)



### 3.4 Champion Athletes Provide Profile and Inspiration

New Zealand has produced several champion golfers with several more currently in development. The accomplishments of these golfers provide profile to New Zealand internationally, and inspires the younger generation to engage in an outdoor activity. Major Champions Sir Bob Charles, Greg Turner, Michael Campbell, and Lydia Ko are household names amongst golfers around the world who associate these high performing athletes with New Zealand. Ko's Bronze Medal at the Tokyo Olympics in 2021, and her Silver Medal at the Rio Olympics in 2016, made international news, as did her apparel and equipment, which were emblazoned with the Silver Fern and New Zealand flag. In 2018, New Zealand's stars of the younger generation were broadcast around the world when Ryan Fox played in the British Open, and Michael Hendry started in his first US Open.

### 3.5 Positive Impacts on the Environment and Sustainability

Golf courses are a unique habitat that support plants and wildlife by providing significant greenspace. Several golf courses have introduced native species on land that was previously insignificant from a vegetation standpoint. Others have gone further, as evidenced by the work undertaken at Wairakei Golf + Sanctuary, and Cape Kidnappers, both of whom have introduced predator proof fences surrounding the golf courses. Vegetation, along with a golf course's natural greenspace, are excellent producers of oxygen. According to the United States Golf Association, a landscape of turf, trees, and shrubs about 185 square metres in size generates enough oxygen for one person for one year<sup>5</sup>, with a golf course covering 60 hectares on average, one golf course produces enough oxygen for over 3,200 people annually.

New Zealand's golf courses have long held close ties to the environment. Several golf bodies with ties to New Zealand are championing environmentally friendly golf courses such as the New Zealand Golf Course Superintendent's Association, who provide an annual Environment Award. That Award was won by Auckland's Remuera Golf Club in 2018. Remuera was also the first golf course in the country to achieve GEO Certification<sup>6</sup>, which is a highly regulated international programme delivered by the [Golf Environment Organization](#), a non-profit focusing on environmental sustainability in golf. As part of their GEO status, the facility has re-naturalised areas of the course, established a number of beehives around the property to help increase pollination of vegetation, replaced exotics trees with natives and reduced water consumption by replacing inefficient travelling irrigator sprinklers. Nationally, in 2018, Jack's Point won the global GEO award for sustainability at a ceremony in Ljubljana, Slovenia<sup>7</sup>. Cape Kidnappers in Hawke's Bay was the first in New Zealand to become a recognised Audubon Sanctuary by the internationally respected Audubon International<sup>8</sup>, who also provide regulations on golf course construction, water consumption, and environmental sensitivity (see section 15

of the Golf Course Operations and Maintenance Report prepared by NZ Sports Turf Institute & Steve Marsden Turf Services, Appendix XX of the AEE).

The trend across the golf sector is adapting an overall philosophy of using less inputs (water, chemicals, fertiliser) on the golf course for a more natural look and feel. With the use of slow-release fertilisers and organic products (where possible), the environmental impact of a golf course is less than that of a typical farm.

Additionally, golf courses are transitioning to the use of hybrid or electric equipment as it becomes available. Hybrid / electric equipment may carry a higher upfront cost, but the lower running costs and significant reduction in equipment weight (which directly impacts wear and tear on the golf course) make it a very attractive alternative.

There is also a focus on both water conservation (to minimise the need for water as much as possible) and water storage (to protect the golf asset in periods of extreme weather). This includes efficient, computer controlled irrigation systems designed to deploy water only to necessary areas using soil probe technology to ensure water is not being used in areas where it is not needed. Golf courses also use vegetation (grass and plant species) as a means to reduce soil erosion, water bodies to attract wildlife, pest control programmes to eradicate undesirable species, and through their cultural practices can actually reduce the ambient temperature by 7 - 14° Fahrenheit?

The narrative isn't just about reducing water usage, but also how to cope with torrential rains that can plague the country. Stormwater is an area of increasing scrutiny as we add more infrastructure to the city of Auckland (and the broader country), and more examples are found of stormwater systems unable to cope with water volumes. Many golf courses provide a valuable stormwater function, accepting this runoff from neighbouring properties, cleansing it before it reaches storm drains, or filtering it before it re-enters the water table, and helping to reduce risks to the community.

Locally, golf course superintendents in Auckland are partnering with the Department of Conservation (DOC) and in November 2018, DOC hosted the inaugural PF 2050 Trapping Workshop for Golf Courses. DOC has chosen to target golf courses due to:

- A significant number of plant species on the courses (on average, more than 90 with a third being natives).
- Urban centres, an area where DOC struggles to get traction, have large numbers of golf courses.
- Golf is the largest participation sport in the country, which provides a large potential audience for other DOC initiatives.
- Golf course superintendents can train their staff, volunteers, and members whose homes sit on the course boundaries, thus spreading the message further, faster.

This DOC led initiative will be further communicated to all golf course superintendents across the country, with the aim of pest eradication followed by native planting. A press release, published by DOC on 14 October 2021, highlights the importance of golf clubs starting their own pest control initiatives. DOC's Julie Kidd stated "Golf clubs in Auckland are green oases and supporting them in their fantastic predator control and habitat restoration work not only benefits native species, but also the people who live around these spaces."

Auckland's Remuera Golf Club has announced they are the first course in New Zealand to be carbon negative. They were 246.48 tonnes negative in 2018, and in 2019 reduced this number by another 24.92 tonnes despite a 6.7% growth in their business. To put this in perspective, 100,000 litres of petrol consumed in a vehicle will produce around 250 tonnes of carbon emissions. At 10,000 kms per year, that is the equivalent of erasing the carbon emissions of 10 vehicles. Remuera is actively working towards maintaining and improving this carbon negative status by:

- Not cutting down as many dangerous trees or exotics in the future and instead strategically re-planting trees on the course
- Switching to 100% renewable electricity
- Switching to Bio Diesel for equipment
- Investing in 'greener' and electric technologies which will help reduce petrol consumption by around 4,000L per year by using electric greens mowers, rollers and two utility vehicles

It should be noted that Remuera was only able to factor in the Carbon sequestration of their greens, as there is currently only one recognised study done for this. The Club has another +/- 30 hectares of tees, fairways and mown rough that acts as a carbon sink but due the lack of scientific research in these areas this could not be factored in. All indications are that the additional +/- 30 hectares have the potential to sequester the same amount or better than trees over the same area.

### 3.6 Charity initiatives

Golf courses have long been associated with supporting charitable causes through several means. The most popular are through rounds of golf donated to charities, and the use of golf courses as venues for fundraising activities. While data on this from New Zealand is not readily available, a recent report released by We Are Golf, a US based alliance of golf industry stakeholders, showed that from 2012 – 2016, golf has raised nearly \$20 billion USD for charity in the United States<sup>10</sup>. New Zealand operates on a much smaller scale, however research has shown that golf clubs here contribute an average of \$28,000 per annum in charitable donations, placing the total value at over \$10 million NZD<sup>11</sup>. At the 2020 New Zealand Open, co-hosted at The Hills and Millbrook golf courses in Queenstown, event sponsor Hyundai donated an \$80,000 Kona

Electric SUV to the Mental Health Foundation as part of their 'Drive for Good' campaign, something they have supported at the event since 2018. Elsewhere, Tara Iti Golf Club in Mangawhai holds an annual "Shorebird Trust" event to raise money for Mangawhai Wildlife Refuge, and the Malaghan Institute of Medical Research held five events across the country in 2019 to raise funds for diseases such as cancer and asthma. A simple Google Search will reinforce that these events mentioned, while of a high profile, are just a few of hundreds that take place across New Zealand annually.

### 3.7 Employment

Golf directly and indirectly employs a significant amount of people when golf related tourism, construction, retail, coaching, maintenance, and food and beverage are considered. A recent report titled 'The Impact of Golf in Auckland'<sup>4</sup> (part of the 'Golf Sector Plan for Auckland'), shows 749 full time equivalent (FTE) jobs in Auckland directly attributed to golf as of 2016. Using this as a base, nation-wide golf would easily employ well into the thousands.

### 3.8 Golf's Financial Contribution to the Economy

Through wages paid, fees collected, and ancillary spend on golf related retail items, on-course food and beverage, hire equipment, golf related travel, and golf construction, the financial contribution golf provides to the economy is significant and estimated to be over \$1.5 billion NZD annually (pre-pandemic)<sup>12</sup>.

According to the sport's governing body, Golf New Zealand, in November 2021 there were 35 golf courses with members in the Auckland / North Harbour Regions with 30,098 members across these courses playing well over 1,000,000 rounds of golf annually. The quantity of adult golf club members in Auckland is larger than the memberships of rugby, netball, and football combined<sup>2</sup>. When average membership fees of \$750 NZD per person are applied, this results in more than \$18.2 million NZD in membership revenue, or in excess of \$2.3 million NZD in GST alone. When golf tourism is factored in (see the Tourism section in 2.11), the financial contribution to both the Auckland Region and the country resulting from golf is substantial. The Auckland report referenced above<sup>2</sup> shows that golf contributes an estimated \$54 million NZD per annum to the Auckland economy. The report also highlighted the economic impact from recent course construction in the region (Windross Farm, Wainui, and Tara Iti), who are believed to have generated \$252.7 million NZD in output, \$101.4 million NZD in GDP, and 1,175 FTE jobs through the construction.

### 3.9 Golf Events

Golf events, especially those occurring in the last three years (pre-pandemic), have helped New Zealand make tremendous strides on the world stage. While each of the events below were staged in different regions of New Zealand, they all provide economic benefit (granted to a lesser extent) to other regions

of New Zealand who enjoyed increased visitation pre or post the event. When analysing the data from the category of courses known as “Marquee Course” (defined by Tourism New Zealand as “of high quality, is aspirational with inherent international interest, has history and/or a particular identity and is accessible for visitor play”), data pre, during, and post the four events below saw a lift in international visitor rounds of golf. It is highly likely that this golf was a result of the events taking place.

These events include:

- The country's first LPGA Tour event, The MCKAYSON New Zealand Women's Open, staged at Windross Farm in Auckland in September/October 2017. The Women's Open was broadcast to 150 countries around the world, hosted by local superstar Lydia Ko, and was the largest major tour to ever play in New Zealand.
- The Asia Pacific Amateur Championship held at Royal Wellington Golf Club in October 2017. This is considered the most prestigious amateur championship in the world, with the winner receiving an entry into both the British Open and The Masters Tournament. The event is co-funded by Augusta National, home of the Masters Tournament, and the R&A (formerly the Royal & Ancient Golf Club of St. Andrews, now a separate entity known as the R&A, golf's principle governing body for the majority of the world). New Zealand won the hosting rights to this event, which was funded with \$8M USD of private capital, after a series of site inspections to several countries. While the event was a showcase of amateur talent in the Asia Pacific region, the broadcast was much wider, with over 150 countries receiving the tournament. Additionally, approximately 40 international media visited to cover the event.
- The 2017 World Masters Games saw 700 golfers participate from around the world, which delivered approximately 7,200 visitor nights to Auckland. This produced an estimated \$1.3 million NZD in accommodation revenue and \$1 million in regional GDP<sup>13</sup>.
- The Men's New Zealand Open held in Queenstown in March 2020 (its 101<sup>st</sup> running of the event). The ever popular pro-am format attracts not only some of the best professional golfers in the world, but also business leaders, athletes, and influencers to Queenstown for this week-long celebration of golf. Once again, the event was broadcast to over 50 countries, and international media from Australia, the USA, and South Korea were on hand to provide on-site coverage.

Through these events, and other non-golf events such as The America's Cup, our exposure to the golf world as a fabulous golf and lifestyle destination has never been better. These events are essentially multi-hour “commercials” showcasing the best of New Zealand not only through the host venue, but through the short vignettes that play throughout the broadcast on a range of tourism topics including our golf courses, activities, food, wine, and accommodation. While spectators attending the event are important, the ability to leverage the event's success for the remaining 51 weeks of the year is incredibly valuable to New Zealand's brand. It is not just major televised events where golf makes a significant contribution to the local and

international market, but in the many smaller events that occur throughout the year.

We also note that events are a key part of the Auckland Visitor Plan, which aims to grow the tourism economy to over \$8.24 billion NZD by 2021.

### 3.10 Golf Tourism

An undisputed area of golf's benefit is through golf tourism. As briefly discussed above in Section 2.0, golfers are high spending, high value visitors who travel in small numbers and have a strong desire to visit New Zealand in both summer, shoulder, and winter seasons. Pertinent information about golf tourism and its importance to both New Zealand's and Auckland's economies is as follows:

- At the time of writing the 'New Zealand International Golf Tourism Strategy'<sup>14</sup> in 2013, international inbound golf tourism was valued at \$145 million NZD annually. The Minister of Tourism set a goal of achieving \$223 million NZD in annual revenues from golf tourism by the end of 2016. By mid-2016, annual revenues had exceeded \$300 million NZD, and at the end of 2018 these revenues exceeded \$400 million NZD.
- A core component of the strategy relies on a trail of the 14 Marquee Courses around NZ. Additionally, the Marquee Courses are insulated by 23 New Zealand Experience courses, which help create clusters of facilities in different regions, encouraging a longer length of stay.
- The Central Government funding was critical, as data at the time of the Golf Strategy's writing suggested that 22% of a golf holiday to New Zealand was spent on green fees, with the remainder spent on activities, accommodation, transportation, food, and wine within New Zealand. Evidence derived from Stats New Zealand and Marketview now suggests that only 5% of a holiday golfer's spend is on green fees. With a range between 5-22% going to the golf industry, it would have been unfair for them to shoulder the full burden of a golf marketing initiative. Additionally, several other golf strategies around the world work on a "co-op" platform, with courses paying in a share, and all funds being used to promote the co-op. This ultimately leads to golf courses with the deepest pockets being promoted, and often times those may not be the golf courses that are inherently of the most interest to a visitor. With New Zealand's strategy being centrally funded, it allowed a small group of experts to determine what courses should be included.
- As of Tourism New Zealand's last deep dive<sup>15</sup>:
  - Golfers are the highest spending of all visitor segments to New Zealand (on average, golfers spend 23% more than traditional holiday visitors), making them a premium customer.
  - Golfers are also the most satisfied of all visitor segments, rating a New Zealand golf holiday a 9.3/10, and having the highest net promoter score of any visitor category. Golf provides a staggering 85% net promoter score, essentially meaning that 85% of our golf visitors actively recommend New Zealand when returning home.

- Golfers stay longer, with an average length of stay at 27 nights versus a normal holiday visitor at 16 nights.
  - Statistics show that the average spend from an American visitor on a golf holiday to New Zealand is a staggering \$19,000 NZD per person (excluding international airfare).
  - Golfers are also more likely to include New Zealand's wine in their holiday, with 41% of golfers visiting vineyards compared to 25% of normal holiday visitors.
  - Most golf visitors are from Australia, followed by North America, and China.
  - Golfers are most likely to visit Otago, Waikato, Northland, Nelson, and Hawke's Bay.
- Golfers are much easier to reach than typical holiday visitors, and easier to reach than other special interest segments such as cyclists and wine drinkers, making them not only high spenders, but easily targeted. Cyclists can be found on cycleways, streets, sidewalks, and parks. Wine drinkers can purchase wine through several channels from the local Four Square to bottle shops and restaurants, and they can consume wine in several places including the comfort of their own home. This makes marketing to a cyclist or a wine drinker more expensive, less targeted, and harder to measure. Golfers congregate at golf courses, and marketing can target the most affluent courses in target markets and speak directly to the end user.
- Our country's golf assets were overwhelmingly built with private funds, and in the past 20 years over \$500M NZD has been invested into the development of these facilities.
- Data has been collected on international visitor rounds at the Marquee Courses from January 2014 through to the end of 2019. During that time, the Marquee Courses have seen a 58% lift in international visitor volume<sup>16</sup>. However, Auckland's lift has only been 34%, showing that there is room for improvement.
- The number of international visitors to New Zealand indicating that they play golf is growing. Average visitors playing golf over the five years to 2018 was up an average of 26% annually (compared with an 8% increase among all arrivals), from around 57,000 in 2013 to 130,000 in 2018. The 55 years plus age group increased from 16,900 to 64,000, or from 30% to 49% of the total, accounting for 73% of growth in the market<sup>17 & 18</sup>.
- The government's investment in golf tourism has championed the Marquee and Experience Courses at worldwide travel-trade shows, consumer events, familiarisation tours for travel-trade and media, through digital marketing campaigns, photo and video shoots, and Auckland has been heavily showcased in these.
- Golf in New Zealand is not just a summer sport, but can be enjoyed during the shoulder seasons (and even winter), thus spreading out golf tourism's benefit throughout the year. Over recent years, October / November and March / April have seen growth in golf tourism, and marketing efforts have been directed at selling these shoulder seasons instead of summer.
- Auckland Council, through Auckland Unlimited (formerly ATEED), has a multi-year tourism strategy which includes golf. The GEMS strategy

(Golf, Equestrian, Marine, and Screen) aims to deliver high value visitors to Auckland who may also choose to invest in the city. In discussions with Auckland Unlimited, they are particularly interested in the opportunity the golf course and luxury lodge bring to the city from a tourism perspective, ideally capturing more international visitor nights within Auckland's boundaries.

With the tremendous amount of benefits our golf courses and wider industry provide as local, regional, national, and international assets, we must not forget about the critical aspect of keeping the supply side robust, and at a level that meets and exceeds the expectations of golfers.

While we do have 400 courses in the country, the 37 considered "of interest" to a visitor and selected by Tourism New Zealand represent less than 10% of our product. For the most part, we have tremendous quantity, but require more quality to continue growing as a golf destination, encouraging longer, more immersive stays in New Zealand, and encouraging more international visitors to contribute to the economy.

#### 4.0 Contribution to the Visitor Economy to Date

As discussed at length above, golf has made a significant contribution to the visitor economy of New Zealand, and is poised to increase this figure exponentially in the coming years.

#### 4.1 International Contribution

Nationally, there is no doubt that the exposure of New Zealand's golf product as a tourism asset has seen significant contributions to the visitor economy. This is easily evidenced from the rapid rise in both volume, golfer spend, and total contribution from golf tourism (from \$145 million NZD 2012 to over \$400 million NZD annually<sup>16</sup>). In fact, the wider economy has benefitted disproportionately more than the golf courses have during this period, as the courses capture a very small amount of the overall spend, yet are a primary influencer of a visit to New Zealand, with the majority of the golf tourism visitor's spend going to activities, food/beverage, accommodation, and transportation.

#### 4.2 Contribution to Auckland

While Auckland has always enjoyed a robust inventory of golf courses, the construction of Gulf Harbour Country Club was the first time a golf course was built to cater to an international visitor within Auckland's boundaries. Opening in 1997, it hosted the World Cup of Golf the following year and helped to show the region that attracting international golfers was a real possibility.

Since then, Auckland golf has been experiencing varied levels of success, with a significant quantity of golf but not necessarily enough that meets the needs of the international visitor.



If we look at the past three (pre-pandemic) completed calendar years (2017 – 2019), the combined four Auckland Marquee courses (Gulf Harbour, Titirangi, Wainui, and Windross Farm) played 14,178 rounds from international visitors<sup>16</sup>. Using additional data kindly provided by Golf New Zealand, we have estimated another 19,500 rounds played across the non-Marquee Auckland courses over this period. This shows a total amount of international visitor rounds in Auckland from 2017 – 2019 at 35,156.

We have also been able to estimate the domestic visitor contribution to the economy in Auckland by looking at rounds of golf played in Auckland from golfers registered outside the region (but elsewhere in New Zealand).

We should note that these are rounds posted to the Golf NZ score collection system for handicapping purposes, and therefore they do not capture corporate days, charity days or many other golf events. For this reason, we believe we are missing 25% of the market.

In 2017, we tracked 298,319 rounds of golf played inside Auckland's boundaries by domestic golfers that live outside of Auckland. In 2018, we tracked 289,045 rounds of golf played inside Auckland's boundaries by domestic golfers that live outside of Auckland. In 2019, we tracked 321,260 rounds of golf played inside Auckland's boundaries by domestic golfers that live outside Auckland.

Collectively, this represents 908,624 rounds of golf played inside Auckland's boundaries from domestic visiting golfers living outside Auckland over the past three completed calendar years, versus 35,156 rounds of golf played by international visitors over the same period. Clearly, the domestic visitors are much higher in number, but we would expect them to be much lower in spend due to many of them likely staying with family or friends, just driving or flying in for the day, and likely not engaging in other activities in the region.

Proportionally, this shows that 4% of visitor rounds from Auckland come from international visitors, and 96% come from the domestic market. Unfortunately, we do not have data to show how this percentage compared to other regions of New Zealand. Our belief is that this proportion is substantially higher than those found in Hawke's Bay, Wellington, Christchurch, etc., and may only rival Queenstown, who also have a high proportion of domestic visitor rounds. While Queenstown plays these rounds as a tourism hub, it is believed that Auckland plays this higher proportion of domestic visitor rounds as a business hub.



*Source: Golf Tourism New Zealand & Golf New Zealand*

Placing a financial value on the visitor contribution to Auckland from these rounds of golf is significantly harder due to unknowns around length of stay and spend. However on an average golf spend of \$75 (green fee, cart fee, ancillary spend on golf retail, golf food, golf beverage), which we feel to be on the low side of a spend estimate that equates to a total domestic golf spend inside Auckland of \$70.8 million NZD over a three year period. This does not include additional spend on non-golf food and beverage, accommodation, transportation, and activities, which would provide a significant sum within Auckland's boundaries, especially when factoring in the international spend data that shows us only approximately 5% of total spend occurs at the golf course.

When adding in spend from golf related activities such as retail, coaching, inbound education, driving ranges, mini-putts, and events, the economic impact to Auckland from golf sources is significant, yet in its infancy in terms of what is achievable.

As newer product comes online the ability for Auckland to significantly lift these numbers, both in terms of volume and spend, will be very realistic.

## 5.0 Sustainability in the Golf Industry

With Auckland's recent ranking as one of the world's most sustainable and liveable cities in the JLL Top 20 City Momentum Index (CMI), continued sustainability across all industries is paramount.

Section 3.5 spoke of "Positive Impacts on the Environment and Sustainability", which is a very popular topic in the global golf market at the moment.

Organisations like the Golf Environment Organization (GEO) and Audubon International's 'Cooperative Golf Sanctuary Program' are two examples of global initiatives with set standards for water, chemical, and fertiliser use, as

well as a series of best practices for golf courses to follow in order to be more sustainable.

## 5.1 Environmental Friendliness and Sustainability

The NZGIC's inaugural annual report<sup>12</sup> released a series of bullet points related to how our country's golf courses are working to be more environmentally friendly and sustainable.

Golf courses serve as:

- community greenspaces that provide recreational opportunities that offer and enhance wildlife habitats
- air conditioners that produce vast amounts of oxygen while cleansing the air of pollution and cooling the atmosphere
- water treatment systems, as healthy turfgrass is a filter that traps and holds pollutants in place; courses serve as catch basins for residential and industrial runoff; many courses are effective disposal sites for effluent wastewater
- one of the best ways to reclaim and restore environmentally damaged sites, such as landfills

Furthermore the modern pesticides and fertilisers used to maintain healthy golf course turf have been thoroughly tested and are considered safe when used according to label directions.

## 5.2 Improved Sustainability

The achievements to date can always be improved upon, and there are a few key areas where the golf industry is working to become more sustainable, and they are as follows:

- Electric / Hybrid Equipment

Many golf courses are now looking to electric and / or hybrid equipment instead of traditional petrol equipment. The result will be significantly reduced carbon emissions.

The benefits are significant for the golf course superintendent, as the equipment purchase is a capital cost, so once that is approved, the result is quieter machinery, lower running costs (significantly less fuel), and a long term benefit to the P&L.

- Water Conservation

Golf courses are constantly reviewing water usage, with the costs associated to pump and store water rising quickly

There are four key ways to conserve water at a golf course:

1. An efficient irrigation system

Watering only areas “in play”, and removing water from areas out of play can significantly reduce water usage. Irrigation systems of the past used 360° rotating heads, which delivered irrigation water in a wide circle. Often, a significant area of this circle was “out of play”, so precious resources were being spent where they weren’t required.

Modern systems allow for water to be delivered with considerable accuracy, thus reducing water needs.

## 2. Moisture Monitors / Wetting Agents

The use of moisture monitors allow staff to probe the soil and determine the percentage of moisture and air, allowing a much more scientific methodology of delivering the right amount of water at the right time. This prevents both over watering, and under watering.

Wetting agents can also be deployed. These are applied to turf in spray form and lower the surface tension of a liquid, allowing it to spread and penetrate more easily. Wetting agents can essentially allow less water to make a larger impact.

## 3. Build a golf course that requires less water

Many modern golf course designs are taking water needs into account and handling the design / build accordingly. This includes specifying irrigation systems (as mentioned above) and specifying grass types that require less water (and less mowing).

## 4. Convince golfers that vibrant green colours are not a necessity

This is a longer term solution, but one that has started penetrating the ranks of average golfers more and more over the past few years.

Historically, many golf courses aspired to be green and lush. This was reinforced by the majority of courses seen on television (PGA Tour coverage, etc) being presented that way, which led golfers to believe that green and lush was the sign of a great golf course.

Modern golf course architects are challenging this belief, building courses of significance with a muted tone, less greens and more browns in the presentation of the course.

The result is not only less water usage, but also less ongoing course maintenance costs.

- Design / Cultural Practices

Many of the points covered above in Water Conservation tie into this subject, but essentially this is about a course designer, construction firm, and project manager believing that building sustainable courses will provide a stronger guarantee of longevity.

With costs rising on an annual basis, water becoming more scarce, and society becoming more concerned about the environment, the ability of a course to survive in future generations will likely come down to its commitment to, and its ability to demonstrate, sustainability.

- Events

Golf events, which attract high numbers of spectators annually and therefore can be a burden from a perspective of waste and resources, are changing the way they operate.

High profile tournaments are adopting and growing their sustainability programmes, starting with the European Tour's GreenDrive in 2014, which saw the Ryder Cup at Gleneagles send zero waste to the landfill. Since then, the initiative has been rolled out across several high-profile global tournaments.

In January / February every year, one of the most high-profile events on the PGA Tour, The Waste Management Phoenix Open (known as the best attended golf tournament in the world), is played around a theme of recycling and sustainability. The tournament, with 700,000 attendees annually, has achieved a zero landfill waste record since 2013, and has even themed sustainability into much of their event marketing.

The graphic below from the 2020 Waste Management Phoenix Open shows the incredible achievements for an event that has attracted over 200,000 spectators on its busiest day.

Closer to home, the New Zealand Open (pre-pandemic) is in the midst of a 3-year initiative on improving the tournament's sustainability. They have made a commitment to switching from plastic to glass where possible, and in 2020 have sourced all volunteer shirts from Wellington based Little Yellow Bird, who provide 100% ethically sourced products.



### #BINTHEREDONETHAT... WM'S RECYCLING TRICK SHOT CONTEST

**148** video submissions    **8.5M** social impressions  
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### TRANSPARENT REPORTING

Golf Environment Organization Certification ✓  
 UL Validation ✓  
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### WATER CONSERVATION

**RESTORED 50M GALLONS** of water with water sponsors  
**REUSED 44,466 GALLONS** of gray water since 2011



### GHG MANAGEMENT

UNFCCC Sports for Climate Action Signatory  
**1,128** metric tons of CO<sub>2</sub>e offset with Bonneville Environmental Foundation  
**100%** renewable electricity

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