



Singapore Golf Industry Report

September 2018



Report Foreword

With over 100 years of history, in 2018, the game of golf in Singapore has reached a challenging stage of its development and long-term sustainability. It is well known that the country is experiencing significant population growth, and as a result there is a growing demand for land to accommodate this growth and its associated infrastructure needs.

In response to existing golf facility land being used to help accommodate these needs, it has been difficult for the industry to effectively articulate its case to government for support due to very little quantitative or useful data being available. We are therefore very pleased to fill this gap and release the most detailed report ever prepared concerning golf in Singapore.

It has been found that the provision and availability of golf in Singapore generates valued outcomes that many enjoy. Played by over 80,000 residents, generating near 1 million rounds a year, the sport provides many material physical and social benefits to participants, directly and indirectly interacting with many engaged in and around the game.

The sport and the clubs that provide golf facilities also make material contribution to Singapore's economy. Revenue flows exceeds SG\$230 million per year, direct employment exceeds 2,500 people, as well as material secondary spending to support the offer made by clubs. Significant annual capital expenditure ensures that the collective club facilities are indeed a mini industry.

Whilst a number of positives have been found to exist regarding golf in Singapore, there are certainly some challenges that need to be faced. This report has identified some of these challenges.

Long term land tenure is the obvious challenge to be faced. With supply having fallen from a peak of 17 facilities in 2006 to 15 facilities in 2018 and to further reduce to 12 in 2023, this contraction in supply ensures that the sport will become a very boutique offer, reserved for the benefit of only a few. Existing facilities also provide the opportunity to generate new demand. Future participation demand, the aged golfer demand profile, club and course accessibility are other issues to be addressed.

To be done effectively they will need to be addressed collectively. This report and the data that underpins and the general support offered by the industry as it has developed is evidence that this can be achieved.

We commend this report to you and in doing so express our grateful thanks not only for the work done by Golf Business Advisory Services, but also to everyone who has contributed enthusiastically to it, knowing it will help the golf industry pursue its broader objectives and address the challenges ahead.

Ross Tan

President

Singapore Golf Association

Dominic Wall

Director Asia Pacific

R&A

About the Author

Golf Business Advisory Services (GBAS) is a specialist independent advisory company providing dedicated, professional advice around the business of golf within the Asia Pacific region. Based in Melbourne, Australia, through a combination of research and client project work, GBAS has established an unrivalled level of industry insight and knowledge, with an extensive track record in the provision of industry reports, having delivered most of the major reports that have been published in recent years in Australia plus reports looking at issues in South East Asia.

For more information on GBAS please visit www.golfbas.com



Table of Contents

Report Foreword	2
1. Key Findings	6
2. Introduction	8
The Brief.....	8
Report References.....	8
Report Structure.....	9
3. Report Background	10
Introduction.....	10
The Country of Singapore.....	10
4. Golf in Singapore	12
Introduction.....	12
Global Golf Supply.....	12
The History of Golf in Singapore.....	14
Historical Growth in Golf Facilities by Decade.....	21
Other Contributions.....	24
5. Golf Participation in Singapore	26
Introduction.....	26
National Participation.....	26
Active Golfers.....	26
Rounds Played.....	28
The Singapore Golfer.....	29
Key Survey Findings.....	31
Importance of Junior Initiatives.....	32
Golf Retail Industry Performance.....	33
Sports Participation Trends and Golf's role.....	33
6. Key Club Metrics	38
Introduction.....	38
Financial Health.....	38
Labour Costs and Employment.....	38
Other Key Club Metrics.....	39





| 1. Key Findings

KEY FINDINGS

A number of findings regarding golf in Singapore are outlined in this report. The major findings are summarised below:

- Occupying an island of approximately 710 square kilometres, and home to approximately 5.6 million people, the country of Singapore is now the most densely populated developed country in the world.
- Due to a combination of lower birth rates and longer life expectancy, the age profile mix is beginning to shift upward with nearly 30% of the population aged over 55 years by 2017, forecasted to reach 36% by 2027.
- More than doubling in seven years and approximating \$10 billion in 2017, the government's health costs are projected to continue to grow given the projected increasing population share of the 55 year plus age cohort.
- Of the eleven South East Asian countries, Singapore, with 16 club facilities, ranks the 5th lowest in terms of population per facility, with an average of approximately 350,000 people per golf facility.
- Presently the 15 facilities in Singapore account for approximately 12% of Singapore's total green space (prior to the closure of Raffles Country Club).
- Based on forecast population growth and contraction in golf supply, by 2040 there will be one golf course per 430,000 people.
- There are approximately 80,000 golfers in Singapore, with 25% participating in golf on a social basis.
- The 2018 Golf Facility Survey found there are presently 46,000 members of Singapore's 12 private golf clubs, 83% of members being male and 55% aged 55 years or older.
- Despite the supply increase through the 1990's and 2000's, average market membership pricing has declined (in nominal terms) by an average annual rate of 1%, with an average membership sale price of \$86,000 achieved in 2017.
- The 2018 Golf Facility Survey found total rounds played in 2017 to approximate 944,000, an average of 67,400 rounds per facility or 46,000 per 18-hole equivalent facility.
- A total of 43,000 rounds were played by international golfers, reflecting 8% of total rounds from reporting clubs.
- For the Singaporean golfer, there is a large social value to the golf experience, with the physical environment, level of socialisation and general activity undertaken being of greater importance than the status that may come from being a golf club member.



KEY FINDINGS (CONTINUED)

- The core Singaporean golfer plays an average of 41 rounds per year, with 24% participating on at least a weekly basis.
- The main motivations for play are to relax and have fun, to make / spend time with friends, enjoy social interactions and to be outdoors in a natural environment.
- The key factor driving club membership retention is the quality of course conditions to be experienced. Club exclusivity and prestige is the lowest ranking driver.
- Future participation numbers will likely heavily suffer if the level of junior programs or junior access to golf facilities falls.
- Given the general sports participation trends evident in Singapore, and the direct and broader benefits that are available from golf, there is a genuine role for golf to play as government seeks to reverse sporting participation trends.
- With a \$10 billion in annual expenditure being incurred around health by the Singapore government, forecast to grow further in future years as the country's population ages, the on-going provision of golf in Singapore has a positive role to play in helping the government manage the size of its future required health expenditure.
- The financial health of golf clubs in Singapore is sound with revenues across all facilities approximating \$238 million per annum, an average of \$18.3 million per facility. After expenses annual operating profits are averaging three percent per facility with net cash outcomes averaging 14% of total operating revenues.
- Labour costs account for approximately 47% of all club operating expenses, representing an annual market cost approximating \$100 million, delivering employment of 2,550 people.
- Approximately \$9 million per year is paid by clubs in taxes and charges.
- The sport of golf is well recognised for its generous support of charities, with approximately \$63 million raised in over 100 golf club-based events in 2017.

2. Introduction

THE BRIEF

With over 100 years of history, in 2018, the game of golf in Singapore has reached a challenging stage of its development and long-term sustainability. The island nation is experiencing significant population growth, and as a result there is a growing demand for land to accommodate this growth and associated infrastructure needs.

With land law having feudal origins, via the Singapore Land Authority, all land ultimately belongs to the state. Given this structure, nearly all of the golf clubs in the country do not control their land via ownership but are instead subject to land leases. With no ownership and the comparable large land consumption needs of the sport, due to accessibility via the leasehold status, golf facilities have been identified as a potential provider of land should there continue to be increasing land and infrastructure requirements.

In recent times the government has made a number of announcements concerning existing leases and the length of future extension periods to be granted or not to Singapore's golf clubs. These announcements have impacted existing golf facilities to the extent that only varying certainty has been offered in terms of long term lease security.

With significant challenges existing on the supply side of the industry, similar challenges are being experienced on the participation side of the sport as golf seeks to fit within modern day recreational needs and respond to more family orientated leisure time decisions and activities being made.

Whilst these challenges exist, at the same time there have been a number of recent positive developments for golf in Singapore. Recognising the country's strategic geographic location and increasing profile as a key regional financial market, these developments include the establishment of The R&A (the international governing body for golf) regional headquarters for Asia Pacific at Sentosa Island, as well as an expansion of the European Tour office also

at Sentosa Island. On the tournament side, a number of major regional championships are now being held in Singapore, these including the SMBC Singapore Open, the HSBC Women's World Championship, the Asia Pacific Amateur Championship and the inaugural Women's Amateur Asia Pacific.

While there are both challenges and positive developments for golf in Singapore, to date very little quantitative or even useful data is available about its golf industry.

Addressing this dearth of information, the Singapore Golf Association (SGA) with support from The R&A, commissioned this report - The Singapore Golf Industry Report - to identify and document the key facts concerning the industry, a report that can then be utilised by the industry to assist with its on-going direction and development.

REPORT REFERENCES

This report is a first-time report for golf in Singapore. There is no prior published work available for reference. Given this lack of prior or existing market reference points, in order to assist in the development of this report two major pieces of industry research have been undertaken. The data collected from these surveys is used as source data throughout this report.

2018 Golf Facility Survey

The 2018 Golf Facility Survey was a survey of all golf course facilities in Singapore. Information collected included financial outcomes, member levels, course demand, employment levels and other specifics concerning performance. All clubs in Singapore responded to the survey. Supporting this survey was one on one interviews with club management personnel, these interviews and subsequent discussions giving further context to the data collected.

2018 Singapore Golfer Survey

The second key reference for this report are the results flowing from a survey of all current active golfers in Singapore, as identified via SGA's handicap database. Titled the 2018 Singapore Golfer Survey, the survey sought to capture the current golfer profile in Singapore, understand motivations for participation as well as current golf participation patterns. Opinions regarding club golf, brand equipment choices and golf holiday destinations were also sought. With over 5,000 responses received, the data collected from this survey is used as source data throughout this report.

REPORT STRUCTURE

The report is set out in four parts:

Part | 01

Provides background context to the report, with a brief review of the history of Singapore, its population levels and age mix now evident amongst its residents.

Part | 02

Contains a review of the current level of global golf course supply, creating some regional context for golf in Singapore via course distribution and population metrics. The history of golf in Singapore is also outlined, along with and course/facility development timelines. Golf's contribution to green space is identified and the known timelines concerning existing facilities and land tenure agreements are set out.

Part | 03

Part 3 takes a more detailed look at golf participation in Singapore, outlining total participation numbers and rounds played trends. The profile of the core Singapore golfer is also identified, referencing data and findings from the Singapore Golfer Survey. Utilising these findings, the reason for the importance of continued future junior initiatives is also detailed. The section concludes with a reference to the wider sports participation challenges in Singapore, outlining the role golf can play to stimulate participation.

Part | 04

Utilising the findings from the 2018 Golf Facility Survey, the current key metrics emanating from Singapore's golf clubs are outlined, including financial health, labour costs, employment levels and others such as charitable spending, junior programs and event initiatives.



3. Report Background

INTRODUCTION

With this report stemming from wider government decisions recently made about some golf courses in Singapore, this section seeks to set out key background data relevant to the golf industry in Singapore. As a first-time report, this document also presents an opportunity to collate and present a range of information relevant to the industry in one location.

This section provides background context to the report, with a brief review of the history of Singapore, its population levels and age mix now evident amongst its residents.

THE COUNTRY OF SINGAPORE

Introduction

With demand for golf and golf club membership largely being a direct factor of population and population growth, to provide background and context to the report, some key facts and trends concerning Singapore's land size, population and density are set out. Context is enhanced via inclusion of other known and recognised geographic markets.

Population

Occupying an island of approximately 710 square kilometres, and home to approximately 6.5 million people, the country of Singapore is the most densely

“Population growth continued at high rates through the 1980’s and 1990’s”

populated developed country in the world (excluding the small dependent territories of Macau and Monaco). Founded as a British colony and with origins in

trading and tin mining, the first census undertaken in Singapore occurred in 1824, revealing at the time a total population of approximately 10,700 people. Fast forward 130 years to 1955, with growth having

averaged 3% per year, the population of Singapore had reached 1.3 million people.

Gaining independence in 1965, the country now known as Republic of Singapore continued to grow with economic strategies and foreign investment incentives helping to drive population levels to exceed 2.2 million by 1975.

Population growth continued at high rates through the 1980’s and 1990’s. The Singapore Changi Airport opened in 1981, Singapore Airlines was developed into a major international airline and Singapore’s port expanded with the country becoming a key Asian transportation hub and a major tourist destination. By the year 2000 Singapore’s population was reaching 4 million people.

The new century saw a new Prime Minister installed, with Lee Hsien Loong becoming only the third prime minister of Singapore. Further policy changes were made to help drive national outcomes including the reduction of national service from two and a half years to two years, the legalisation of casino gambling and the reestablishment of the Singapore Grand Prix.

By 2010 the population count had reached approximately 5.1 million people with the now iconic Marina Bay Sands and Universal Studios at Sentosa Island opening during the year. Marking the success the country had generally achieved, in that year Singapore announced its highest ever annual economic growth result, a number some 15% higher over the prior year.

Celebrating its Golden Jubilee and 50 years of independence, by 2015 Singapore’s population had grown by a further 500,000 people. Having sustained an average growth rate of 2.2% per annum since independence, Singapore reached an estimated population of 5.61 million in June 2017.

Having grown at an average of 2.2% per annum for the period 1970 to 2010 and more than doubling in size over this time, in the following 40-year period this growth rate is forecast to slow to a rate averaging just

under 1% per year through to 2050. By this time it is forecast that Singapore will be home to approximately 6.5 million people.

Age Mix

Whilst historical population growth tells a broader story, another trend is beginning to emerge within Singapore's population. Due to a combination of lower birth rates and longer life expectancy, the age profile mix is beginning to shift upward. In 2008 only 20% of the population was aged 55 years or older. By 2017 this share had increased to 29%. Looking forward the change in mix is forecast to become more pronounced with 36% of the population forecast ageing 55 years or older by 2027.

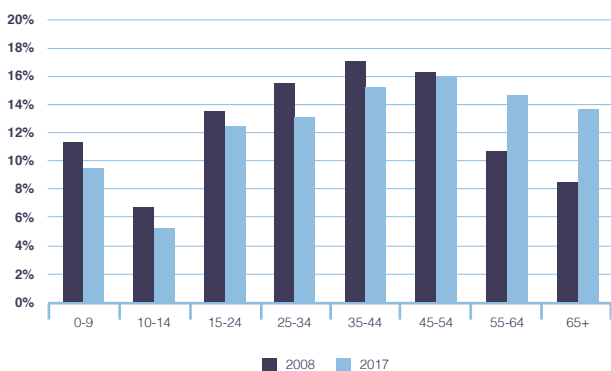


Figure 1: Singapore population by age cohort - historical

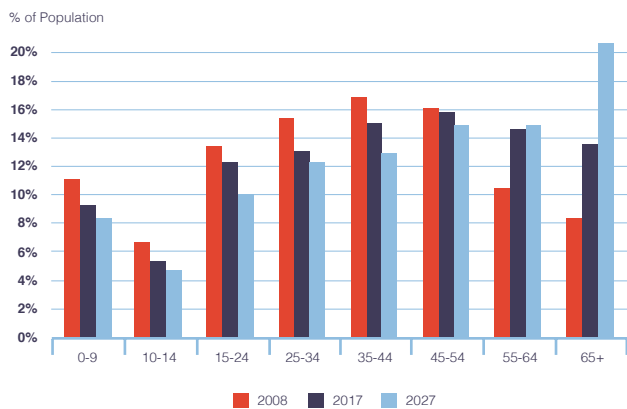


Figure 2: Singapore population by age cohort - forecast

Source: Oxford Economics, Cistri

Reflecting the reality of an ageing population and thus the need for increased care, the Government's healthcare budget has increased significantly in recent years, growing from \$4 billion in 2010 to approximately \$10 billion in 2017. Given the projected increasing population share of the 55 year plus age cohort, it is likely that government health care costs will only continue to rise.

Peer Comparisons

The country of Singapore is not alone in experiencing this outcome. For context we illustrate below the forecast movement in age mix for other regional countries/markets, including Australia. Whilst other markets are also forecast to experience an ageing of the respective population bases, the growth forecast in Singapore, moving from 27% of the population over 55 years to 36% of the population within 10 years places it slightly ahead of Hong Kong in terms of the largest forecast movement.

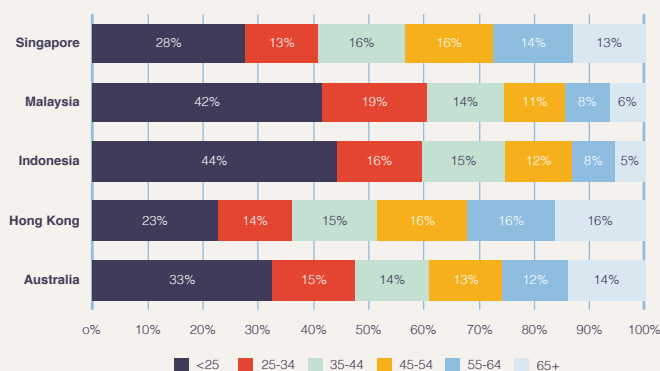


Figure 3: National population by age cohort - current

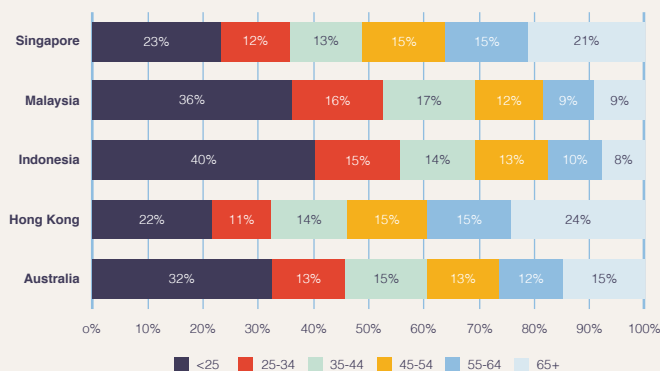


Figure 4: National forecast population by age cohort - 2027

Source: Oxford Economics, Cistri

4. Golf in Singapore

INTRODUCTION

In this section of the report the current level of global golf course supply is reviewed, creating some regional context for golf in Singapore via course distribution and population metrics. The history of golf in Singapore is also outlined, reviewing its facility history and course/facility development timelines. Golf's contribution to green space is identified and the known timelines concerning existing facilities and land tenure agreements are set out.

GLOBAL GOLF SUPPLY

In its 2017 report titled *Golf Around the World*, The R&A reported that as of year-end 2016, there were 33,161 golf facilities in 208 of the world's 245 countries, noting a diffusion rate of 85% for the sport globally. The sport is geographically concentrated, with 74% of the world supply of courses located in just 10 (4%) of the world's total countries, these countries being the United States, Canada, Japan, England, Australia, Germany, France, Scotland, Sweden and South Africa.

The majority of this supply is located in the western hemisphere, with North and South America home to 55% of the world's total golf facilities. The European continent contains the second largest regional share with 22% of the world's total, followed by Asia with 14% and Oceania with 6%.

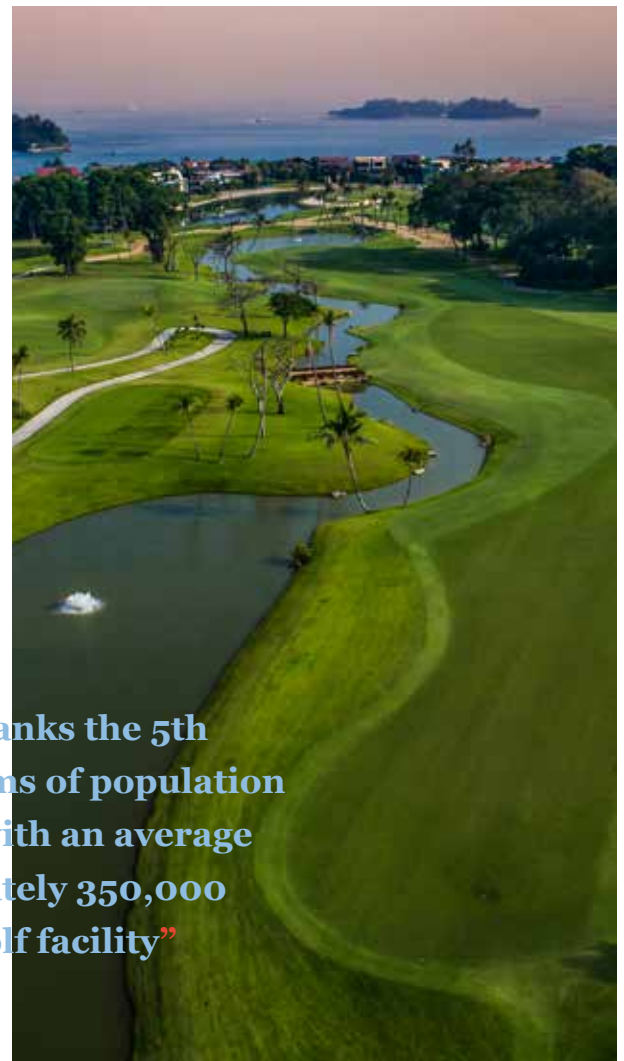
Combining population data with facility counts helps to illustrate the amount of people these courses share.

With a global overall average of approximately 224,000 people per facility, individual country averages range from a low of 19,000 in Oceania to over 1.38 million in Africa. Asia, home to 60% of the world's population has an average of one facility per 974,000 people, some 4.3 times higher than the global average.

South East Asia Golf Supply

We examine the South East Asian (SEA) countries in more detail. Home to approximately 650 million people, the R&A report via its 2017 *Golf Around the World* report that there are approximately 600 courses in SEA. Courses in Thailand, Malaysia and Indonesia account for over 60% of this supply.

When considering population and course distribution, the total SEA region reports an average of approximately 672,000 people per golf facility. Of the eleven SEA countries, Singapore ranks the 5th lowest in terms of population per course, with an average of approximately 350,000 people per golf facility.



“Singapore ranks the 5th lowest in terms of population per course, with an average of approximately 350,000 people per golf facility”

Region	Population	% share	Golf facilities	% share	Population per facility
Africa	1,228,281,312	17%	885	3%	1,387,888
Asia (incl Middle East)	4,453,456,868	60%	4,570	14%	974,498
Europe	739,011,307	10%	7,233	22%	102,172
North America (plus Central & Carribean)	537,550,473	7%	17,748	54%	30,288
Oceania	40,131,018	1%	2,067	6%	19,415
South America	424,175,608	6%	658	2%	644,644
The World	7,422,606,586	100%	33,161	100%	223,835

Source: The R&A

Country	Population	% share	Golf Facilities	% share	Population per facility
Brunei	393,400	0%	5	1%	79,000
Cambodia	15,405,000	2%	9	1%	1,712,000
Indonesia	255,461,700	39%	159	16%	1,607,000
Laos	6,802,000	1%	9	1%	756,000
Malaysia	30,606,400	5%	178	18%	172,000
Myanmar	51,419,400	8%	129	13%	399,000
Philippines	101,563,600	16%	106	11%	958,000
Singapore	5,612,300	1%	16	2%	351,000
Taiwan	23,452,400	4%	69	7%	340,000
Thailand	65,104,000	10%	238	25%	274,000
Vietnam	91,583,000	14%	46	5%	1,991,000
Total	647,403,200	100%	964	100%	672,000

Source: The R&A

Note: A 'Golf Facility' is a site containing either a golf club, a resort course or a public course.

THE HISTORY OF GOLF IN SINGAPORE

The 1900's

The origins of golf in Singapore are linked to British colonialism and the arrival of Justice John T Goldney in 1887. With clubs reportedly in hand but no course available to play on, the search soon began for a suitable site for Singapore's first golf course. A site was chosen at the then Farrer Park Racecourse and thus became home to Singapore's first golf club. Using the racecourse grounds, membership was only open to members of The Sporting Club (the predecessor of the Singapore Turf Club), this structure setting the model that was to be followed for years to come.

Shortly after the turn of the century Singapore's second club was created. Founded in 1904, the Keppel Golf Club began as a three-hole golf course located within a nutmeg plantation, expanding to 9 holes in 1908.

The 1920's

As demand grew for golf at The Sporting Club through to the 1920's, and as the challenge of operating polo and golf on the same turf increased, the then President of the golf club, Mr John Sime, began searching for a new site. Eventually locating a site near the MacRitchie Reservoir, clearing work at the site began in 1920 with the first 9 holes of the planned 18 hole course ready for play in 1922. Initially having the choice of two courses, members of the golf club made the permanent move to the Bukit Timah site in August 1924.

Whilst the actions of World War I did not spread to Southeast Asia, thereafter military resources were increased in Singapore by the British. From this, a third course (9-holes) was constructed at the Tengah Air Base from funds provided to clear the base surroundings of potential fire hazards from aircraft movements.



The 1930's

Singapore's next course came as a result of further land pressure, when the original Turf Club sold its land to the Singapore Improvement Trust. Seeking land similar to and as suitable as that held by the Sporting Club, a site for the course was found nearby to the Reservoir. Opening in 1932, the club adopted the new name of The Island Club and in a first for the nation, adopted a multi-racial membership policy.

At this time, grass tennis courts and a swimming pool were constructed, these additional amenities now viewed as a valuable component of the club experience in Singapore. As a result, the club became Singapore's first country club, providing current and future members with range of recreational choices.

By 1938, a second-nine holes had also been constructed by The Sporting Club and with King George VI becoming its patron, the club was renamed as the Royal Singapore Golf Club.

At the end of this decade and with the onset of war, it is believed that Singapore's 5th golf site was established at the old Selatar Air Base at this time, again for use by military personnel.

The 1940's

The outbreak of War in 1942 saw both the Island and Royal Club's courses destroyed. The Island Club was rebuilt to 16 holes by the end of 1946. Continuing with the connected war theme, Singapore's next course also has its origins at this time, albeit post war. When peace was declared the administration and running of an airbase on the island's northern tip was handed over to the Royal Air Force a bunkerless 9-hole golf course was laid out, ready to play in 1949. This course is today the home of the Changi Golf Club.



The 1950's

Little golf development occurred during the 1950's, other than the re-establishment of the Selatar Air Base course which had been neglected during the Japanese occupation in WWII.



The 1960's

With five clubs existing in Singapore by the early 1960's, the decision was taken to create the Singapore Golf Association. With its first AGM held on 11th May 1962, the objective of the association was to encourage and promote the game of golf in Singapore. At a similar time the Warren Golf & Country Club (formerly known as Warren Golf Club) was founded by Brigadier Derek Warren of the British 18th Signal Regiment. Having responsibility for a large parcel of land, with members of the regiment finding other clubs expensive to join, and with the Brigadier being a keen gardener, the land the regiment occupied was transformed into a 4-hole golf course, expanding to nine holes with a driving range when it officially opened in 1962.

In 1963, prior to Singapore receiving its independence from Britain, a government decision was made to merge the Royal Singapore Golf Club and the Island Club. Re-named as the Singapore Island Country Club (SICC) and operating at the Bukit (Royal) and Thomson (Island) sites, the merger of the clubs marked the end of "a bastion of colonial elitism" with a club created that no longer accepted membership based on racial and social exclusivity.

In 1965 SICC added another 18 holes to its facility, opening its 'New' course. In 1967 Sembawang Country Club was founded with a 9-hole course built by the British Royal Marines, carved from the remains of a rubber plantation.



The 1970's

When the RAF left Singapore in 1971, the Changi Club was privatised and civilian members were taken in to form the pioneer group of Changi Golf Club. At the same time the national sports promotion board formed the Selatar Base Golf Club, this entity taking over management of the Selatar Base golf course.

The Sentosa Golf Club was Singapore's next new facility, opening its first course in 1974 (Tanjong). Initially overseen by government, the island was saved from potential use as a petro-chemical plant and with help from the then Singapore Tourist Promotion Board (STPB) has instead become a major tourism and resort leisure destination.

Golf continued to grow in Singapore during the 1970's with 18 holes of golf at Jurong Country Club opening in 1975. Development of the club, undertaken by the Jurong Town Corporation was designed to increase the recreational amenities in the fast-growing industrial area of Jurong.

Having operated as a 9-hole course for eight years, in 1975 initial plans to expand the Sembawang course were discussed with 18 holes being open for play in 1977.

The 1980's

With steady growth seen in Singapore up until the 1980's, the pace of golf development increased over this decade. Five and a half 18-hole courses were opened across four facilities, with the Tengah Air Base course, having operated as a 9-hole course since 1924, closing in 1981 to make way for further redevelopment of the Air Base facilities.

The first of the new courses at this time was the addition of a second course at the Sentosa Golf Club, with the now much photographed Serapong course overlooking Singapore Straits opening in 1982.

On the other side of the Island, and born from the construction of the Changi Airport, the Tanah Merah Golf Club was being created with its first 18 holes also open for play in late 1982. In 1988 the Club opened its second 18 holes, the course being the first 'buggy-only' course in the region. With a vision for a golf course to be created at the Bukit Timah Turf Club, the third course opening in this period was the now Champions Golf Course, a short 9-hole course opening in 1988.

Rounding out the decade, the Raffles Country Club was Singapore's 10th golf club to open. Initially known as the Tuas Country Club, 36 holes of golf were opened in July 1988. Occupying approximately 140 hectares, and utilising land then considered unsuitable for industrial use, the Club was built to meet the increasing demands of business executives for recreational facilities in the Jurong industrial area.



The 1990's

With 12 facilities built prior to the 1990's it is in this decade that supply materially grew, increasing by 50% over the 10-year period. The first course open in this period was the first of two planned courses at Laguna National, one of Singapore's premier golf and country clubs, opening for play in 1991. On completion of the first course, development continued at this site, with the second course opening in 1993.

Having merged with the Singapore Harbour Board, the Keppel Club had operated as a 9-hole facility for 70 years before gaining more land in 1977. In 1982 an expansion of the course to 18 holes began. Completed in 1992, the now 18-hole facility was the first to offer night golf in Singapore.

The next course added to the market was the golf course at the National Service Resort & Country Club (NSRCC) Changi site, opening in 1993. Part of an eventual 36-hole, two site offer, the resort was built to help recognise the contributions of operationally ready national service men to the country's defence.

Also opening in 1993 was the 9-hole Mandai Executive Golf Course located next to Upper Seletar Reservoir.

Orchid Country Club was developed in the mid 1990's and was the first club to be directly positioned to appeal to Singaporean workers, not just company executives. With a vision for golf to

be both accessible and affordable, 9 holes were available for play in September 1993 with another 18 available by the end of 1994.

With the Seletar Air Base closing in 1995 the Seletar Country Club was formed, approximately 1km west of its original site with many members moving to the new location. The final change in the 1990's occurred in 1997 when the Warren Golf Club was renamed "Warren Golf and Country Club" and moved to its current site, operating as an 18-hole course by late 2000.



The 2000's

The 2000's saw a marked slowing in golf development with three new courses in Singapore established, these being the last new courses to have been built.

In 2001 SICC expanded its offer to members, adding the 9-hole Millennium course. Following this, the National Service Resort also expanded its facilities with its second 18-hole course at Kranji opening for play in 2004.

The final and most recent course to be completed in Singapore, the Marina Bay golf course, opened in November 2006. Utilising reclaimed land that would require settlement prior to being developed, and wanting to offer a more generally affordable golf alternative, the Singapore Golf Council sought tenders for the construction of Singapore's first publicly accessible 18-hole golf course.

The Selatar Base golf course, which had been operating as a public course since the club moved to its new site in 1995, closed in 2007.



2010 – 2018

The last decade has marked the first contraction in golf supply in Singapore since golf's beginning in the country. In 2016 the Jurong Country Club was closed as the government began preparations for the construction of the high-speed rail line connecting to Malaysia. In July 2018 the Raffles Country Club is also set to close, with its land to be used for similar purposes. The closure of the Keppel Club and the Marina Bay Golf Course has also been flagged for 2021 and 2024 respectively.

Year	Holes	Club
1892	9	Sporting Club
1904	9	Keppel Club
1920	9	Tengah Air Base
1924	18	Sporting Club
1932	18	Island Club
1949	9	Changi Club
1950	9	Seletar Base
1962	9	Warren Golf Club
1962	Merger	Singapore Island Country Club and Sporting Club (SICC)
1965	18	SICC
1967	9	Sembarwang Country Club
1974	18	Sentosa Golf Club
1975	18	Jurong Country Club
1977	9	Sembarwang Country Club
1981	-9	Tengah Air Base (closed)
1982	18	Sentosa Golf Club
1982	18	Tanah Merah
1988	18	Tanah Merah
1988	9	Champions Golf
1992	9	Keppel Club
1991	18	Laguna National
1993	18	Laguna National
1993	9	Executive Course Mandai
1994	27	Orchid Country Club
1994	18	Seletar Country Club
1994	18	National Service Resort
1998	36	Raffles Country Club
2000	9	Warren Golf & Country Club
2001	9	SICC
2004	18	National Service Resort
2006	18	Marina Bay
2007	-9	Seletar Base (closed)
2016	-18	Jurong Country Club (closed)
2018	-36	Raffles Country Club (closed)

Source: The R&A

HISTORICAL GROWTH IN GOLF FACILITIES BY DECADE

Constrained by available land and thus never able to accommodate the number of courses evident in its regional neighbours, despite the facility growth seen in Singapore, this growth was slower than the overall population growth. As a result, the supply of golf when measured on a per head of population basis steadily increased over history to reach approximately one in 350,000 people in 2018.

With initial club lease terms determined by the respective club development timelines, in a review of all golf club leases by the Singapore Land Authority (SLA) in 2017 a number of other determinations were made that impact the longevity of some of Singapore's other clubs.

As a result of the review, seven golf clubs with leases due for renewal within the next 10 years had leases extended for differing periods between 31 December 2030 and 31 December 2040, some of these extensions accompanied by other land/operating

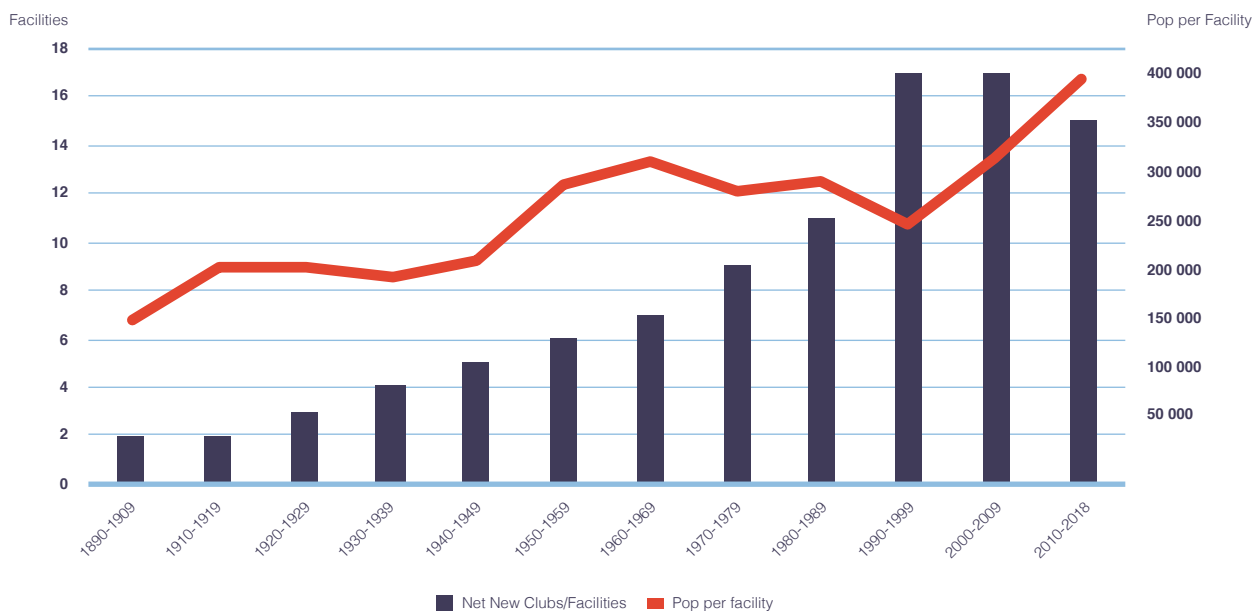


Figure 5: Population per facility timeline

Source: GBAS, Statistics Singapore

Future Years 2018 to 2040

In January 2013 the Ministry of National Development announced that the Government was to begin freeing up land with low intensity use for redevelopment to meet more essential needs such as housing and public infrastructure. With golf being a land intensive sport accommodating approximately 1,500 hectares in Singapore, the Ministry of Law began engaging golf clubs regarding their leases as the government sought to achieve a balance between competing land use needs.

As a result, and as noted above, the golf industry in Singapore has thus been somewhat disrupted in the last two years. In 2017 the Jurong Country Club ceased operations following an unsolicited buy-out of the Club's lease by the Land Transport Authority (LTA). On 31st July this year, the Raffles Country Club is to also close, its land being acquired to house the infrastructure required for part of the proposed high-speed rail project designed to connect Malaysia with Singapore.

conditions. Two facilities due for renewal in the same period were not offered any extension.

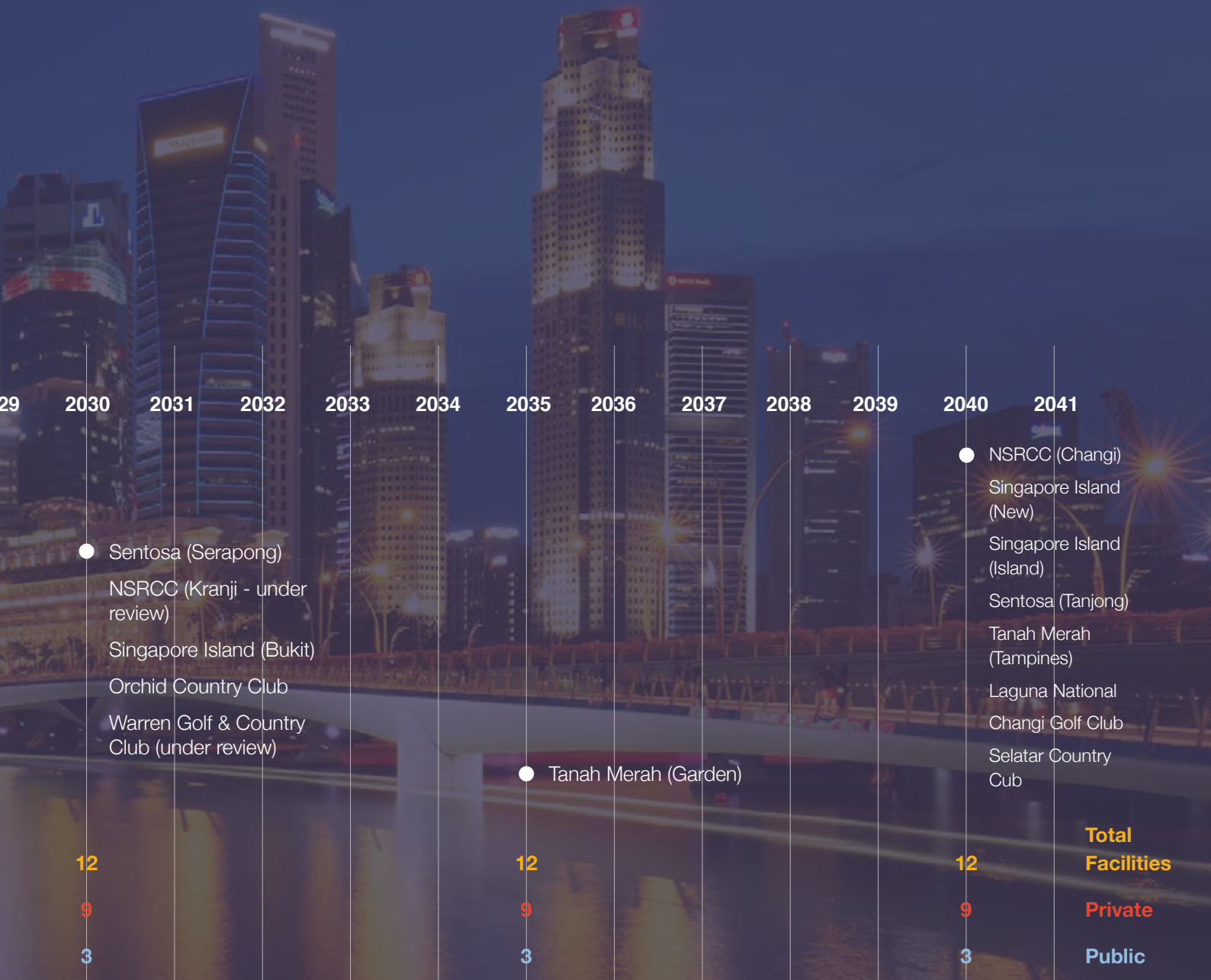
Presently no golf facility has any confirmed status beyond 2040. A summary of current status is provided below.

As outlined above, the supply of golf courses when measured on a per population head basis in 2018 had steadily increased to reach approximately one in 350,000 people in 2018, having grown from one course per 254,000 people at the beginning of the 1990's.

Based on forecast population growth of 0.5% per year for the next 20 years, Singapore's population is forecast to reach 6.5 million people by 2040. With supply contracting to 12 facilities over this timeframe, at this point, there will be one golf course per 430,000 people.



Note: Total facilities includes 3 courses subject to licence/tenancy agreements - Executive Mendai, Green Fairways & Sembawang Country Club



Total Facilities

Private

Public

OTHER CONTRIBUTIONS

Other flow on contributions, benefits and decisions have been made as a result of and stemming from golf's development in Singapore. In their own way, these have all assisted in the development and enhancement of Singapore's reputation. Three key outcomes are further detailed.

Green Space

With 15 golf facilities available in Singapore in mid-2018, one of the connected benefits they provide is a genuine contribution to a city's green space. Despite a population density amongst the highest in the world, Singapore is recognised as one of the world's greenest cities. This recognition is by design, stemming from the public policy from the government's "Garden City" movement of the 1960's through to today's larger "City in a Garden" vision.

Golf is a key contributor to this reality. Presently the 15 facilities account for approximately 1,365 hectares or 2% of Singapore's total land. With some 9,700 hectares of other parks, playgrounds, open spaces, nature reserves and roadside greenery in Singapore, as overseen by the National Parks Board, total green space including golf courses in Singapore approximates 11,000 hectares, golf accounting for approximately 12% of this sum. This total green space in turn represents approximately 16% of Singapore's total land mass.

Asian Golf Administration Base

Singapore is recognised for its strong manufacturing resources, noted high end financial services offers, globally recognised tourism assets, and leading port and airport infrastructure. Supported by sound government policies, regulatory frameworks and trade agreements that encourage activity, Singapore is thus one of the key regional hubs in Asia.

The global providers of golf administration have equally recognised Singapore for this strength and helped to further enhance it with the regional offices of three key international bodies, The R&A, the European Tour, and the Asian Tour, all now located in Singapore.

Other industry bodies such as the Asian Golf Industry Federation and management companies such as IMG and Lagadere, each having close connections with these entities also have their respective offices in Singapore.

National and International Tournaments

The presence of the international administration bodies in Singapore has helped to attract multiple major regional championships. Events such as the SMBC Singapore Open, HSBC Women's World Championship, the Asia Pacific Amateur Championship and the inaugural Women's Amateur Asia Pacific have all been hosted in Singapore, all generating additional economic value to the country.

“The global providers of golf administration have equally recognised Singapore for this strength and helped to further enhance it with the regional offices of three key international bodies, the R&A, the European Tour, and the Asian Tour, all now located in Singapore.”



Example Event Impact

In March 2018 Singapore hosted the 2018 HSBC Women's Championship. Promoted by IMG and played on Sentosa Island, the event attracted the best female professional golfers from around the world. Spectator research was undertaken during the course of the event to help with event improvement and to understand the visitor profile. A number of findings are outlined in the event report, with the key findings summarised below:

- The spectator profile reflects a predominantly male profile (64%) and ages over 40 years (68%)
- The main reason for attendance is an interest in golf with approximately 80% of visitors making the trip to Singapore specifically to attend the event
- 60% of spectators attended for 2 or more days and over 70% intend to return for future events
- 90% of visitors were from countries outside of South East Asia, with the largest market being Korea (21%) followed by Australia (15%) and the USA (14%)
- The average number of days stayed was 6.8 days, with 7% staying more than 10 days.

To provide some context to this information, the Singapore Tourism Board produces a report containing annual tourism statistics, the publication

serving as a reference to the trends within visitor arrivals and expenditure statistics for the tourism industry. Key findings from the latest published 2016 report are outlined below:

- Whilst total visitor days rose 2.2% over 2015, the average length of stay for international visitors fell to 3.4 days, down from a peak of 3.7 days in 2014.
- The top two international markets were China and Malaysia, accounting for 40% of international visitor arrivals.
- The average spend per international visitor was \$1,570, an average of \$462 per day.

Based on this snapshot the visiting golf event tourist provides a valuable net contribution to tourism outcomes in Singapore through a longer average length of stay and associated spending. The events also assist to diversify the visitor mix, drawing visitors from less strong source markets.

Charity Contributions

The sport of golf is well recognised for its generous support of charity causes. Our 2018 Golf Facility Survey found that on average approximately \$63 million a year is raised for charities through golf club-based events, with more than 100 events in 2017 helping to rally support for needy causes in Singapore.



Singtel pledged to contribute S\$500 for every golfer who made a drive of more than 160-200 metres. PHOTO: SINGTEL

Singtel raises S\$1.16m for special schools

Singtel's annual charity golf event last Friday raised a total of S\$1.16 million for Singtel Touching Lives Fund's (STLF) beneficiaries. Golfers, including Singtel's business partners, teed off at the Sentosa Golf Club in aid of children and youth with special needs. Singtel Charity Golf is the anchor fundraising event for STLF.

Yuen Kuan Moon, chairman of STLF and CEO Consumer Singapore at Singtel, said: "Singtel has been raising

"Singtel has been raising funds for programmes at our adopted special education schools (SPED) for the last 17 years."

Yuen Kuan Moon, chairman of STLF

funds for programmes at our adopted special education schools (SPED) to help children and youth achieve their full potential and lead meaningful lives for the last 17 years."

This year's event included a Drive for Charity contest at a designated hole. To encourage golfers to give their best shot and inspire giving at the same time, Singtel pledged to contribute S\$500 for every golfer who made a drive of more than 160-200 metres, and S\$1,000 for every golfer who managed a drive of more than

200 metres.

Christopher Tay, CEO of Association for Persons with Special Needs (APSN), said Singtel's efforts in the special education sector over the last decade has benefitted many children and youth.

The money raised from the event will go to STLF's six adopted SPED - APSN Chaoyang School, APSN Delia Senior School, APSN Tanglin School, Cerebral Palsy Alliance Singapore School, Eden School and MINDS Lee Kong Chian Gardens School.

5. Golf Participation in Singapore

INTRODUCTION

Limited data is available concerning total golfers in Singapore. This section of the report thus takes a detailed look at golf participation in Singapore, outlining total participation numbers and rounds played trends. The profile of the core Singapore golfer is also identified, referencing data and findings from the Singapore Golfer Survey. Utilising these findings, the reason for the importance of continued future junior initiatives is also detailed. The section concludes with a reference to the wider sports participation challenges in Singapore, outlining the role golf can play to stimulate participation.

NATIONAL PARTICIPATION

Since 1987, the National Sports Participation Survey (NSPS) has been conducted once every five to six years by the Singapore Sports Council (SSC) (renamed as Sports SG in 2014) to gauge the level of sports participation and recreational physical activity in Singapore.

Data from these reports has been extracted for golf, with the following key findings noted:

In 2011 the SSC, via its survey estimated there to be approximately 25,500 regular (at least weekly) golf

participants in Singapore, 86% of these participants being male and 63% being aged over 40 years

Club Membership Numbers

Historical annual club membership numbers for all of Singapore's clubs have never been officially collected and recorded. Often quoted is the membership numbers currently reflected within the SGA's national centralised handicap database, as outlined earlier in this report. This database however only contains details for those golfers who are active and are participating in day to day club handicap events.

The 2018 Golf Facility Survey found there are presently 46,000 members of Singapore's 12 private golf clubs, an average of 3,800 per facility.

Given the membership share structure in place, clubs report themselves to be near 100% capacity.

ACTIVE GOLFERS

Numbers and Gender

Until the introduction of the Centralised Handicapping System (CHS) in August 2016, all club member data was retained by golf clubs and not aggregated to determine the total size of the market. Since the introduction of the CHS some insight into national

60%

of members have been a club member for at least 10 years

17%

of members have been at their club for less than 5 years

83% vs 17%

The weighted mix of membership on a gender basis is 83% male, 17% female.

55%

of club members are aged 55 years or greater

7%

are aged less than 35 years

numbers is now available, this being the identification of active golfers.

In May 2018 the CHS contained details for approximately 30,000 golfers, these golfers being golfers who have registered and submitted scores for handicapping (defining “active”).

Combining active golfer data with reported club membership numbers indicates that approximately 70% of club members have played rounds that contributed to their overall handicap calculation in the past year.

Active Golfer Age Mix

When assessed by age cohort, the makeup of Singapore’s golf membership reflects a similar pattern to other western countries, that being a stronger representation of the older age cohorts within the total age mix.

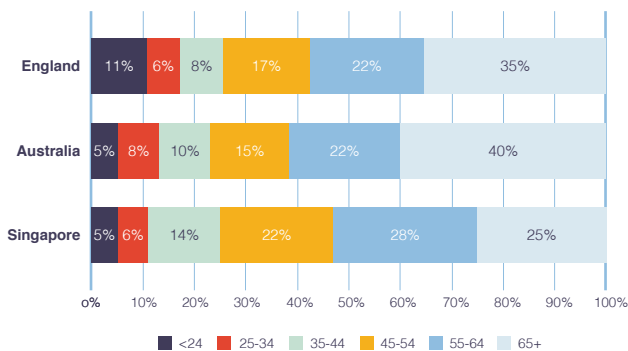


Figure 6: Golfer age mix by country

Approximately 55% of club members are aged 55 years or more, with just over 20% aged less than 35 years.

Illustrated is the golfer age mix in Singapore, noting same in Australia and England as reported by their respective administration bodies.

Age Mix vs Market

The current and forecast age mix of the wider Singaporean population was outlined earlier in this report. With golf club age data collected via the

survey, it is possible to compare this data against the age mix evident in the wider market.

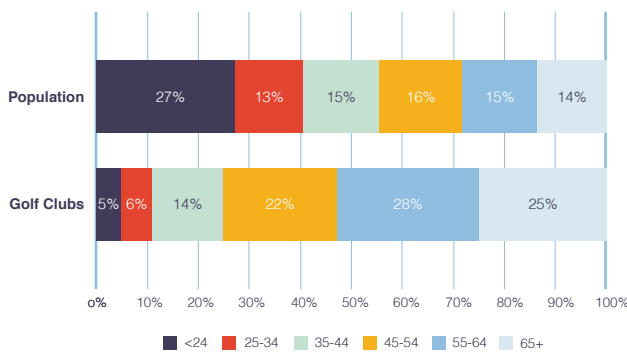


Figure 7: Age cohort comparison - golfers and broader population

When comparing this data to the wider market the key observations include:

- The wider population has a materially younger profile with 56% of the population being younger than 45 years, compared to only 25% within the golf club market.
- Conversely, the golf club market has a materially older profile than the wider market, with 53% being older than 55 years compared to 36% of the wider population.

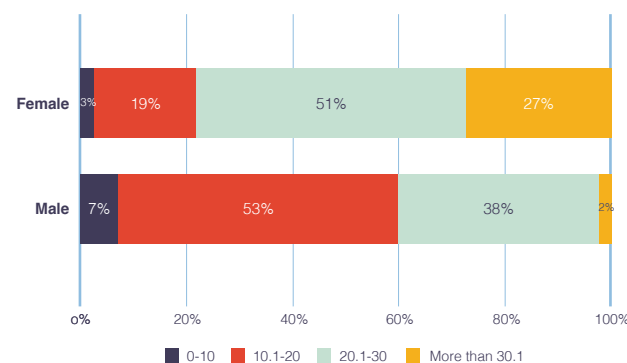


Figure 8: Golfer handicap profile

83% vs 17%

83% are male, 17% female

73%

Ordinary members account for 73% of total active golfers (12% female, 61% male)

5%

Junior account for 5% of total active golfers (1% female, 4% male)

7%

of members play via Associate club status

22%

Senior members account for 22% of total active golfers (4% female, 18% male)

Active Golfer Handicap Profile

When assessed by handicap cohort, the CHS database indicates that approximately 47% of club members (53% male, 19% female) have a handicap between 10 and 20.

By gender, the average handicaps held by males and females are 18.4 and 25.4 respectively, with an overall average of 19.6.

Membership Pricing

Average membership pricing achieved across the market is available since 1990, as recorded and published by Tee Up Membership Enterprises, a 3rd party membership sales company. Prior to 1990, eight clubs existed in Singapore. Since this time seven new facilities opened with total golf holes expanding by 198, (a near doubling of supply) contracting by 54 holes since 2016.

Market data indicates that despite the supply increase through the 1990's and 2000's average market membership pricing has declined by an average annual rate of 1%.

Social Participants

Whilst golf participation in Singapore certainly has a club-based flavour to it, amongst its participants are golfers who do not belong to any club who play socially for the fun/enjoyment of the game. The size of this segment is difficult to estimate as they do not need to be registered to play.

Based on interviews with industry operators and analysis of survey data, in addition to those golfers classified as club members, it is estimated that there are approximately another 20,000 social golfers in Singapore, providing a total participation base of approximately 80,000 golfers.

ROUNDS PLAYED

The second key participation measure is rounds played. In this section we provide detail concerning the number of golf rounds played annually in Singapore. Two sources of data are referenced in this section, the first being data emanating from the SGA Handicapping System, detailing rounds by member type, gender, frequency, seasonality and club.

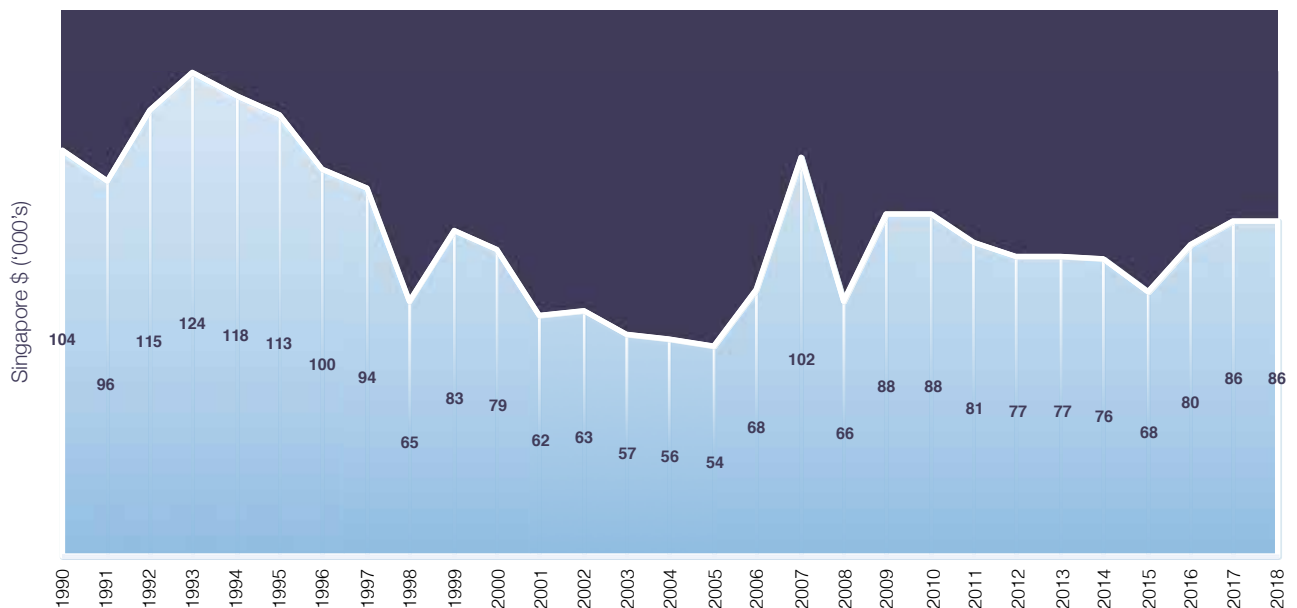


Figure 9: Historical membership pricing

Source: TeeUp Enterprises

29%

of rounds were reported to be played by non-members

56%

Approximately 56% of members played a round in the last 12 months

14%

An average of 14% of rounds were played by female golfers

2%

Reflecting total member numbers, only 2% of rounds were played by golfers less than 25 years of age

8%

A total of 43,000 rounds were played by international golfers, reflecting 8% of total rounds from reporting clubs.

The second source of data is the 2018 Golf Facility Survey, this providing additional data regarding non member rounds.

- With five associate clubs contributing to the total rounds played, an average of 51,000 handicapped rounds per year are being played at Singapore's 12 clubs.

Total Rounds

The 2018 Golf Facility Survey found total rounds played in 2017 to approximate 944,000, an average of 67,400 rounds per facility or 46,000 per 18-hole equivalent.

Handicapped Competition Rounds

In the calendar year 2017 approximately 624,000 handicapped rounds were recorded in the CHS, an average of 52,000 per month or 1,700 rounds per day.

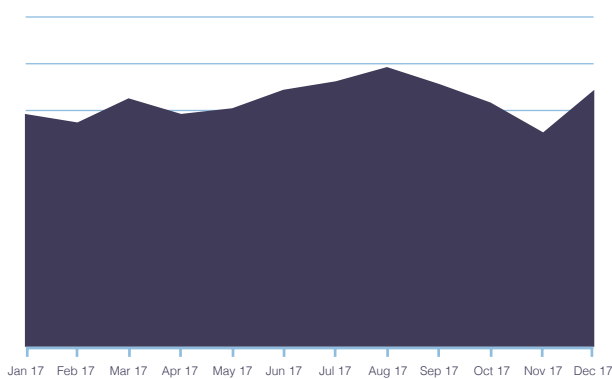


Figure 10: 2017 handicapped rounds played by month

Source: CHS

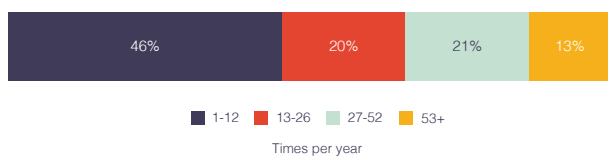


Figure 11: % Mix of Rounds by Frequency

Analysing rounds data, other key findings include:

- On average the active Singaporean golfer plays 25 handicapped rounds per year.
- Males (83% of members) account for 84% of total rounds played, averaging 24.8 per annum, slightly lower than the female average of 25.2 rounds per year.
- Senior members accounted for 25% of rounds played, showing an annual frequency slightly higher than the average at 28.7 rounds per year.
- Only 13% of golfers participate on average more than once a week, with near 50% participating once a month or less.

THE SINGAPORE GOLFER

Introduction & Survey Profile

As outlined in the introduction of this report, to assist inform this study, a broad survey of Singaporean golfers was undertaken. The survey utilised the CHS database underpinning the SGA handicapping system, and was sent to approximately 30,000 active golfers.

For this report, there are known measures for age, gender, handicap, and playing frequency, referencing the known profile of the full handicap database as well as relevant membership data collected from the Singapore club survey, (this survey returning a 100% response rate).

Outlined below is the profile emanating from the golfer survey with comparison points to the known market data points.

The sample emanating from the golfer survey reflects a profile that is not materially dissimilar to the wider club member participation base. A slightly stronger response to the survey was provided by the 45-54 age cohort, offset by a lower response from the 65+ cohort. A slightly stronger male response was received, with respondents also generally having a lower mix of handicaps and showing a higher level of average participation than the total market.

From this we conclude the sample reflects the profile of the Avid Singapore Golfer.

Cohort	Survey		Database	
	Count	%	Count	%
Age				
<35	381	7%	1 991	7%
35-44	742	14%	4 419	15%
45-54	1 571	30%	6 982	23%
55-64	1 692	32%	8 797	29%
65+	874	17%	7 847	26%
Gender				
Male	4 632	88%	24 897	83%
Female	628	12%	5 267	17%
Handicap				
0-10	513	10%	2 061	7%
11-20	2 544	49%	14 714	47%
21-30	1 944	37%	12 410	40%
30+	199	4%	2 062	7%
Frequency				
% <weekly	3 694	76%	21 735	87%
% > weekly	1 143	24%	3 389	13%
Av rounds	41		25	

Source: CHS database, 2018 Singapore Golfer Survey

KEY SURVEY FINDINGS

In order to provide some insight and guidance around the current traits of the Avid Singapore Golfer, detailed below are relevant insights flowing from the golfer survey.

Approximately 70% were introduced to the game via a friend or work colleague. Only 9% started independently.

Avid golfers have an average starting age of 20 years, approximately 90% began playing golf before the age of 35, with 30% beginning prior to the age of 15. years.

Approximately two thirds of rounds are played at the home club, with 14% played at other clubs. Only 10% of rounds are played at alternative regional destinations such as Batam and Bintan.

The key factor driving club membership retention is the quality of course conditions to be experienced. Club exclusivity and prestige is the lowest ranking driver.

The avid Singaporean golfer plays an average of 41 rounds per year, with 24% participating on at least a weekly basis.

The main motivations for play are to relax, and have fun, to make / spend time with friends, enjoy social interactions and to be outdoors, in a natural environment.

Near 50% of avid golfers have a handicap between 11 and 20 with 10% having a handicap of 10 or less.

The core golfer spends approximately \$1,700 per year on golf equipment



Key Motivations for Participation

Referencing a broad list of pre-defined factors, the survey sought to understand the key motivations to participation in golf. Ranked in order of most important to least important, the ranking gives further insight into the broad appeal that the sport of golf has.



Figure 12: Key motivations for participation

IMPORTANCE OF JUNIOR INITIATIVES

The 2018 Singapore Golfer Survey found that core golfers in Singapore had an average starting age in golf of 20 years, with 30% beginning prior to the age of 15. years. Less than 1% have taken up the game post 55 years.

With 50% of Singapore's golfers currently aged over 55 years, this finding re-emphasises the importance of junior programs to golf's continued existence and growth in Singapore.

Future participation numbers would likely heavily suffer were the level of junior programs or junior access to golf facilities fall.

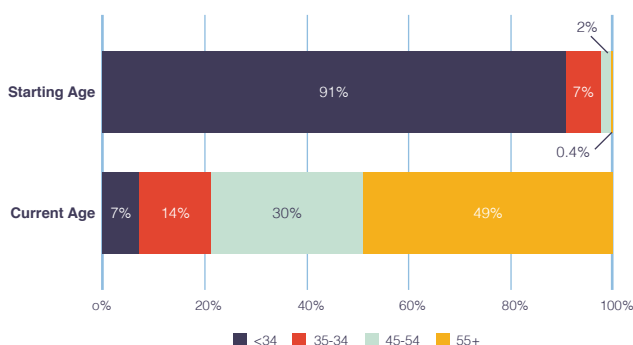


Figure 13: Golfer commencement age

i

From the list above, for the Singaporean golfer, there is a large social value to the golf experience, with the physical environment, level of socialisation and general activity undertaken being of greater importance than the status that may come from being a golf club member.

The pathway to golf also reflects the socialisation opportunity flowing from the sport, with 90% of golfers starting at the encouragement of another person/golfer.

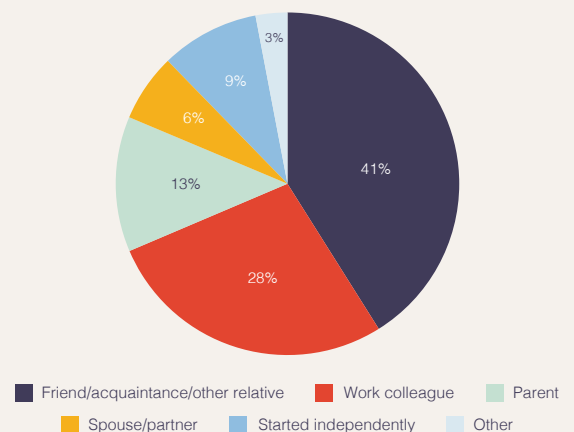


Figure 14: Golfer introduction pathways

GOLF RETAIL INDUSTRY PERFORMANCE

The 2018 Singapore Golfer Survey found that the avid Singaporean golfer spends approximately \$SG 1,700 per year on golf equipment. Based on interviews with industry suppliers it is estimated that approximately \$40 million to \$45 million is generated annually in golf merchandise and equipment retail sales in Singapore.

SPORTS PARTICIPATION TRENDS AND GOLF'S ROLE

Singapore Sports Participation Trends

Sports SG (formerly Singapore Sports Council) conducts National Sports Participation Surveys to gauge the level of sports participation and recreational physical activity in Singapore. Over this time this research has found that

participation in sport in Singapore is generally in decline.

Addressing this decline, in its 2011 report they concluded "In order to increase sports participation rate, there is a need to increase sports participation rate within each age group significantly, so as to counter the effect of the ageing population."



Golf's Role

It is noted that each of the report's recommendations reflect the benefits generally available from participation in golf.

Recommendation

Increasing the quality of the sporting experience children are exposed to, helping them to improve their familiarity and thus interest in continued longer-term participation.

Designing sports programs with opportunities for social interaction and facilitating formation of groups to do such sports together leisurely, even in tertiary institutions and after they start work, may create the environment to sustain their interest in sports/physical activities.

Sports be promoted as a way to spend time with family, and arranging for care facilities for dependencies while the adults do sports should be explored.

Promoting sports as a mean to maintain health/keep fit as one ages.

Work to overcome perceptions that sports cannot be started at an older age.

Informing participants of the benefits of sport in helping to overcome health factors.

Golf's Relevance

Often taught in a group environment by professional coaches in purpose designed areas

Participation is equalised through the handicapping system.
Golf is played in groups, encouraging social interaction

Golf is a whole of life sport, able to be played by all generations. Clubhouse facilities are ideal venues from which care facilities can be offered

Golf is a physical activity, enhancing fitness

More than 50% of Singaporean golfers are aged over 55 years, representing an appealing profile for older aged people

Golf is a physical activity, enhancing fitness and health outcomes.

To address participation levels, the report contained six recommendations:

01

Increasing the quality of the sporting experience children are exposed to, helping them to improve their familiarity and thus interest in continued longer-term participation.

02

Designing sports programs with opportunities for social interaction and facilitating formation of groups to do such sports together leisurely, even in tertiary institutions and after they start work, may create the environment to sustain their interest in sports/physical activities.

03

Sports be promoted as a way to spend time with family, and arranging for care facilities for dependencies while the adults do sports should be explored.

04

Promoting sports as a mean to maintain health/keep fit as one ages.

05

Work to overcome perceptions that sports cannot be started at an older age.

06

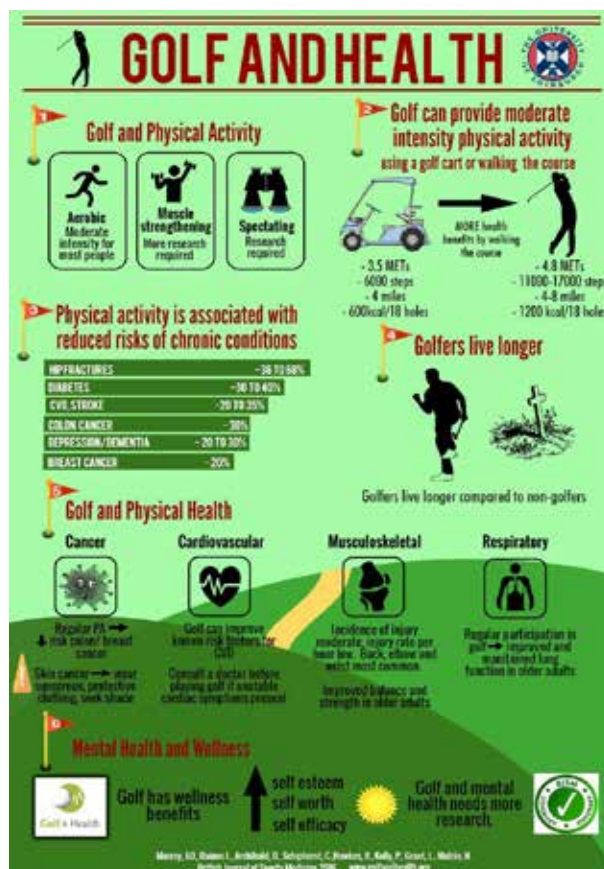
Informing participants of the benefits of sport in helping to overcome health factors.

Given the general sports participation trends evident in Singapore, and the direct and broader benefits that are available from golf, there is a genuine role for golf to play as government seeks to reverse sport participation trends.

Health Benefits of Golf

This study has found that the physical elements of golf are one of the driving motivations for play. The combination of walking, physical effort, and social activity, the wider benefits of participation in golf have also long been promoted by the golf industry. An extension of this promotion is golf's link to health, an area of increasing cost to governments around the world.

In order to better formalise this link, an international project titled "The Golf & Health Project" was undertaken by the University of Edinburgh, supported by the World Golf Foundation. Seeking to aggregate and review existing research into the health benefits of golf, the project sought a clear picture of what benefits there are and what others there might be from participation in golf.



In 2016 the findings were published in the British Journal of Sports Medicine. The study found that there are positives to playing golf, including a longer life expectancy, better overall physical health, and

mental health benefits from participation in the sport.

Other health specific physical benefits were also found from participating in golf. These benefits include improved cardiovascular risk-factor profiles and improved blood-glucose levels. Such improvements typically help to counter the onset of diabetes and high cholesterol respectively, both of these ailments being increasingly common chronic diseases experienced within older age cohorts, age cohorts that also have a high representation within the overall golfer age mix.

As a guide to golf's role in health, the following infographic was produced to summarise the report findings. The full report can be found at <https://bjsm.bmj.com/content/bjsports/early/2016/09/26/bjsports-2016-096625.full.pdf>

This study has highlighted that in 2017 29% of the Singaporean population was aged 55 years or greater, forecast to reach 36% by 2027. Also noted in this report is the age profile of the golf market, with 55% aged over 55 years.

With healthcare being a government cost in Singapore, the continued availability of golf in Singapore is thus one way in which the health of its population can be maintained, also having a positive impact on overall health costs.

To gain some insight into golf's potential health value in Singapore, indicative direction is found in a study conducted by the Australian Golf Industry Council (AGIC) in September 2017.



The report noted a number of key benefits emanate from the sport, including:

- Golf clubs and courses are significant local businesses that strengthen the surrounding economy
- Participation in golf provides regular and cross-generational social interaction across the life span
- Golf provides a foundation to build a strong and connected community
- The game of golf and golf courses provide a

strong connection to the outdoors and natural environment

- Golf teaches valuable life lessons and principles such as respect, honesty, etiquette and self discipline
- A lifelong contribution to reducing the healthcare burden on society through the prevention of disease

Regarding health, the study found that on a per golfer basis, the calculated “health value” of golf in Australia (reduced cost of health) was \$129 per person on an annual basis and \$4,420 per person on a lifetime basis.

With no similar study having been conducted in Singapore, adopting the Australian outcomes as a proxy measure (noting the similar age mix profile of Australia and Singapore), based on an estimated participant base of approximately 80,000 golfers, the indicative health contribution being made by golf in Singapore is approximately \$10.3 million on an annual basis and near \$354 million on a lifetime basis.

With a \$10 billion in annual expenditure being incurred around health by the Singapore government, forecast to grow further in future years as the country’s population ages, the on-going provision of golf in Singapore has a positive role to play in helping the government manage the size of its future required health expenditure.

The R&A Publication – The Truth About Golf

In August 2018 The R&A released an international report titled “The Truth About Golf.” Co-branded with the International Golf Federation (IGF), the report was developed to assist the national golf federations around the world to constructively engage with their respective governments, and other agencies and partners in sport.



The report details nine universal truths it believes apply to golf. Through various and broad ranging initiatives, the nine truths are:

1. Golf is demonstrating its economic value to society
2. Golf is demonstrating its commitment to diversity and access
3. Golf is demonstrating care for the environment
4. Golf is demonstrating positive outcomes for physical health
5. Golf is demonstrating beneficial effects for mental health
6. Golf is demonstrating support for evidence-based research
7. Golf is demonstrating dedication to Olympic Sport
8. Golf is demonstrating development in Amateur Sport
9. Golf is demonstrating investment for change

From these truths, the following benefits to government are promoted:



01 GOLF is demonstrating its economic value to society

Understanding how golf contributes to national economic and sustainability goals, golf and government working together will optimise outcomes.

02 GOLF is demonstrating its commitment to diversity and access

Creating opportunities for women to work in and play golf, golf and government working together will attract more women and families into sport.

03 GOLF is demonstrating care for the environment

Understanding golf's unique relationship with nature, golf and government working together will protect the environment and combat climate change.

04 GOLF is demonstrating positive outcomes for physical health

Realising the proven health benefits of playing golf, golf and government working together will grow a sport that keeps players healthy across the life course.

05 GOLF is demonstrating support for evidence-based research

Expanding the evidence base, golf and government working together will strengthen golf's position as a leading sport for physical activity, health and wellbeing.

06 GOLF is demonstrating beneficial effects for mental health

Exploring the role golf can play in improving mental health, golf and government working together will enhance outcomes in areas such as dementia care and combatting social isolation.

07 GOLF is demonstrating dedication to Olympic Sport

Ensuring that representative athletes have the opportunity to participate in Olympic competition, golf and government working together will deliver peak medal performance.

08 GOLF is demonstrating development in Amateur Sport

Ensuring that representative athletes have the opportunity to participate in international competition, golf and government working together will deliver peak peer group performance in prestige events.

09 GOLF is demonstrating investment for change

Developing the playing infrastructure, golf and government working together will build access to golf through shorter forms of the sport.



6. Key Club Metrics

INTRODUCTION

At the heart of the Singapore golf industry are its 16 golf facilities. In this section the key metrics emanating from these facilities are outlined, including revenue and expense mix, profitability, labour costs and employment.

In Part 4, utilising the findings from the 2018 Golf Facility Survey, the current key metrics emanating from Singapore's golf clubs are outlined, including financial health, labour costs, employment levels and others such as charity spending and junior program and event initiatives.

FINANCIAL HEALTH

The financial health of golf clubs in Singapore is sound. The 2018 Golf Facility Survey found total operating revenues across all facilities to approximate \$238 million per annum, an average of \$18.3 million per facility.

In terms of revenue mix, membership subscription revenues account for an average 30% of total operating revenue, with green fees and associated spending also accounting for 30%. Food and beverage on average accounts for just under 20% of all spending.

From an expense perspective, 97% of operating revenues, averaging \$17 million per facility per year, are being re-invested into the provision of services through golf operations, course maintenance, food and beverage, and administration.

The average revenue and expense mix flowing from the aggregated club data is illustrated above right.

In 2017 annual operating profits averaged three percent per facility. With membership transfer income added after operating profit, average net profit falls to an average of two percent per facility after consideration of depreciation, taxes and other charges. With an average \$4 million depreciation

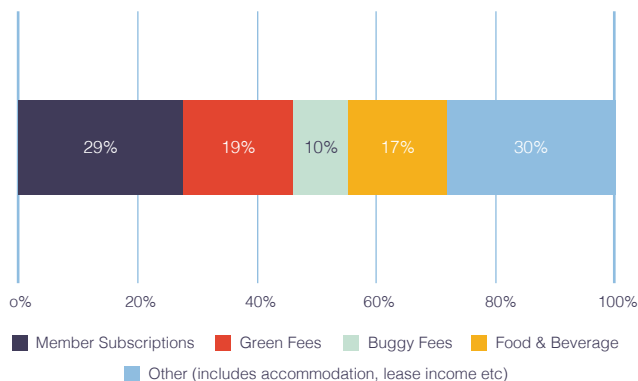


Figure 15: Revenue Mix

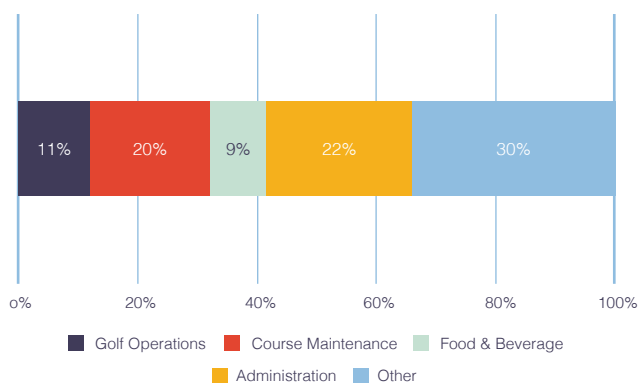


Figure 16: Expense Mix

charge being incurred, Singapore's clubs are returning an average cash position approximating 20% of revenue on an annual basis, this outcome funding club capital expenditure programs. For the period 2015 to 2017 net cash outcomes averaged 14% of total operating revenues.

LABOUR COSTS AND EMPLOYMENT

Golf club operations are highly labour dependent. The survey found labour costs to account for approximately 47% of all club operating expenses, representing an annual market cost approximating \$100 million. In 2017, this expense provided for the employment of 2,550 people, an average of approximately 180 people per facility.

The average employee mix by department flowing from the aggregated club data is illustrated below.

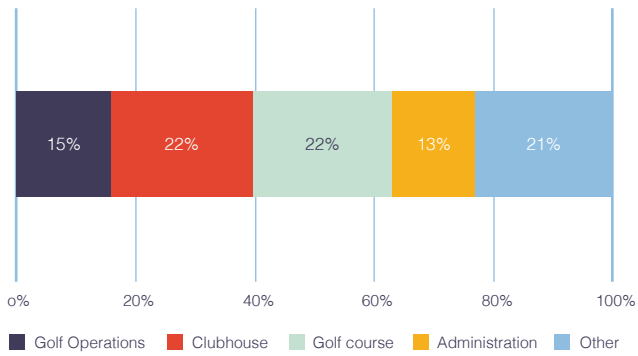


Figure 17: Employee mix by department

OTHER KEY CLUB METRICS

Via the 2018 Golf Facility Survey the following other key metrics were established regarding club operations in Singapore.

- Approximately \$9 million was paid by clubs in taxes and charges in 2017.
- Clubs report a total of 35 junior programs at schools and golf clubs were run by all facilities in 2017, accommodating approximately 570 children.
- Clubs report a total of 34 junior and amateur tournaments were held in 2017. With an average size of 51 people, event participation numbers totalled 1,724.



