BOWLS AUSTRALIA

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NATIONAL FACILITIES AND RETIREMENT/LIFESTYLE VILLAGES STRATEGY

FINAL REPORT: AUGUST 2017

Foreward

Bowls in Australia has reached a pivotal moment in time. With growing social participation rates, an ageing population, and rising value and demand for land, it has become crucial for Bowls Australia to ensure its significant facilities footprint is sustainable.

Due to Australia's growing and ageing population, the potential size of the traditional bowls market – largely made up of those aged over 65, is expanding. This trend in population growth is also increasing the demand for aged care, retirement, and lifestyle villages. The annual revenue of the Australian Retirement Village industry is currently $3.9 billion. This is projected to grow at over 10% per annum for the next 5 years*.

The success of casual bowls as a product has altered the traditional structure of bowls clubs, which previously focussed on high membership numbers. Many clubs are now experiencing rising social participation rates, offset by decreasing membership numbers. This has challenged many clubs to review and reinvent their value proposition and business model, to focus on repeat customer generation rather than memership growth.

This National Facilities and Retirement/Lifestyle Villages Strategy will provide a framework for Bowls Australia to understand and prioritise its facility needs both now and in the future. The strategy is underpinned with a foundation of evidence, data analysis, and modelling to ensure the best outcomes for the sport of bowls, its stakeholders and the community. It will also be a critical resource in the development of the next whole of business strategic plan for Bowls in Australia.

Neil Dalrymple
Bowls Australia
Chief Executive Officer
August, 2017

*Figure from IBIS World – Retirement Villages in Australia

National Snapshot (1/3)

The adjacent map displays the number of affiliated bowls clubs in each state.

The shading on the map indicates the population density of people aged over 65 in each region, with the darker areas having the highest population density.

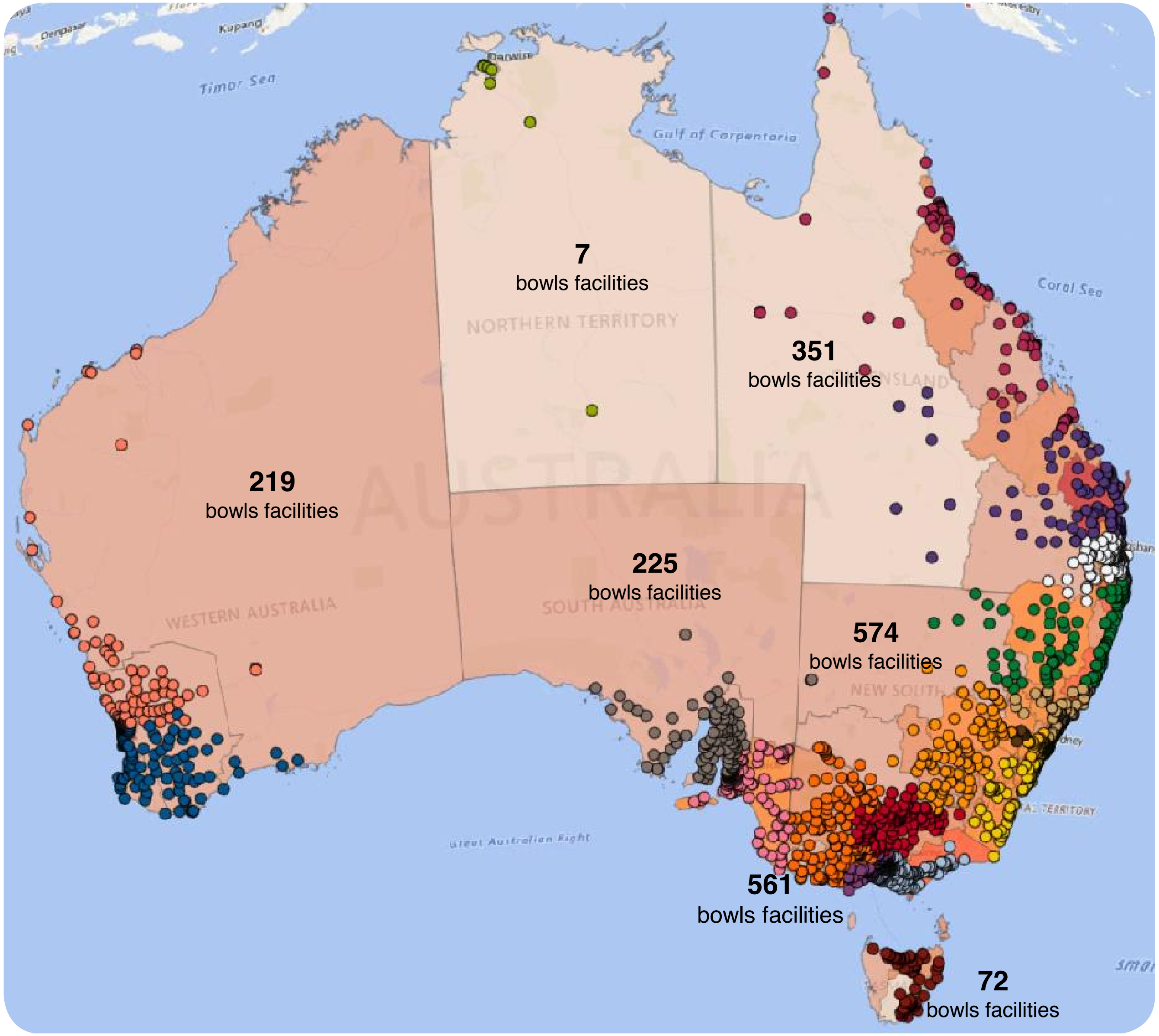
Not surprisingly, the regions with a higher population also have a greater number of bowls facilities.

LEGEND

- South East QLD
- Sydney
- Western Melbourne & Geelong
- North East VIC
- Eastern Melbourne & Gippsland
- Western VIC
- Newcastle, Hunter & Central Coast
- Northern & Western SA
- Northern NSW
- Southern & Eastern SA
- Southern WA
- Northern WA
- Central QLD
- Riverina & Western NSW
- North QLD
- South East NSW & ACT
- Tasmania
- Northern Territory

NO. OF REGIONAL POPULATION >65 (000'S)

- 80+
- 60
- 50
- 40
- 30
- 20
- 10

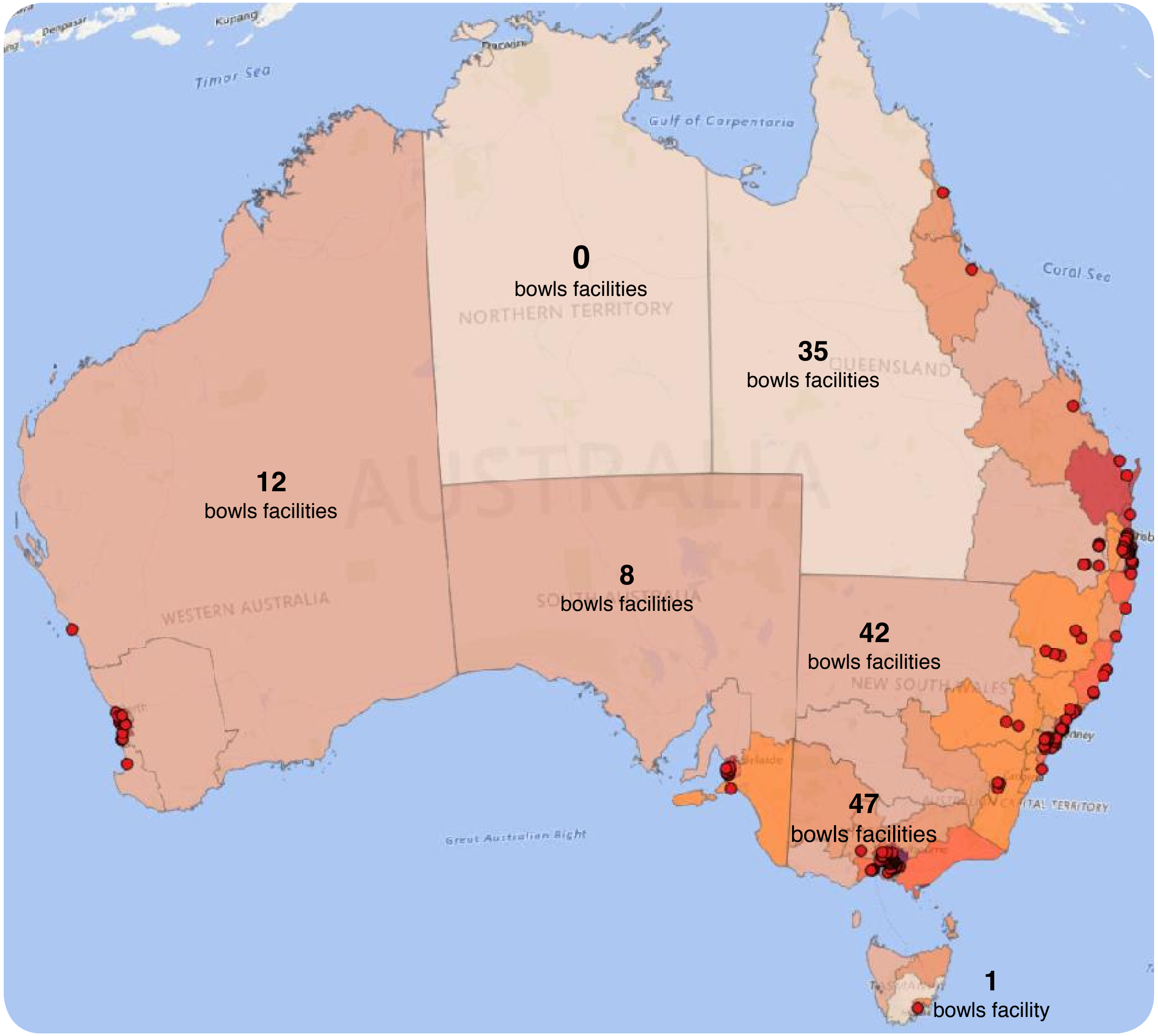


National Snapshot (2/3)

The adjacent map displays the number of Retirement Lifestyle Villages (RLV) with a bowls facility.

The shading on the map indicates the population density of people aged over 65 in each region, with the darker areas having the highest population density.

As with the previous map, the regions with a higher population also have a greater number of Retirement Lifestyle Villages with a bowls facility.



LEGEND

RLV WITH BOWLS FACILITY

NO. OF REGIONAL POPULATION >65 (000'S)

- 80+
- 60
- 50
- 40
- 30
- 20
- 10

National Snapshot (3/3)

Using a range of data sources, we developed the following National Snapshot. This includes a summary of population, participation, bowls members, bowls facilities and bowls club assets across the country. The key findings are shown on the adjacent table.

In addition, a priority audit was conducted that involved research of Retirement/Lifestyle Village facilities, analysis of existing Bowls Australia facility data, Regional Bowls Managers' reports, as well as the collection of thirteen relevant case studies. The areas assessed include structural aspects such as new roof/shading structure, green replacement, solar panel and water tank installation, as well as club house relocation and/or renovation and local council engagement. The graphic on the next page displays the top three club priority areas identified from a national perspective and on page 6 a list of priority regions in Australia.

NATIONAL SNAPSHOT

1,864 clubs nationwide*

145 RLV with bowls facilities*

3,429,968 persons aged over 65*

1 bowls facility per **1,707** persons aged over 65*

3,898,960 projected persons aged over 65 in 2026^

176,594 bowls playing members nationwide*

633,865 bowls participants nationwide*

$5.4 billion total bowls club property value**

4.8% of clubs with club/sub-club owned land**

45% of clubs in good financial health**

10% annual growth in RLVs from 2017-22^^

8.1 million million people aged over 65 by 2050^

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* Figures from 2016 Bowls Australia National Bowls Census Report

** Figures from 2015/2016 Bowls Australia Club Census Infographic

^ Figures from Property Council of Australia National Overview of the Retirement Village Sector Report

^^ Figures from IBIS World as cited in The Courier Mail

CLUB PRIORITY AREAS

1. Clubhouse Renovation **37%**
2. Local Council Engagement **34%**
3. New Green Lighting **19%**

National Facility Strategic Priority Regions

State	Region	# of clubs	# of RLV*	Total Facilities	2016 Population (›65)	2016 Population (›65) per Facility	2026 Population (›65)	Demand Ratio	Overall Strategic Facility Ranking
NSW	North East NSW	107	10	117	170,997	1,462	183,554	1,569	10
	Newcastle, Hunter & Central Coast	114	10	124	111,955	903	123,757	998	15
	Sydney Metro	143	13	156	672,273	4,309	791,759	5,075	1
	Riverina	91	5	96	108,225	1,127	114,383	1,191	14
	South East NSW & ACT	77	4	81	179,449	2,215	200,530	2,476	6
	TOTAL	**532**	**42**	**574**	**1,242,899**	**2,165**	**1,413,983**	**2,463**	
VIC	North East	128	0	128	71,723	560	74,893	585	16
	Eastern Melbourne & Gippsland	127	27	154	359,273	2,333	407,793	2,648	3
	Western Melbourne & Geelong	137	19	156	251,373	1,611	324,238	2,078	7
	Western	122	1	123	71,639	582	70,517	573	17
	TOTAL	**514**	**47**	**561**	**754,008**	**1,344**	**877,441**	**1,564**	
QLD	Tropical North	79	2	81	112,863	1,393	120,575	1,489	11
	South East	138	30	168	407,770	2,427	483,816	2,880	2
	Central	99	3	102	165,131	1,619	179,510	1,760	9
	TOTAL	**316**	**35**	**351**	**685,764**	**1,954**	**783,901**	**2,233**	
SA	Southern & Eastern	105	8	113	257,814	2,282	279,828	2,476	5
	Northern & Western	112	0	112	37,872	338	38,498	344	18
	TOTAL	**217**	**8**	**225**	**295,686**	**1,314**	**318,326**	**1,415**	
WA	Northern	102	5	107	127,971	1,196	144,386	1,349	13
	Southern	105	7	112	168,014	1,500	200,977	1,794	8
	Outback & Remote*	0	0	0	44,239	n/a	43,827	n/a	
	TOTAL	**207**	**12**	**219**	**340,224**	**1,554**	**389,190**	**1,777**	
TAS	Tasmania	71	1	72	94,572	1,314	97,949	1,360	12
NT	NT	7	0	7	16,815	2,402	18,170	2,596	4
	NATIONAL TOTAL	**1,864**	**145**	**2,009**	**3,429,968**	**1,707**	**3,898,960**	**1,941**	

BOWLS AUSTRALIA

Strategic Framework

The National Facilities and Retirement/Lifestyle Villages Strategic Framework forms a key pillar of the Bowls Australia Strategic Plan 2017-2022.

The Key Objectives, Analysis and Strategic Initiatives in this document are only concerned with Bowls Facilities and Retirement/Lifestyle Villages.

SWOT Analysis

A SWOT Analysis was completed to identify the key strengths, weaknesses, opportunities and threats for Bowls in Australia. This assisted in shaping the objectives of the National Facilities and Retirement/Lifestyle Villages Strategy.

STRENGTHS

1. Number of clubs (1864) and equity ($5.4 billion) of facilities footprint
2. Number of volunteers/workforce
3. Number of paid employees and contractors within clubs (e.g. greenkeepers)
4. Bowling Clubs are a community hub in regional areas (ancillary purposes, safe place, history & recognition)
5. Growing participation
6. Opportunity for year round play with greater knowledge of surfaces (e.g. Synthetic, Tift, Couch grass)

WEAKNESSES

1. Club Management – quality and lack of training
2. Lack of planning at club level – short term focus, lack of business, operational or strategic plans
3. Quality of facilities - also an old and static footprint (very few new locations)
4. Current data capture, collection and analysis
5. Profile of the sport (stereotype as an ‘old persons’ sport)
6. Declining Membership

OPPORTUNITIES

1. Increasing value and demand for land
2. Growth of technology around playing surfaces
3. Ageing and shifting population – changing demographic (25% foreign purchasing of residential property)
4. Trend towards multipurpose facilities and partnerships between sports (golf, tennis, croquet etc.)
5. Improvements in digital and social technology around broadcasting, sharing and forecasting
6. Legislative changes towards retirement village development on land zoned for Sport and Recreation (Brisbane)

THREATS

1. LGA pressure to optimise revenue and use of sport and recreational facilities
2. Aggressive property developers are becoming less inclined to consider community/social consequences
3. Shift away from traditional membership offerings (bowling clubs offering 90% their social bowls events when 80% of potential bowlers are unable to play)
4. Growth of unaffiliated providers, private operators and alternate offers
5. Demographic changes and multicultural growth – 27% of Australians born overseas
6. State government legislation changes and scrutiny (smoking, gambling, alcohol etc.)

Strategic Objectives

Using the key learnings from the case studies, in combination with the SWOT review, five key strategic objectives were identified. These will form the basis of the strategic framework, and will be used to develop a state-of-the-art analytical approach to anticipate and inform strategic decision making.

1. Understand the current **geographic spread of clubs, facilities and population growth** areas

2. Determine the **optimal number and location of facilities**, which will create a sustainable model for the sport

3. Proactively **identify strategic partnership and affiliation opportunities** with Retirement and Lifestyle Villages to create strong, vibrant, welcoming and revitalised facilities

4. **Grow the presence of bowls as a community, health and well-being hub** through multipurpose/shared facilities and greater engagement with LGAs

5. Ensure a mix of traditional, social and retirement/lifestyle village venues that **create opportunities for everyone to play bowls all year round**

Four key issues were identified from the SWOT Analysis, which will be addressed through the following strategic initiatives.

	1	2	3	4
KEY ISSUES	HOW DO WE ELEVATE THE GOVERNANCE AND MANAGEMENT OF CLUBS TO CREATE SUSTAINABILITY AND IMPROVE VIBRANCY OF CLUBS?	HOW WILL WE MAXIMISE VALUE OF THE SPORT'S ASSETS, FOOTPRINT AND OUTCOMES WHEN DEALING WITH DEVELOPERS AND PARTNERS?	HOW WILL WE ROLL OUT A WHOLE OF GOVERNMENT ADVOCACY AND PROFILE/ COMMUNICATION TO IMPROVE OUR ENGAGEMENT AND POSITIONING?	HOW WILL WE IDENTIFY GROWTH, ENGAGEMENT AND PARTNER HOTSPOTS?

STRATEGIC INITIATIVES	• Launch a national education program for club management, directors and Boards. E.g.
	  ◦ Certificate 4 for Bowls/Management
	  ◦ Clubs NSW template review
	  ◦ Bowls coordinator network
	  ◦ Launch club resources program for 2017
	• Share case studies of success, social participation and other alternate revenue streams with staff, STAs and clubs
	• Review regional governance models and structures to:
	  ◦ Ensure consistent regional structures across the country
	  ◦ Remove outdated levels of governance
		• Proactively approach top priority partners/ developers to formalise sales, mergers and revitalisation processes – and to promote the sport through their channels
		• Develop regional plans to activate partnerships/affiliate memberships with retirement villages and developers
		• Establish a formal process to identify and assist Clubs in distress in each region
			• Review/develop/consolidate a national LGA contacts database for the sport
			• Publish and distribute the National Facilities and Retirement/Lifestyle Villages strategy to all LGAs via a designated central contact for each district/region/zone
			• Appoint a dedicated National Government Relations and Facilities Manager (that may be shared nationally)
				• Initiate a facilities training and resource program for RBMs
				• Accelerate and elevate national facilities data capture and analysis (national roll-out of Google Maps data)
				• Review technology requirements to share the data/information on our facilities in line with the digital strategy
				• Initiate a series of pilot programs for immigrant/NESQ markets
				• Initiate contact and partnership discussions with RSL Australia and Clubs Australia

Case Studies

While a number of bowls clubs may be experiencing declining financial health, there are some facilities that have been able to generate new growth based on their ability to deliver a product that meets current market demands. There are also other external opportunities such as the ageing population and subsequent growth of the retirement/ lifestyle village market which need to be leveraged, to shed light on some of the current issues and success stories within clubs, and to provide guidance to other clubs which may be in similar situations. The following is a summary of the key learnings from the case studies, these can be found on the BA website (bowls.com.au).

1. **Clubs need to be aware of zoning and planning changes within their LGA.** For example, recent changes to the Brisbane City Plan, allow development permits for aged care facilities to be streamlined ahead of residential permits if the land is zoned for sport and recreation.

2. **Consolidation of facilities and club mergers can provide new opportunities** to grow participation, attracting events and securing additional funding for facility upgrades – if they are done with a strategic and business mindset.

3. Clubs need to understand that **selling off parcels of land to developers for a financial windfall is not a long-term solution** – unless the business model which led to the current situation evolves in line with the new direction.

4. **Clubs must seek professional, independent advice when considering decisions involving commercial agreements** (including land sales) with LGAs and Developers.

5. Some clubs have **repositioned themselves to offer a complete bowls experience** that attracts younger age groups within a more social environment. However, this is not a single business model solution, as each region varies significantly in demographics and market dynamics.

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