



THE EASTERN GOLF CLUB



LOCAL GOVERNMENT RATING SYSTEM REVIEW

THE EASTERN GOLF CLUB SUBMISSION

OCTOBER 2019 – COMMERCIAL IN CONFIDENCE

INTRODUCTION



THE FACTS ABOUT THIS REVIEW

- In 2019-2020, Councils in Victoria will raise **over \$5 billion in rates** from over **3 million properties** across the state.
- Every rates notice will present detailed information, and some may have up to four or more different rates and charges. This can be challenging for both ratepayers and councils to understand, especially when the **rates system is applied differently across councils**.
- In 2018, the **Victorian Government committed to a review** of the local government rating system.
- To lead this work, the Government appointed a **Ministerial Panel** to make independent recommendations to Government on an optimal rating system. **Fairness and equity are key to the Terms of Reference** for this review.

ABOUT US

The origins of The Eastern Golf Club can be traced back to 1896, making it one of the oldest clubs in the country. The club has a proud history, where for much of its existence was in Melbourne's eastern suburb of Doncaster. Here, celebrated surgeon Sir Thomas Naughton Fitzgerald built the grand Doncaster home that would become the clubhouse. The club hosted many prominent Victorian figures and intriguing events, including the annual competition for WW1 veterans, the AIF Cup where the winners trophy was donated by the founder of Legacy, General Sir Stanley Savige.

In 2015 the club relocated to the banks of the Yarra River and tranquil surrounds of Yering where the Club retains a passion and respect for our remarkable history and pledges to stay true to its traditions.

The passion the club has in keeping to its tradition and continuing to provide its members and community with the best possible golf experience remains a core focus.

DEVELOPMENT OF SUBMISSION

In developing submission the following process has been undertaken:

- General Manager part of the working group established to develop of a submission on behalf of the industry.
- Independent consultants, SBP (Sport Business Partners) appointed to assist in developing the submission.
- Supply of key information and data inputs to SBP.
- In consultation with SBP, development of a draft submission.
- Meeting with GMV, SBP and other clubs to discuss feedback and any required changes to the submission.
- Submission finalised and lodged.

BACKGROUND AND CONTEXT



THE CURRENT SYSTEM

- Golf clubs in Victoria are currently charged a fee in lieu of rates under the Cultural and Recreational Lands Act 1963 (CRLA).
- The CRLA was introduced in October 1963 in response to the upcoming implementation of the Valuation of Land Act in 1964. The Valuation of Land Act would introduce and enforce a rating method based on the uniform valuation of land throughout the State.
- The CRLA was introduced to protect clubs that occupied large tracts of land from paying drastically increased rates based on the Capital Improved Value (CIV) of the land.
- The CRLA makes it clear that in determining the rate to be charged, there are only two factors to be considered:
 - The **services provided by the council** to the clubs, and;
 - The **benefit the clubs provide to the community**.
- As the CRLA does not assert how the “benefit to the community” is determined, the rates passed on by Council’s vary between clubs and Councils and are very subjective.
- Some councils still use a differential system where the council determines a cents in the dollar value at their own discretion that is divided by the CIV of the land to give a rates figure. Using this system, council rates can vary from as low as 0.0006 to 0.2 cents in the dollar.
- A rebate/concession system is also used in some councils where a rebate is determined by each council and regularly reviewed. Rebates/concessions can range from 0-100% of rates – at the Council’s own discretion.

THE NEED FOR A NEW APPROACH

- The lack of a uniform approach across the state has led to confusion and inequality in the amount paid in rates by golf clubs.
- Current processes are inefficient, costly and do not follow legislation – they are not based on the services provided by the council, nor the benefit clubs provide to the community.
- The contribution that golf as an industry makes to the community is poorly recognised and under appreciated.
- The amount raised in rates through the CRLA makes up only ~0.13% of total council rates across Victoria – and the portion contributed by golf clubs is an iota of this.
- A blanket rule that is consistently applied across the state and in every council will significantly reduce administration time and costs.

THIS DOCUMENT

- The purpose of this document is to highlight the significant benefit that The Eastern Golf Club provides to the community, and to demonstrate to government that the Club is an invaluable community asset.
- The Eastern Golf Clubs view is that there needs to be a more consistent approach to the method in which rates are calculated. Each year the Club’s rates have increased without any consistent methodology or consultation around the benefit that the club provides to the community. The Club would like to work with its local Council (Yarra Ranges Council) and State Government on developing a fair and equitable approach to calculating rates.

BENEFITS PROVIDED TO THE COMMUNITY

BENEFITS PROVIDED TO THE COMMUNITY (GOOD)



ECONOMIC BENEFIT

The Eastern Golf Club relocation to Yering has made a significant contribution to job growth and development in the Yarra Valley through the creation of local employment opportunities. Currently, 60% of staff reside in the Yarra Ranges Council, which includes a variety of roles from greenkeepers and maintenance staff to administration and hospitality. This provides a significant economic benefit to the local area through the creation of jobs and employment. The Eastern Golf Club currently employs:

- 30 Full-time staff
- 10 Part-time staff
- 35 Casual staff
- 22 Local Suppliers (within the same LGA as Club)
- 29 Suppliers within Victoria
- 3 Suppliers outside of Victoria

In addition to the above, the Club has invested over \$200,000 in Capital Expenditure. Council's capital funds are not required to be used to provide grass roots sporting opportunities at the Club, and by generating considerable cost savings in terms of both services provided and capital expenditure, the club is self sustaining – unlike other sports clubs and facilities in the Yarra Ranges.

HEALTH BENEFIT

Regular participation in physical activity provides significant health benefits to individuals from both a physical and mental health perspective. There are numerous health benefits to the community derived from playing and being involved in the game of golf, including improved cardiovascular health, mobility and flexibility.

It is estimated that the health benefit derived from each golf member reduces the burden on the health system by \$375 per year. The Eastern Golf Club's 2,535 members provide a physical and mental health benefit of \$950,625 per year. This benefit does not include the 14,000 rounds played by non-member and the 1,500 rounds donated to charitable causes.



BENEFITS PROVIDED TO THE COMMUNITY (GOOD)



ENVIRONMENTAL BENEFIT

The connection to the outdoors and nature through golf is fast becoming the only time many spend in green open space. With this in mind, the Eastern Golf Club commissioned Greg Norman to design a course with a philosophy to create an environment that would be in harmony with the broader landscape. Norman's 'least-disturbance approach' design philosophy has created a course that is complementary to the existing topography whilst ensuring the spectacular natural features and dramatic views are maximised to enrich the playing experience.

The Eastern Golf Club encompasses 182.1ha of open space that is estimated to provide an environmental benefit of \$966, 769. This value is based on:

- The avoided cost of maintaining current water quality in metropolitan waterways through alternative infrastructure.
- The avoided costs of built infrastructure to deal with additional stormwater.
- The value per tonne of the amount of carbon dioxide equivalent that would be sequestered annually.
- The pricing premium that land adjacent to open space and golf courses attracts, and the increase in housing value given the green link that golf clubs provide.

SOCIAL BENEFIT

Golf, like many sports at a grassroots community level, contributes a broad range of social benefits such as community cohesion, social mobility, social inclusion and social capital.

In 2018, the total number of guests that visited the Club was 2,584. Of these, 906 reside in Yarra Ranges Council, and on average 100.3 guests who reside in the Yarra Ranges visit the Club every month.

So far in 2019, 702 guests that have visited the Club reside in the Yarra Ranges.

Each year the Eastern Golf Club hosts a variety of events for members and non-members alike. These include enjoying local wine and produce, community meetings for local charities or groups and functions.

In 2018/19:

- 23 Community Meetings were attended by 1,802 patrons (E.g. Provision of meeting rooms for community groups such as Rotary, Schools etc.)
- 28 Community Events were attended by 1,325 patrons (E.g. Business Events, Seminars, Lunches, Dinners)
- 72 Functions were attended by 5,234 patrons (E.g. Weddings, Birthdays, Conferences, Anniversaries etc.)

BENEFITS PROVIDED TO THE COMMUNITY



DONATIONS AND FUNDRAISING

The Eastern Golf Club plays an important role in assisting charities and community groups. The Club regularly assists charitable bodies with golf days or makes direct donations to various charitable organisations and community groups.

In 2018/19 the Eastern Golf Club supported various charitable events that included eight charity/community golf days hosted by the club and \$48,000 donated to charitable organisations in 2018/19.

Some examples of the numerous fundraisers and community events the club has held since 2015 are outlined below:

- Anchor Golf Day
- Bridge Builders Golf day
- MT Evelyn Chamber Business function
- Life Education Event
- Yarra Ranges Athletics Function
- Yarra Ranges Tourism Function
- Mayoral Ball Yarra Ranges Council
- Empowering Woman Fundraiser
- The Reach Foundation Golf Day
- Kinglake Netball Club function
- Powelltown Netball Club function
- Victoria Secondary Schools Golf Event
- Ferrari Club Day Event
- Wine Yarra Valley Golf Day
- Rotary Club of Boronia Function
- Yarra Valley View Club Function
- Lilydale High School Function
- Priceline Sisterhood Charity Golf Day
- Bimbadeen Netball Club Event
- Mooroolbark Probus Event
- Yarra Ranges Childhood Educators Seminar
- YMAC
- Lilydale Ladies Probus Club Event
- Yarra Valley Business Breakfast Function
- Montrose Coterie Charity Golf Day
- Aust Tennis Ball Boy Try Outs

From 2015 to 2019, the Club facilitated 25 day trips for local community aged care visits, as well as numerous school holiday programs. The Club regularly hosts Yarra Ranges Tourism and Business Events and provides local sporting clubs with use of the facilities.

The club has also hosted the branches of local emergency services including Mooroolbark CFA, Eltham CFA and Lilydale Police, as well as golf days for Melbourne Fire Brigade and Victoria Police.

BENEFITS PROVIDED TO THE COMMUNITY

COACHING AND DEVELOPMENT

The game of golf teaches life skills to younger players, such as respect, appropriate behaviour, honesty and etiquette.

In 2018/19 the Eastern Golf Club hosted a number of coaching and development clinics that included:

- 11 Member clinics
- 5 Non-member clinics
- 13 School clinics
- 3 Scholarship programs

TOURISM

Victorian golf clubs regularly attract both interstate and international visitors to the region. This contributes directly to the local economy through visitor spend and overnight stays. The Yarra Valley is a popular tourism region with world class wineries and championship standard golf courses. In 2016-17 it was estimated that tourism was worth \$574 millions to the region's economy, with the region receiving 5.5 million-day trips. Having world class facilities such as the Eastern Golf Club, that provide accommodation offerings like Yering Gorge Cottages helps contribute to bringing visitors to the region.

The Club has also hosted three Amateur Junior tournaments in the last year which attract both interstate and international visitors to the region.



CONCLUSION

In recognition that the Act identifies that the charges are not mandatory, the Eastern Golf Club strongly encourages the State Government to duly recognise that Victorian golf clubs are a valuable community asset.

Through this submission, the Eastern Golf Club has demonstrated the significant community benefit that is provided through golf. In addition, the capital expenditure that the club contributes to the development of world-class facilities nurtures the best talent in the country, on facilities far superior than Council can provide – and at a fraction of the cost,

There is no reason to be under any illusion that the current environment is challenging, or that membership is in decline. The cost to Clubs of maintaining such assets is high, and many clubs have fallen into financial distress over recent years.

Considering the requirements of the CRLA and the evidence presented in this document around community benefit, The Eastern Golf Club would like to work with the Government on a fair, equitable and consistent solution.





THE EASTERN GOLF CLUB

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