



LOCAL GOVERNMENT RATING SYSTEM REVIEW

HUNTINGDALE 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

- Huntingdale Golf Club's affiliations go back to 1896, when Surrey Hills Golf Club was established. The Club played on a course where now stands the Mont Albert Station. The Club prospered until 1914, when it disbanded on the outbreak of the first World War.
- After the War a few of the original members got together and formed what was then known as the Box Hill Golf Club with its course in Canterbury Road, Box Hill.
- In 1924, a Committee leased some property in Doncaster Road, and laid out an 18 hole course amid the surrounding orchards. The same Committee took over the assets of the Box Hill Golf Club and re-established it at the Doncaster Road site, under the name of Eastern Golf Club.
- In the years prior to the second World War, there had been many discussions on the merit of transferring the Club on to the famous sand belt, but plans were held in abeyance due to the lack of suitable ground being available.
- Early in 1938 Mrs Creswick was considering the disposal of the old Melbourne Hunt Club grounds at East Oakleigh.
- The course design was entrusted to C.H. Alison, an English golf architect and student of Alister Mackenzie, who worked entirely from models, contour plans, and written

information as to the topography of the ground. Former curator, the late Sam Beriman, was co-opted to adapt Alison's designs to the terrain.

- The course opened in 1941, and it was at that time the name Huntingdale Golf Club was adopted. The suburb of Huntingdale is actually named after the Club.
- Today with its development as a Club, and advancement as an Australian Championship Golf Course, it proudly takes its place among the unique group of world class courses of which Melbourne is justly proud.
- Rising to fame in March 1979 with the inaugural hosting of The Australian Masters, Huntingdale has emerged as one of the most recognisable golf courses in Australia, and the world. Since 1979, Huntingdale has played host to some of the most famous names in world golf, including Jack Nicklaus, Greg Norman, Peter Thomson, Gary Player, Arnold Palmer, Norman Von Nida, Nick Faldo, Bernhard Langer, Ian Woosnam, Ian Baker-Finch, John Daly, Tom Watson, Nick Price, Justin Rose, Adam Scott and Tiger Woods.
- The Club completed a new \$14million clubhouse and car park in August 2014.
- The Club has held more major Australian tournaments than any other in Australia.

In developing this submission the following process has been undertaken:

- Independent consultants, SBP (Sport Business Partners) appointed to assist in developing the submission.
- Review all areas of club impact in:
 - Economic impact
 - Social Capital/Health benefit
 - Environmental impact
- Preparation of a joint submission for Council with Riversdale and Metropolitan Golf Clubs which was later developed into this document, once we were made aware of the State Government's review.

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

- Sets out the Huntingdale Golf Club impact and benefit to the community.
- Highlights the significant benefit that Victorian golf clubs provide to the community, and to demonstrate to government that golf Clubs are an invaluable community asset.
- Based on the current legislation, the inconsistency in practice, and the extensive consultation and research conducted in the development of this submission, it is Huntingdale Golf Club’s view that Clubs would like to work with the Government on a fair, equitable and consistent solution, which does not leave any of club in a worse financial position with local government than they currently are and addresses the inequities of some Clubs, such as ours, paying far more than others thus not providing a level playing field.

BENEFITS PROVIDED TO THE COMMUNITY

BENEFITS PROVIDED TO THE COMMUNITY

ECONOMIC BENEFIT

Huntingdale Golf Club makes a significant contribution to job growth and development through the creation of local employment opportunities. This includes a variety of roles from greenkeepers and maintenance staff to coaching, administration and hospitality.

- Number of Full-time staff = 29
- Number of Part-time staff = 3
- Number of Casual staff = 29
- Local Suppliers (within the same LGA as Club) = 133
- Suppliers within Victoria = 917
- Suppliers outside of Victoria = 206
- Capital Expenditure 2013 – 2018 Total \$14,065,404

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.

To calculate annual health benefit: \$355,018pa

- Physical health benefits = \$344,880pa
- Mental health benefits = \$10,137pa
- Number of rounds played by members = 34,045
- Number of rounds played by non-members = 11,009

ENVIRONMENTAL BENEFIT

The connection to the outdoors and nature through golf is fast becoming the only time many spend in green open space. In many metropolitan areas golf courses provide critical green wedges and open spaces that support birdlife,

wetlands and other animals.

The Total Environmental Benefit: \$236,303.59

There are many published articles and other literature with regard to the benefit of golf courses on the environment. Among these are:

- The protection of native flora and fauna
- Water Filtration
- Stormwater retention and reuse
- Carbon Sequestration
- Landscape and Neighbourhood Amenity, and;
- Protection against degradation of soil in the form of acidification, salination and erosion.

Additionally Huntingdale funded, in a joint venture with Monash Council, developed Windsor Avenue into a picturesque parkland drive and walking track for Club and community benefit. The Club also maintains this community land with in excess of \$25,000 spent per annum on an area the council would maintain.

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.

Huntingdale offers a meeting place for several local community groups including Huntingdale Rotary, local School Principals meetings, and ten Monash business events per year. It also opens its facilities for community groups to use for events at a heavily subsidised rate. A number of charity events are hosted at the Club annually including the Mayoral Charity Day which is run in August by Huntingdale Rotary.

In all approximately 250 times the facility is used by the community for purposes other than member activities.

BENEFITS PROVIDED TO THE COMMUNITY

DONATIONS AND FUNDRAISING

Victorian Golf Clubs also play an important role in assisting charities and community groups. These Clubs annually assist charitable bodies with golf days or make direct donations to various charitable organisations and community groups.

- The Club holds 6 fundraising days that raise in excess of over \$300k pa
- Approximately 240 rounds donated at a value of \$72k
- The average non member round cost is \$300.
- Total amount donated to charitable organisations in 2018/19 directly was \$80k.

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.

- Number of tournaments hosted average 8-9 pa.
 - Amateur Junior – Male – 1pa
 - Amateur Junior – Female – 1pa
 - Amateur (Including Seniors) – Male – 3pa
 - Amateur (Including Seniors) – Female – 3pa
 - Professional (Including Pro-Amateurs) – Male over 31 held since 1970's
- Each event attracts a significant visitor spend with most events requiring overnight accommodation or longer e.g. country week, or professional events

COACHING AND DEVELOPMENT

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

Huntingdale runs a range of golf programs including

- Access for the VIS and AIS golf programs,
- junior programs,
- ladies clinics,
- beginner clinics and
- school clinics (both in house at several local schools and at HGC facilities).

In the year ending December 2018, Huntingdale hosted 111 junior clinics, equating to a total of 70,374 hours throughout the year. Huntingdale also provides a 12 month junior scholarship for up to 6 children, plus a cadet program for between 10-15 young golfers. All participants under 21 receive free practice balls.

Huntingdale Golf Club has 4 Golf professional teaching from its facility.

CONCLUSION

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

Through this submission, the Victorian golf industry have demonstrated the significant community benefit that is provided through golf. In addition, the capital expenditure that golf clubs contribute 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.

The clubs have delivered, on their own, various growth opportunities at the grass roots level, and provided a strong contribution to the Victorian community.

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



