



**SANCTUARY LAKES**  
GOLF CLUB



## **LOCAL GOVERNMENT RATING SYSTEM REVIEW**

### Sanctuary Lakes Golf Club SUBMISSION

OCTOBER 2019 – COMMERCIAL IN CONFIDENCE

## 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

**Sanctuary Lakes Club**, established 2000, is located within the Sanctuary Lakes Resort located in the Point Cook area of Melbourne, approximately 20 km from the CBD. The residential area is located on the site of the former Cheetham Salt Works. Sanctuary Lakes has been a Member owned club since a Transition Agreement between the original developer, Sanctuary Lakes Development in approximately 2013.

Sanctuary Lakes Club features a Greg Norman designed championship course which is constantly rated amongst Australia's top 100 courses.

### **Demographics**

The suburb of Point Cook has experienced substantial population growth, from 33,431 people in 2011 to 60,901 people in 2018. It is forecast to increase a further 30.4% by 2041.

### **Recent communication with Wyndham City Council**

October 2018 an objection was lodged with Wyndham City Council regarding increased rates expense, in excess of \$15k, based on the CIV and ratio used.

Further communication was issued stating the relevance of the Cultural and Recreational Lands Act 1963 in this calculation.

Response from Council resulted in change of classification to Recreational Land from Commercial Developed Land, this provided a decreased rate, utilising the CIV in the calculation.

Discussions continue regarding the timing of this adjustment, and agreement on calculation moving forward.

# 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 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 Sanctuary Lakes Club unequivocal view that golf clubs should be entitled to a uniform transparent model that does not further disadvantage the Club and its current financial state.

# BENEFITS PROVIDED TO THE COMMUNITY

## ECONOMIC BENEFIT

Sanctuary Lakes 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 administration and hospitality.

SLGC employs approximately 40 full time and casual staff, both directly and through hospitality contractors. The Club supports approximately 40 local suppliers, and an additional 20 Victorian suppliers residing outside our local government area.

## 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.

The annual health benefit derived by golf Members at Sanctuary Lakes is approximated at \$250,000 per annum. Further benefit is derived by the 5,000 non member rounds played on our course per annum

## 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 environmental benefit provide by Sanctuary Lakes Golf Club is conservatively estimated at \$275,000.

SLGC being part of the Sanctuary Lakes Resort, which is located on the site of the former Cheetham Salt Works where a large scale industrial production facility supplied salt to Melbourne and Victoria for nearly 100 years. The water management regimes of the salt works caused them to become an important habitat for a wide variety of birds, including rare migratory birds.

Recycled water is used to irrigate the golf course as well as resort landscaped areas. This water is processed at the Altona Recycled Water Treatment Plant, using wastewater from households and businesses.

## 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.

Sanctuary Lakes Golf Club hosts local business Networking groups and is in demand as a venue for birthdays, weddings and other festivities. The Club host outdoor movie nights as well as seasonal events including Christmas, Dawali and Chinese New Year celebrations also sport related evenings including Football finals and Melbourne Cup themes.

# 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.

Sanctuary Lakes Golf Club has hosted golf days to the benefit of local charitable organizations including Mambourin and Young Achievers Foundation, as well as more recently the Friedreich Ataxia Foundation. This equates to approximately \$20,000 value in golf rounds indirectly donated by SLC.

## 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.

Sanctuary Lakes Club hosts a final qualifying round for the internationally renowned Victorian Open, as well as a State Final for the Doris Chambers Golf Australia event.

With Quest apartment accommodation available on site many of these international and regional women and support staff stay overnight or for the days leading up to these events, providing a financial injection to local businesses.

## COACHING AND DEVELOPMENT

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

In a growing community the Sanctuary Lakes Range offers a unique experience, as we have the benefit of the only undercover driving range in the western suburbs. The public is welcome to utilise this space 7 days a week during all opening times.

Utilising Golf Victoria marketing campaigns, including MyGolf and Swingfit, we are able to increase participation in the under-represented female and junior sections of the community. An example of this commitment is the increased number of Junior Clinics, and participants we have attending on a regular basis.

In 2018, we introduced a school based sports programme, with 2 of our local schools (Alamanda and Suzanne Cory HS) culminating in 4 sessions scheduled each week, catering to kids from 12 to 17 years old. This will be expanded upon through 2019 & 2020.

Programmes such as Swingfit will be implemented in 2019, which will complement our current range of 'inclusive' clinics targeting females of all ages. In recent times we have promoted a 'Women come and try' golf day, which utilises the range for a tutorial before heading out to the course.

Scheduled are 'free residents clinics', open to those with a 3030 postcode, as well as ladies clinics for beginners and intermediate players.

# 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.



