



1892

RIVERSDALE  
GOLF CLUB



# LOCAL GOVERNMENT RATING SYSTEM REVIEW

*RIVERSDALE 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

The Riversdale Golf Club (RGC) has been at 200-280 Huntingdale Road, Mount Waverley, Victoria since 1927, and uses the land for out-door sporting recreational purposes, that is for the sport of golf. Therefore, the land is recreational land within the meaning of the Cultural and Recreational Lands Act 1963 ("the Act").

RGC provides a comprehensive base for social interactions between members, guests and visitors with between 2-300 patrons at the Club every day, either playing golf, practising or utilising its facilities for a function, social gathering or just a coffee.

The Club also has very active coaching and cadet programmes aimed at encouraging both adult members and non-members and local school students to get involved in the sport.

The Club is extremely well known nationally and internationally as the host of the Riversdale Cup which is played annually for amateur men and women from around the world. It is regarded as a 'stepping stone' to the professional golf circuit and is the oldest Club funded amateur golf tournament in the world.

# 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 clearly articulate to Council the multitude of benefits that the Riversdale Golf Club provides to the community.
- Based on the current legislation, the inconsistency in practice, and the extensive consultation and research conducted in the development of this submission, it is The Riversdale Golf Club’s unequivocal view that no fee should be passed on to the Club, based on the extensive benefits provided to the community.

# **BENEFITS PROVIDED TO THE COMMUNITY**

---

# BENEFITS PROVIDED TO THE COMMUNITY

## ECONOMIC BENEFIT

Riversdale 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.

- Number of Full-time staff 20
- Number of Part-time staff 9
- Number of Casual staff 19
- Local Suppliers (within the same LGA as Club) 57
- Suppliers within Victoria 57
- Suppliers outside of Victoria 0
- Capital Expenditure (last 5 years) \$3,219,279

## 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: \$589,500*

- Physical health benefits \$422,880
- Mental health benefits \$12,655
- Number of rounds played by members 49,297
- Number of rounds played by non-members 7,919

## 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.

Total environmental benefit: \$276,068

There are many published articles on the environmental benefits of golf Clubs. Among these are:

- The protection and enhancement of flora and fauna;
- Protection against degradation of soil in the form of acidification, salination and erosion, and;
- Acting as a natural filter of storm water and runoff water.

Riversdale Golf Club Course Maintenance staff clean out rubbish collected in Damper Creek on average four times per annum, which would take four staff half a day to complete.

## 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.

For the year ended 31 December 2017, Riversdale Golf Club hosted 56 non-member meetings including those for private businesses and charitable organisations. This attracted a patronage of 2,225 people. The Riversdale Golf Club actively promotes functions for both member and non-member individuals and businesses at its venue including: Weddings, Conferences and Seminars, Lunches and Dinners e.g. birthdays and anniversaries, Cocktail Parties, and Meetings. For the year ended 31 December 2017 the Club held 203 functions for 8,406 non-member patrons.

# 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.

*Riversdale provides a number of donations throughout the year to 27 organisations within the local area. The donations are normally annual and within a typical year will equate to around \$25,000. Riversdale also hosts the Mayor of Monash charity day and has done so for several decades. The funds raised for charity on the day are of between \$20,000 and \$25,000. The total amount raised in 2018/19 by the three clubs was over \$200,000, as indicated in the table to the right. Please note: This figure excludes the contribution of monies raised from corporate days that are purely focused on raising funds for charity. The contribution from these rounds is estimated at over \$500,000 annually alone.*

## 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.

Riversdale hosts an Annual Golf Tournament, The Riversdale Cup with the aim of "showcasing top golfers of the future from Australia and from around the world." In 2018, this highly rated amateur tournament was played for the 110th occasion for the men and 60th occasion for the women, making it the world's longest running amateur golf tournament organised by a private golf club. More than 250 men and women are given the opportunity each year to play in the event.

## COACHING AND DEVELOPMENT

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

Riversdale provides a number of donations throughout the year to 27 organisations within the local area. The donations are normally annual and within a typical year will equate to around \$25,000. Riversdale also hosts the Mayor of Monash charity day and has done so for several decades. The funds raised for charity on the day are of between \$20,000 and \$25,000. The total amount raised in 2018/19 by the three clubs was over \$200,000, as indicated in the table to the right. Please note: This figure excludes the contribution of monies raised from corporate days that are purely focused on raising funds for charity. The contribution from these rounds is estimated at over \$500,000 annually alone.

# 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.



