



LOCAL GOVERNMENT RATING SYSTEM REVIEW

FLINDERS 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

Situated at the furthestmost point of Western Port, 75 kilometres from Melbourne, Flinders was discovered in 1798 by explorer George Bass, who named Flinders after his friend, Matthew Flinders.

The Flinders Golf Club provides a wonderful experience combining a sense of tradition that comes with being over one hundred years old with top quality playing conditions and boasting modern facilities.

Perched high on the cliff tops, views across Western Port to Phillip Island and the rugged Bass Strait coastline provide a stunning panorama whether you are strolling the fairways of this unique golf course, enjoying a light lunch or hosting your special occasion in our award winning clubhouse.

The oldest golf club in Victoria, Flinders has more than 800 members, caters for upwards of 40,000 rounds of golf annually and is host to a significant number of community events both on its grounds, in its bowls club and in the clubhouse.

- In developing this submission the following process has been undertaken:
- Participated in a panel with key GMV stakeholders established to commence the development of a submission on behalf of the industry.
- Liaised with independent consultants, SBP(SportBusinessPartners) appointed to assist in developing the submission.
- Participated in primary and secondary research conducted with clubs and the industry.
- Provided key information and data inputs with other clubs.
- Development of a draft submission.
- Attended meetings with GMV clubs to discuss feedback and any required changes to the submission.
- Consultation and engagement with Golf Australia
- Submissions 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 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 Flinders Golf Club’s unequivocal view that golf clubs should be entitled to a reduction in rates, if not exemption from payment of rates.

BENEFITS PROVIDED TO THE COMMUNITY

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ECONOMIC BENEFIT

Flinders 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.

Flinders currently has:

- 10 Full-time staff
- 5 Part-time staff
- Between 5 and 20 Casual staff depending on the time of the year
- Upwards of 200 within Victoria, several of which are local suppliers
- Between 5 and 15 suppliers outside of Victoria
- Committed \$1.5 million dollars to capital expenditure over the last 10 years.

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 contributed by Flinders Golf Club is \$312,750, as well as

- Physical & mental health benefits derived from the activity of golf, as well as the companionship between golfers and the relationships built.
- Last year alone, club members played upwards of 25,000 rounds of golf and visitors played more than 20,000 rounds.

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 annual environmental contribution of The Flinders Golf Club is close to \$115,000. This 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.

Every year, Flinders Golf Club hosts a significant number of community events.

- More than 40 Community Meetings and events which include the provision of meeting rooms for community groups such as Rotary, Schools etc
- More than 100 functions for members and visitors such as Weddings, Birthdays, Conferences, Anniversaries etc.

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.

Flinders plays an active role in supporting charity's and fund raising efforts.

- There are three gazetted charity/community golf days hosted by club annually, which host upwards of 100 people each.
- The average cost of a non-member round is \$48.
- In addition to the donation of the course, the club hosts its own charity day which raises \$15,000 annually.
- Further to that the club frequently supports other organisations with donations of course access and the like for their events.
- The total amount donated to charitable organisations in 2018/19 more than \$35,000

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 club is active in promoting local tourism and hosting events that are facilitated to do that.

In 2018/19 there were more than 15 open events for amateur male and female golfers held at Flinders.

COACHING AND DEVELOPMENT

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

Flinders Golf Club run a Pathway to Golf Program which is structured as a 12-week beginners' class.

This is run three times a year catering for 54 beginners; involving lessons, classes, and course access up to 24 times for each person in each program.

There are also school holiday clinics, swing fit classes and group lessons available for those new and old to the game.

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.



