



LOCAL GOVERNMENT RATING SYSTEM REVIEW

Metropolitan 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 Metropolitan Golf Club, quietly tucked away in Melbourne's south east is one of the renowned sandbelt courses, known for its outstanding conditioning and unique bunkering.

The Club has played host to a number of prestigious professional tournaments that draw crowds from far and wide, including seven Australian Opens, five Australian PGA's, the World Matchplay Championship and more recently, the internationally televised ISPS Handa Melbourne World Cup of Golf.

The Club is home to 1300 local members, but also welcomes domestic and international tourists who flock to the region to experience the magnificent golf on offer on the Melbourne Sandbelt.

The Club however is more than just a golf course. It is also the home of some of the most significant indigenous plantations in the region that support a wide range of birdlife.

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 The Metropolitan Golf Club’s unequivocal view that golf clubs should be entitled to rate relief.

BENEFITS PROVIDED TO THE COMMUNITY

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ECONOMIC BENEFIT

The Metropolitan 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. The Club currently employs over 60 staff, most of whom reside in the local government area.

In addition to the economic benefits provided by direct employment, The Metropolitan Golf Club also benefits the local community by transacting with a wide range of local suppliers. Of the 408 large and small businesses with whom we transact, 69 are local government area suppliers, 289 reside outside of the local government area but within the state of Victoria, and a further 50 are located interstate.

The Club also invests heavily in its own facilities and services which creates further local jobs. Over the last 10 years, the Club has invested over \$26.5m in capital projects and equipment.

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 of The Metropolitan Golf Club is estimated to be \$367k per year.

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 Metropolitan Golf Club covers an area of over 70 hectares of open space and native flora and fauna. The proactive management of our environment for the benefit of members and the local community is a core value. In fact, the Club employs two full time staff members to manage our plantations, eradicate weeds and promote the growth of local indigenous plants.

The environmental benefit of The Metropolitan Golf Club has been calculated at \$371k per annum, with the carbon abatement from our property estimated to support 3,961 people.

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 addition to the many member events held at The Metropolitan Golf Club, we also support numerous local businesses and community groups by playing host to their corporate golf days, seminars and events.

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 Metropolitan Golf Club has chosen the disability support charity OC Connections (formally known as the Oakleigh Centre), as its local charity partner, freely donating its facilities to raise funds for their work. We also provide course access to numerous other charities on an ad-hoc basis to support fundraising initiatives and estimate the value of our charity work to be in excess of \$100k per annum.

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.

As part of the internationally renowned Melbourne Sandbelt, The Metropolitan Golf Club attracts a large number of interstate and international tourists to the region to play the course or watch professional events. In 2018/19 alone, the Club hosted one amateur boys tournament, one amateur girls tournament, three amateur men's and women's tournaments, and one professional men's tournament. These major events attract a large number of players and spectators and make a significant financial contribution to the region.

COACHING AND DEVELOPMENT

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

Given Metropolitan's status in Australian golf, the Club has made a commitment to growing the game, with a focus on introducing women and juniors to golf.

In 2018/19 the Club hosted over 100 clinics for women and juniors that are open to members and non-members alike. The Club has also supported local schools that include golf in their sporting curriculum by playing host to school clinics.

The Club also supports junior golf by providing scholarships to talented youngsters who would otherwise not be able to access a golf course of the quality of Metropolitan. The Club offers approximately 10 scholarships per annum and continues to financially support them at the conclusion of the scholarship program should they wish to formally join the Club.

The Club has also recently formed The Metropolitan Golf Academy to support some of the most talented junior golfers in the state as they work towards turning professional. The Academy is currently supporting six of our leading amateurs, with applications opening shortly for funding in 2020.

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.



Spectators watch the 2018 ISPS Handa Melbourne World Cup of Golf at The Metropolitan Golf Club

