

**3.3 APPEAL UNDER THE CULTURAL AND RECREATIONAL LANDS ACT 1963 (CRLA) – RIVERSDALE GOLF CLUB ANNUAL RATES**  
(DW:File No. F16-17319P05)

Responsible Senior Officer: Danny Wain, Chief Financial Officer

**RECOMMENDATION**

*That Council:*

*1. Note that the Minister for Energy, Environment and Climate Change, in response to a request from Riversdale Golf Club, seeking intervention to set aside the CRLA 2020/21 charge and set a lower charge (as allowed under the CRLA) has requested Council (and the Club) to work together to resolve this matter independently and pausing the appeal process.*

*2. In response to that request advise the Minister that Council is satisfied that the 2020/21 CRLA charge for Riversdale Golf Club should stand as it is;*

- a. A charge that is in line with Council’s CRLA policy (a policy that was adopted following extensive consultation with stakeholders in 2018);*
- b. A charge that effectively discounts the equivalent rate by some 60% and determined by taking into consideration two key factors (as required by the CRLA 1963):*
  - i. the amount of the charge “having regard to the services provided”, and*
  - ii. The amount of the “Community Benefit provided by the land”*

**INTRODUCTION**

Officers are advising Council of a request from Minister D’Ambrosio (Energy, Environment and Climate Change) seeking Council’s agreement to enter into negotiations for a reduced Cultural Recreation Lands Act 1963 (CRLA) charge for Riversdale Golf Club (the Club).

**BACKGROUND**

Riversdale Golf Club lodged an appeal to Minister D’Ambrosio (Energy, Environment and Climate Change) seeking intervention to set aside the 2020/21 charge and set a lower charge (as allowed under the CRLA). Officers have responded to the Land Management Policy Division, (part of DELWP) seeking permission (subject to Council approval) to enter into discussions

with the Riversdale Golf Club regarding their appeal and progressing this matter towards resolving the 2020/21 CRLA charge (\$77,655). The 2020/21 charge is some 14% higher than the previous year. For 2021/22 the adopted charge is \$95,586 (mostly impacted by the core land valuation). The Club are waiting on the Minister's decision, however an appeal on the 2021/22 charge would likely also be forthcoming.

### ***DISCUSSION***

Council received notice from DELWP in late May, that an appeal had been made to the Minister pursuant to section 4(2) of CRLA, in respect of the amount of rates determined to be payable to Monash by the Club.

Once an appeal is made under Section 4(2) the Minister is required to determine the amounts to be paid by the Club as rates and that the determination is required to be final.

We were requested to supply any relevant documentation regarding the charge setting<sup>1</sup> and Council's policy on CRLA charges<sup>2</sup>. This information was provided to DELWP (and to the Club). We were also provided with the Club's submission to the Minister.

The Minister's office followed up with a request seeking Council's and the Club's approval to work together to resolve this matter independently and pausing the appeal process.

The Club also lodged a submission to Council's 2021-22 Draft Budget, along the same lines as the appeal to the Minister. That submission was considered as part of the consultative process for the 2021/22 Council Budget. One of the key points of the Club's submission was that Council should not be using the Capital Improved Value (CIV) as a key component in the calculation of the CRLA charge.

The charge setting mechanism is set out below and we believe there is a valid connection with the calculation of the charge using the CIV and the CRLA, particularly references in Section 4 (1) relating to the making of rates; Section 4(3) linking a council or Ministerial determination to the valuation cycle; Section 4(4) which references links to setting a charge and changes to the rate in the dollar when setting rates; and the reference in Section 4(5) (ii) to using the valuation to determine the amount of back rates to be paid upon cessation of CRL use.

---

<sup>1</sup> • Council Report (CRLA Policy Adoption June 2018)  
<https://www.monash.vic.gov.au/files/assets/public/about-us/council/council-meetings/2018-26-june/3.1-report-updated.pdf>

<sup>2</sup> • CRLA Policy (Adopted June 2018)  
<https://www.monash.vic.gov.au/files/assets/public/about-us/council/council-meetings/2018-26-june/3.1attachment.pdf>

### Setting the Charge

If land is 'recreational lands' within the meaning of the CRLA, rates under the Local Government Act 1989 are not levied<sup>3</sup>. The State Government has not seen it necessary to set a standard set of rules across the sector regarding the way Council's apply a CRLA charge. This position has not changed post the Rating Review Panel. Therefore, CRLA charge setting has been left to Council's to manage. There is payable to Council charges being such amount as Council thinks 'reasonable'. Council considers each year, as part of its planning and budget setting process, the services utilised by each property occupier and the benefit their land provides to the community. This process effectively levies a 'charge in lieu of rates' that provides a discount of approximately 60% for these properties compared to the equivalent municipal rates they would otherwise pay.

The 60% discount figure is determined by taking into consideration two key factors:

1. The amount of the charge "having regard to the services provided"
  - Each year Council determines that the following services are "provided" either directly or indirectly to cultural and recreational land in the municipality. This encompasses all services with the exception of Waste Collection, Aged & Disability services, Childcare, Maternal & Child Health and Youth & Family services. Some services such as Public Libraries and Cultural services are only included at a 50% allocation

This generally equates to approximately 50% of total Council expenditure being applicable to the land.
2. The amount of the "Community Benefit provided by the land".
  - Council has identified ten potential community benefits: Social interaction, Sporting programs, Coaching opportunities, Cultural promotion, Environmental benefits, Provision of Uniforms, Subsidised entry fees, Provision of premises, Employment opportunities and Community Development/Meeting Places.

This generally results in a 20% reduction of the amount payable applied to each property in consideration of the benefit each provides to the community.

Although Riversdale, being a private member only club, may not provide all elements of "Community benefit provided by the land", once determined as cultural recreation land, we apply the maximum discount (60% discount to the equivalent rates) allowed under our policy when setting the charge. Any other properties that qualify (including Metropolitan GC \$56K and

---

<sup>3</sup> Provisions related to municipal rates are still under the *Local Government Act 1989*

Huntingdale GC \$55K for 2021/22) also receive a CRLA charge with a 60%<sup>4</sup>discount to the equivalent rates.

### **Valuation & Objection**

The Valuer General undertakes an annual revaluation process of all land each year in accordance with the *Valuation of Land Act* 1960 and the *Local Government Act* 1989. The Club has experienced significant increases in Capital Improved Value (CIV) over the past two years (most of which relates to the core land value). The Club have also been informed that they can object to the valuation, once the new CRLA notice is issued.

### **Rating Review Panel**

Since adopting the Policy in 2018 we have not considered any further changes, particularly as an independent panel was appointed in 2019 to review all aspects of Victoria's local government rating system (including the application of CRLA matters). Their final report was submitted to the Minister for Local Government on 31 March 2020. The State Government released its recommendations and its report on the Local Government Rating System Review however did not recommend implementing the reforms recommended by the Panel (refer Attachment 1).

In the response to the Panel report the State Government advised its decision was due to the potential for increased uncertainty and risk, significant reforms to arrangements for general rates will not be progressed and are not supported and the recommended reforms to exemptions and alternative rating arrangements for power generators and cultural and recreational land also have the potential for significant impact on the economy and community.

### **Engagement with the Club**

The Riversdale Golf Club and other CRLA eligible properties were invited to take part in consultation and make submissions to the development of Council's CRLA Policy in 2017 and 2018. The Club has consistently objected to the use of CIV as part of the calculation of the charge. However, we believe that the basis of the calculation of the charge, taking into consideration the components that must be considered under the CRLA, should be linked to the equivalent rates (the rates if that property been rated under the *Local Government Act* 1989).

Council officers have met with the three Golf Clubs in a joint meeting after the adoption of the policy (and prior to the start of the Rating Review panel)

---

<sup>4</sup> The 60% discount is derived by applying a 50% discount (Re: Part 3.1 outlined in this policy) and then applying a further 20% (Re: Part 3.2) to the residual amount; effectively a 60% discount applied against an amount that would otherwise have been applied if that property was rated under the *Local Government Act* 1989.

to discuss opportunities for greater Council/community/club activities, however no opportunities were identified, at that time. Any further discussions have not taken place due to the Rating Review Panel (as CRLA matters were part of the review) and Covid which significantly impacted Golf Club activities.

Using CIV as a component is appropriate given that the rest of the community is rated based on “highest and best use”. We also believe that the charge setting outcome is “fair and reasonable in the circumstances”.

### ***POLICY IMPLICATIONS***

The CRLA charges are set annually in accordance with Council policy (based on the CRLA). Any change to that charge would need to be accepted and approved by Council (effectively a waiver of part of the set charge).

### ***CONSULTATION***

The Riversdale Golf Club and other CRLA eligible properties were invited to take part in consultation and make submissions to the development of Council’s CRLA Policy in 2017 and 2018. The Club has consistently objected to the use of CIV as part of the calculation of the charge. However, we believe that the basis of the calculation of the charge, taking into consideration the components that must be considered under the CRLA, should be linked to the equivalent rates, had that property been rated under the *Local Government Act 1989*.

Using CIV as a component is appropriate given that the rest of the community is rated based on “highest and best use”. We also believe that the charge setting outcome is “fair and reasonable in the circumstances”.

### ***HUMAN RIGHTS CONSIDERATIONS***

Officers have conducted a review of the current Policy and determined that there are no implications arising from the *Charter of Human Rights and Responsibilities Act 2006*.

### ***GENDER EQUITY ASSESSMENT***

A Gender Equity Impact Analysis has not been undertaken on the existing Policy (2018), however when a review or change to the Policy is undertaken that review will be undertaken in line with *Gender Equity Act 2020*.

***FINANCIAL IMPLICATIONS***

Any determination by the Minister would not have a material impact to Council's total rate & charges revenue base.

***CONCLUSION***

Officers are advising Council of a request from Minister D'Ambrosio (Energy, Environment and Climate Change) seeking Council's agreement to enter into negotiations for a reduced Cultural Recreation Lands Act 1963 (CRLA) charge for Riversdale Golf Club (the Club). The recommendation is for Council to advise the Minister that Council's 2020/21 CRLA charge stands.