

3.2 CULTURAL AND RECREATIONAL LANDS ACT (CRLA) POLICY REVIEW – FOLLOW UP (DW:F18-2206)

Responsible Officer: Danny Wain, Chief Financial Officer

EXECUTIVE SUMMARY

Council adopted a new policy to take effect from 1 July 2019 and recommended that four out of the nine recipients were not properly classified as CRLA lands and that they be rated under the Local Government Act 1989 (LG Act). At its meeting on 26 June 2018, Council considered the review of the Cultural and Recreational Lands Act (CRLA) Policy Review and resolved to write to the affected clubs and defer the decision to adopt the policy, with an effective date of 1 July 2019, until the August 2018 Council meeting.

PURPOSE

Council, has previously considered nine (9) properties eligible to be charged under the Cultural and Recreational Lands Act 1963 (CRLA). The CRLA requires that Council undertake a separate process for the purpose of setting a charge 'in lieu of rates' for each CRLA property. CT Management Group (CT) were provided a brief, based on the Council resolution, to undertake this review and consultation with the CRLA clubs and undertake benchmarking of the CRLA Policy with similar councils.

FINANCIAL IMPLICATIONS

The proposed changes, if adopted, will have minimal impact on Council's rate setting for 2019/20. However, changing the rating status for the Mulgrave Country Club from CRLA charges to municipal rates under the LG Act will increase the rate from \$10,041 to approx. \$27,000. The Mulgrave Country Club would appear to have sufficient capacity to absorb the increase in rates without experiencing any hardship nor requiring further assistance from Monash Council.

CONCLUSION/RECOMMENDATION

This report recommends endorsing the "in-principle" agreement from the report presented at the June 26 meeting including;

- updating the current policy and maintaining the current discount at 60%,
- rating the Mulgrave Country Club; Victorian Homing Association Inc.; Oakleigh and Caulfield Districts Angling Club and Oakleigh Rifle Club Inc. under the LGA,
- offering the Victorian Homing Association Inc.;, Oakleigh and Caulfield Districts Angling and Oakleigh Rifle Club a rebate under the LGA (to the equivalent CRLA discount of 60%) and
- for clubs on Council land that leases be amended to "cover" the CRLA, municipal rates & other property charges,

3.2 CULTURAL AND RECREATIONAL LANDS ACT (CRLA) POLICY REVIEW (DW:F18-2206)

Responsible Officer: Danny Wain, Chief Financial Officer

RECOMMENDATION

That Council, in relation to the 26 June Council meeting and having considered a submission from the Mulgrave Country Club, endorses the recommendations from the Cultural and Recreational Lands Act policy review namely:

1. *Adopts the revised Cultural Recreation Lands Policy (CRLA Policy) to be implemented on and from 1 July 2019, incorporating:*
 - a) *retaining the current discount for:*
 - the Riversdale Golf Club, Metropolitan Golf Club and Huntingdale Golf Club and the clubs be advised that Council is agreeable to discussions regarding an agreement (to apply from 2019/20) which may provide for;*
 - (i) a greater/lesser discount subject to the clubs meeting conditions which may include increased community benefit, recognition of the economic benefit to the local area, local purchasing, social procurement and profile/branding for the Council;*
 - b) *retaining the current discount for:*
 - (i) Glen Iris Valley Recreation Club; and*
 - (ii) Hawthorn Football Club Ltd (Waverley Park);*
 - c) *noting that the following Clubs, as from 1 July 2019, will not qualify for Cultural and Recreational Lands status and therefore will be rated under the provisions of the Local Government Act 1989:*
 - (i) Victorian Homing Association Inc.;*
 - (ii) Mulgrave Country Club;*
 - (iii) Oakleigh Rifle Club Inc.; and*
 - (iv) Oakleigh and Caulfield District Angling Club;*
 - d) *That an amount, equivalent to the CRLA discount, be applied as a waiver, under the Local Government Act 1989, to the municipal rates for 2019/20 and in all subsequent rating years unless Council resolves otherwise, for:*
 - (i) Victorian Homing Association Inc.;*
 - (ii) Oakleigh Rifle Club Inc.; and*
 - (iii) Oakleigh and Caulfield Districts Angling Club;*
2. *On an in principle basis, that it endorses the review findings that Council owned leased properties, used exclusively for outdoor recreation use (including ancillary buildings):*
 - a) *be rated under the CRLA Policy; and*
 - b) *commence processes to vary the current property leases to include provision for Council to fund all CRLA charges, Municipal rates, fire services property levies and water rates from 1 July 2019; and*

3. To write to each of the affected Clubs to advise of the above.

INTRODUCTION

At its meeting on June 26 2018, Council considered a review of the Cultural and Recreational Lands Act (CRLA) Policy Review and resolved (**Amended Resolution**):

Following its review of the arrangements in place for properties in Monash that are rated under the Cultural Recreation Lands Act 1963, Council resolves:

1. *On an in principle basis, that it supports the revised Cultural Recreation Lands Policy (CRLA Policy) attached to this report to be implemented on and from 1 July 2019, incorporating:*

- a) *retaining the current discount for:*

the Riversdale Golf Club, Metropolitan Golf Club and Huntingdale Golf Club and the clubs be advised that Council is agreeable to discussions regarding an agreement (to apply from 2019/20) which may provide for;

- (i) a greater/lesser discount subject to the clubs meeting conditions which may include increased community benefit, recognition of the economic benefit to the local area, local purchasing, social procurement and profile/branding for the Council;*

- b) *retaining the current discount for:*

- (ii) Glen Iris Valley Recreation Club; and
(iii) Hawthorn Football Club Ltd (Waverley Park);*

- c) *noting that the following Clubs, as from 1 July 2019, will not qualify for Cultural Recreation Lands status and therefore will be rated under the provisions of the Local Government Act 1989:*

- (i) Victorian Homing Association Inc.;*
(ii) Mulgrave Country Club;
*(iii) Oakleigh Rifle Club Inc.; and
(iv) Oakleigh and Caulfield District Angling Club;*

- d) *That an amount, equivalent to the CRLA discount, be applied as a waiver, under the Local Government Act 1989, to the municipal rates for 2019/20 and in all subsequent rating years unless Council resolves otherwise, for:*

- (i) Victorian Homing Association Inc.;*
*(ii) Oakleigh Rifle Club Inc.; and
(iii) Oakleigh and Caulfield Districts Angling Club;*

2. *On an in principle basis, that it endorses the review findings that Council owned leased properties, used exclusively for outdoor recreation use (including ancillary buildings):*

- a) *be rated under the CRLA Policy; and*

- b) commence processes to vary the current property leases to include provision for Council to fund all CRLA charges, Municipal rates, fire services property levies and water rates from 1 July 2019; and
3. To write to each of the affected Clubs to advise of the above in-principle determinations and to invite any Club to make a submission to Council if they believe that the determinations will create undue financial burden or are unreasonable; and
4. Its intention to make a final decision on this matter at the Council meeting to be held on 26 August 2018.

BACKGROUND

Council, has previously considered nine (9) properties eligible to be charged under the *Cultural and Recreational Land Act 1963 (CRLA)*. The CRLA requires that Council undertake a separate process for the purpose of setting a charge 'in lieu of rates' for each CRLA property.

DISCUSSION

Council adopted a new policy to take effect from 1 July 2019, recommending that 4 out of the 9 recipients were not properly classified as CRLA lands and that they be rated under the *Local Government Act 1989 (LG Act)*.

The four clubs (listed below) to be rated under the LG Act, rather than CRLA;

- Mulgrave Country Club;
- Victorian Homing Association Inc.;
- Oakleigh Rifle Club Inc.; and
- Oakleigh and Caulfield District Angling Club.

It was also agreed that some Council owned leased properties, used exclusively for outdoor recreation (23 bowls, tennis and sporting clubs listed in Table 1 with leases providing exclusive use over Council land) should be rated (a charge in lieu of rates) under the CRLA with Council paying the CRLA charge.

Table 1. Outdoor Sporting Clubs on Council land (Leased)

Club	Street name	Suburb
Mount Waverley Bowling Club Inc	6 Alvie Road	Mount Waverley
South Oakleigh Bowling Club Inc	1216 North Road	Oakleigh South
North Oakleigh Tennis Club Inc	14-16 Atkinson Street	Chadstone
Oakleigh Bowling Club Inc	87-93 Drummond Street	Oakleigh
Glen Waverley Bowls Club Inc	690 Waverley Road	Glen Waverley
Glenburn Tennis Club Inc	5 Mulgrave Street	Glen Waverley
Oakleigh Tennis Club Inc	4 (2A, 2B, 2C) Park Road	Oakleigh
Wellington Tennis Club Inc	27 Rupert Drive	Mulgrave
Bayview Tennis Club (Chadstone) Inc	313 Huntingdale Road	Chadstone
Essex Heights Tennis Club Inc	2 Federal Street	Mount Waverley

Gladeswood Reserve Tennis Club Inc	24-56 Maygrove Way	Mulgrave
Glen Waverley Tennis Club Inc	626-658 Waverley Road	Glen Waverley
Legend Park Tennis Club Inc	85-95 Capital Avenue	Glen Waverley
Lum Reserve Tennis Club Inc	231-259 Lum Road	Wheelers Hill
M.P. Tennis Club Inc (Mayfield Park Tennis Club)	34-38 Mayfield Drive	Mount Waverley
Mount Waverley Tennis Club Inc	8-26 Charles Street	Mount Waverley
Tally Ho Tennis Club Inc	42 Bennet Avenue	Mount Waverley
Wheelers Hill Tennis Club Inc	65-73 Jells Road	Wheelers Hill
Whites Lane Mulgrave Tennis Club	58A Watsons Road	Glen Waverley
Notting Hill / Pinewood Tennis Club Inc	1-9 Baker Avenue	Glen Waverley
Glenvale Tennis Club Inc	96 Shepherd Road	Glen Waverley
Waverley Hockey Club Inc	106 High Street Road	Ashwood
Waverley Night Netball Association Inc	2-30 Jells Road	Wheelers Hill

POLICY IMPLICATIONS

Council adopted the revised Policy in June, however with a further review (following advice to the affected clubs) and an effective start date of 1 July 2019.

CONSULTATION

Following the June Council report all Clubs have been advised on the Council decision and the start date (1 July 2019). The Clubs with leases over Council land were advised that the decision to rate them under the CRLA (paid by Council) will not have any financial impact.

Mulgrave Country Club Submission

Mulgrave Country Club (Mulgrave CC) has responded (sending a copy to all Councillors) outlining their objections and concerns. Officers met with the President and CEO of the Club and a second submission was received. In summary Mulgrave CC advise that;

- the determination to rate the Club under the *Local Government Act 1989* (LGA) is unreasonable,
- they support the Bowling Club with three greens,
- they financially support a Tennis Club and Cricket team (off-site),
- the Club's indoor sporting activities should be considered as part of CRLA,
- the Club will be hosting the Australian Squash Championships,
- the amount of community benefit offered qualifies them under the CRLA,
- the Club has donated over \$1.4M (last ten years) in donations and thousands more for in-kind room hire and bistro vouchers, including to \$250K in the last financial year,
- major employer in the municipality (over 140 staff),
- has over 6,000 members (formed in 1961),
- is a Not-for-profit with the Club retaining monies for the members,
- rating under the LGA could be financially crippling, and
- the Club believe this decision force the Club to reduce its service offer to the community.

Officer Response to Mulgrave Country Club submission

The definition of eligibility is determined in accordance with the CRLA under Section 2, namely:

2. Definitions

“recreational lands” means-

(a) lands which are-

- I. vested in or occupied by anybody corporate or incorporate which exists for the purpose of providing or promoting cultural or sporting recreational facilities or objectives and which applies its profits in promoting its objects and prohibits the payment of any dividend or amount to its members; and*
- II. used for out-door sporting recreational or cultural purposes or similar out-door activities;*

With the proposed closure of the tennis courts (the Club advised the future use of the tennis court land has yet to be determined) the outdoor usage on the site has been considerably reduced (estimated to be under 40% of the site usage). Although some allowance would be made for Bowls clubrooms and associated facilities there is no allowance for the “indoor” sporting components (as required under the CRLA).

The Club consider the contribution towards the off-site clubs (Whites Lane Tennis and Wheelers Hill Cricket Club) should also be considered in the CRLA review. Whites Lane Tennis Club leases Council land and has never been charged Council rates. If charged under the CRLA Council has also proposed to pay the discounted CRLA rates (CRLA rates are some 60% lower than rates charged under the LGA). The Wheelers Hill Cricket Club is a seasonal tenant at Brandon Park Reserve and is charged a subsidised seasonal rental.

In 2018/19 Mulgrave will be charged the CRLA rate of \$10,041 (2017/18 \$10,748). The equivalent rates, if charged under the LGA would have been approx. \$27,000. The Club’s Net Profit in 2017/18 was \$1.6M (2016/17 \$1.7M).

FINANCIAL IMPLICATIONS

The proposed changes, if adopted, will have minimal impact on Council’s rate setting for 2019/20. However, changing the rating status for the Mulgrave Country Club from CRLA charges to a municipal charge under the LG Act will increase the rate from \$10,041 to approx. \$27,000. The Mulgrave Country Club would appear to have sufficient capacity to absorb the increase in rates without experiencing any hardship nor requiring further assistance from Monash Council.

For the other three Clubs (Homing, Angling and Rifle), where the rating status is applied under the LG Act, their rates will also increase however Council has agreed to apply rate relief in the form of a waiver and they will not be adversely affected.

Clubs that occupy Council land, under a lease arrangement and rated under the CRLA, will also not be adversely affected as Council has also agreed to amend the leases to remove responsibility for those charges to be imposed on the Clubs (e.g. Council agrees to pay the CRLA, municipal rates and water rates).

CONCLUSION

This report recommends endorsing the “in-principle” agreement from the report presented at the 26 June 2018 meeting including;

- updating the current policy and maintaining the current discount at 60%,
- rating the Mulgrave CC, Homing, Angling and Rifle Clubs under the LGA,
- offering the Homing, Angling and Rifle Clubs a rebate under the LGA (to the equivalent CRLA discount of 60%),
- for clubs on Council land that leases be amended to “cover” the CRLA, municipal rates & other property charges,