



4. KEY POINTS/ISSUES

- 4.1 Council's Rating Strategy was reviewed and endorsed at a Council meeting on 20 June 2018. Properties subject to discounted rates provided for under the CRLA were also reviewed and it was decided that the 85 percent discount for Melbourne Cricket Club property located at 500-520 St Kilda Road, Melbourne would be reduced to 25 percent, effective 1 July 2018. It was also decided that the 25 percent rates discount cap would be applied to all other cultural and recreational clubs who hold a liquor licence (effective 1 July 2019), in accordance with the Rating Strategy.
- 4.2 As at 1 July 2019, there were 27 properties under the CLRA that are currently receiving a discount on their rates and 19 of these were identified as having one of the various liquor licence types. Due to the application of the maximum cap, 14 properties experienced an increase of between 25 to 60 percent, equating to increased amounts payable between \$1,100 to \$12,000.
- 4.3 These increases have resulted in Council receiving a number of complaints from various clubs. The ability for each of the Clubs to generate income varies greatly, based on membership, type of club and facilities etc.
- 4.4 Under the CRLA, Council has the responsibility to consider the '*benefit to the community derived from such recreational lands*', when levying the amount payable in lieu of rates.
- 4.5 Options to Support Smaller Clubs and/or less financially viable Clubs:
- 4.5.1 **Option 1:** Apply a maximum 65% discount for Clubs that raise less than \$30,000 per annum in liquor sales. If eligible, the discount will be made retrospective to 1 July 2019 for the 2019/20 financial year.*
- 4.5.2 **Option 2:** Apply a transitional rates discount of 45% for other impacted Clubs that do not meet the above criteria (option 1) and who may be experiencing financial hardship due to the 25 percent cap. If eligible the discount will be made retrospective to 1 July 2019 for the 2019/20 financial year.*
- * Supporting evidence is required – including audited financial statements (2018/19) or a statutory declaration.
- 4.6 Future reviews of rates discounts are to be included as part of Council's Community Funding Framework, which is being developed to provide consistent and transparent guidelines for all Council's funding programs. Officers will be in touch with all organisations that receive CLRA rates discounts in the near future. The intent of the CRLA is to reflect the community benefit provided by such clubs via a Community Grants Program. This is a more transparent and appropriate way to provide support as opposed to rates discounts.

5. CONSULTATION AND STAKEHOLDERS

- 5.1 This report regarding options to support the smaller and/or less financially viable clubs was requested by Council via notice of motion carried at Council meeting on 4 December 2019.
- 5.2 The Open Space and Recreation Services team have provided their support for the above options, particularly the staggered fee and additional timeline. The team also



support clubs to operate in a compliant manner, by hosting development forums and inviting organisations such as Good Sports (a subsidiary of the Alcohol and Drug Foundation), who support clubs with liquor licences including compliance. They also provide Responsible Service of Alcohol (RSA) workshops for the clubs through the Australian Drug Foundation (ADF) free of charge to help ensure responsible service of alcohol.

- 5.3 A number of clubs have written to Council requesting that the Liquor Licence maximum discount cap of 25 percent is reviewed, due to the financial impact on their Club.

6. LEGAL AND RISK IMPLICATIONS

- 6.1 Appeals to the Minister:

CLRA 4(2) 'Any body which is aggrieved by the amount determined by a municipal council pursuant to subsection (1) of this section may appeal to the Minister who must determine the amounts to be paid to the municipal council as rates and every such determination shall be final and shall be given effect to by the municipal council and by the body concerned'.

7. FINANCIAL IMPACT

- 7.1 The financial impact is dependent on the applications received. We estimate that Council's budgeted income for 2019/20 may be reduced by an estimated amount of between \$20,000 -\$ 40,000.
- 7.2 Also note that income collected from CRLA properties in lieu of rates is currently exempt from the Rates Cap.

8. ENVIRONMENTAL IMPACT

- 8.1 The cultural and recreational rating discount has no impact on the environment.

9. COMMUNITY IMPACT

- 9.1 Due to the application of the maximum cap, fourteen properties experienced an increase of between 25 to 60 percent, equating to increased amounts payable between \$1,100 to \$12,000
- 9.2 One of the clubs mentioned that they only generate \$500 per year in liquor sales and that they may be forced to increase their membership fees to pay outgoings. This appears to defeat the purpose of the CLRA – having regard to the main purpose of these Clubs and their benefit to the community.

10. ALIGNMENT TO COUNCIL PLAN AND COUNCIL POLICY

- 10.1 Council's Rating Strategy
- 10.2 6 – Our commitment to you.

11. IMPLEMENTATION STRATEGY

11.1 TIMELINE

- 11.1.1 Once endorsed, Council Officers will write to the Clubs by 6 March 2020, regarding the above options (4.5).

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11.2 COMMUNICATION

- 11.2.1 Once endorsed, Council Officers will write to the Clubs, inviting them to make application for the relevant option for their Club.
- 11.2.2 Each Club will also be asked to provide a copy of their audited previous year's financial statements (2018/19) or Statutory Declaration in support of their application.

12. OFFICER DIRECT OR INDIRECT INTEREST

- 12.1 No officers involved in the preparation of this report have any direct or indirect interest in the matter.

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ATTACHMENTS Nil