RSPCA Tasmania

15 May 2017

Ms Debbie Fortuin
Manager Environmental Services
City of Launceston
(via email – debbie.fortuin@launceston.tas.gov.au)

Dear Debbie

Thank you for the opportunity to meet with my staff recently concerning the current arrangement between RSPCA Tasmania and Launceston City Council for RSPCA Tasmania to occupy the Council premises at Cavalry Road and to operate the dog pound on behalf of the Council (under an MOU).

The current lease and MOU have not been formally varied since 2007. A recent review of our operations at the RSPCA Tasmania Animal Care Centre at Launceston has revealed that continuing to run the dog pound on behalf of Council has become financially challenging for our small animal welfare charity.

At the outset, I would like to apologise for the lateness of this submission as I understand it arrives quite late in the budget cycle of Council.

I am aware that a number of approaches have been made by RSPCA Tasmania in the past to vary these arrangements, most recently in 2014. I am unclear why previous requests to vary our arrangement have not progressed; however, I would like to propose an interim variation to our arrangements to apply only for the 2017/2018 financial year.

During the next 12 months, it is likely that substantial changes will be made to the Cat Management Act in Tasmania. These changes have potential to significantly vary the responsibilities of Councils in the area of cat management. RSPCA Tasmania will also be making significant changes to our business model on a state-wide basis – critically examining all areas of our business to ensure that we are operating in a financially sustainable manner, while continuing to provide services to animals in need.

I therefore propose that during the next 12 months, we jointly review in detail both the lease arrangement and MOU with a view to more accurately reflecting our agreed ongoing arrangements - which may vary from what is currently in place.

The Royal Society
for the Prevention of
Cruelty to Animals
Tasmania Inc

ABN 71 723 781 546

P 03 6332 8200
F 03 6332 8299
E rspca@rspcatas.org.au
W rspcatas.org.au

PO Box 66
Mowbray TAS 7248

Animal Care Centres

Hobart
553 Pass Road
Mornington TAS 7018
P 03 6244 3033
F 03 6244 5550

Launceston
20 Cavalry Road
(off Remount Road)
Mowbray TAS 7248
P 03 6332 8200
F 03 6326 7101

Devonport
Tarleton Road
Spreyton TAS 7310
P 03 6427 2566
F 03 6427 2864

RSPCA Tasmania

We view the substantial components of our current arrangements as follows:

1. Council leases the property at Remount Road to RSPCA Tasmania and has chosen to waive payment of the full amount of rent that would otherwise be payable.

2. RSPCA Tasmania maintains substantial aspects of the property and has initiated significant improvements to the property through the Work for the Dole program.

3. RSPCA Tasmania is responsible for the insurance of the property.

4. Under the MOU, Council pays an annual fee of $55,000 per annum to RSPCA Tasmania (monthly in arrears) to cover the cost of wages and the cost of "maintenance and euthanasia for dogs detained in the pound.

5. "The actual cost of maintenance and impounding will be offset by the monies paid by dog owners upon collection of their dog." These monies are retained by RSPCA Tasmania.

6. RSPCA Tasmania collects dog registration fees on behalf of Council and these monies are forwarded to Council.

7. Under the MOU, RSPCA Tasmania (on behalf of Council) administers the process of attempting to reunite stray dogs brought into the RSPCA Launceston facility (either by Council Officers or members of the public) with their owners.

8. Dogs that are unable to be reunited with their owners, within defined timeframes, become the property of RSPCA Tasmania and are then able to be made ready for adoption.

9. RSPCA Tasmania (on behalf of Council) houses dogs that have been seized by Council Officers due to behavioural concerns (ie. "dangerous dogs").

For the purposes of this submission, I would like to focus on the financial contribution made by Council to RSPCA Tasmania as referred to in point 4 above.

I consider it reasonable to consider that the contribution by LCC of $55,000 is made up of $27,500 as a contribution towards wages and $27,500 as a contribution towards "maintenance and euthanasia for dogs detained in the pound".

1. If the $27,500 contribution towards "maintenance and euthanasia" were increased in line with CPI (Hobart, end March quarter each year) since 2007, the current contribution would be in the order of $34,000 (assuming a 1.3% CPI result for the quarter ending March 2017) – resulting in **an increase in contribution for this component of $6,500**.

RSPCA Tasmania

2. If the $27,500 contribution towards wages were increased in line with minimum award wage variations as determined by the Fair Work Commission since 2007, the contribution effective from 1 July 2017 would be in the order of $36,000 (assuming a 2% minimum wage increase effective from 1 July 2017). This would be an increase of $8,500 in contribution for this component.

   To put this revised figure into perspective, $36,000 (including superannuation contribution) would result in a wage (not including superannuation) in the order of $32,800, an hourly rate of $16.60 per hour (current minimum wage for an adult is $19.38 per hour including superannuation).

   We believe that there is at least 1.5 full time equivalent staff members dedicated to administration and execution of the pound contract (including animal care). However, if we were to base a wage contribution on the provision of 6 ½ hours labour, over 7 days of the week (taking weekend penalty rates into account) – using the current minimum adult wage of $19.38 per hour (including superannuation), this would result in a wages contribution in the order of $55,600 (including superannuation). **This would result in an increase in contribution of $28,100 for this component.**

   It should be noted that the current hourly rate of pay for the lowest level of part or full time (not casual) Animal Care Attendant is $19.93 per hour (including superannuation) and a Receptionist is $23.83 per hour (including superannuation).

   We view this as a conservative estimate and recognise that other sources of contribution by Council (via rental subsidy, impound and maintenance fees) subsidises our costs in this area.

If these modest increases were applied, the total contribution from Council effective from 1 July 2017 would be $89,600 (an increase of $34,600 on the current contribution).

I will provide full details of the above calculations if you require them.

We acknowledge that the monies collected and retained by RSPCA Tasmania as a result of impound fees and daily maintenance fees has been indexed annually recognising in part the incremental increase in costs to continue to provide this service. For your information, the income received by RSPCA Tasmania in the 2015/2016 financial year for the combined total of impound and daily maintenance fees was a total of $13,160.

As outlined in our submission to Council dated 22 April 2014 (copy enclosed), we consider that the actual cost to RSPCA Tasmania of providing this service is far greater than the financial contribution currently received – or that outlined above.

RSPCA Tasmania

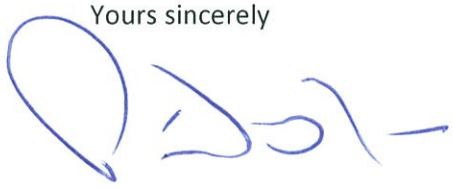
Considering the imminent changes in our environment (through legislative and organisational change), I consider it sensible to view the 2017/2018 year in isolation and work towards a more mutually suitable, longer term amended arrangement over the next 12 months. Indeed these discussions may result in both parties agreeing that it may be more cost effective or efficient for Council to fully manage the pound arrangements. If that is the case, a transition to a new model would take some months to negotiate and implement.

In recognition of our long standing successful relationship and our desire to build on this in the future, as an interim measure, we seek an increase in contribution from Council of $25,000 for the 2017/2018 financial year – making the contribution a **total of $80,000**.

I again apologise for the timing of this submission in terms of how it aligns with the budget cycle of Council. I am willing to attend any Council budget committee or other meetings in coming weeks to discuss our submission as you see necessary.

I look forward to hearing from you soon and please contact me on 0418 122 500 to discuss this matter further.

Yours sincerely



Peter West
Chief Executive Officer

Copied to: Mayor Albert van Zetten
(via email – mayor@launceston.tas.gov.au)