


3 April 2010

  
Executive Director  
Territory and Municipal Services  
GPO BOX 158  
CANBERRA ACT 2601

Dear ,

Thank you for your letter of 31 March 2011.

Please find attached three documents

Document 1: An analysis showing that your assumptions comparing government funding to total animals in care are unsound and unsophisticated and therefore not reliable in forming funding decisions in the ACT

Document 2: Responses to your three requests

Document 3: Comments regarding a service proposal for the two activities you identified in your letter

RSPCA ACT continues to look forward to receiving a copy of the audit undertaken by Price Waterhouse Coopers and further negotiating a contract for services.

We would be pleased to adopt a per service invoiced based service model, paid on a monthly basis. This model would assist with cash flow and provide us with certainty regarding funding.

Kind Regards

Michael Linke

CEO



## Document 1 | Comparison with Other States | Why the comparison is flawed

In your letter of 31 March 2011 you made several assertions regarding the costs of animal care and cited figures from NSW, SA and Tasmania.

We maintain that the figures you have supplied are flawed on a number of levels. The first flaw is that funding you have identified is provided for different purposes and is not provided on a per animal basis and is therefore an irrelevant measure.

For example, the ACT government provides RSPCA ACT with some funding for our inspectorate services to administer the Animal Welfare Act. In the current financial year the funding figure represents about 50% of the total cost of operating the inspectorate. So funding is not for each animal, but for a specific service.

RSPCA ACT Inspectors are paid on average 55% less than their interstate counterparts. RSPCA ACT inspectors are the worst paid in the country as RSPCA ACT is expected to fund lost and stray animal management without appropriate levels of funding. This is both inequitable and divisive.

Most state governments provide RSPCA with significant funding just for inspectorate services as inspectorate services is intrinsically tied to government legislation. For example in Tasmania the Tasmanian government funds RSPCA Tasmania some \$400,000 for inspectorate services. This represents 100% of the cost of the inspectorate in Tasmania. This point shows another flaw in your figures, where you report RSPCA Tasmania only receives some \$31,812 in funding from the Tasmanian Government. That figure is simply incorrect.

In Victoria the government provides some \$1M for inspectorate services. In SA this figure is \$600,000, in NSW \$424,000 is provided for direct inspectorate services. Funding for inspectorate services across the country varies from state to state with WA and Qld being the least supported by government with only \$185,000 and \$125,000 respectively.

Further factual data is provided below, which further exposes flaws in the table in your letter and the associated logic of comparing government funding with total animal intakes.

At the outset it must be remembered that RSPCA is the only agency in Canberra that manages cats and wildlife. With regard to dogs, DAS<sup>1</sup> and the RSPCA are the only agencies that take in stray and lost dogs. Below is a summary of the intakes for cats and dogs only in 2010 for these two agencies.

### Dogs

- DAS 1,467<sup>2</sup>
- RSPCA 1,670
- Total 3,137, of which RSPCA managed 53%
- Dogs put to sleep, RSPCA 78 (4.6%), DAS 221 (15%)

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<sup>1</sup> Although rescue groups operate in Canberra, they source dogs from DAS and do not take in dogs.

<sup>2</sup> Data for DAS was obtained from ACT Legislative Assembly Question Number 1222, 18 November 2010.

## Cats

- DAS 0
- RSPCA 2,832
- Total 2,832, of which RSPCA managed 100%
- Domestic cats put to sleep 874 (30%).

As shown below the third tier of government, local councils, take a huge responsibility for domestic animal management. This is not the case in the ACT and as such funding models based on direct contribution to RSPCA's are a poor indicator for calculating a cost per animal.

## NSW

The figures you supplied were pertaining to the number of animals managed by RSPCA NSW shelters, some 46,429.

Firstly, in addition to this figure are some 75,000<sup>3</sup> other companion animals that are taken to the 172 council pounds located across NSW. These council pounds are funded by the NSW government and the people of NSW through government collections. Let's assume that each of these pounds only has one employee, say with a salary of \$45,000. The total assumed salary bill for this service would be \$7.7M. Based on this assumption the cost to government per animal just for council pound animals would be \$103.

Secondly, your figures also ignore companion animals managed by the Animal Welfare League, Lost Dogs Home, Cat Protection Society, NSW Cat Rescue and the dozens of private rescue and rehoming organisations in NSW. All of these groups receive some level of NSW government funding.

In all, RSPCA NSW manages less than 20% of all animals in NSW. Without knowing the cost of local council pound investments and funding to other animal welfare agencies a cost per animal is impossible to calculate and a poor barometer in determining the appropriate level of government funding.

Further, much of the funding in NSW provided to RSPCA by the NSW government is for operating the Inspectorate. NSW engages some 36 cruelty inspectors and much of the \$427,234 provided by the NSW government is tied to that service.

**RSPCA NSW is not funded to manage stray animals or wildlife as they do not manage stray animals or wildlife.** This is different in the ACT, where RSPCA ACT does manage stray animals and wildlife. In fact in Canberra RSPCA ACT manages 100% of the cat population. Comparing funding in other states is quite simply flawed as there are too many unknowns and too many variables.

NSW local council pounds manage stray animals, funded 100% by the NSW government or by way of government collections through local councils. Private wildlife rescue groups manage wildlife, such as WIRES, again with some funding from the NSW government.

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<sup>3</sup> Data collected and collated by independent agency DEATHROWPETS which can be supplied for verification purposes

Finally in NSW, the euthanasia rate of companion animals going through the RSPCA and local council pounds is alarming<sup>4</sup>. 33% and 66% of dogs and cats respectively are put to sleep in NSW. In the ACT the figure is 4.6% and 30%.

## SA

The \$660,000 quoted for SA is 100% used for RSPCA SA Inspectors. Inspectors in South Australia are paid a base salary of close to \$50,000 per annum. In the ACT our inspectors are paid a base level of \$38,000.

Similar to NSW, the South Australian government also invests in a number of local council pounds. The Animal Welfare League and Cat Protection Society also operate in SA, again with government funding. Private wildlife groups also manage wildlife, again with some government funding.

## Tasmania

The figure of \$31,812 you quoted is quite simply incorrect. RSPCA Tasmania receives some \$625,000 worth of funding from the Tasmanian government<sup>5</sup>. \$400,000 under a contract for the delivery of inspectorate services across the state. Inspectors in Tasmania are paid a base salary of \$57,000, some 61% more than inspectors in the ACT.

A further \$190,000 is provided for general operational needs across the state.

The Tasmanian government also provides RSPCA Launceston with a fee for service payment as RSPCA Launceston also doubles as the government dog pound.

The Dogs Home also operates in Tasmania as does the Hobart Cat Centre and a number of other private rescue groups. Most of these organisations receive some funding from the Tasmanian government.

## Summary

As shown above it is quite clear that the ACT operates a unique animal welfare model as we do not have a third tier of government that operates council pounds. Further no other animal welfare agencies operate in the ACT, leaving RSPCA ACT to do the bulk of the work. This is why we are proposing a single model of care with a single place of care for animals in Canberra. Our environment is unique.

Considering the information above it would seem that the ACT government is in fact underfunding, which has been our assertion for a number of years, RSPCA ACT.

If the government was to fund our inspectors on an equal footing with other States the basic salary only component of that would be \$189,000 (2 inspectors @ \$57,000 and a Chief Inspector @ \$75,000). Add to this superannuation, motor vehicles, other on costs and the annual contribution would be in the vicinity of \$233,000 just for inspectorate services. We currently receive a mere \$125,000 for this service.

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<sup>4</sup> Data collected and collated by independent agency DEATHROWPETS which can be supplied for verification purposes

<sup>5</sup> I am the Acting CEO of RSPCA Tasmania and as such have an intimate and detailed knowledge of their funding base.

Given the flaws in your assertions and comparison models, we also feel that your claim to question our figures to be unfair. It is quite obvious that the ACT government has not undertaken a detailed, robust, rigorous assessment of interstate funding. A glance at annual reports to us is not a meaningful way to determine appropriate funding levels.

The figures we have supplied to the ACT government over three years are well researched, checked, audited figures that represent the actual costs of service delivery.

We also remain uninformed as to the outcomes of the audit undertaken by Price Waterhouse Coopers, despite requesting this information a number of times. We were lead to believe that this audit would inform funding negotiations.

## Document 2 | Response to your questions

### Question 1: Actual Number of Staff Employed

RSPCA ACT supplied to Price Waterhouse Coopers a full listing of all of our staff, including hourly, fortnightly, annual and penalty rates as well as work rosters. To answer the question posed in your letter, please refer to the information below. Further details can be sourced from PWC.

61 employees are currently engaged by RSPCA ACT. 41 are full time, 7 are part time and 13 are casual. Our current FTE is 48. Our projected total employee cost for this coming financial year is \$2M (\$2,034,316). Our average salary (including superannuation) is \$42,000. Base salary is \$38,000.

Please see attachment 1 for a month by month breakdown of our salary expenses over the past two financial years.

Of our 61 employees, 50 are engaged in full time animal care, welfare, training and/or protection services.

### Question 2: Animal Rescue Unit

RSPCA ACT operates two vehicles that provide support to the community to assist with the collection of any type of animal. Pick-ups include:

- Dead animal carcasses
- Roaming stray companion animals
- Contained stray companion animals
- Injured stray companion animals
- Injured wild animals
- Healthy wild animals
- Transfer of animals from vet clinics to RSPCA
- Transfer of animals belonging to low income earners and at risk community members to and from RSPCA and other vet clinics

The vehicles manage approximately 1,100 to 1,300 call outs per annum.

As estimated cost to operate these vehicles include salary equivalent to 1.5 FTE, (\$57,000), plus associated superannuation, (\$5,130) and associated on costs. These are estimated at \$25,000. The RSPCA does not allocate costs on a per vehicle basis, we manage our fleet as a whole.

### Question 3: Stray dogs and cats

Please refer to the attached detailed analysis, attachment 2. A summary is below

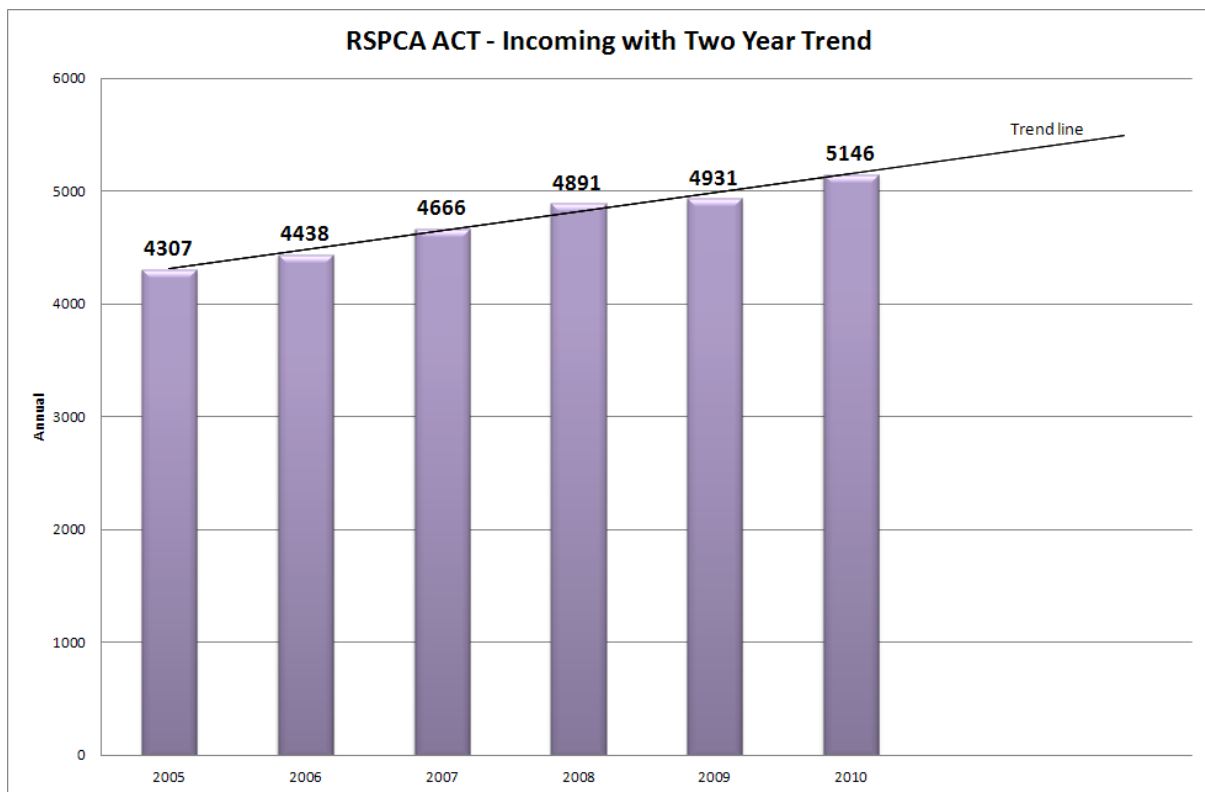
- In 2010 kitten intakes increased by 12% over 2009
- In 2010 cat intakes increased by 8% over 2009
- In 2010 puppy intakes decreased by 10% over 2009
- In 2010 dog intakes increased by 8% over 2009
- In 2010 other animal intakes decreased by 25% over 2009

Total incoming companion animals since 2006:

- In 2006 the total incoming was 4,438.
- In 2007 the total incoming was 4,666.
- In 2008 the total incoming was 4,891.
- In 2009 the total incoming was 4,931.
- In 2010 the total incoming was 5,146.

It appears the advice you have received is incorrect regarding fluctuations of incoming animals. Our data reflects a fairly steady increase over time. It is too early in 2011 to project figures at this stage.

These figures are also published in our annual report (albeit on a financial year basis) and checked by our governing council.

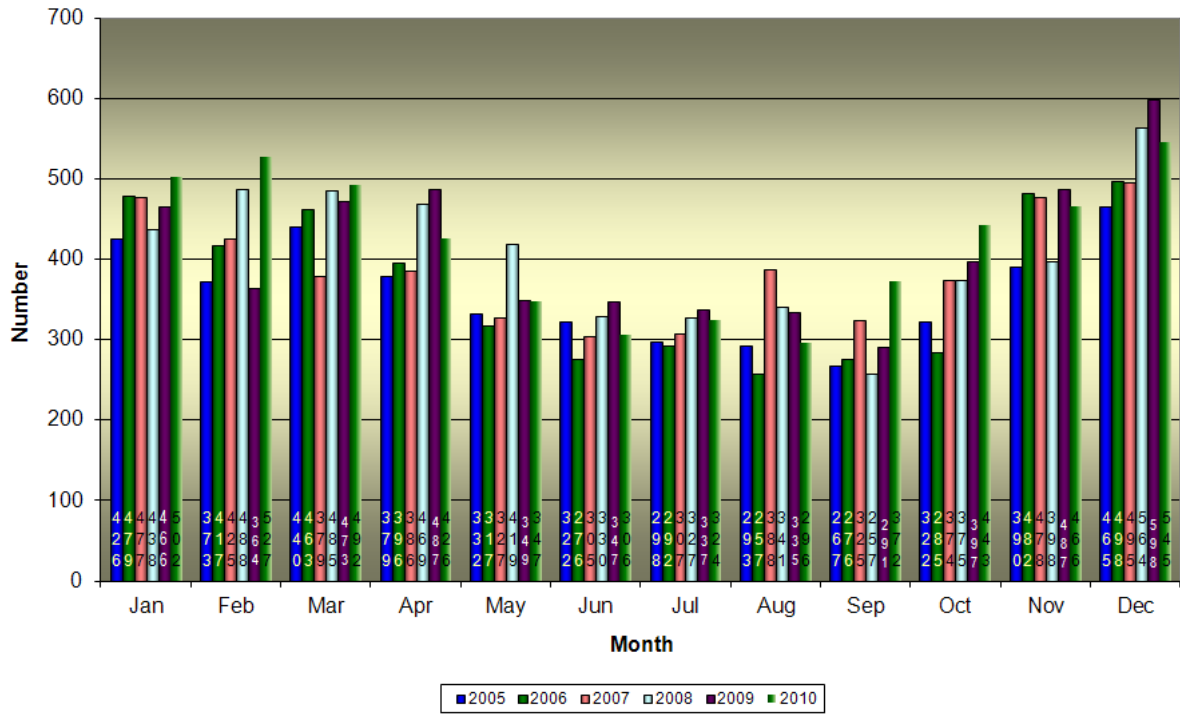


The above chart reflects a steady annual increase in the number of incoming animals presenting to RSPCA ACT each year since 2005.

The chart on the next page shows a month by month breakdown of incoming animals over the past six years. This chart again reflects steady increases over time, although month to month variations occur, the overall trend and annual figures continue to reflect an increase.

Finally, we just experienced our busiest March ever on record, with some 536 companion animals presenting for care, an increase of 8.9% over March of 2010.

### Domestic Animals Incoming to RSPCA





## Document 3 | Additional Services

RSPCA ACT is reluctant at this stage to present a service proposal for additional services and as such will not be providing any information regarding management of after-hours wildlife services or the provision of an animal welfare hotline.

Although it must be noted RSPCA ACT already provides these services.

If the ACT government can provide more detailed specifications for what is required we will be able to effectively cost any additional services that may be required to be provided.

Please find attached at Attachment 3 an adjusted budget submission for current services.

We originally requested funding of some \$1.074M. After review this figure is now \$1,137,371.

Please refer to the areas highlighted light blue for changes. We have reviewed inspector salaries given what other states are paying inspectors. We would like to adjust salaries from 1 July 2011.