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**THE PARLIAMENTARY STANDING COMMITTEE ON PUBLIC ACCOUNTS
MET IN COMMITTEE ROOM 1, PARLIAMENT HOUSE, HOBART ON MONDAY
6 MAY 2013.**

INQUIRY INTO THE RSPCA

Ms ANGELA AYLING, ACTING PRESIDENT; **Ms ALISON BALL**, BUSINESS SUPPORT MANAGER; AND **Mr PAUL McGINTY**, CHIEF INSPECTOR, RSPCA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

ACTING CHAIR (Mr Dean) - Welcome. We have apologies from Mrs Taylor.

In these proceedings we are taking sworn evidence. If at any stage you would like or believe that the evidence you give ought to be in camera then you simply make that known to the committee and the committee will make a determination. Your evidence is protected by parliamentary privilege. Once you leave this venue anything you say outside is not covered by parliamentary privilege.

Ms AYLING - Thank you, committee members, for spending the time to hear the RSPCA submission today. We will address the terms of reference but we contend that predominantly we are here for other reasons, principally distractions that have been put before the RSPCA. In order that we properly inform the committee, we ask that we are able to provide the evidence that we have in full.

Our routine statistics are far more exceptional than the national average with regard to a lot of matters. We euthanase about 8 per cent fewer animals than the national average. Our inspectorate performance is greater in most areas than the national average. We operate the inspectorate service. We also operate three animal care centres throughout Tasmania and also educate and conduct lobbying for improvements to animal welfare. Those are principally the core objectives of RSPCA Tasmania.

This is about how well we do our job and we are very proud of it. We have the smallest demographic and probably one of the most unfortunate demographics in terms of money in Tasmania, yet we exceed at all levels. In our shelter statistics and our inspectorate statistics we exceed and we think we do pretty well. We get a lot of bang for our buck with regard to that.

In terms of our procedures for the receipt and expenditure of money, all of our moneys are received and expended in accordance with our finance profiles. If we have specific requests or legacies, they are then managed against that. All moneys are accounted for. We operated a MYOB system which our accountant, Ruddock's, is quite happy with in terms of our ability to financially report. We also provide financial reports to monthly board meetings. It is quite stringent in terms of identifying the reporting of our financial situation.

One question that has come up is whether the board is remunerated for what it does. The board is a voluntary board; the members on the board are elected by the members. We

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receive no remuneration at all. In fact we pay our own out-of-pocket expenses. The only cost associated with the board is the hire of the Campbell Town hall each month at \$50.

Ms BALL - I am here to talk about the culture that was and the culture that is now and some restructure that we have done. In January of this year we did a major restructure of the organisation which was pretty much in tatters at that point. We went back to core functions and decided to do those with excellence rather than to put our hands out into broader areas that we could not do quite so well. We identified the core functions as animal welfare, including sheltering; lobbying for change; inspectorate; and education. We reviewed every position and if it did not directly fall into a core function or directly support a core function, that position was deemed surplus. At that time we had a few resignations; we did not replace those people. We made two redundancies and so we were left with seven fewer positions.

Mr BEST - What was the date when you had the resignations?

Ms BALL - The resignations would have come in December and a few in January.

Mr BEST - December last year?

Ms BALL - Yes.

Mr BEST - And then some in January this year?

Ms BALL - Yes, and we made one redundancy in February.

Mr BEST - One redundancy off your board?

Ms BALL - Not the board - the staff.

Mr BEST - Are you saying the staff resigned?

Ms BALL - Yes.

Mr BEST - How many resigned in December?

Ms BALL - We had the termination of the CEO in November; we made the vet redundant in February; we had some vet nurses resign -

Mr BEST - You terminated the vet?

Ms BALL - No, we made him redundant.

Mr BEST - Yes, well, same difference.

Ms BALL - Yes, the chief vet.

Mr BEST - Why did you terminate the vet?

Ms BALL - We have another vet.

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Mr BEST - So not for financial reasons, then?

Ms BALL - Financial and operational reasons, yes.

Mr BEST - So you have a cheaper vet?

Ms BALL - No, not a cheaper vet. We had two vets and we did not need two vets. We did not need a chief vet.

Mr BEST - You had two vets on the books and you scaled down to one?

Ms BALL - Yes, we have one now.

Mr BEST - What was the process you went through in regard to that rationalisation?

Ms BALL - We had a large review. The vet clinic was costing us a considerable amount of money. It was a huge drain on the organisation, was no longer sustainable and was overstaffed, so that vet clinic was reduced from six days to two days a week. That created a substantial payroll saving and a more focused organisation. We also undertook a large assessment of assets. We had a lot of surplus vehicles which had been purchased. We sold them.

We put an improved financial reporting system in place, which meant all three centres were reporting using the same coding. Previously it had been a bit ad hoc and inconsistent. That gave us a better view of what was going on financially. We also undertook a very thorough review of operational expenditure. We undertook projects on bulk purchasing et cetera and reduced expenditure considerably in that regard.

In January the culture was pretty much in tatters under the negative influence of the previous CEO. A small petition - you will be given a copy - and a bid to overthrow the board had deeply divided the staff, the vast majority of whom were not in agreement with that direction. That petition failed. When people came back we had a very, very divided workforce. It was up to Paul and me, Lisa and Lorraine, the two state coordinators, to try to put that all back together again, which I believe we have now done. The majority of staff put in a large counter-petition, which we believe completely negated the small and ineffective previous petition that had been put in. Quite a few of the people who had signed the previous petition were at fairly low level and have reported to us that they did not know what the petition was going to be used for.

We had a big challenge on our hands. We had two meetings, team building, and we have taken on a strong new direction. We have restored confidence back to staff. Resignations have ceased. It is now nice and stable. Internally we are not at this moment going to hire a new CEO. We do not feel it is necessary. Instead we have four people forming one team. Two state coordinators deal with the operational side of things, myself on the business side of things, and Paul doing the inspectorate. We all directly report to the board.

Positions throughout the organisation had moved back to being casual. We changed them all into permanent part-time, taking away the feeling that they were not so much a

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part of the organisation and giving more stability and more loyalty. That has been really, really well received. Animal care attendants are all being put through Certificate II in animal welfare, which weren't previously able to offer to casuals.

We have had a complete and utter review of all standard operating procedures throughout the state. We have a brand new set of operating procedures for the first time, which are consistent, statewide and achievable. They are in place and training has been given throughout the organisation on those. That is now working well. That had previously been lacking.

Restoring public confidence: we believe we have done a lot of work in the bushfires. We got a lot of public support, including a letter from Bryan Green., commending us on our actions in the bushfires. We believe that public confidence has now utterly been restored. We do have a few detractors. A number of those are disgruntled ex-employees. Whether they will move on, I don't know, but we have moved on without them.

Regarding the term of reference about concern that the RSPCA is regularly distracted from its primary tasks, prior to the ex-CEO coming on board we did not really hear from the board. It was very unusual. We submitted our board reports. It was the staff who went to the board for help when the CEO went completely off the rails. We asked for their help in sorting things out. That's the only reason they became involved; they did not normally get involved.

Mr GUTWEIN - That last statement about the CEO going 'completely off the rails' - from this side of the table that appears to be a subjective one. As to the board as it currently stands, they have seen this presentation you are preparing today and they support it?

Ms AYLING - Yes; it's in accordance with our submission.

Mr BEST - How many people are on the board at the moment?

Ms AYLING - Six.

Mr BEST - When were they elected?

Ms AYLING - Three in 2010 and three appointed in the last three months.

Mr BEST - Not from an election?

Ms AYLING - No, because there have been no elected positions available. We have rolling elections; if a vacancy becomes available, we appoint a member into the position until the next election.

Mr BEST - Who chooses those people?

Ms AYLING - A number of people put in an expression of interest to the board. We asked for their CVs, reviewed them and picked the skills we needed the most out of that group of people. There were six in total.

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Mr BEST - The three people who were on the board from 2010, they voted on the other three?

Ms AYLING - We can appoint into a casual vacancy, otherwise the vacancy is empty until elections.

Mr BEST - Were they elected by the three existing board members?

Ms AYLING - They were appointed by the three existing board members into the casual vacancies for the remaining part of that term.

Mr BEST - So the three existing board members saw the CVs of all the applicants?

Ms AYLING - Yes.

Mr BEST - Was there then a special meeting and they voted on those three appointments?

Ms AYLING - Yes.

Mr BEST - And all six board members have approved this submission you are presenting to us today?

Ms AYLING - Yes.

Mr BEST - As to the termination of the vet when you scaled down staff, I am assuming at that point when those decisions were made there would have been only three board members? How did you determine which vet to keep and which one to get rid of?

Ms AYLING - The vet clinic was losing on average \$200 000 per annum, and that was because it was operating a commercial enterprise that was losing money. We decided the commercial business wasn't going to be our businesses at a loss of \$200 000-plus a year and that we needed to refocus what we had back into animal welfare, including the inspectorate and the shelter animals. We restructured the business to meet that need, which was two to three days a week, which meant we had a part-time vet who was already there two to three days a week. We then made the chief vet redundant.

Mr BEST - Was the chief vet the most senior?

Ms AYLING - Yes.

Mr BEST - So you made the most senior vet redundant?

Ms AYLING - Yes. We needed an operational vet there doing day-to-day work.

ACTING CHAIR - The three new board members, what were their qualifications?

Ms AYLING - One is a law/tax specialist, one is a financial planner, and the other has business management skills as a CEO with the Red Cross in New South Wales.

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Mr BEST - We have heard from DPIPWE about the \$1.5 million that has been provided to assist the RSPCA to restructure. The information we have received from DPIPWE is that they requested a review and a focus on how the services are provided.

Ms AYLING - We haven't received \$1.5 million funding from DPIPWE to restructure at all.

ACTING CHAIR - Who are the six board members?

Ms AYLING - There is Jonathan Croome, Rob Bowerman, Paul Swiatkowski, Heather Butler, Debbie McGrath and myself.

ACTING CHAIR - The background of the three persons who were there the whole time that we have talked about?

Ms AYLING - Dr Paul Swiatkowski is the vet; Debbie McGrath is a retired businessperson -

ACTING CHAIR - She was involved in arts?

Ms AYLING - Yes, in arts. I have a background in occupational health and safety.

Mr BOOTH - The terms of reference are the concern that the RSPCA in Tasmania is regularly distracted from their primary task by dysfunctional corporate governance issues which have had a negative effect on public support for the RSPCA. The board has now raised two issues. One was that the former CEO went off the rails; second, an issue with the vet. I think they are important.

Mr BEST - We are not here for personal vilification; we are here to examine an organisation.

ACTING CHAIR - Having listened to what Kim has just said I need to adjourn this meeting for some discussion with the committee in relation to the term of reference.

(Further evidence taken in camera)

ACTING CHAIR - We are now back into a public hearing again. Because of the time we going to have to adjourn this session and the committee will make a determination then on the position with you on bringing it back for further evidence. I understand that there is a correction to the evidence that you gave this morning in relation to the constitution of the board. I will ask you to make that correction.

Ms AYLING - Yes, you asked me who the new members were on the board and I said, 'Jonathan Croome, Rod Bowerman and accidentally, Heather Butler'. I meant to say 'Judith King'.

ACTING CHAIR - Heather Butler is not a member; Judith King is the member?

Ms AYLING - Yes.

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ACTING CHAIR - We will now adjourn your session. I thank you very much for your attendance today and I thank you very much for the manner in which you have answered the questions, and the way in which you have given your evidence. We will make that further determination.

Ms BALL - Thank you.

Mr McGINTY - Thank you.

THE WITNESSES WITHDREW.