

CAMDEN COUNCIL

Inquiry into the ability of local governments to fund infrastructure and services - post-hearing responses - 29 May 2024

The Cost of Companion Animals (Page 35 – QWN – The Hon. Emma Hurst)

Question Without Notice:

The Hon. EMMA HURST: I think I've remembered my question. We're throwing back to pounds; I just had a couple of follow-up questions. You mentioned the companion animal registration fee. That does come to councils. We have heard, on the other day of this inquiry, that that can range from a million dollars to a few dollars, depending on which council it is. I'm just wondering if you had a rough idea of—and I'm happy for you to take it on notice—a percentage of how much it covers, of the costs that it requires to run companion animal services, particularly the pounds and rehoming services. Also, how much of it actually goes directly into that pound service? I know that that money can be used more generally—and whether or not it's 100 per cent going into the pound and it only covers 5 per cent of the cost, for example, if you could give me some kind of idea on that.

ANDREW CARFIELD: I can confidently say that we would be subsidising the cost of that service. However, it might be a good thing for us to take that on notice and come back with some information on the actual income that we receive from registrations, and the cost of the services that we have to deliver in that area. We'd be happy to do that.

The Hon. EMMA HURST: That'd be really useful. Thank you.

Camden Council Response:

In its most recent response to the LGNSW Cost Shifting survey, Camden Council reported the cost of its companion animal activities (including impounding of animals) at \$870,000 for the 2021/22 financial year.

While Council applied the quarterly rebate received from the Office of Local Government (total income \$118K for the year), this service still required a general rating income subsidy of \$752,000.

Therefore, the OLG rebate only covers 13.5% of the total cost.

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Baseline Revenue and Impact of Rate Increases on Local Government (Page 37 – QWN – The CHAIR)

Question Without Notice:

The CHAIR: I know the baseline increase that you referred to would be different for each council. What would it be for Camden Council? What would that look like for Camden?

PAUL ROFE: It's a difficult question to answer, on the basis that we're experiencing so much rapid growth that our projections change all of the time in relation to timing around things. It's a difficult question; we'd have to go back and have a look at the best way to apply it.

The CHAIR: Is it something you're happy to take on notice and have a look at?

PAUL ROFE: I'm happy to take it on notice, yes.

ANDREW CARFIELD: Yes.

Camden Council Response:

While Camden Council acknowledges the steps IPART has recently undertaken in relation to the introduction of the population growth factor, this was only introduced in the 2022/23 financial year.

The reality is that Camden has been experiencing growth for many years before the introduction of the population growth factor.

In simple terms, and using the methodology developed by IPART, the impact of growth should have seen Camden's rate income grow by 22.3% since 2014 (in addition to the approved rate peg). There is a current shortfall of 12.2% after considering population adjustments approved by IPART since the introduction of the population growth factor. In today's dollars, that represents approx. \$9.8million in recurrent revenue which Council will not receive to provide services to new residents moving to our community.

This shortfall reflects the impact of growth. There is also a strong argument that the approved rate peg methodology for the period 2015 to 2023 was not representative of increasing costs, with rate pegs set as low as 1.50% (2017/18) and no higher than 2.70% (2019/20). In many instances, the rate peg would not cover the increases in employment costs negotiated via the Local Government State Award.

Camden has not identified a need to seek a permanent special rate variation within its Long Term Financial Plan to date, however unless there are further changes to the rate peg to allow councils to fund services to the level(s) communities have come to expect, while also addressing ageing infrastructure, this may be an unavoidable action in the future.