

Regulatory Impact Statement

Dog and Cat Management (Miscellaneous) Amendment Bill 2015

Prepared by: Clare Nicolson and Neil Taylor, Department of Environment, Water and Natural Resources

Date: 27 October 2015

Executive Summary

Context

The *Dog and Cat Management Act 1995* (the Act) provides the legislative framework for managing dogs and cats in South Australia. Councils are responsible for the administration and enforcement of the Act within their jurisdictions. The Dog and Cat Management Board (the Board) is established under the Act to plan for, promote and provide advice about the effective management of dogs and cats throughout the State.

The Act is twenty years old. In 2013, the Board commenced a review of the Act in consultation with key stakeholders including the Local Government Association (the LGA). As an outcome of the review it was identified that the Act does not reflect contemporary approaches to dog and cat management; includes administrative inefficiencies and inconsistencies; does not provide for the same level of management for cats as it does for dogs; and does not provide any regulatory oversight of dog and cat breeders.

Following the review process, the Board and the LGA provided joint recommendations to the Minister for Sustainability, Environment, and Conservation (the Minister) for amending and updating the Act.

One of the Board's major roles is to educate people about the importance of responsible pet ownership, including microchipping and desexing. Microchipping assists councils and animal welfare shelters to reunite lost pets with their owners, and desexing reduces the risk of unwanted litters and has health and behavioural benefits. The Board reports that, despite education and awareness raising programmes, the number of dogs and cats that are microchipped and desexed has plateaued and is not likely to increase significantly without regulatory intervention.

In July 2013, the Select Committee on Dogs and Cats as Companion Animals (the Select Committee) provided its final report to the Government. The Select Committee acknowledged the lack of regulatory oversight of dog and cat breeders, recommending the introduction of a licensing scheme. The Select Committee also recognised the importance of microchipping and desexing, recommending that all dogs and cats are microchipped prior to sale and that all cats purchased from any venue be desexed prior to sale, or a commitment to do so undertaken at point of sale.

In June 2015, a Citizens' Jury was convened to recommend measures to address the high number of unwanted dogs and cats that are euthanased in South Australia each year. The Jury was asked to consider whether desexing of dogs and cats should be mandatory. The Jury handed its final report to the Minister on 12 August 2015. The report includes a recommendation that the Government should legislate for mandatory desexing of new generations of dogs and cats. The Jury concluded that mandatory desexing is a key measure for controlling population numbers and will provide significant health and behavioural benefits. The Jury's final report and the government's response, including support for mandatory desexing, were tabled in Parliament on 14 October 2015.

The problem

There are two main elements to the problem. The first is that the current Act does not provide a comprehensive legislative framework for effectively addressing the full range of dog and cat management issues that arise in the community. The second is that microchipping and desexing rates are flattening out, despite wide ranging education campaigns conducted by the Board and other organisations such as the RSPCA and the Animal Welfare League. In combination, this has led to five major issues that need to be addressed:

1. **Nuisance behaviours and dog attacks** - Dog attacks incur costs associated with physical and psychological injuries. Dog attacks on humans continue to occur, despite targeted campaigns. Children aged 0-4 years continue to be the most common admitted age group to hospitals.
2. **The number of surrendered, seized and detained dogs and cats** - Councils and animal shelters report they are at capacity and face increasing costs to manage wandering and lost animals.
3. **The number of dogs and cats that are euthanased each year** - The high number of dogs and cats euthanased each year causes concerns for the community, imposes costs on animal shelters and places stress on shelter staff who have to administer the procedure.
4. **Lack of information relating to dog and cat breeders** - The state's estimated 7,400 hobby and backyard breeders operate without any regulatory oversight, causing community concern about puppy and kitten 'farms' and contributing to the large numbers of unwanted dogs and cats surrendered to shelters.
5. **Administrative inconsistencies, inefficiencies and complexities** – The enforcement powers of council animal management officers require strengthening to enable effective compliance and prosecution activity. The current dog registration process is overly complicated, and there are administrative inefficiencies associated with the process to accredit disability dogs.

There is a need for Government action to address these problems in a coordinated fashion that delivers more effective dog and cat regulation. There is no single solution: a combination of regulatory measures is required to ensure that the legislation provides a comprehensive framework for managing dogs and cats.

Options to address the problem

The major objectives of this proposal are to: (i) improve and contemporise dog and cat management in South Australia; (ii) improve the welfare outcomes of dogs and cats that are bred for sale; and (iii) create a population of dogs and cats that integrate safely and harmoniously with local communities.

This Regulatory Impact Statement considers two options to achieve the objectives. The first option, referred to as the 'base case', is to retain the Act in its current form. Option 2 is to introduce a range of amendments to the Act through the *Dog and Cat Management (Miscellaneous) Amendment Bill 2015*. A third option, to increase the education and awareness campaign to encourage more owners to microchip and desex dogs and cats was discarded because it did not meet all of the objectives.

Under the base case, there will continue to be community concern and costs to animal shelters associated with the high numbers of dogs and cats that are euthanased each year. Behaviours such as wandering and aggression will continue to make people feel unsafe in their local neighbourhoods. Other behaviours such as urine spraying, yowling and calling (cats) will continue to cause a public nuisance. The enforcement powers of animal management officers will remain unequal to those of other 'authorised officers', potentially hindering their ability to adequately enforce the Act. Community concern about puppy and kitten 'farms' and breeders who operate under sub-standard conditions will continue.

Option 2 is the preferred option. It proposes the following major amendments to the Act: (i) mandatory microchipping of all dogs and cats; (ii) mandatory desexing of new generations of dogs and cats; (iii) anyone

who breeds a dog or cat for sale must register with the Board; (iv) anyone who sells a dog or cat must provide information on the identity of the breeder; and (v) increased enforcement powers for council animal management officers. The amendments relating to microchipping, desexing and breeder registration align, or partially align, with recommendations made by the Select Committee, and this is supported by the results of the cost benefit analysis (see below).

A ten-week public consultation period on the draft Amendment Bill occurred between 19 April 2015 and 26 June 2015. Over 1,800 submissions were received from stakeholders and members of the public. There was broad support for all proposed amendments. Since closure of the consultation period, the Board and DEWNR have continued to engage with stakeholders to ensure their needs are met.

The requirement for mandatory desexing was not included in the draft Amendment Bill that was subject to public consultation. It is included in the final Amendment Bill in response to the Citizens' Jury recommendation, and long-standing support from key groups such as the Board, the LGA, the RSPCA and the Animal Welfare League. The Citizens' Jury was run as a parallel and complementary process to public consultation on the draft Amendment Bill.

Cost benefit analysis

Due to the lack of reliable data or incomplete datasets, many of the impacts cannot be easily quantified. Based on the available data, the Net Present Value assessed over a ten year period indicates that option 2 provides a total net benefit of \$3.89m compared with the base case (Table 22). When the benefits to pet owners, business, government and the broader community that cannot be readily quantified are taken into account, including reduced dog attacks, improved reunification rates, reduced nuisance behaviours and euthanasia rates, it is estimated that the net benefit would increase further.

Cost benefit analysis over ten years indicates that under the preferred option 2, compared to the base case:

- There will be an estimated additional net cost to consumers (dog and cat owners) of \$18.4m as a consequence of the requirement for mandatory microchipping and desexing (Table 22). It is expected that these costs will be offset by unquantifiable benefits including improved reunification rates, reductions in unwanted litters and improved health and behavioural outcomes.
- There will be an estimated additional net benefit to business of \$29.7m, primarily due to an estimated increase in revenue to veterinarians, who will pass on the initial costs of microchipping and desexing to pet owners (Table 22). Animal shelters will benefit from reduced euthanasia costs, while dog and cat breeders will incur additional costs associated with payment of a registration fee to the Board. There are expected to be a range of unquantifiable benefits that will offset the costs including decreased care costs to shelters, increased consumer protection for the purchasers of kittens and puppies and reduced community concern about puppy and kitten 'farms'.
- There will be an estimated additional net cost to State and Local Government of \$7.6m, primarily associated with a drop in registration and impound revenue to councils (Table 22). These costs will be partially offset by reduced council euthanasia and impound costs. Councils will benefit from more efficient administrative processes and strengthened enforcement powers that will deliver better dog and cat management outcomes.
- There will be an estimated additional net benefit to the wider community of \$0.18m, associated with an expected decrease in hospital admissions due to dog attacks (Table 22). The broader community will also benefit from the improved safety and amenity of local neighbourhoods and reduced concerns about the high numbers of unwanted dogs and cats that are euthanased each year.

DEWNR will work with the Board to determine governance arrangements for implementation of the new legislative requirements. Key groups will be consulted to assist development of an implementation plan and during the implementation process itself. There will be a 12-month transition period from the commencement of the regulations to ensure that people are aware of their new responsibilities.

The Board has set aside funding of \$170,000 to conduct a multi-lingual and broadly distributed education campaign prior to commencement of the new requirements.

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1. Identification of the problem

1.1 Context

The *Dog and Cat Management Act 1995* (the Act) provides the legislative framework for managing dogs and cats in South Australia. The objects of the Act are to:

- encourage responsible dog and cat ownership;
- reduce public and environmental nuisance caused by dogs and cats; and
- promote the effective management of dogs and cats (including through encouragement of the desexing of dogs and cats).

Councils are responsible for the administration and enforcement of the Act within their jurisdictions. The Dog and Cat Management Board (the Board) is established under the Act to plan for, promote and provide advice about the effective management of dogs and cats throughout South Australia.

The *Dog and Cat Management Act 1995* (the Act) is twenty years old. In 2013 the Board and the Department of Environment, Water and Natural Resources (DEWNR) commenced a review of the Act in consultation with the Local Government Association (LGA) and other key stakeholders including the RSPCA, the Animal Welfare League, the Australian Veterinary Association, the Feline Association of South Australia, Dogs SA and the Governing Council of the Cat Fancy South Australia. As an outcome of the review it was concluded that:

- The Act does not reflect contemporary approaches to dog and cat management that are adopted elsewhere in Australia. For example South Australia is the only jurisdiction (besides the Northern Territory) not to have legislated for mandatory microchipping of all dogs and cats.
- The Act includes a number of administrative inefficiencies and inconsistencies that are reducing its effectiveness. For example the enforcement powers of council animal management officers are not equivalent to the powers of other 'authorised officers' under the *Local Government Act 1999* and other Acts under which authorised persons operate. The LGA subsequently proposed specific changes to the Act to address this issue.
- The Act does not provide for the same level of management for cats as it does for dogs.
- The Act does not provide any level of regulatory oversight of dog and cat breeders. This is compromising the ability of council animal management officers to adequately manage issues relating to dog and cat breeding, and the capacity for RSPCA inspectors to enforce requirements under the *Animal Welfare Act 1985*.

Following the review process, the Board and the LGA jointly recommended to the Minister for Sustainability, Environment, and Conservation (the Minister) that the Act should be updated and amended to address the issues identified above. A *Dog and Cat Management (Miscellaneous) Act Amendment Bill 2015* (the Amendment Bill) has subsequently been prepared in consultation with stakeholders and the wider community.

One of the Board's major roles is to educate people about the importance of responsible pet ownership. Microchipping and desexing are essential components of responsible pet ownership. Microchipping assists councils and animal welfare shelters to reunite lost pets with their owners, and desexing reduces the risk of unwanted litters and has health and behavioural benefits. The Board reports that, despite education and awareness raising programmes conducted by the Board and other organisations such as the RSPCA and the Animal Welfare League, the level of responsible pet ownership in the community, specifically

relating to the number of dogs and cats that are microchipped and desexed, has plateaued. Despite broad ranging education campaigns, it is estimated that 40% of registered dogs and owned cats are not currently microchipped and 31% of registered dogs are not desexed. In the absence of cat registration¹, it is not known how many owned cats are desexed, however a number of studies indicated that the level is high, at around 90%.

In July 2013, the Select Committee on Dogs and Cats as Companion Animals (the Select Committee) provided its final report to the Government. The Select Committee acknowledged the lack of regulatory oversight of dog and cat breeders, recommending the introduction of a licensing scheme for dog and cat breeders. The Select Committee also recognised the importance of microchipping and desexing, recommending that all dogs and cats are microchipped prior to sale and that all cats purchased from any venue be desexed prior to sale, or a commitment to do so undertaken at point of sale.

In June 2015, a Citizens' Jury was convened to recommend measures to address the high number of unwanted dogs and cats that are euthanased in South Australia each year. The Jury consisted of 35 randomly selected South Australians, who were chosen to represent the broader views of the community. The Jury was asked to consider whether desexing of dogs and cats should be mandatory. In making its recommendations, the Jury heard evidence from a range of expert witnesses and considered submissions from the general public, received via the Government's *YourSAy* website. The Jury handed its final report to the Minister on 12 August 2015. The report included seven recommendations, including a recommendation that the Government should legislate for mandatory desexing of new generations of dogs and cats. The Jury made this recommendation after hearing from expert witnesses and concluding that mandatory desexing would provide an effective method of population control, and provide significant health and behavioural benefits. The Jury's final report and the government's response, including support for mandatory desexing, were tabled in Parliament on 14 October 2015.

1.2 The problem

There are two main elements to the problem. The first is that the current Act does not provide the most comprehensive legislative framework for addressing the full range of dog and cat management issues that arise in the community. The second is that microchipping and desexing rates are flattening out, despite wide ranging education campaigns conducted by the Board and other organisations such as the RSPCA and the Animal Welfare League. In combination, this has led to five major issues that need to be addressed:

1. Nuisance behaviours and dog attacks
2. The number of surrendered, seized and detained dogs and cats
3. The number of dogs and cats that are euthanased each year
4. Lack of information relating to dog and cat breeders
5. Administrative inconsistencies, inefficiencies and complexities.

There is no single solution to address these issues. A combination of regulatory measures is required to ensure that the legislation provides a comprehensive framework for reforming dog and cat management in the State.

The following sections outline the significance of each of the problems and who is affected.

¹ With the exception of four councils: Kangaroo Island Council, Roxby Council, Whyalla City Council and the City of Mitcham

1.2.1 Nuisance behaviours and dog attacks

Dog attacks

Dog attacks incur costs associated with the physical and psychological injuries sustained to people and animals. They also attract media attention and raise community concerns about the level of safety in local neighbourhoods. 'Dog attack' is defined as a dog acting with force or harmfully resulting in a physical injury such as bruising or laceration. Dog attacks on animals include attacks on livestock.

The data in Table 1 indicates that the number of dog attacks on humans that have been reported to councils has increased over the last three years from 431 in 2012-13 to 479 in 2014-15. However, when analysed in relation to population growth, it is evident that while the number of incidents has increased, the rate has remained proportional to population growth. During this period the number of dogs desexed remained within 66%-68% of registered dogs (Table 2).

Table 1: Report of dog attacks and harassments over the last four years in South Australia

Year	2011-12	2012-13	2013-14	2014-15
Attacks on humans	440	431	454	479
Attack on animals	914	889	864	868
Total attacks	1354	1320	1318	1347
Harassment - human	583	496	422	353
Harassment - animals	383	296	321	300
Total harassment	966	792	743	653
Total attacks & harassment	2320	2112	2061	2000

Source: Dog and Cat Management Board

Table 2: Proportion of dog attacks relative to South Australian population

Item	2011-12	2012-13	2013-14
Number of registered dogs	291068	297714	295965
% of registered dogs desexed	66%	67%	68%
Number of dog attacks on humans reported	440	431	454
Number of hospital admissions from dog attacks	230	235	265
SA population	1390865	1410379	1430188
% dogs attacks relative to population	0.032%	0.031%	0.032%
% hospital admissions relative to population	0.017%	0.017%	0.019%

Source: Dog and Cat Management Board 2014-15 Annual Report; Population projections for SA 2006-2036 - Dept of Planning

The true number of dog attacks is unknown and is likely to be much higher than indicated in Table 1. The University of South Australia (2011) reports that roughly one in five dog attacks is reported to local councils. One of the main reasons for this is thought to be that the majority of dog bites occur in the home and involve victims bitten by their own dog (AVA, 2012). This makes people wary of reporting the incident due to a fear that their dog will be euthanased.

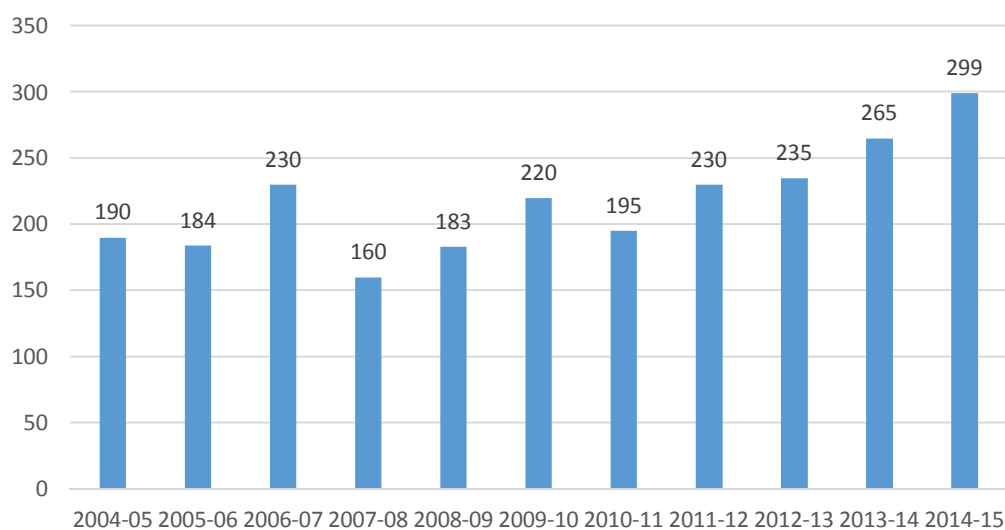
Despite targeted awareness raising campaigns conducted by the Board on safety around dogs, the number of admissions to hospital increased in 2014-15 to 299 admissions, 34 more than the previous year (Figure 1). This rise is consistent with previous years where there has been a small but incremental increase in the average number of dog attacks leading to a hospital admission from year to year. Children aged 0-4 years continue to be the most commonly admitted age group. Table 2 indicates that, similar to dog attacks, while the number of hospital admissions has increased, the rate has remained proportional to population growth.

Despite the fact that the rate of dog attacks and hospital admissions has remained proportional to population growth, the continuing occurrence of dog attacks and admissions to hospital each year, particularly the high numbers of young children, is unacceptable to the South Australian community.

A 2001 study estimated that the annual cost to the Australian community for treating dog bite injuries in public hospitals was over \$7 million, not including injuries treated outside the public hospital system (Bennett and Righetti, 2001).

The Australian Veterinary Association (AVA) reports that the tendency of a dog to bite is influenced by heredity factors, early experience, socialisation and training, health and victim behaviour. While dog bite incidents can occur by dogs wandering at large, the majority of dog bites occur in the home and involve victims bitten by their own dog (AVA, 2012).

Figure 1: Number of hospital admissions from dog attacks – 2004-05 to 2014-15



Source: Dog and Cat Management Board

Wandering animals

There are currently 297,857 registered dogs in the State². This number remains relatively constant from one year to the next (Table 3). On average, around 4.5% of the registered dog population is captured by animal management officers each year for wandering unaccompanied around local neighbourhoods (Table 3).

Wandering dogs can cause community nuisance and may pose the risk of attack. Wandering dogs are also a traffic hazard causing injury to themselves and motorists, resulting in veterinary and medical costs. Wandering dogs may also react negatively to unknown dogs and people and may display territorial aggression. The loss of a dog that has escaped or wandered also causes stress to owners and complaints to councils.

² Councils estimate there may be a further 60,000 dogs that are not registered, but this figure is difficult to validate.

Table 3: Dog registration and capture statistics for Councils

Category	2010/11	2011/12	2012/13	2013/14	2014-15
Total registered dogs	293,977	291,179	297,714	295,965	297,857
% of Dogs microchipped		47%	52%	55%	60%
Wandering dogs captured	16,127	15,679	14,725	13,555	13,410
% of wandering captured dogs to total registered dogs	4.5%	4.5%	4.5%	4.5%	4.5%
Captured dogs identified & returned to owner prior to impound	2,819	3,106	3,230	3,160	4,036
Captured dogs impounded - unidentified	13,308	12,573	11,495	10,395	9,374
Captured dogs claimed from pound by owner	7,992	7,744	7,313	6,895	6,082
Unclaimed dogs - t/f shelters or destroyed	5,316	4,829	4,182	3,500	3,292

Source: DCM Board

The percentage of dogs microchipped has steadily increased since 2011/12, and while there has been an improvement in the number of impounded dogs identified and directly returned to owners since 2010-11 (Table 3), and a decrease in the number of unidentified dogs being impounded, local councils and animal shelters report that they are at capacity and face increasing costs to manage wandering dogs.

Desexing can reduce a number of behavioural problems in dogs and cats such as wandering, aggression, urine spraying and vocalising (barking, yowling and calling) (RSPCA, 2015; AVA, 2008). Despite public awareness campaigns conducted by the Board and other organisations (e.g. RSPCA) on the importance of desexing, and the provision of a rebate of approximately 40% on registration fees for desexed dogs, only around 69% of the State's dog population is desexed (DCMB, 2015). There is no data on the proportion of owned cats that are desexed, but a number of studies indicate that it may be as high as 90%³.

Without compulsory registration of cats, it is difficult to know the number of owned cats in South Australia, however it is estimated³ that the owned cat population is the same as the population of registered dogs in the state – around 300,000. Roaming cats, whether they are owned, semi-owned or feral, pose a threat to native wildlife and can cause a nuisance on both public and private property through activity such as urine spraying, digging and vocalising.

The current Act does not provide for the same level of management of cats as it does for dogs. Only four of the State's councils have active cat bylaws in place that require owners to register and microchip their cats: Kangaroo Island Council, Roxby Council, Whyalla City Council and the City of Mitcham.

1.2.2 The number of surrendered, seized and detained dogs and cats

Councils

A total of 13,410 wandering dogs were captured by animal management officers in 2014-15 (Table 3). Of these, 75% were either returned directly to their owners or reclaimed from council impound facilities. To reclaim an impounded dog, in addition to the infringement notice, councils charge owners an average impoundment fee of \$120.

³ The Queensland State Government (2010), The Queensland household survey; Animal Health Alliance of Australia (2013). Pet Ownership in Australia 2013 <http://www.etsinaustralia.com.au>; Toribrio et. Al. (2009), Journal of Feline Medicine and Surgery.

Twenty five percent (3,292) of the wandering dogs captured in 2014-15 were not able to be identified by either a registration disc or a microchip, or were unclaimed by owners. These dogs were either transferred to an animal shelter, where they were rehomed or destroyed. In rural areas, where it can be difficult to access a shelter, unidentified dogs and cats that are not reclaimed by their owner or cannot be rehomed may be euthanased by the local council.

Cats that are found wandering are not impounded by councils but are taken directly to shelter facilities. This includes owned, semi-owned and feral cats.

Shelters

In 2013-14 a total of 15,433 dogs and cats were admitted to RSPCA and AWL shelters as strays, council impounds and surrenders – 6,221 to the RSPCA (2013-14 Annual Report) and 9,212 to the AWL (2013-14 Annual Report). The AWL estimates that only 8% of the dogs and cats admitted to their shelters in 2013-14 were microchipped.

The majority of cats in animal shelters are feral or semi-owned (Marston et al., 2008; AVA, 2007b; DCMB⁴). The remainder are owned cats that have been lost, surrendered or admitted via the RSPCA Ambulance and Inspectorate service.

With rising costs and lack of additional funding, animal shelters report that they are usually at capacity.

Microchipping

Microchipping is one of the most effective ways of identifying an animal's owner. South Australia is the only jurisdiction, besides the Northern Territory, that does not legislate for the mandatory microchipping of dogs and cats. Despite Board education campaigns on the importance of microchipping and the provision of an approximate 10% rebate on registration fees if a dog is microchipped, as of 2014-15 around 40% of dogs remain unmicrochipped (DCMB, 2015). While exact figures are not available, it is likely that a similar percentage of owned cats are unmicrochipped.

1.2.3 The number of dogs and cats that are euthanased

The high number of dogs and cats that are euthanased each year causes concerns for the community, imposes costs on animal shelters and places stress on shelter staff who have to administer the procedure. The Minister's decision to convene a Citizens' Jury on unwanted dogs and cats to specifically to address the issue of high euthanasia rates reflects the level of community concern about this issue.

Tables 4 and 5 indicate euthanasia figures for 2013-14 as reported by the RSPCA and the AWL⁵. The Tables indicate that the majority of dogs and cats are euthanased for medical or behavioural reasons.

Table 4: Euthanasia rates as reported by the RSPCA - 2013-14

Reason for euthanasia	Number
Medical untreatable illness	1251 (54%)
Medical untreatable injury	185 (8%)
Behavioural	371 (16%)
Feral	487 (21%)
Declared pest under the <i>Natural Resource Management Act 2004</i>	23 (1%)
Total all animals	2317*
TOTAL DOGS AND CATS	2007

Source: RSPCA (2014).

*This includes 310 animals other than dogs and cats

⁴ <http://goodcatsa.com/stray-cats>

⁵ AWL information provided on a confidential basis

Table 5: Dog and cat euthanasia rates as reported by the Animal Welfare League - 2013-14

Reason for euthanasia	Number
Medical untreatable illness or injury	2525 (45%)
Behavioural	3063 (55%)
Legal requirement	15 (<1%)
TOTAL	5603

Source: AWL, 2015, pers. comm.

Rural councils also euthanase animals if they do not have access to facilities provided by welfare organisations or if the animal has injuries or behavioural problems that prevent it being rehomed. It is estimated that councils euthanase more than 580 dogs and 1,200 cats each year⁶. While data is not systematically collected, the Board advises that it is likely that thousands of additional dogs and cats are euthanased by veterinary surgeons, police, park rangers and wardens, and the pet's owner.

1.2.4 Lack of oversight of dog and cat breeders⁷

Approximately 2,000 dog and cat breeders in South Australia are registered with peak breeding organisations such as Dogs SA, the Governing Council of the Cat Fancy and the Feline Association of SA. The majority breed pedigree animals. These organisations maintain their own breeder databases. Greyhound Racing SA maintains a further database of greyhounds in SA (including those greyhounds which have ceased racing and become companion animals).

A form of self-regulation by this section of the industry requires breeders to adhere to organisational standards that govern good breeding, care and sale practices. Breeding organisations do not conduct compliance activities to ensure members are adhering to standards. It is estimated that breeders registered with peak breeding organisations supply around 6,000 puppies and 1,000 kittens to the South Australian market each year.

In 2013-14 the RSPCA and the AWL adopted out a total of 2,600 dogs and 4,000 cats.

It is estimated that an additional 7,400 hobby and backyard breeders, or almost three times the number of breeders who are registered with peak breeding organisations, supply the remaining numbers of dogs and cats, either via sale or give-away, that are required each year to replace the existing population (see Box 1).

Hobby and backyard breeders primarily sell through pet shops or online through websites such as *Gumtree*. These breeders are, by definition, not required to adhere to responsible breeding methods and practices. They may include people who allow their dog or cat to have puppies or kittens which are then sold, or people whose dog or cat has an unplanned litter that is then sold. They may also include breeders who have made a deliberate decision not to join a breeder association to be free of the association's rules and standards.

There is currently no state-wide legislation or council by-laws that require people who breed dogs and cats for sale to register with an accredited organisation or obtain a licence. As a consequence, it is not possible to determine with any accuracy the exact number of dog and cat breeders in the state. Subsequently, local councils are unaware of the number and nature of dog and cat breeders operating within their jurisdictions. This makes it difficult for council animal management officers to enforce relevant requirements under the Act, including:

⁶ An estimate obtained by the Board from 31 out of 48 regional councils contacted.

⁷ A breeder is defined as anyone who breeds a dog or cat for sale.

- enforcing by-laws approved under the Act including limits to animal numbers, planning permits to operate particular businesses
- ensuring compliance with planning approvals
- ensuring breeders have registered their animals, or their business, as required by the Act⁸
- identifying where breeding dogs for racing, working and companion industries are housed to ensure they are correctly registered and approved
- identifying breeders of attack-trained dogs, guard dogs and patrol dogs (all of which already have higher standards imposed upon them, under the current Act)
- ensuring Dog and Cat Management Plans required under s26A of the Act consider breeding-related issues, e.g. animal density patterns, provision of dog parks, identifying ‘puppy farms’
- identifying if nuisance complaints relate to breeding activity (e.g. a dog breeder allowing dogs to bark) or other activities such as cat hoarding, which would require a different management approach.

In addition to imposing a problem for animal management officers, the lack of comprehensive information on the location and identity of dog and cat breeders makes it difficult for RSPCA inspectors to inspect breeding premises for compliance with provisions under the *Animal Welfare Act 1985*. It also makes it difficult for consumers to enforce their rights under consumer protection legislation should they purchase an animal that is unwell or whose health is compromised due to a genetic condition.

BOX 1: - Estimated number of dog and cat breeders in South Australia

There are approximately 300,000 registered dogs in SA and an estimated similar number of owned cats. Assume that this population remains stable. [The number of dogs and cats sourced from interstate breeders is not included in this calculation due to a lack of data]

Dogs

- A dog’s life expectancy is 8-14 years depending on breed. Assume an average of 12 years⁹, therefore 25,000 dogs are required to maintain the dog population each year.
- Around 2,600 dogs are adopted from RSPCA and AWL each year [1300 dogs from RSPCA and estimated 1300 dogs from AWL].
- In 2014 Dogs SA¹⁰ had 1,118 members but only around 521 actively bred dogs. These 521 breeders produced approximately 6,000¹¹ puppies in 2014 (average of 11.5 puppies per breeder).
- The remaining balance of 16,400 dogs therefore must be sourced from owners “give-aways” or sale by unregistered breeders. If the same litter average for breeders is applied to unregistered breeders then this calculates to 1,426 unregistered breeders.

Cats

- A cat’s life expectancy is 12-18 years.¹² Assume a cat lives an average of 15 years – therefore 20,000 cats are required to maintain the cat population every year.
- Around 4,000 cats are adopted from RSPCA and AWL each year [2500 cats from RSPCA and est. 1500 cats from AWL]
- Feline Association has 173 members who produced an estimated 310 kittens in 14-15. Assume similar figures for the Governing Council of the Cat Fancy. Note that only selective animals may be listed for sale purposes so the actual number may be higher. Therefore assume approximately 400 breeders produce around 1000 kittens per year (average of 2.5 kittens per breeder).
- The remaining balance of 15,000 cats therefore must be sourced from owners “give-aways” or sale by unregistered breeders. If the same litter average for breeders is applied to unregistered breeders then this calculates to 6,000 unregistered breeders.

⁸ Dog breeders are entitled to register as a business (s35) and, if they do, the dog is ‘deemed’ to be registered

⁹ Various Veterinary sources

¹⁰ Dogs SA submission to Minister for Sustainability, Environment and Conservation, Aug 2015

¹¹ Source – ANKC Ltd database

¹² Various Veterinary sources

1.2.5 Administrative inconsistencies, inefficiencies and complexities

Following the 2013 review of the Act by the Board and stakeholders, a number of administrative inconsistencies, inefficiencies and complexities were identified that are contributing to sub-optimal outcomes for dog and cat management in South Australia. The main problems are summarised below.

Inconsistencies

The current Act does not provide 'authorised persons' (council animal management officers) with the equivalent powers afforded to 'authorised persons' under the *Local Government Act 1999* and other Acts under which authorised persons operate (*Road Traffic Act 1961* and Australian Road Rules, and Part 4 of the *Fire and Emergency Services Act 2005*). This impacts on the ability of animal management officers to effectively monitor compliance with control orders and gather sufficient and robust evidence to facilitate enforcement of the Act. It also complicates the drafting of clear procedures for animal management officers to follow.

Administrative inefficiencies

The current dog registration process is overly complex, offering a minimum of eight different registration categories for which councils provide a rebate. These categories are based on whether a dog has been microchipped and/or desexed and/or trained. This creates confusion for owners and makes the registration process unnecessarily onerous for councils to administer.

If councils elect to increase dog and cat management fees, they must submit a fee schedule to the Minister for approval. The fee schedules are assessed by the Board before being provided to the Minister for approval and signature. Once approved, the Board is notified and councils are advised. Councils must then notify residents of the fee increases in sending out annual dog registration renewals, usually at the end of June. This process is conducted at the end of the financial year, placing pressure on councils and the Board to have the process finalised well before dog registrations fall due on 31 August.

Generally, most of the sixty-nine councils increase their fees once every two years, placing an administrative burden on the Board and the Minister's Office and due to the time pressures, Councils become frustrated if the process is delayed.

In South Australia a number of organisations train disability dogs including the Royal Society for the Blind, the Guide Dogs SA/NT and Lions' Hearing Dogs. Under Section 21A of the Act the Board must accredit disability dogs so that they can be protected under the Act and the *Equal Opportunities Act 1984*. The Board maintains a register of dogs that have been accredited. This creates double handling of dog accreditation as the organisation must graduate the dog, and then a secondary process must be administered to receive accreditation from the Board. This is despite the fact that the Act does not require membership of the Board to include expertise in dog training or disability services.

South Australia is the only state to use the term 'disability dog'. It is proposed that this be changed to the nationally consistent 'assistance dog'.

1.3 The case for action

Failure to desex a dog or cat is a significant contributor to the pet population problem. Reducing the total number of unwanted dogs and cats is an important strategy to reduce surrender and euthanasia rates. Undesexed dogs and cats are at greater risk of being surrendered by their owners due to behavioural issues. The offspring of undesexed pets that have unwanted litters contributes to euthanasia rates. Microchipping is also an important measure for reducing the numbers of unwanted animals that are surrendered and euthanased because their owners cannot be found.

Data collected by the Board indicates that the uptake of microchipping and mandatory desexing has plateaued, despite ongoing education and awareness raising campaigns conducted by the Board and key partners including the RSPCA and the AWL. The Board advises that, even if key messages reach some pet owners, they are unlikely to microchip or desex their pets unless compelled to do so through regulatory intervention.

The current regulatory regime is creating administrative inefficiencies and impacting on the capacity of council animal management officers to adequately enforce the Act and prosecute dog and cat owners who are not complying with the law.

There is a need for Government action to address the problem in a coordinated fashion that delivers more effective dog and cat regulation. A more effective regulatory regime that results in a safer and more sociable dog population and better management of cats will assist in achieving the State Strategic Priority of *Safe Communities, Healthy Neighbourhoods*.

2. Objectives

The major objectives of this proposal are to:

- Improve and contemporise dog and cat management in South Australia;
- Improve the welfare outcomes of dogs and cats that are bred for sale; and
- Create a population of dogs and cats that integrate safely and harmoniously with local communities.

This proposal seeks to achieve the following outcomes:

- A reduction in nuisance behaviours and dog attacks.
- A reduction in the number of dogs and cats that are surrendered, seized and detained.
- A reduction in the number of dogs and cats that are euthanased.
- An increase in the capacity of animal management officers to enforce regulatory provisions.
- A reduction in the administrative burden for councils and stakeholders.
- An increase in consumer confidence that puppies and kittens are purchased from reputable breeders.

3. Statement of options

3.1 Option 1 - The Base Case: retain the current Act

The Base Case is to retain the current *Dog and Cat Management Act 1995*. Under this scenario:

- Microchipping and desexing rates will remain voluntary and are unlikely to increase.
- The majority of dog and cat breeders in the State will remain unidentified.
- The powers of council animal management officers will remain inconsistent with those of other 'authorised officers', impacting on their ability to effectively enforce legislative provisions.
- Councils and animal shelters will continue to incur costs associated with managing and caring for unwanted and unidentified dogs and cats.
- Community concerns about the welfare of dogs and cats that are bred for sale will continue.

There is a risk that maintaining the status quo will not achieve the stated objective of improving and contemporising dog and cat management in South Australia. There is also a risk that it will compromise the objects of the Act, which are to:

- Encourage responsible dog and cat ownership
- Reduce public and environmental nuisance caused by dogs and cats

- Promote the effective management of dogs and cats (including through encouragement of the desexing of dogs and cats).

3.2 Option 2 – Introduce miscellaneous amendments to the *Dog and Cat Management Act 1995*

Under this option, miscellaneous amendments are proposed to the *Dog and Cat Management Act 1995*. It is considered that this option will be the most effective in addressing the stated objective of improving and contemporising dog and cat management in South Australia.

The regulatory regime would be administered by the Board supported by the Dog and Cat Management Fund, and by local councils supported by dog and cat registration fees.

The major proposed amendments are:

- All existing dogs and cats will be required to be microchipped by the time they reach a certain age, which will be set by regulation.
- All new generations of dogs and cats will be required to be desexed by a certain age, which will be set by regulation.
- Anyone who breeds a dog or cat for sale will be required to register as a breeder with the Board in each year that a litter is born.
- Anyone who sells a dog or cat will be required to provide information relating to the identity of the breeder at point of sale and in any advertisement for sale.
- Increased enforcement powers of animal management officers and reduced inconsistencies and inefficiencies in a number of provisions.

A ten-week public consultation period on the draft Amendment Bill occurred between 19 April 2015 and 26 June 2015. Over 1800 responses were received to the consultation survey provided on the *YourSAY* website. In addition more than 60 written submissions were received from stakeholders and members of the public. All respondents were broadly supportive of the proposed changes. Mandatory microchipping was supported by 82.25% of respondents who completed the consultation survey on *YourSAY*. Breeder registration was supported by 87.59% of *YourSAY* respondents.

The requirement for mandatory desexing was not included in the draft Amendment Bill. Mandatory desexing is included in the final Amendment Bill in response to a recommendation by the Citizens' Jury on unwanted dogs and cats that all new generations of dogs and cats are desexed (see section 1.1).

The major proposed amendments, how they will address the problem, their likely level of compliance and details of enforcement are described in the following sections, along with the approach in other jurisdictions (where relevant).

3.2.1 Mandatory microchipping

Microchipping provides a permanent, unique method of identification and is the most effective way to identify the owner of a dog or cat. South Australia is the only jurisdiction (besides the Northern Territory) not to have introduced a legislative requirement for mandatory microchipping (Table 6).

The requirement for mandatory microchipping will meet, and broaden, a 2013 election commitment to amend legislation to require all dogs and cats sold through the commercial pet trade to be microchipped before being sold. Broadening the requirement to include all dogs and cats will maximise effectiveness of the regime. Mandatory microchipping also responds to a recommendation made by the Select Committee on Dogs and Cats as Companion Animals (July 2013) that all dogs and cats are microchipped prior to sale.

The proposed amendments will not require microchipping prior to sale, but by an age to be set by regulation. This is likely to be three months of age.

Table 6: Mandatory microchipping in other jurisdictions

State	Compulsory microchipping legislation
ACT	Yes. Requires microchipping of cats and dogs prior to sale/transfer and by 12 weeks of age [Section 84 of the <i>Domestic Animals Act 2000</i>].
NSW	Yes. Requires microchipping of cats and dogs prior to sale/transfer and by 12 weeks of age [Section 8 of the <i>Companion Animals Act 1998</i>].
NT	No
QLD	Yes. Requires microchipping of cats and dogs prior to sale/transfer and prior to reaching 12 weeks of age [Sections 13 and 14 of the <i>Animal Management (Cats and Dogs) Act 2008</i>].
TAS	Yes. Requires microchipping of dogs by 6 months of age [Section 15A of the <i>Dog Control Act 2000</i>] and microchipping of cats by 6 months of age [Part 3 of the <i>Cat Management Act 2009</i>].
VIC	Yes. Requires cats and dogs to be microchipped as a condition of registration (which is compulsory once the animal is 3 months of age). However the requirement to microchip prior to sale/transfer under section 12A only applies to domestic animal businesses [Section 10C of the <i>Domestic Animals Act 1994</i>]. Section 12A (2) of the <i>Domestic Animals Act 1994</i> requires an animal’s microchip number to be displayed in any advertisement for the animal, but not at the point of sale. If the seller is a ‘domestic animal business’ the breeder must display the microchip number or the breeder registration number, and the name of the issuing Council.
WA	Yes. Requires dogs to be microchipped when they are 3 months of age, and being registered for the first time or when a change of ownership occurs [Section 21 of the <i>Dog Act 1976</i>]. As of 1 November 2015, all dogs that have reached 3 months of age must be microchipped regardless of registration status. Requires microchipping of cats prior to transfer/sale and by 6 months of age [Sections 14 and 23 of the <i>Cat Act 2011</i>].

The New South Wales Companion Animals Taskforce Discussion Paper (May 2012) reports that mandatory microchipping (introduced in 1999) has resulted in significant decreases in the number of animals impounded by councils and has increased the number of animals returned to their owners.

Mandatory microchipping will address the identified problems of:

- Nuisance behaviours such as wandering
- The number of surrendered, seized and detained dogs and cats
- The number of dogs and cats that are euthanased each year.

It will do this by:

- Providing animals with permanent identification to increase the likelihood of reuniting them with their owners (whether they are seized by animal management officers or admitted to animal shelters);
- Reducing the time that stray dogs and cats spend in pounds and shelters before their owner is located;
- Encouraging owners not to allow their pets to wander due to risk of expiation; and
- Assisting with the identification of dangerous or nuisance animals, increasing owner accountability.

The effectiveness of a mandatory microchipping regulatory framework is dependent on pet owners notifying the microchip registry¹³ that holds their information of a change of owner or address details. This

¹³ There are currently six national microchip registries in Australia

is a point of vulnerability in the system as many owners fail to advise the relevant registry of their changed details. Which registry receives an owner's information is generally determined by commercial agreements between the registry and a veterinarian or microchip implanter. Owners are advised which registry they have been subscribed to when their animal is microchipped but rarely receive further contact or prompts to update or change details.

It is proposed to amend the Act as follows:

- All existing dogs and cats will be required to be microchipped. Regulations will prescribe a minimum or maximum age at which dogs and cats will be required to be microchipped and a period or periods within which dogs and cats must be microchipped.
- It will be an offence not to microchip a dog or cat. Exemptions will apply and may include vet-endorsed medical exemptions and exemptions for animals that lie outside the regulated minimum and maximum age requirements.
- The regulations may also prescribe requirements relating to who can microchip a dog or cat to ensure that animal health and record maintenance standards are regulated.
- Animal welfare organisations and councils will have the power to microchip impounded dogs and cats.
- The Board may keep a register relating to the microchipping (and desexing) of dogs and cats. Regulations will specify the provision of certain information that the Board may reasonably require to be recorded in the register, including a requirement for owners to keep their contact details up to date.

The introduction of mandatory microchipping will require a transition period (likely to be 12 months) from the commencement of the Regulations to allow people whose pets are not currently microchipped to comply. The Board will work with the Australian Veterinary Association, TAFE and Universities to increase the availability of approved microchip implanters. The Board will also develop a community education and awareness campaign to ensure people are aware of their responsibilities.

The requirement will apply to all owners of an unmicrochipped dog or cat that is not exempted. This is estimated to be 40% of registered dogs and the same proportion of owned cats (DCMB, 2015). It is expected that compliance levels will be reasonably high in response to the Board's education campaign.

The requirement for mandatory microchipping will be enforced through the annual council dog or cat registration process. Dog owners already present evidence of microchipping to council staff to receive a rebate on dog registration fees, so the reporting infrastructure exists. There will be an additional requirement for councils to approve exemptions.

3.2.2 Mandatory desexing

Mandatory desexing has been promoted in South Australia for many years by key stakeholders including the RSPCA, the AWL, the Local Government Association and the Dog and Cat Management Board. Mandatory desexing is also supported by other stakeholders such as the Feline Association and the Governing Council of the Cat Fancy of South Australia.

The RSPCA advocates for mandatory desexing, considering it an effective means of reducing the number of unwanted dogs and cats in the community, improving health outcomes and reducing behavioural problems such as roaming, aggression and urine marking.

The Australian Veterinary Association is strongly supportive of desexing as an important way of reducing the number of unwanted pets, improving the health of individual animals and reducing nuisance behavioural problems such as wandering, fighting and urine spraying in cats. However, the Australian Veterinary Association does not support *mandatory* desexing as a population control strategy as it does not take into account the impact of semi-owned, stray and feral cats.

The Australian Capital Territory requires that all dogs and cats are desexed by six months of age. Western Australia and Tasmania only require cats to be desexed.

Table 7: Mandatory desexing in other jurisdictions

State	Compulsory desexing legislation
ACT	Yes. Requires all dogs and cats to be desexed by 6 months of age, unless a permit is obtained to keep them intact [Part 74 of the <i>Domestic Animals Act 2000</i>].
NSW	No
NT	No
QLD	No
TAS	Yes – cats only. Requires that any cat that is more than 6 months old that is sold or given away must first be desexed by a veterinary surgeon. The only exception is for cats owned by registered breeders [Section 14 of the <i>Cat Management Act 2009</i>].
VIC	No
WA	Yes – cats only. Requires all cats to be desexed by 6 months of age, unless it is exempted by a veterinarian or for approved breeding purposes [Section 18 of the <i>Cat Act 2011</i>].

The Select Committee on Dogs and Cats as Companion Animals recommended that all cats purchased from any venue be desexed prior to sale, or a commitment to do so undertaken at point of sale. The proposed amendments will not require desexing prior to sale but within an age range to be specified in the regulations.

Mandatory desexing is expected to address the identified problems of:

- Nuisance behaviours and dog attacks
- The number of surrendered, seized and detained dogs and cats
- The number of dogs and cats that are euthanased each year.

It will do this by:

- Reducing nuisance behaviours such as wandering, urine spraying and territorial aggression
- Reducing aggressive behaviour
- Reducing the number of unwanted dogs and cats.

It is proposed to amend the Act as follows:

- All new generations of dogs and cats will be required to be desexed. Regulations will prescribe a minimum or maximum age at which dogs and cats will be required to be desexed and a period, or periods, within which dogs and cats must be desexed.
- It will be an offence not to desex a dog or cat. Exemptions will apply and may include vet-endorsed medical exemptions, breeders, working livestock dogs, racing greyhounds, guard dogs and animals that lie outside the regulated minimum and maximum age requirements.
- Animal welfare organisations and councils will have the power to desex seized dogs and cats.

The introduction of mandatory desexing will require a transition period (likely to be 12 months) from the commencement of the Regulations to enable the Board, working with stakeholder organisations, to ensure pet owners and businesses, including veterinarians and pet sellers, are aware of the changes.

There is already a high level of voluntary desexing for owned cats, estimated at around 90%. It is anticipated that compliance with a mandatory desexing requirement will remain high for cat owners. Compliance rates for dog owners are not certain.

The requirement for mandatory desexing will be enforced through the annual dog or cat registration process. Dog owners already present evidence of desexing to council staff, to receive a rebate on dog registration fees, so the reporting infrastructure already exists. In future, owners will need to present evidence to councils to access the proposed statutory exemptions.

3.2.3 Breeder registration

It is estimated that there are around 7,400 'unregistered breeders' that supply dogs and cats, in addition to the 2,000 pedigree breeders who are registered with breeder organisations (see section 1.2.4). The lack of regulatory oversight hinders the work of animal management officers in enforcing the Act and is causing community concerns about puppy and kitten 'farms'.

To address this problem, it is proposed to introduce a relatively light-handed regulatory scheme that will require anyone who breeds a dog or cat for sale to register with the Board. There will be no requirement for a breeder to be assessed for compliance with a relevant Code of Practice or be otherwise certified before being registered. However, provisions will include that the Board may impose conditions on registration, including compliance with a code of practice under another Act, for example the *Animal Welfare Act 1985*.

The Board considers that breeder registration will address the identified problem of lack of oversight of breeders by providing a mechanism to uniquely identify each breeder and the location of their premises. Breeder registration aims to ensure regulatory oversight of hobby or 'backyard' breeding.

The requirement will not capture interstate breeders who sell to South Australian customers. These breeders will be subject to relevant legislation in their jurisdiction (see dot point summary below).

Some breeders will improve their standards and others may exit the industry. Some unscrupulous breeders may choose to operate outside of the regulatory scheme. However, requiring information relating to the identity of a breeder at point of sale and in advertising will provide 'trigger points' that will help bring such operators to the attention of the authorities.

Unlike the proposed South Australian scheme, the Australian Capital Territory (ACT), Victoria and New South Wales have introduced schemes that include provision for inspection of premises before a person can be either registered as a breeder or granted a breeder licence:

- In September 2015, the ACT introduced new legislation under the *Domestic Animals Act 2000* that will require anyone who is the keeper or carer of a female dog or cat and breeds a litter for profit or commercial gain to obtain a breeders licence by January 2016. There will be no charge for the licence. A condition of the licence is that breeding premises are open for regular inspections and assessment against relevant codes of practice. Licensees will be required to display their breeding licence number in advertisements for animals they have bred.
- In Victoria, the *Domestic Animals Act 1994* requires breeders to register their premises as a 'breeding domestic animal business' if they have three or more fertile female dogs and they sell dogs (whether a profit is made or not) and they are not a member of a peak breeding organisation. Registration is with the Council. Before registering a premises, a council may inspect the premises to determine whether it complies with a relevant Code of Practice. If the proprietor is a member of a peak breeding organisation they are exempt from registering as a 'breeding domestic animal business' if they have less than 10 fertile female animals and no more than 2 are not registered with a peak breeding organisation.

- Since 1 July 2015, anyone who wishes to breed greyhounds in New South Wales is required to undergo certification before being granted a breeders licence. New South Wales is also considering whether to implement a breeder licensing system on all dog and cat breeding following an inquiry into breeding practices.

A breeder licensing, rather than registration, scheme is advocated by the RSPCA and was also recommended by the Select Committee on Dogs and Cats as Companion Animals, with breeders requiring mandatory assessment prior to being granted a licence.

The Government considers that a breeder *licensing* scheme, requiring a breeder to be authorised and undertake mandatory assessment before being granted a licence to operate, would incur significant compliance costs and increased costs for the majority of breeders in the State who raise their animals in appropriate conditions.

It is proposed to amend the Act as follows:

- Anyone who breeds a dog or cat for sale must register as a breeder with the Board. A registration fee, proposed to be \$75, will need to be paid in each year that a litter (or litters) is born (see section 4.2.3).
- It will be an offence to sell an animal without being registered with the Board. The term 'sale' will include 'exchange', 'auction' and 'barter' but will not include give-away.
- It will be an offence to sell a dog or cat unless it has been bred by a registered breeder.
- Anyone who sells a dog or cat must give the new owner a written notice setting out information relating to the identity of the breeder, any vaccinations or other treatments the animal has received and information relating to the animal's microchip. Anyone advertising a dog or cat for sale will be required to provide this information in the advertisement.
- The Board will keep a register of breeders. The Board may require that certain documentation and information is provided with an application to register. The Board may impose conditions on registration, including compliance with a code of practice under another Act, for example the *Animal Welfare Act 1985*.
- It is anticipated that Regulations or the Board will approve representative bodies such as Dogs SA, the Governing Council of the Cat Fancy or the Feline Association to register their members directly with the Board by providing information from their own systems. This will ensure that the Board register includes all registered breeders and will facilitate registration by members of approved organisations. Approved organisations may also collect registration fees on behalf of the Board reducing administration costs.

There will be a 12-month transition period from the commencement of the Regulations to establish processes and systems and educate the community about the new requirements.

It is difficult to predict the level of compliance. The requirement for anyone selling an animal to provide information relating to the identity of the breeder should encourage compliance, as a breeder will not be able to sell the dogs or cats they have bred without providing some form of identification (likely to be a breeder registration number). However, it is expected that there will be a proportion of current unregistered breeders who will not comply with the requirement.

The Board will conduct an education program to inform consumers that when purchasing an animal, the seller or breeder must provide them with the unique registration number. Any advertisement that does not display a registration number, and any seller or breeder who cannot provide a registration number should be reported to the Board.

3.2.4 Administrative amendments

A range of miscellaneous amendments are proposed to address the current inadequacy of the regulatory regime. The major proposed amendments are outlined below.

Dog registration

- A new category of 'Standard dog' will be introduced for the purposes of councils providing a rebate on registration fees. A 'Standard dog' will be one that has been both microchipped and desexed.
- The rebate previously offered for a dog that has been trained will no longer be available as it created little cost incentive for owners to train their dogs and created disproportionately high administrative costs for councils and the Board.
- A registration fee cap and annual increase will be set by Regulation, removing the requirement for the Minister to approve dog registration fees, reducing administrative inefficiencies for councils and the Board.
- The Board will implement a community education and awareness campaign to ensure owners are aware of the reforms.

Disability dogs – increasing efficiencies

- Proposed amendments will allow organisations that train disability dogs, including the Royal Society for the Blind, the Guide Dogs SA and Lions Hearing Dogs to accredit dogs graduating from their programmes.
- Assistance Dogs International (ADI) prescribes and enforces standards for disability dog training. Accreditation by ADI requires organisations to complete facility inspections and to have the dog training qualifications and expertise of staff assessed. Achieving accreditation from Assistance Dogs International demonstrates that an organisation has the required expertise to assess and accredit their own animals. Allowing ADI accredited organisations and the equivalent to accredit their own dogs will reduce administration costs and remove a risk from the Board in accrediting animals they do not have the expertise to assess. Such organisations are well respected in the community and best-placed to make the assessments.
- The Board will work with the relevant organisations to approve their processes during transition to the new regulations

Increased powers to animal management officers

Animal management officers will be identified as 'Authorised Persons' which is consistent with other legislation administered by councils. Proposed amendments include:

- Providing powers to monitor compliance with Control Orders such as for a nuisance, menacing or barking dog.
- Providing powers to gather evidence to facilitate the Act such as photos, films or video recordings
- Require a person to produce documents in connection with administration or enforcement of the Act.

The Board will work with the Local Government Association of South Australia to implement training programs to assist Authorised Persons to understand their new powers and responsibilities.

3.3 Option 3 - Strengthen existing education and awareness raising campaigns

The Board spends a large proportion of its budget on projects and community education campaigns. The Board's total budget for Strategic Priorities in 2015-16 is \$653,000. Of this, \$541,000 has been allocated to community education campaigns including a specific campaign to let people know about the legislative amendments and what their new responsibilities are.

The Board's promotion of desexing and microchipping, as two key elements of responsible pet ownership, is reinforced through advice and campaigns from other respected stakeholders, such as the RSPCA, AWL and the AVA.

Microchipping and desexing are key measures for achieving a number of the proposal's stated objectives (see section 2). By providing a permanent method of identification and thus improving reunification rates between lost pets and their owners, microchipping is a key measure to achieve the objectives of reducing the number of dogs and cats that are seized and impounded, and reducing the number of unwanted dogs and cats that are euthanased because their owners cannot be found. Desexing is expected to reduce aggression levels and nuisance behaviours such as wandering and urine spraying, and is therefore a key measure to achieve the objective of reducing nuisance behaviours and dog attacks.

As a consequence of the existing campaigns, there now appears to be a greater understanding in the community of the need for owners to take responsibility for their dogs and cats. However, there is a saturation point in marketing where devoting additional resources is likely to make only a marginal difference. Despite the range of education campaigns that have been conducted, the rates of microchipping and desexing appear to have plateaued. The Board and key stakeholders advise that it is unlikely these rates will increase significantly as the consequence of education and communication campaigns alone; improvements are only likely to be seen with the introduction of additional regulatory measures.

In addition, an education campaign will not address the current problems associated with the administrative inefficiencies and inconsistencies of the current Act (see section 1.2.5). This can only be achieved through amendments to the legislation.

In conclusion, the Board is already allocating a significant proportion of its total funding to community education and awareness and it is expected that there would be marginal benefit from strengthening existing campaigns. Option 3 will therefore not be included in the cost benefit analysis.

4. Analysis of costs and benefits

This section presents the costs and benefits of the Base Case – Retain the current *Dog and Cat Management Act 1995* (the Act) - and Option 2 – Introduce miscellaneous amendments to the *Dog and Cat Management Act 1995*.

The time frame over which this proposal will be assessed is ten years. It is not expected that full compliance will be met in year 1 due to lack of awareness, demand on veterinary services, and clarification of exemptions. New kittens will reach reproductive maturity by five to six months of age, while the majority of puppies will reach reproductive maturity by the end of year 2 (depending on the breed). Mandatory desexing will see a reduction of litters that would normally come from this population. Existing dogs and cats will produce fewer litters due to increasing age, and a certain percentage of mature whole animals will die each year reducing the total number of whole animals in the population. It is expected that the balance between mature whole animals and younger desexed animals will stabilise by year ten.

This assessment of costs and benefits applies to the following sectors and groups:

- Consumers - Dog and cat owners
- Business – Veterinarians, breeders, animal welfare organisations, disability dog organisations
- Government – Councils, Dog and Cat Management Board
- Community
- Environment.

Where possible the costs and benefits have been cost calculated in terms of monetary value. However, the lack of accurate data and the variations that exist in costs means that some of the impacts can only be described qualitatively.

There is very little data available on owned cats compared to dogs, as only four of the State’s 69 councils require cats to be registered. While councils estimate that there are around 60,000 dogs that are not registered in the State, there is no reliable data on these animals. For these reasons, the cost benefit analyses are based primarily on the registered dog population.

4.1 Option 1 - The Base Case – retain the current Act

4.1.1 Impacts

Table 8 lists the impacts on consumers, business and Government that can be cost-calculated. .

Table 8: Base Case - Cost calculated impacts

Sector	Benefit	Cost
Consumers		Compliance <ul style="list-style-type: none"> • Dog impound fees • Registration fees Economic <ul style="list-style-type: none"> • Voluntary microchipping cost • Voluntary desexing cost
Business	Economic <ul style="list-style-type: none"> • Revenue to vets - microchipping • Revenue to vets - desexing 	Economic <ul style="list-style-type: none"> • Euthanasia costs to animal shelters
Government	Compliance <ul style="list-style-type: none"> • Council revenue from impound fees • Council revenue from dog registration fees • Fees collected by the Board 	Compliance <ul style="list-style-type: none"> • Council impound costs Economic <ul style="list-style-type: none"> • Council euthanasia costs
Community		Economic <ul style="list-style-type: none"> • Hospital admission costs associated with dog attacks

Table 9 lists the impacts on consumers, business, Government and the community that cannot be quantified in monetary terms but for which a qualitative assessment can be made.

Table 9: Base Case - Qualified impacts

Sector	Benefit	Cost
Consumers		Economic <ul style="list-style-type: none"> Lack of consumer protection for purchasers of puppies and kittens
Business	Economic <ul style="list-style-type: none"> Hobby and 'backyard' breeders able to sell dogs and cats with limited restrictions 	Economic <ul style="list-style-type: none"> Care costs to animal shelters for dogs and cats prior to re-homing Administrative inefficiencies for disability dog organisations Social <ul style="list-style-type: none"> Emotional toll on shelter staff and volunteers associated with euthanasia
Government		Compliance <ul style="list-style-type: none"> Limited enforcement powers for animal management officers
Community		Social <ul style="list-style-type: none"> Nuisance behaviours such as wandering, aggression and urine spraying Community concern about the number of dogs and cats that are euthanased Costs sustained due to accidents/injuries caused by wandering cats and dogs Feelings of not being safe due to wandering/stray dogs Community concern about puppy farms and breeders who operate under sub-standard conditions.
Environment		Social <ul style="list-style-type: none"> Unwanted, lost or stray cats may eventually contribute to the impact of the feral cat population on native wildlife.

4.1.2 Analysis of the impacts

Analysis of the cost calculated impacts for the base case indicates that the costs and benefits to dog and cat owners, business (veterinarians, animal shelters) and Government (councils and the Dog and Cat Management Board) will remain the same over the ten-year assessment period.

This is based on:

- (i) the assumption that the dog and cat population will remain relatively stable over the ten-year assessment period at around 300,000 dogs and 300,000 owned cats (Table 2 and section 1.2.1); and

- (ii) advice from the Board that the current level of behaviour of pet owners in terms of voluntarily microchipping and desexing their pets is not expected to change markedly from current levels (see section 1.2.1).

The estimated Net Present Value (NPV) to consumers, business, Government and the community is summarised in Tables 10, 11, 12 and 13 below:

Table 10: Estimated NPV to consumers over the assessment period

Impact	Estimated NPV (000's)
Microchipping (voluntary)	-\$14,140
Desexing (voluntary)	-\$61,113
Dog impound fees	-\$7,672
Dog registration fees	-\$73,999

Table 11: Estimated NPV to business over the assessment period

Impact	Estimated NPV (000's)
Euthanasia costs to animal shelters	-\$6,549
Microchipping revenue to vets	\$14,140
Desexing revenue to vets	\$61,113

Table 12: Estimated NPV to Government over the assessment period

Impact	Estimated NPV (000's)
Council impound costs	-\$3,400
Council euthanasia costs	-\$1,062
Council revenue from impound fees	\$7,672
Council revenue from dog registration fees	\$61,789
Fees collected by the Board	\$12,210

Table 13: Estimated NPV to the community over the assessment period

Impact	Estimated NPV (000's)
Hospital admission costs from dog attacks	-\$6,567

Some impacts cannot be quantified in monetary terms due to a lack of reliable data, however they can be described as follows.

There will continue to be community concern about the high numbers of dogs and cats that are euthanased each year. In 2012-13 animal shelters euthanased almost 10,000 dogs and cats. This issue is a strong concern for the community and was the major driver for convening the Citizens' Jury on unwanted dogs and cats. Animal shelters will continue to experience ongoing demand and costs to care for dogs and cats prior to re-homing. The AWL has advised that it costs \$1000 per week to care for a dog or cat. Shelter staff will continue to face emotional stress and trauma associated with the euthanasia procedure.

Behaviours such as wandering and aggression will continue to make people feel unsafe in their local neighbourhoods. Other behaviours such as urine spraying, yowling and calling (cats) will continue to cause a public nuisance. The community will also continue to incur costs associated with wandering dogs and cats that have the potential to cause traffic accidents.

Enforcement powers of animal management officers will remain unequal to those of other ‘authorised officers’ hindering their ability to adequately enforce the Act and ultimately compromising dog and cat management outcomes. Unwanted, lost or stray cats may eventually contribute to the feral cat population, increasing impacts on native wildlife. The Government is addressing the impact of feral cats through actions outlined in the Australian Government’s *Threatened Species Strategy*, released in July 2015 and a range of other initiatives.

It is estimated that there are more than 7,000 hobby and backyard breeders in the State who are not members of recognised breeding organisations (see Box 1). These breeders will continue to sell puppies and kittens with unlimited restrictions, contributing to the large numbers of animals surrendered to animal shelters. Community concern about puppy and kitten ‘farms’ and breeders who operate under sub-standard conditions will continue. In addition, people who purchase a puppy or kitten from a pet shop, market or fete that may have originated from an unscrupulous breeder currently have no recourse to enforce their consumer rights if the animal proves to have a health problem, as there is no legal requirement for breeders to provide identifying information at point of sale.

4.2 Option 2 - Amend the Dog and Cat Management Act 1995

4.2.1 Impacts

Table 14 lists the impacts on consumers, business and Government that can be cost-calculated.

Table 14: Option 2 - Cost calculated impacts

Sector	Benefit	Cost
Consumers	Compliance <ul style="list-style-type: none"> Avoidance of dog impound fees Discounted registration fees 	Compliance <ul style="list-style-type: none"> Increased microchipping cost for some owners Increased desexing cost for some owners
Business	Compliance <ul style="list-style-type: none"> Increased microchipping revenue to vets Increased desexing revenue to vets Reduced euthanasia costs to animal shelters Economic <ul style="list-style-type: none"> Increased revenue to database developers 	Compliance <ul style="list-style-type: none"> Breeder registration fee
Government	Compliance <ul style="list-style-type: none"> Reduced council impound costs Increased revenue to the Board from breeder registration fees Economic <ul style="list-style-type: none"> Reduced council euthanasia costs 	Compliance <ul style="list-style-type: none"> Reduced council revenue from impound fees Reduced council revenue from dog registration fees Reduced registration fees collected by the Board Cost to develop and maintain a breeder registration database
Community		Social <ul style="list-style-type: none"> Cost associated with hospital admissions due to dog attacks

Table 15 lists the impacts on consumers, business, Government and the community that cannot be quantified in monetary terms but for which a qualitative assessment can be made.

Table 15: Option 2 - Qualified impacts

Sector	Benefit	Cost
Consumers	<p>Economic</p> <ul style="list-style-type: none"> Increased consumer protection for purchasers of puppies and kittens <p>Social</p> <ul style="list-style-type: none"> Improved reunification of lost pets with their owners Reduced levels of stress associated with lost pets Reduction in unwanted litters Increased confidence that pets are bred in satisfactory conditions. 	
Business	<p>Economic</p> <ul style="list-style-type: none"> Decreased care costs to animal shelters for dogs and cats prior to re-homing Administrative improvements for disability dog organisations Improved ability of the RSPCA to enforce animal welfare legislation The pedigree breeding sector may expand to meet market demand 	<p>Economic</p> <ul style="list-style-type: none"> Increased community expectations that RSPCA Inspectorate service will enforce compliance with the Animal Welfare Act
Government	<p>Compliance</p> <ul style="list-style-type: none"> Increased enforcement powers of animal management officers Improved management of dog and cat breeders Administrative efficiencies 	<p>Compliance</p> <ul style="list-style-type: none"> Increased community expectations for councils to enforce the Act <p>Economic</p> <ul style="list-style-type: none"> Training animal management officers in new requirements
Community	<p>Social</p> <ul style="list-style-type: none"> Reduction in nuisance behaviours such as wandering, aggression and urine spraying Reduction in concern about euthanasia rates 	
The environment	<p>Social</p> <ul style="list-style-type: none"> Reduction in unwanted cats that could potentially join the feral cat population. 	<p>Social</p> <ul style="list-style-type: none"> Short-term cost associated with the dumping of unwanted kittens.

4.2.2 Impacts on consumers

Cost calculated

Dog and cat owners will incur additional costs associated with mandatory microchipping. This will apply to the owners of the estimated 40% of dogs and cats that are currently not microchipped (see section

1.2.1) and the purchasers of new generations of dogs and cats. The AVA advises that microchipping is a one-off cost that varies between \$45 and \$70. This cost can be lower if an animal is microchipped through Microchips Australia, which runs council microchipping days across the State, charging \$25 per animal.

Total costs will peak in years one and two by which time, allowing for exemptions, 95% of the existing dog and cat population should be microchipped. Costs will even out over subsequent years to an estimated average of \$2.6 to \$2.7 million per year, as only new dogs and cats will require microchipping. The estimated NPV for mandatory microchipping shows a net loss of \$32.7m over the assessment period (Table 16).

Dog and cat owners will also incur additional costs associated with mandatory desexing. This will apply to the estimated 31% of dogs that are currently not desexed, the estimated 10% of owned cats that are currently not desexed and the purchasers of new generations of dogs and cats. The AVA advises that desexing is a one-off cost, which ranges between \$85 and \$350 (depending on gender, size and species), with an average cost of \$260 for a dog and \$140 for a cat. The estimated NPV for mandatory desexing shows a net loss of \$73.4m over the assessment period (Table 16).

There are a range of options to assist low income earners and pensioners with the costs of desexing including the National Desexing Network, veterinary discounts for concession holders, desexing subsidy vouchers from some councils and the Cats Assistance to Sterilise (C.A.T.S.) Program. In addition, the Animal Welfare League is investigating offering additional cheap desexing services, performed by employee vets, at their Adelaide shelters.

Rural and isolated communities, including remote Aboriginal Communities, may be disadvantaged due to lack of access to veterinary services. The Board and DEWNR will consult with relevant groups to discuss potential impacts and solutions. Consideration will be given to providing exemptions from a specific provision or utilising provisions of the Act for certain areas or regions of the State.

Dog and cat owners will benefit from reduced impound fees as mandatory microchipping will make it easier for animal management officers to return lost animals, thus avoiding the need for impounding. The average 72-hour impound fee¹⁴ charged to dog owners is \$150. The total costs each year are estimated to decrease from \$912,000 to \$559,000 over the assessment period.

The fee structure for dog registration is being simplified (see sections 1.2.5 and 3.2.4). Dog and cat owners will continue to benefit from discounted registration fees resulting from the introduction of a rebate on registration fees for a 'Standard Dog' that has been both microchipped and desexed. It is estimated that total costs each year will decrease from \$8.73m million to \$7.15 million over the assessment period.

Table 16: Estimated NPV to consumers over the assessment period

Impact	Estimated NPV (000's)
Increased microchipping cost	-\$32,682
Increased desexing cost	-\$73,411
Reduced dog impound fees	-\$5,147
Reduced registration fees	-\$64,111

Qualified

Dog and cat owners will benefit from mandatory microchipping as this will allow animal management officers and animal shelters to return lost dogs and cats to their owners more quickly. This will also reduce the stress and worry that can accompany the loss of a pet. Mandatory microchipping will also

¹⁴ Under the Act, Councils are required to hold an impounded dog for a minimum period of 72 hours.

make it easier for councils to identify nuisance or dangerous dogs that are found wandering, increasing owner accountability for the movements of their dogs.

Mandatory desexing will benefit owners by reducing the risk of unwanted litters and the subsequent effort involved in caring for, selling, surrendering or giving the litter away.

Breeder registration means that pet owners will be more confident that their pet has been bred in healthy and human conditions. Breeder registration will also provide increased consumer protection for people who purchase puppies and kittens as it will be illegal to sell a puppy or kitten without also supplying information that relates to the identity of the breeder at point of sale (likely to be a unique registration number). This will enable a breeder to be traced in the event that an animal becomes unwell or is diagnosed with a genetic defect.

4.2.3 Impacts on business

Cost calculated

Anyone who breeds a dog or cat for sale will incur costs associated with the requirement to register with the Board as a breeder. Based on a cost neutral model a registration fee of \$75 is proposed. This will be required to be paid in each year that a litter, or litters, is born. The \$75 fee comprises the following components:

Table 17: Breakdown of breeder registration fee

Item	Estimated Cost
Time, estimated to be one hour per transaction	\$50
Maintenance of the system	\$10
Administration (stationery, postage etc)	\$5
Office and workspace overheads	\$10
Total	\$75

The estimated total cost will be evenly distributed over the assessment period, with an estimated cost to breeders of \$416,000 in year one increasing to \$498,000 in year ten. The estimates assume that pedigree breeders who already pay a registration fee to belong to a breeder organisation such as Dogs SA will also have to pay the \$75 fee to register with the Board. It is estimated that this will apply to 500 registered pedigree dog and 400 registered pedigree cat breeders each year. It is likely that the Board will negotiate with these organisations to provide concession rates, potentially decreasing the total costs. The estimated NPV of breeder registration shows a net loss of \$3.5 m over the assessment period (Table 18).

Veterinarians will benefit from the increased demand for microchipping and desexing. It is anticipated that existing services will cope with the additional demand.

It is estimated that the increase in microchipping revenue to veterinarians will peak in years one and two by which time 95% of the existing dog and cat population should be microchipped. The increase in revenue will even out over the remainder of the assessment period at between 2.6 and 2.7 million per year. The estimated NPV shows a net benefit of \$32.7m to business from mandatory microchipping over the assessment period (Table 18).

Mandatory desexing will also increase revenue to veterinarians. This is estimated to be \$8.0 million in year one, increasing to \$9.0 million in year two as people transition across to the new arrangements. The increase is then expected to remain steady at around \$9.1 to \$9.3 million across the remainder of the assessment period. The estimated NPV shows a net benefit of \$73.4 to business from mandatory desexing over the assessment period (Table 18).

Mandatory microchipping will reduce the number of lost animals that are taken to animal shelters. Mandatory desexing will reduce the number of unwanted animals surrendered to shelters. This is expected to benefit shelters by reducing euthanasia rates. It is estimated that the costs to shelters will decrease steadily over the assessment period from \$566,000 to \$464,000.

Development of a database system to store the registration details of breeders will benefit database developers. It is estimated that the benefit will be primarily experienced in year 1 when the database is developed. The estimated benefit is \$60,000, based on the cost incurred to develop the Board's Dog Incident Reporting System. There are estimated ongoing benefits across the remainder of the assessment period of \$3,000 associated with the provision of ongoing support.

Table 18: Estimated NPV to business over the assessment period

Impact	Estimated NPV (000's)
Breeder registration fee	-\$3,486
Increased microchipping revenue to vets	\$32,682
Increased desexing revenue to vets	\$73,411
Reduced euthanasia costs to animal shelters	-\$4,275
Increased revenue to database developers	\$76

Qualified

The costs to animal shelters associated with the care of dogs and cats prior to re-homing are expected to decrease due to the anticipated drop in the number of lost and unwanted animals admitted. Due to a lack of data it is not possible to quantify the savings.

Changes to the process for accrediting disability dogs (see section 3.2.4) will increase administrative efficiencies for disability dog organisations.

Breeder registration will benefit the RSPCA by providing identification details that will assist inspectors to enforce relevant provisions of the Animal Welfare Act. Conversely, community expectations may place additional pressure on the RSPCA inspectorate to prosecute breaches of the Act.

There may also be additional pressure on the RSPCA to enforce compliance with the Animal Welfare Act in response to the requirement for breeders to register with the Board, and for information relating to the identity of a breeder to be provided at point of sale and in any advertisements for sale.

4.2.4 Impacts on Government

Cost calculated

Councils will benefit from reduced impound costs associated with dogs that are never returned to their owners either because they not identified, or their owner cannot be located. It is estimated that total costs each year will decrease evenly across the assessment period from \$395,000 to \$241,000.

Councils will also incur a reduction in revenue associated with a decrease in impound fees and dog registration fees (see section 3.2.1). Total reduced revenue from impound fees each year is estimated to decrease across the assessment period from \$912,000 to \$559,000. Total reduced revenue from dog registration fees is estimated to decrease across the assessment period from \$7.3 m to \$6.0 million.

The Board will receive additional revenue from breeder registration fees estimated each year at between \$416,000 and \$498,000 over the assessment period. This is based on a cost a registration fee per breeder of \$75. This estimate may decrease if the Board grants concessions to pedigree breeders who already pay a fee to register with a peak breeding organisation such as Dogs SA (see section 3.2.3).

There will be initial costs to the Board to develop the breeder registration database however this will be recouped from breeder registration revenue (see section 3.2.3).

Unlike metropolitan council, most rural councils do not have access to animal shelters to perform euthanasia procedures. Subsequently, rural councils will benefit from reduced euthanasia costs associated with fewer dog impoundments (see section 1.2.3). The total estimated costs will decrease steadily over the assessment period from \$90,000 in year one to \$74,000 in year ten.

Table 19: Estimated NPV to Government over the assessment period

Impact	Estimated NPV (000's)
Reduced council impound costs	-\$2,219
Increased revenue to the Board from breeder registration fees	\$3,486
Reduced council euthanasia costs	-\$701
Reduced council revenue from impound fees	\$5,147
Reduced council revenue from dog registration fees	\$53,533
Reduced registration fees collected by the Board	\$10,578
Cost to develop a breeder registration database	-\$183

Qualified

The proposed amendments will strengthen the powers of council animal management officers, improving their capacity to investigate breaches of the Act and enforce control orders (see section 3.2.4). This will ultimately lead to improved dog and cat management outcomes across the community, and will benefit councils by improving the success rate of prosecutions. There will also be administrative benefits to councils arising from the simplified dog registration process (see section 3.2.4).

Breeder registration will provide the Board and Councils with information relating to the identity and location of dog and cat breeders. This will improve the capacity of animal management officers to manage breeding activity within the broader context of dog and cat management requirements, including more effective enforcement of planning bylaws relating to breeding and better understanding of animal density patterns to inform Dog and Cat Management Plans (required to be prepared under the Act).

Improved council powers to enforce the law may result in increased compliance and prosecution activity, which could increase costs to councils. It is not anticipated that these costs will be significant. Should they arise, these costs are likely to be passed on to rate payers.

Council animal management officers will require training on their increased enforcement powers. The Board will set aside a portion of its annual budget allocation to fund these training programs.

4.2.5 Impacts on the community

Cost calculated

Mandatory desexing will reduce aggression levels in dogs. This is expected to lead to a reduction in the number of dog attacks each year. This will benefit the wider community by reducing hospital costs (see section 1.2.1). It is estimated that across the assessment period, there will be a total net benefit of \$0.18m compared to the base case.

Table 20: Estimated NPV to the community over the assessment period

Impact	Estimated NPV (000's)
Hospital admission costs from dog attacks	-\$6,389

Qualified

There will be a number of unqualified benefits to the wider community as a consequence of overall improvements to dog and cat management. Council officers will have stronger powers to monitor

compliance with control orders, for example in relation to a dangerous, menacing or barking dog, improving the safety and amenity of local neighbourhoods.

Mandatory desexing is expected to reduce the tendency for wandering, aggression and territorial behaviour such as urine spraying. This will reduce the nuisance level of wandering animals in local neighbourhoods who may enter people's gardens and defecate, dig, threaten other pets or mark territory by urine marking (particularly cats). There will also be reduced community concerns about the high numbers of unwanted dogs and cats that are euthanased each year.

4.2.6 Impacts on the environment

Qualified

In the short-term there may be impacts on native wildlife caused by people dumping unwanted kittens to avoid having to register as a breeder or because they do not want to pay a surrender fee to an animal shelter (the AWL charges \$60 for an animal to be surrendered). Some pet owners may also dump unmicrochipped cats rather than pay for the animal to be microchipped. These animals could then potentially go on to join the feral cat population. It is expected that this impact will be offset by the longer-term benefits associated with mandatory desexing, which will eventually significantly reduce the number of unwanted litters and therefore the number of cats potentially contributing to the feral cat population. The Government is addressing the impact of feral cats through actions outlined in the Australian Government's *Threatened Species Strategy*, released in July 2015 and a range of other initiatives.

5. Consultation

The Board commenced a review of the Dog and Cat Management Act in late 2013. All key stakeholders have been consulted throughout development of the proposed legislative amendments including the Local Government Association, councils, the RSPCA, the Animal Welfare League, the Australian Veterinary Association, the Feline Association of South Australia, Dogs SA, the Governing Council of the Cat Fancy and the SA Working Sheepdog Association.

Relevant peak bodies, including the Royal Society for the Blind and Lions Hearing Dogs, have been consulted with respect to specific issues such as proposed requirements relating to disability dogs.

A ten-week public consultation process on the draft Dog and Cat (Miscellaneous) Amendment Bill 2015 (the draft Bill) occurred between 19 April and 26 June 2015. Over 1800 responses were received to the consultation survey provided on the *YourSAy* website. Table 19 provides a summary of the results.

Table 21: Summary of results from the *YourSAy* consultation survey.

Proposed amendment	Support
Mandatory microchipping	82.25%
Breeder registration	87.59%
Simplification of the dog registration process	50.20%
Relevant organisations able to accredit assistance dogs	87.78%

The lower level of support for simplification of the dog registration process (50.20%) was because people did not support removal of the registration rebate that is currently provided if a dog has attended a training program (see section 3.2.4). It is proposed to remove this rebate as it created little cost incentive for owners to train their dogs and created disproportionately high administrative costs for councils.

In addition to responses received via *YourSAy* more than 60 written submissions were received from stakeholders and members of the public. All respondents are broadly supportive of the proposed changes.

The proposal for mandatory desexing was not subject to the public consultation process. This issue was considered by a Citizens' Jury that was called to recommend measures to reduce the number of unwanted dogs and cats euthanased each year. The Jury was asked to particularly consider whether the desexing of dogs and cats should be mandatory. The Citizens' Jury was run as a parallel and complementary process to public consultation on the draft Bill.

To involve the entire South Australian community in the process, and to better inform the Jury deliberations there was the opportunity for the general public to contribute both through online discussions and through a submission process on this website. The Jury considered all submissions and comments which were received from the general public, subject experts, interested groups and organisations.

As part of the Citizens' Jury process a core reference group was established to assist the jury and provide feedback about potential policy options. The core reference group included the Local Government Association, the Australian Veterinary Association, the RSPCA and the Animal Welfare League.

Other organisations involved in presenting evidence to the Jury included Dogs SA, the Feline Association of SA and representatives from city and rural councils. Further consultation occurred with the Board, Dogs SA, the Australian Veterinary Association, the Animal Welfare League, the Local Government Association and the Pet Industry Association following release of the Jury's final report to help inform the Government's response. The Jury also considered submissions received from the community via the Government's *YourSAy* website.

After considering evidence provided by expert witnesses, the Jury concluded that mandatory desexing is an effective strategy for reducing the number of unwanted animals and improving overall health outcomes. It recommended that the Government should legislate for the mandatory desexing of new generations of dogs and cats.

In light of the Jury's recommendation and long-term stakeholder support, mandatory desexing has been included in the final Bill.

The Australian Veterinary Association is not supportive of mandatory desexing as a population control strategy as it does not take into account the impact of semi-owned and feral cats. However, the Association has advised the Board that it will not oppose the Government's position and will work constructively with the Board and the Government to develop a regime that is workable for the veterinary industry.

Dogs SA and the SA Working Sheepdogs Association are not supportive of mandatory desexing for their members and have requested exemptions. The Board is working with these groups to ensure the regulations specifying exemptions meet the needs of these groups.

6. Recommended option

The recommended option is option 2 – Amend the *Dog and Cat Management Act 2015*.

The base case, retaining the current Act, would see continuance and possible escalation of the problems identified in section 1 of this report.

Option 2, amending the *Dog and Cat Management Act 2015*, will introduce a suite of reforms that will collectively address the problems identified in section 1 and support achievement of the stated objectives, as described in section 3.

The NPV assessed over 10 years indicates a net benefit of \$3.89m for the preferred option 2 compared with the base case (Table 22). When the social and community benefits that cannot be readily quantified are taken into account, including reduced dog attacks, nuisance behaviours and euthanasia rates, it is estimated that the net benefit would increase further.

The estimated net impacts over ten years of option 2 compared to the base case for consumers (dog and cat owners), business, Government and the environment is summarised below (see also Table 22).

Consumers

The impact on consumers (dog and cat owners) is estimated to be an additional net cost of \$18.4m compared to the base case, comprising:

- \$18.5m net cost to owners who have not voluntarily microchipped their existing dogs and cats, and to the owners of new puppies and kittens.
- \$12.3m net cost to desex new puppies and kittens.
- \$9.8m net benefit for the resulting registration discounts for a 'standard dog'.
- \$2.5m net benefit of impound cost avoidance by the ability to identify and return an animal to the owner without the need to impound.

There will also be a range of unquantifiable benefits to dog and cat owners that will offset costs, including (see also section 4.2.1 and Table 15):

- Increased reunification rates with lost pets and reduced levels of stress associated with lost pets.
- Increased consumer protection for the purchasers of puppies and kittens
- A reduction in the costs of caring for, or disposing of, unwanted litters.
- Improved health outcomes associated with desexing.

Business

The impact on the business sector is estimated to be an additional net benefit of \$29.7m, comprising:

- \$3.5m net cost to breeders associated with breeder registration fee.
- \$76,000 net benefit to database developers to develop a breeder registration database
- \$2.3m net benefit to animal shelters due to reduced euthanasia costs
- \$30.8m net benefit to veterinarians to microchip and desex dogs and cats.

There will also be a range of unquantifiable costs and benefits to business including (see also section 4.2.1 and Table 15):

- Decreased care costs to animal shelters prior to rehoming dogs and cats
- Administrative improvements for disability dog organisations
- Improved ability of the RSPCA to enforce animal welfare legislation
- The pedigree breeding sector may expand to meet market demand

- Increased community expectations that the RSPCA inspectorate will enforce compliance with the Animal Welfare Act through the requirement for breeder registration.

Government

The impact on Government is estimated to be an additional net cost of \$7.6m, comprising:

- \$9.2 m net cost to councils, comprising:
 - \$8.3m net cost due to reduction in dog registration for 'standard dog' discounts
 - \$2.5m net cost due to reduced impound fees
 - \$0.36m net benefit for reduction in euthanasia costs
 - \$1.18m net benefit from reduction of unrecovered impound fees.
- \$1.7m net benefit to the Board, comprising:
 - \$3.5m net benefit from breeder registration fees
 - \$1.6m net cost due to reduced registration fees from councils
 - \$0.18m net cost to develop breeder database.

There will also be a range of unquantifiable benefits and costs to Government including (see also section 4.2.1 and Table 15):

- Increased enforcement powers to animal management officers, improving compliance and prosecution outcomes
- An ability to identify dog and cat breeders and where they are operating from, improving councils' capacity to manage breeding activity in the broader context of dog and cat management
- Administrative improvements including a more efficient dog registration process
- Resource pressures due to increased community expectations for councils to enforce the Act.

Broader community

The impact on the broader community is estimated to be an additional net benefit of \$0.18m associated with a reduction in hospital admission costs as a consequence of fewer dog attacks.

There will also be a range of unquantifiable benefits to the broader community including:

- A reduction in the number of dog attacks and hospital admissions
- A reduction in nuisance behaviours such as wandering, aggression and urine spraying
- A reduction in community concerns about the number of dogs and cats that are euthanased
- A reduction in community concerns about puppy and kitten 'farms'.

Environment

Over the long-term the environment will benefit from a reduction in the number of unwanted cats that could potentially join the feral population, impacting native wildlife.

Table 22: Summary of NPV calculations for the base case and option 2 over a ten year period

	Option 1 – Maintain the Base Case	Option 2 – Amend the Act	Net Costs & Benefits
Business	\$68,704,986	\$98,406,678	\$29,701,692
(3) Breeder Registration Fee	\$0	-\$3,486,410	-\$3,486,410
(7) Breeder Registration database Development revenue	\$0	\$75,854	\$75,854
(13) Shelter Euthanasia Costs	-\$6,548,849	-\$4,275,179	\$2,273,670
(15) Microchip Revenue	\$14,140,480	\$32,681,678	\$18,541,198
(16) Desexing revenue	\$61,113,355	\$73,410,735	\$12,297,380
Consumers	-\$156,925,015	-\$175,351,065	-\$18,426,050
(1) Costs to Microchip Dogs and cats	-\$14,140,480	-\$32,681,678	-\$18,541,198
(2) Cost To Desex dogs and cats	-\$61,113,355	-\$73,410,735	-\$12,297,380
(9) Impound Fees Payable	-\$7,672,447	-\$5,147,126	\$2,525,321
(10) Registration fees paid	-\$73,998,733	-\$64,111,525	\$9,887,207
Government	\$77,210,115	\$69,642,665	-\$7,567,450
(4) Council Impound Fees Collected	\$7,672,447	\$5,147,126	-\$2,525,321
(5) Council Dog Registration Fees Collected	\$61,788,942	\$53,533,124	-\$8,255,818
(12) Council Euthanasia Costs	-\$1,061,515	-\$700,549	\$360,966
(11) Council unrecovered impound costs	-\$3,399,550	-\$2,219,273	\$1,180,277
(6) DCMB Fees Collected	\$12,209,791	\$10,578,402	-\$1,631,389
(8) Development and Maintenance of Breeder Reg System	\$0	-\$182,575	-\$182,575
(14) Breeder Registration fees collected	\$0	\$3,486,410	\$3,486,410
Community			
20) Dog and cat attack hospital admissions cost	-\$6,566,789	-\$6,388,879	\$177,909
Annual net total			
Net benefit	-\$17,576,703	-\$13,690,601	\$3,886,102

7. Implementation, monitoring and review

Most of the new obligations proposed in the Amendment Bill fall upon dog and cat owners, rather than Government bodies or not-for-profit organisations such as the RSPCA. The Board, together with councils, will be responsible for the implementation of new processes, databases and forms to support the new arrangements.

DEWNR will work with the Board to determine governance arrangements for implementation. Key groups will be consulted to assist development of an implementation plan and during the implementation process itself. The Board will be responsible for reviewing the effectiveness of the legislative changes through its annual reporting process and ongoing engagement with stakeholders. The legislation will be formally reviewed within 10 years of its commencement. The Board will develop performance indicators to evaluate its effectiveness.

The Board has set aside funding of \$170,000 to conduct a multi-lingual and broadly distributed education campaign prior to commencement of the new requirements. The Board will work with the Local Government Association, the Local Government Authorised Persons Association and councils to develop

training programs to ensure all relevant officers understand the new provisions, particularly new powers relating to the inspection of property, gathering of evidence and the seizure of animals. The Board will also develop guidelines and procedures for other stakeholders including breeders, animal welfare organisations and the pet industry.

There will be a 12-month transition period from the commencement of the Regulations to establish processes and systems and educate the community about the new requirements.

DEWNR and the Board will work with the Office of Parliamentary Counsel to make relevant amendments to the *Dog and Cat Management Regulations 2010*, including requirements around mandatory microchipping; the breeding of dogs and cats; increased fees and penalties; formalisation of the dog registration cap and setting of registration fees; approved bodies to accredit or renew the assistance dog accreditation.

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