

**Submission
No 284**

COMPANION ANIMAL BREEDING PRACTICES IN NEW SOUTH WALES

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**RESPONSE TO THE JOINT SELECT COMMITTEE ON COMPANION ANIMAL BREEDING
PRACTICES IN NEW SOUTH WALES**

- a) The current situation in New South Wales in comparison with other jurisdictions
- b) Proposals to limit the number of animals allowed to be kept by breeders
- c) Calls to implement a breeders' licensing system
- d) The implications of banning the sale of dogs and cats in pet stores
- e) Any legislative changes that may be required
- f) Any other related matter

a) The current situation in New South Wales in comparison with other jurisdictions

NSW has most stringent regulation of dog and cat breeding and pet shops in Australia, in concert with Victoria. The two systems are administered slightly differently, but are both based on a legally enforceable Code of Practice under the Prevention Of Cruelty To Animals Act (POCTA) with:

- inspection by either Animal Welfare League or RSPCA inspectors who are contracted to and report to the Minister,
- the ability to be breached against the Code of Practice, educated or prosecuted by these welfare inspectorates
- random inspection
- targeted inspection based on complaints received from the public with full enforcement powers.

NOTES

1. It is important to remember that these inspectorates are NOT independent, but represent not only the Minister and animal welfare (occasionally animal activist) organisations. Thus inspections are rigorous and thorough, to a checklist and repeated as often as necessary.
2. It is important to remember inspection frequency is largely based on SIZE of operation, and VISIBILITY of operation. Larger breeders are identified by activists and are subject to complaint (some real, some vexatious) and so are inspected regularly and closed if they do not meet high standards. There are relatively few of them, so inspection is efficient.
Pet Shops selling livestock, and markets, are visible and are relatively few, are identified by activists and subject to complaint (some real, some vexatious) and so are inspected regularly and closed if they are not of the highest quality.
Small operators eg registered breeders, backyard breeders of opportunity ("get rich quick breeders"), sellers advertising through classifieds, sellers operating in car parks, networking schemes or "deliver to your door sellers are highly numerous, are not "visible" and are NOT inspected. As a result there is a huge variability in animal welfare in this group ranging from excellent to appalling.
3. The situation in other jurisdictions is similar but based on *voluntary* Codes of Practice with the exception of the ACT. There is no *evidence* that a voluntary system is less efficient than a mandatory one. In the ACT a recent legislative amendment required licensing of all breeders, but since there is no additional funding for education or enforcement it is unclear if this will change animal welfare in the ACT.

RECOMMENDATION: That NSW continues with the approach of legislation underpinning mandatory Codes of Practice, with an inspectorate reporting to the Minister. Pets Australia would be happy to assist the Minister in a review of the Code to include genuine "animal welfare" based quality criteria including condition scoring, behavioural assessments and rehoming.

b) Proposals to limit the number of animals allowed to be kept by breeders

Activists and some policy makers regularly confuse *numbers* with *standards*. It is not numbers that are important, but the *standards* under which animals are kept, bred and sold, and the attention given to each animal including to meet its behavioural, physiological and physical needs.

Assume that Australians are allowed to own a dog. That requires a supply of dogs of finite number per annum to meet the needs of responsible Australian families. Assuming that a legislated, Standards Based Code of Practice exists and practical standards are high, then it is more efficient to inspect a smaller number of larger professional breeders than a plethora of tiny ones breeding part time in their backyards.

Consider this:

1. Larger professional breeders have a significant economic investment in their breeding business, so it is in their best economic interests to operate at high quality and be regularly inspected against a quality Code. Further, Pets Australia & AAPDB have developed a rating system based on the same system as the regulation of Pharmaceuticals to further drive quality (Can be provided on request). In addition, AAPDB has an accreditation scheme already operating as a quality instrument Small “backyard” breeders have no barrier to entry, and so can just “shut up shop” and go somewhere else if problems with inspectors arise – and there is some evidence that is exactly what they do.
2. Larger professional breeders are present on the property 24:7, providing the highest level of supervision for the animals and being immediately aware of any health or other problems. Small “backyard” breeders often have off-site employment, so animals may be unattended for up to 12 hours/day.
3. Larger professional breeders generally employ specialist staff which may include kennel hands, behaviourists, trainers nutritionists and may have a veterinarian on site as often as weekly to attend to any issues. In addition, this generally means that each dog has exposure to a number of humans, which assists in socialisation. One of our larger breeder members actually employs primary school children each afternoon to help socialise puppies. Some smaller breeders do an excellent job of raising puppies and kittens, but standards are more widely variable and rarely if ever inspected. Small breeders are not able to employ specialist staff (as a result of which some of the nutrition and behaviour information provided to clients is horrifyingly wrong). In addition, most smaller breeders raise dogs & cats with sometimes a single human interacting with the animals up to the age of sale.
4. Larger professional breeders must maintain high levels of cleanliness and disinfection to avoid loss of life. Dogs must be held in hygienic facilities and are exercised and socialised according to routine. Smaller “backyard” breeders may give the dogs & cats the run of the house, and they can rarely if ever disinfect backyards.
5. Larger professional breeders are often seeking to further improve their operations eg with enrichment activities, paddock based exercise, training, and other elements.

NOTES

*** Both the “large breeder” and the “small breeder” groups have a core of rogue operators with filthy conditions, and little respect for animal welfare or the condition of the animals. When this is discovered in a “large breeder” it tends to make headlines, and the perpetrator is prosecuted as they should be. When this is discovered in a “small breeder” it may result in prosecution but little headline – or the breeder simply moves and starts again without prosecution. Our estimate is that 2% of both groups are affected – but the larger breeder is FAR more likely to be discovered.

*** PLEASE DO NOT CONFUSE the “large breeder” with the hoarder. Activists have used photos of hoarding conditions alleging that this represents large substandard breeders.. Hoarders may even rarely sell puppies but should not be considered as part of this review. Hoarding is a mental illness with an approx 100% recidivism rate and the motivation is the collection of animals “for their safety” with a selective blindness to their condition. More information can be provided on hoarding on request.

*** The “small breeder” includes registered breeders, “backyard” breeders (ie casual breeders) and “accidental” breeders. While the majority of breeders registered with ANKC or AAPDB based organisation are of high quality, a percentage (our estimate is 2% in all groups) are not. Among casual and accidental breeders standards vary widely and it is estimated that a much higher % are poor quality.

*** It is important that a standards based Code of Practice includes genuine “animal welfare” quality criteria including condition scoring, behavioural assessments and rehoming. Smaller breeders are often efficient at rehoming “end of breeding life” adults and this should also be considered in any Code review.

RECOMMENDATION: that regulation of dog and cat breeding be based around a stringently enforced set of quality standards rather than being based on size, profit motive, pedigreed registration status or any other issue that is not based around quality and animal welfare. The Pets Australia/AAPDB enforcement system which includes transparent quality assessment and economic incentives for action, should be considered.

c)Calls to implement a breeders’ licensing system

Activists and some in the general public tend to see additional legislation (including “bans”) as a cure for many problems. In fact, it is rare that legislation or prohibition solve cultural issues.

A really significant part of the Australian dog supply and in particular “fashionable breeds” suppliers come from unregistered, small and highly variable quality “backyard breeders” who are ignoring the current Code of Practice and associated laws, and will continue to ignore any laws in the future. Forcing a punishment based licensing system on good breeders adds cost to quality breeders and will fail to capture the group above, resulting in greater economic benefit for those who ignore the law.

At the moment microchipping is mandatory in NSW and Vic. However a 2002 Victorian study identified that only 51% of the animals admitted to shelters were *actually* microchipped. In addition, we hear complaints weekly that the microchip register is incorrect (an estimate is that up to 10% of the database is incorrect). In spite of a regulatory requirement that puppies are microchipped prior to sale, we receive complaints *weekly* about pups offered without microchips, worming or vaccination. So it is absolutely clear that the passage of legislation and particularly legislation based solely on prosecution, without significant staffing and funds for statewide enforcement, will result in failure and increased costs for government.

Further, a really significant (majority?) of cat supply comes from “the litter found under the verandah”. These are semi-feral animals “rescued” by the homeowner, animals who frequently end up in an unidentified box at the door of the nearest pet shop or pound, or sold for \$25 to the guy down the street. Many owners are serial offenders as they choose to take no responsibility for the adults (including desexing). Licensing has no ability to capture these people even though many are making money from these litters.

Then there is a significant minority of “accidental” breeders – people who were uneducated or don’t desex early enough. A licensing scheme for these will not work as they are likely to be unaware that the scheme exists, and issuing “permits to breed” when the litter is on the ground is laughable.

It is unclear what an additional layer of regulation by licensing would achieve that the current enforceable Code of Practice does not. If licensing is proposed to identify breeders “not currently in the system” it is

unlikely to do so for the reasons above. If it is meant to drive standards, it's worth noting that the current Code/POCTA system already does that. If it is meant to provide "permits to breed" or advertise then it will fail for lack of staffing/enforcement – a system of this nature is hugely resource intensive. (eg 26,000+ breeders X 2 litters/year X 4 advertisements plus enforcement to detect invented license numbers + database management). There is also significant overlap with the current microchip database, resulting in duplication of effort for questionable gain. It's also easy to "invent" a permit number for advertising.

Critically, the proposed scheme will NOT capture the people who most need to be identified – those who do not obey current laws and will not obey new ones. So it will impose additional costs and complexity on high standard breeders, while imposing no costs on substandard breeders. This is not only unsound from a policy perspective, from an economic perspective it provides strong benefit to substandard breeders!

Pets Australia & AAPDB members have proposed a semi-voluntary audit/identification system based on enforcement of the current POCTA legislation and Codes of Practice, without requiring the introduction of a whole new system. Based on Ajzens Theory of Planned Behaviour, it provides a quality assurance standard with random and targeted auditing, transparency and reporting, and marketing options that standardise the economic benefit of listing on the register. It is based on the same system as used by the Therapeutic Goods Administration for regulation of pharmaceutical supply, and as used by the Health Department in food regulation. A copy of this proposal can be provided on request, as Pets Australia/AAPDB and other groups wish this plan to be adopted nationally.

RECOMMENDATION: RATHER THAN INTRODUCE LICENSING, THE SELF SUPPORTING PETS AUSTRALIA/AAPBD SCHEME SHOULD BE ADOPTED.

d)The implications of banning the sale of dogs and cats in pet stores

There are seven key implications of banning the sale of dogs & cats in pet stores.

1. ***Pet stores are the only completely regulated, inspected and enforced part of the dog and cat supply chain in Australia.*** Pet stores are individually randomly inspected under the Code of Practice in NSW, and due to animal activism resulting in complaints (some real, some vexatious) Pet Shops are also subject to frequent targeted inspection to investigate all these complaints.

All breeders that supply to pet shops are traceable through the mandatory records of the pet shop – thus there is a guarantee that the breeders that supply to pet shops are eligible for inspection under the Code by RSPCA or AWL at any time.

Notably, Dogs NSW registered breeders are NOT inspected, and can sell through that vast unregulated world of the internet and classifieds (although it appears that some may be at some point in the registration process). Moreover, it appears that registered breeders are NOT subject to regular or reliable inspection by RSPCA or AWL. Because many of these breeders are "out of sight" they are generally not subject to complaint – even when they are in breach of the Code.

Even more invisible are the "backyard breeders" – small scale, will breed whatever sells in any conditions they see fit to "turn a quick buck", with overrepresentation of bull breed and mastiff crossbreeds. These people sell through the internet, classifieds, in car parks or by networking. They are uninspected, unregulated and often substandard. There is considerable evidence that it is this group that is responsible for high levels of surrender to pounds and shelters.

On this basis, why would any sensible policy propose to remove the only fully regulated course of supply of pets?

2. **Pet Shops provide animals that the families of Australia choose to buy.** Because of high levels of visibility and scrutiny, pet shops must provide puppies and kittens that meet the needs of Australian families. Pet Shops cannot hold animals over for long periods, nor do they want to. So animal selection for sale is often “to order” or to meet the needs of the families they serve.

There is considerable evidence that, when presented only with pets/breeds that responsible Australian families DO NOT want to own, these good owners will choose not to own a pet at all.

On this basis, why would any sensible policy propose to remove the ability of quality owners to access the pet of their choosing?

3. **Pet Shops provide animals of guaranteed standards.** Because of high levels of scrutiny, pet shops reliably provide pets that are wormed, microchipped, vaccinated, socialised, from quality breeders who are generally traceable (see “cats” below), and under the Code are *required* to provide the ability to return animals for part refund – at a level which encourages return, but not so high as to encourage people to take the animal “on consignment”. Pet Shops are also increasingly engaging in rehoming schemes, which further assists high standards. These elements are not guaranteed to be available from other sources of supply – the internet, the classifieds, networking or car parks. A Melbourne University study on animals admitted to shelters also highlights the role of the “backyard breeder” – who does not obey current laws and is unlikely to obey any new ones – in that only 51% of dogs admitted to a Melbourne shelter in 1999 were microchipped. ALL pet shop animals are microchipped. Registered breeders also provide a wide range of standards – with the excellent breeders well in excess of all other sources but the poor quality ones far worse – and the problem for the consumer is identifying which is which.

On that basis, why would sensible policy propose to remove the only minimally variable source of high quality animals?

4. **Pet Shops are the only point of sale where an owner can access the animal, advice, and all provisions necessary for the comfort and health of the dog or cat at a single point.** Because pet shops are both visible and inspected, staff are under constant scrutiny for quality of advice and ethical sale practices. In no other place can a family buy the pet; get correct advice, *dosing* and appropriate product for worming and external parasites, *correct* food and *quantity* for that activity level and size, and correct equipment *and demonstration of use* for that breed and size eg crates, grooming equipment, and car harnesses.

In all other situations the owner buys the pet and the products separately – and the pet is not usually present when the product advice is being sought. This is critical for novice pet owners.

On that basis, why would sensible policy propose to remove the only option for families to obtain the complete spectrum of requirements for their new pet at a single point?

5. **All pet shops have stringent measures in place to avoid impulse buying of pets.** Shelters routinely “discount” dogs and cats for quick sale, and in the case of many less than ethical breeders a client who visits to view the animals (often from great distances) sometimes feels under pressure to complete the buying process. Pet shops seek to avoid impulse purchasing because it leads to returned animals and rehoming later – and they do this by stringent staff training, deliberately very high pricing for animals, little if any discounting except for significantly older animals, and only partial refund for return of animals within a mandatory 3 day cooling off

period to discourage “buying on consignment”. This is particularly important for pet shops that include rehoming, as they are keen not to encourage rehoming as an ‘easy option’.

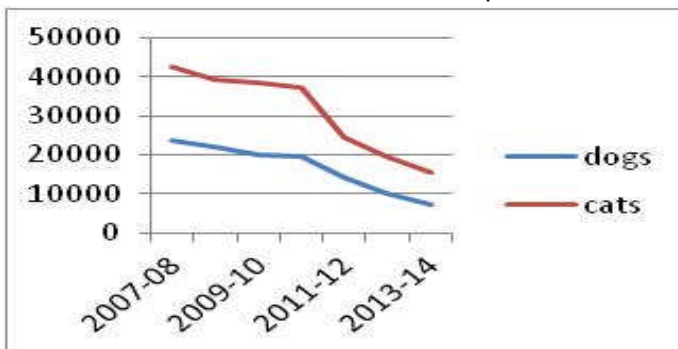
On that basis, why would sensible policy propose to remove the only consistent regulated and guaranteed mechanism to avoid impulse purchasing of pets?

6. **Pet shops have become integral to rehoming pets.** The primary source of kittens for many pet shops is the “accidental litter found under the verandah”, and we also have numerous cases of kittens found in cardboard boxes at the door of the pet shop when staff arrive in the morning. So pet shops are a critical point for rehoming kittens. In addition, many pet shops now also offer “rescue” pets alongside puppies and kittens – to cater to additional markets for pets and increase adoption. There is clear evidence that having both “virgin” and “rescue” pets in the same store results in better outcomes for both rescue pets and new puppies/kittens.

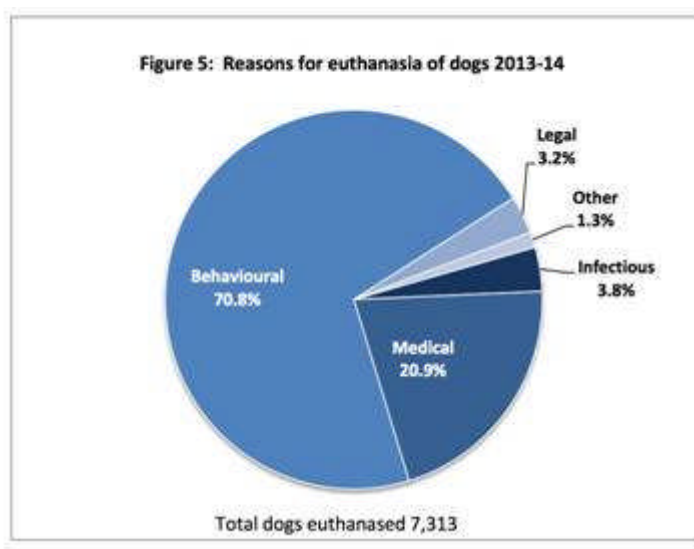
On that basis, why would sensible policy proposed to remove a key outlet for rehoming of pets that cannot be kept?

7. **Removal of Dogs and Cats from Pet Shops will make no difference at all to euthanasia rates, but is likely to reduce ownership by responsible pet owners.** Examination of animals in pounds and shelters across Australia clearly shows that up to 80% of animals present are bull-breeds and crosses, or mastiff-breeds and crosses. These animals are NOT sold from pet shops save for “rescue dog days”. Data shows that pet shops represent approximately 10% of dogs and cats sold, but well under 2% of entries to shelters – and these entries have a significant chance of being rehomed rapidly. Further, there is now clear evidence that rescue animals suitable for families are in increasingly short supply.

RSPCA national statistics provide the truth to this claim:



The graph shows RSPCA official national statistics for euthanasia of dogs and cats from 2007 through 2014. The numbers euthanased (which are a factor of 5 less than that claimed by animal activists even at the highest point) have crashed to less than 10,000/year in 2013/14. However, it is the **reasons** why these animals are euthanased that provides the most telling proof that there is now a shortage of supply of all pets.



This graph shows that of the 7313 dogs euthanased in 2013/4, **fully 91.7% of these animals could not be rehomed** for medical or behavioural reasons.

Moreover, there is compelling evidence of **multiple markets** for dogs and cats – demonstrated in the first instance by an example family being willing to pay more than \$2000 for a particular type or breed of dog but not willing to pay \$200 for a rescue animal. This is a clear indication of non-substitutable multiple markets for pets.

Basic economic theory identifies multiple markets for dogs, and to a certain degree for cats as well – these markets include the purebred market, the hybrid market, the rescue market and the group described as “difficult” and have different degrees of substitutability. The full economic paper is available on request. These markets are largely non-substitutable, meaning that families that cannot have the pet of their choosing will choose not to have a pet at all. This means that the removal of hybrid animals from pet shops will NOT lead to an increase in adoption (decrease in euthanasia), will NOT stop substandard breeders continuing to pump out bull breeds/crosses, and WILL result in a continued slide in pet ownership.

RECOMMENDATION: RETAIN THE SALE OF DOGS AND CATS IN PET STORES, MAKING NO DISTINCTION BETWEEN ‘VIRGIN’ OR RESCUE PETS, AND CONTINUE TO MAINTAIN THE CURRENT STRICT REGULATION AS PROVIDED BY THE CODES OF PRACTICE AND POCTA ACT.

e)Any legislative changes that may be required

1. Pets Australia members believe that while the current Codes of Practice for Breeding and Pet Shops in NSW administered under POCTA are generally effective policy instruments and are well respected. The Code of Practice for Breeding would benefit from the inclusion of “animal welfare” criteria including condition score, behaviour assessment etc at the next review.
2. Pet shops are regularly inspected and owners work closely with RSPCA/AWL inspectors to produce excellence
3. Relatively few breeders are inspected under the Breeding Code – these are generally hybrid breeders, not purebred breeders and are generally larger and not smaller breeders. Pets Australia members believe that all breeders should be subject to inspection and propose a new plan to do so (see above).
4. The Breeding Code is ambiguous in that it only applies to the breeding of dogs and cats *for sale* – and it is unclear how this applies to registered breeders who only dispose of stock they do not wish to keep, litters sent to pounds, or animals given away/leased/swapped. The Breeding Code should apply to all breeders.
5. Pets Australia members believe that the POCTA Act is adequate and generally functions well, however the nature and extent of punishments available under this Act is not. Pets Australia members believe that far more significant fines and punishment is required for successful prosecution under the Act and that funds raised from prosecution be directed to the RSPCA to continue to expand inspections.
6. Pets Australia members support current federal initiatives that will require evidence of cruelty witnessed to be reported to suitable authorities within 24 hours. Known as the “Ag-Gag” laws by some, the longer time period between identification of cruelty and reporting, the more animals may be affected by cruelty or the more significantly an animal may be affected.

7. There have been a number of cases in Victoria where successful prosecution of a substandard breeder has been hampered or minimised by activist or industry driven media coverage of the case. Pets Australia members would support an extension of the POCTA Act to require that media coverage of cases under prosecution be illegal until a verdict is reached, and those presenting these cases to the media prior to a conviction be eligible for prosecution. Pets Australia members believe that all substandard breeders should be subject to prosecution to the fullest extent of the law.
8. There is a cogent argument that single, uniform and nationally agreed Codes of Practice and potential enforcement mechanisms should be adopted on a national basis. Pets Australia members request that state authorities consider this option in law.

f)Any other related matter

No addition matters to discuss.

References:

http://www.petnet.com.au/sites/default/files/ARG - shelter_research_7.pdf

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http://www.rspca.org.au/sites/default/files/website/The-facts/Statistics/RSPCA_Australia_National_Statistics-2012-2013.pdf

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Australian Companion Animal Council: Contribution of The Pet Care Industry To The Australian Economy (various editions)

ABS Population of Australia Australian Demographic Statistics

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/3101.0Main+Features1Jun%202012?OpenDocument>
and other editions

KEY

AWL - Animal Welfare League

POCTA – Prevention Of Cruelty To Animals (Act)

RSPCA - Royal Society For the Prevention of Cruelty to Animals