

Regulatory Impact Statement for Domestic Animals Regulations 2025

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July 2025



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Glossary

Abbreviation

\$m

AO

BCR

CBA

the Act

DABs

DEECA, the Department

DOTO

NPV

PV

the Regulations

SL Act

Stands for

\$ Millions

Applicable organisation

Benefit Cost Ratio

Cost benefit analysis

Domestic Animals Act 1994

Domestic Animal Businesses

Department of Energy, Environment and Climate Action

Dog obedience training organisation

Net Present Value

Present Value

Domestic Animals Regulations 2015

Subordinate Legislation Act 1994

Executive summary

Context for this RIS

The *Domestic Animals Act 1994* (the Act) is Victoria's primary legislation to promote animal welfare, the responsible ownership of dogs and cats, and to protect the environment and community through requirements including:

- A registration and identification scheme for cats and dogs which encourages responsible pet ownership and assists in reuniting lost pets with their owners
- Requirements for matters relating to breeding and selling cats and dogs to ensure appropriate animal welfare outcomes
- A registration scheme for domestic animal businesses which ensures acceptable standards are upheld in those businesses
- A scheme to protect the community from risks posed by dangerous dogs, menacing dogs and restricted breed dogs.

The *Domestic Animals Regulations 2015* (the Regulations) are made under the Act with the objective to prescribe:

- a) Requirements for dangerous and restricted breed dogs
- b) Matters relating to the permanent identification of prescribed animals
- c) Matters relating to applying for an animal registry licence
- d) Matters relating to the provision of an animal registry service
- e) A scheme for dog obedience training for the purpose of obtaining a reduced registration fee
- f) Infringement penalties and offences
- g) Other matters for the purposes of the Domestic Animals Act 1994.

The Regulations sunset on 24 November 2025. This Regulatory Impact Statement (RIS) evaluates options for remaking the sunseting Regulations in accordance with Better Regulation Victoria's (BRV's) *Victorian Guide to Regulation* and the *Subordinate Legislation Act 1994*.

Problem definition

The overall problem addressed by the domestic animal legislative and regulatory framework (including the Act, the Regulations and Codes of Practice) in Victoria may be summarised as risks to:

- The welfare of domestic animals, from:
 - irresponsible ownership
 - poor treatment of breeding dogs and cats, as well as puppies and kittens
 - overpopulation of dogs and cats leading to overcrowding and strays
 - lost dogs and cats
- Consumer protection, from poor standards in commercial breeding
- Community health and safety, including from dangerous dogs
- The environment, from feral cats and dogs.

The Act aims to address these risks by establishing the legislative framework for breeding, selling, management and ownership of domestic animals.

However, there remain some residual risks as some requirements of the Act cannot function or would not be enforceable without prescription under regulation (such as the microchipping regime), while clarity of some requirements is needed to ensure certainty and consistent compliance.

Options assessed in the RIS

This RIS considers options to re-make the Regulations. Following comprehensive policy analysis and stakeholder consultation, the Department determined that significant change to the Regulations is not required as there has been consistently positive feedback on the need for and effectiveness of the Regulations with only minor suggestions for amendment. This is consistent with findings of stakeholder consultations undertaken by Sapere for this RIS. It is noted that as part of this RIS process, more substantive feedback has been received in regard to the Act but this is out of scope for this sunseting review process and RIS.

A history of significant changes to the legislative framework and regulations provides the background for this sunseting RIS. Since the current Regulations were introduced in 2015, there have been significant reforms to the Regulations, including amendments made to enforce new requirements introduced under the *Domestic Animals Amendments (Puppy Farms and Pet Shops) Act 2017* in December 2017, which banned pet shops from sourcing and selling dogs or cats unless they are from a registered shelter, pound or voluntarily enrolled foster carer. In addition, breeding businesses were banned from running or owning a pet shop. In 2022, the Regulations were amended to formally enable pets to be reunified with owners by vets.

Only a small number of minor amendments to the current Regulations are therefore being considered as part of this RIS. In addition, a review of prescribed fees is being undertaken, with some fee variations proposed.

The following options were considered to re-make the sunseting regulations.

Table i: Feasible options assessed in this RIS

Base Case	The Regulations sunset in November 2025 and are not remade. There are no detailed regulations supporting the substantive provisions in the Act. Fees for applications and renewals would not be prescribed and therefore not collected.
Option 1	Regulations are re-made in their current form with some minor amendments to enhance clarity of existing provisions through either wording changes or updates to references.
Option 2	Option 1 plus changes to prescribed fees to better align with the Department of Treasury's Pricing for Value principles.

Options analysis and preferred option

Option 1 versus the Base Case

Cost benefit analysis (CBA) is used to assess the option to remake the Regulations with minor improvements (Option 1) versus the Base Case of having no regulations.

The largest estimated cost is \$85 million over 10 years (PV 2024-25) in relation to requirements for mandatory microchip implantation (includes the one-off cost of animal registry services), which is typically passed onto owners in the form of a microchipping fee¹.

For benefits, the financial saving from avoiding animals ending up in pounds/shelters, and the resulting costs of this, was quantified. This saving is mainly as a result of microchipping requirements that were introduced in 2007 which have had a significant impact on the ability to quickly reunite animals with their owners.

By itself, this benefit is sufficient to outweigh all costs of having the Regulations, leading to a positive NPV and BCR. In addition, a range of benefits from the regulations are not quantified but stakeholders note that they are important, including:

- Animal welfare benefits from microchipping and reunification requirements, including avoided euthanisations
- Community safety from dangerous dog requirements
- Clarity provided in the Regulations in relation to understanding requirements under the Act, mainly leading to savings in administration costs.

It is noted that there is strong stakeholder support for the benefits of the current Regulations, particularly in relation to microchipping, and for remaking the Regulations.

Table ii: CBA results

	Option 1 relative to Base Case over 10 years (\$m, PV 2024-25)
Benefits quantified	\$392.16
Avoided costs to pounds and shelters	\$392.16
Costs quantified	\$124.35
Costs to industry	\$116.76
Costs to government	\$7.59
NPV	\$267.81
BCR	3.15

¹ Authorised implanters charge a fee for microchipping.

Fee analysis (Option 2)

Overall, Option 2 is assessed as the preferred option. Remaking the Regulations with some minor amendments to enhance clarity, and changing some prescribed fees to better align with cost-recovery principles, is a balanced approach that will provide significant benefits.

The estimated cost for the Department to administer the proposed Regulations is about \$0.94 million per annum, as shown the Table iii below.

There is a cost recovery level of 89% across all services. The key factor in this result is almost 100% cost recovery for source numbers, which accounts for about 80% of total costs.² All other activities are cost recovered at 41% on average.

Table iii Fees and extent of cost recovery, under current prescribed fees

Activity/fee type	No. p.a.	Fee units prescribed in the Regulations	\$ Prescribed fee, at 2025-26 fee units	Estimated average cost per unit \$	Total fee revenue p.a. \$	Total cost p.a. \$	Cost recovery %
AO - application for approval	0	100	\$1,681.00	\$5,415	\$0	\$0	31%
AO - renewal of approval	2	50	\$840.50	\$3,599	\$1,681	\$7,198	23%
DOTO - application for approval	0	100	\$1,681.00	\$4,128	\$0	\$0	41%
DOTO - renewal of approval	1	50	\$840.50	\$2,140	\$841	\$2,140	39%
Persons who may inspect the dangerous dogs register	1	0	\$0.00	\$733	\$0	\$733	0%
Commercial dog breeder - application for approval	13	200	\$3,362.00	\$6,773	\$43,706	\$88,054	49.6%
Commercial dog breeder - renewal of approval	4	200	\$3,362.00	\$6,773	\$13,448	\$27,093	49.6%
Animal sale permit - not-for-profit	17	2	\$33.62	\$1,543	\$572	\$26,231	2%
Animal sale permit - other	1	12	\$201.72	\$1,543	\$202	\$1,543	13%
Animal registry licence - approval	0	76.3	\$1,282.60	\$2,455	\$0	\$0	52%
Animal registry licence - renewal	6	76.3	\$1,282.60	\$2,455	\$7,696	\$14,732	52%
Sub-total (excluding source numbers)					\$68,144	\$167,725	41%
Source numbers - approval and renewal	30,348	1.5	\$24.50	\$25.35	\$743,374	\$769,407	99%
Total					\$833,369	\$937,132	89%

² Anybody who advertises a dog or cat for sale or to give away in Victoria is required to have a source number from the Pet Exchange Register. A single source number is required for each person selling cats or dogs.

There is a strong case that fees should recover some amount of the Department's costs of administering the Regulations from parties that give rise to the need for these regulatory activities. Without fees, the general public (including those who do not own animals) would cross-subsidise the provision of the regulatory framework. Further:

- Imposing fees ensures that only 'genuine' applicants apply, effectively setting a minimum financial requirement for applicants, and helps improve the quality of applications.
- Without fees, regulated parties would not receive appropriate price signals about the value of all the resources being used to regulate their industries.
- Regulated parties benefit from the approval process as the framework creates a barrier for entry to a sector or activity.

On the other hand, there are some potential public policy reasons for why the general public should contribute to costs imposed by domestic animals sector, including the ability of participants in the sector to pay and the desire for pricing to support (or not deter) positive behaviours. For instance, if fees charged to breeders are too high it might deter compliance with the approvals requirements.

These considerations are explored further in this analysis against the following principles set out in the Pricing for Value guidelines.

Table iv: Pricing for Value principles

Pricing principle		Description
How much does the regulatory activity cost and who benefits?	1-3	Agencies should aim to recover the full costs of service provision to promote efficient consumption. The cost of service provision should be borne by those who benefit from the service. Services creating broad benefits for the community should be priced to support efficient consumption i.e. this might mean there is rationale for charging less than full cost recovery if benefits accrue to the community as well as industry.
Ability to pay	5	The price of services should not limit access to those with a lower ability to pay.
How will the price of the service impact behaviour?	8	The fees should encourage positive compliance behaviour or actions from the regulated parties (and not incentivise non-compliance e.g. driving activity underground).
Simple and easy to understand	11	Pricing structures should be easy to understand and simple to administer.

On the one hand, an increase in fees could better allocate costs to those who cause the need for regulations and send appropriate price signals about the cost of regulation. However, increasing some fees significantly could negatively impact ability to pay or disincentivise regulatory compliance, which could impact on achieving the regulatory objectives.

Balancing these considerations, fee increases from current levels are proposed as set out in the following table, with some fees remaining at current fee unit levels.

Table v: Proposed fees, with changes in fees highlighted grey (fees based on 2025-26 DTF fee unit of \$16.81)

Activity/fee type	No. p.a.	Current prescribed fees		Proposed fees		Fee increase %
		Fee units prescribed in the Regulations	\$ Fee, in 2025-26 fee units	Proposed fee, fee units	\$ Fee, 2025-26 fee units	
AO - application	-	100	\$1,681.00	166	\$2,790.46	66%
AO – renewal	2	50	\$840.50	110	\$1,849.10	120%
DOTO - application	-	100	\$1,681.00	100.0	\$1,681.00	0%
DOTO - renewal	1	50	\$840.50	10.0	\$168.10	-80%
Persons who may inspect the dangerous dogs register	<1	0	\$0.00	1.5	\$25.22	n/a
Commercial dog breeder - application for approval	13	200	\$3,362.00	207	\$3,479.67	3%
Commercial dog breeder - renewal of approval	4	200	\$3,362.00	207	\$3,479.67	3%
Animal sale permit - not-for-profit	17	2	\$33.62	6	\$100.86	200%
Animal sale permit - other	1	12	\$201.72	14	\$235.34	17%
Animal registry licence - approval	-	76.3	\$1,282.60	105	\$1,765.05	38%
Animal registry licence - renewal	6	76.3	\$1,282.60	105	\$1,765.05	38%
Source numbers - approval and renewal	30,348	1.5	\$25.22	1.5	\$25.22	0%

The proposed fee changes are small in terms of the total impact on revenue collected, with an increase of less \$10,000. However, they better align the fee arrangements to the Pricing for Value principles, including sending appropriate price signals to regulated parties about the cost of regulation.

Small business impacts and competition

The main compliance requirements of the Regulations are microchipping requirements which apply to vet practices which are mostly small businesses. The cost of these requirements is typically expected to be passed onto pet owners in the form of microchipping fees.

There are significant documentation and reporting requirements and associated administration costs in relation to approvals, particularly for AOs and commercial dog breeding businesses which are generally understood to be small businesses or not-for-profit organisations.

The proposed Regulations are not expected to materially impact competition in the market for domestic animals. It is noted that there are requirements in the Act (rather than the Regulations)

which may impact competition or industry structure, particularly in relation to AOs and dog breeding approvals. The Regulations provide additional information for these requirements but do not materially change what is already required under the Act.

Implementation plan

The proposed Regulations are largely the same as the current arrangements except for the introduction of higher fees for some approval types (and other changes which are minor in nature). There is a high level of understanding amongst industry participants of key requirements, as evidenced through feedback gathered in stakeholder consultation.

In relation to minor changes, including proposed fee changes, the Department will:

- Communicate to industry the making of the new Regulations including minor changes
- Communicate fee changes to industry.

The current Regulations are due to sunset on 24 November 2025 unless remade by this date. The proposed Regulations are expected to come into effect by this date.

Evaluation strategy

The Regulations will sunset 10 years after the commencement of the Regulations. The Department will actively monitor and evaluate the effectiveness and efficiency of the Regulations throughout the life of the Regulations. The following structured evaluations will be undertaken:

- An evaluation five years after the establishment of the Regulations (the mid-term evaluation)
- An evaluation before the Regulations sunset.

To support this evaluation the Department will develop an evaluation plan including evaluation questions, available data and data gaps to assess any potential gaps in evidence.

Key evaluation questions will be designed to align with the Department of Treasury and Finance Resource Management Framework, such as:

- Problem justification: What is the evidence of continued need for the Regulations and role for government?
- Effectiveness: To what extent has the primary objective of the Regulations been achieved?
 - Have the Regulations been effective in reducing the number of cats and dogs that end up in pounds and shelters or the length of stay?
 - Have the Regulations been effective in reunifying lost pets with their owners?
 - Have the Regulations been effective in reducing the number of dangerous dog attacks?
- Efficiency: do the Regulations achieve the objectives in the most efficient way?

Data assessment will include consideration of ensuring appropriate baseline data for performance indicators to enable a comparison of the current state versus future state. There are currently adequate data sources to support assessment of key elements of the proposed Regulations including the microchipping, animal registry and reunification requirements.

The Department will also informally evaluate the operation of the proposed Regulations throughout the next ten years. Supporting this, the Department will continue to consult and gather feedback from key industry stakeholders on a frequent basis.

1 Background

The Domestic Animals Regulations will sunset in November 2025 and a Regulatory Impact Statement is required to remake the Regulations in either their current or amended form. This chapter outlines the background to the Regulations, key participants in the domestic animals sector and the current regulatory framework.

1.1 Introduction

The *Domestic Animals Act 1994* (the Act) is Victoria's primary legislation to promote animal welfare, the responsible ownership of dogs and cats, and to protect the environment and community through requirements including:

- A registration and identification scheme for cats and dogs which encourages responsible pet ownership and assists in reuniting lost pets with their owners
- Requirements for matters relating to breeding and selling cats and dogs to ensure appropriate animal welfare outcomes
- A registration scheme for domestic animal businesses which ensures acceptable standards are upheld in those businesses
- A scheme to protect the community from risks posed by dangerous dogs, menacing dogs and restricted breed dogs.

The *Domestic Animals Regulations 2015* (the Regulations) are made under s100 of the Act with the objective to prescribe:

- h) Requirements for dangerous and restricted breed dogs
- i) Matters relating to the permanent identification of prescribed animals
- j) Matters relating to applying for an animal registry licence
- k) Matters relating to the provision of an animal registry service
- l) A scheme for dog obedience training for the purpose of obtaining a reduced registration fee
- m) Infringement penalties and offences
- n) Other matters for the purposes of the Act.

The Regulations sunset on 24 November 2025. This Regulatory Impact Statement (RIS) evaluates options for remaking the sunseting Regulations in accordance with Better Regulation Victoria's (BRV's) *Victorian Guide to Regulation* and the *Subordinate Legislation Act 1994*.

A history of significant changes to the legislative framework and regulations provides the background for this sunseting RIS. While the domestic animals regulations have been in place for about 30 years, there has been significant improvements including the introduction of microchipping and regulations relating to breeding (puppy farms) in 2017 and reuniting pet reforms in 2022, which are discussed in further detail in section 1.3.2.

1.1.1 Scope of this analysis

The scope of the RIS only includes requirements under the Regulations and therefore any requirements under the Act are out of scope.

The Regulations primarily administer the following areas:

- Applicable organisations and dog obedience training organisations
- Requirements for dangerous dogs and restricted breed dogs
- Permanent identification of prescribed animals (microchipping, animal registries, record management)
- Commercial dog breeder approvals
- Animal sale permits and caged bird sales
- Information register and source numbers
- Reuniting dogs and cats with owners.

In some places this RIS discusses the Act and other aspects of the broader regulatory framework such as Codes of Practice, however the purpose of doing so is to provide context to the role of and need for the Regulations.

The scope of this RIS relates to domestic animals only and excludes:

- Wildlife which is regulated under the *Wildlife Act 1975* and its associated regulations
- Feral cats and their management as an established pest which is regulated under the *Catchment and Land Protection Act 1994* and associated code of practice
- Livestock which is regulated under the *Livestock Management Act 2010*
- Matters relating to the care and protection of animals (domestic or otherwise) which is generally prescribed in the *Prevention of Cruelty to Animals Act 1986* and its associated regulations and codes of practice.

The remainder of this chapter outlines who is regulated in the domestic animal sector, what their roles and responsibilities are, the monitoring and enforcement agencies involved and how the regulatory regime has evolved over the past few years.

1.2 Domestic animals context in Victoria

The following information provides some further context around the important role of domestic animals in the lives of Victorians, and the importance of ensuring the regulatory framework is effective and efficient.

Australia has one of the highest pet ownership rates globally, with nearly 70% of Australian households owning a pet.³ Victorians in particular provide care for about 4.3 million domestic animals.⁴ The regulatory framework for domestic animals is relevant to the lives of many Victorians who breed, own and care for a domestic animal; there are requirements in relation to breeding

³ IBISWorld, Pets and Pet Supplies Retailers in Australia, January 2025.

⁴ Animal Welfare Victoria, Victorian Pet Census, Survey Findings Report, FINAL, 31 October 2023. Undertaken for the Victorian Government by Orima. Fieldwork was conducted in July 2023 with an online panel size of 5,069 and survey response size of 32,391.

domestic animals, the sale of animals, registration of animals, identification of animals, training of dogs, and dangerous and restricted dog breeds.

The pet industry has reported revenue of \$4.1 billion across Australia, with 28% of pet businesses located in Victoria, however most of this revenue is related to products and services (e.g. pet food and wellbeing). The sale of live pets from pet shops accounts for 4% of this revenue and is decreasing over time due to animal welfare concerns as consumers opt for pets acquired from animal shelters or professional breeders.⁵

Dogs are the most common domestic animal, with 41% of adult Victorians pet owners having a dog (about 1.33 million dogs), while 24% have a cat (about 0.91 million cats⁶. 5% of Victorians have birds, 5% have fish, 2% have small mammals such as rabbits, guinea pigs, ferrets and rats, 2% have large mammals such as horses, sheep and cows, 2% have reptiles, and 0.3% have insects.⁷

The pet care industry in Victoria is substantial, with owners collectively spending an estimated \$6.6 billion on their pets in the year leading up to the census⁸. To put this into context, if 81% of adult Victorians have a pet, then on average the pet owners are spending just over \$1,500 per household annually on their pets⁹. Food was by far the biggest expense for pet owners, with Victorian pet owners spending an estimated \$3.1 billion on food in the last year. Veterinary services were the second largest expense among pet owners (\$1.8 billion)¹⁰.

The most common sources of acquisition (for owners' most recently acquired pets) varied between pet types. Dogs (51%) and birds (34%) were more likely than other animals to have been sourced from a breeder, while cats were more likely to have been rescued from a rehoming or volunteer-run organisation (28%) or animal shelter (22%).¹¹

Purchase or adoption costs differed greatly depending on pet type, with the average cost ranging from \$52 for insects and \$67 for small mammals, up to \$1,410 for large mammals and \$1,609 for dogs. Average costs of other pet types were quite similar, ranging from \$122 to \$228.¹²

⁵ IBISWorld, Pets and Pet Supplies Retailers in Australia, January 2025.

⁶ Note the number of Victorians that reported having a cat is significantly more than the number of cats that are registered.

⁷ Animal Welfare Victoria, Victorian Pet Census, Survey Findings Report, FINAL, 31 October 2023, p.12. Note Sapere's interpretation of this data is that it includes those that do not have pets, and those who have more than one type of pet.

⁸ Animal Welfare Victoria, Victorian Pet Census, Survey Findings Report, FINAL, 31 October 2023, p.67.

⁹ Victoria in Future data November 2023, as at 2021 there were 5.35 million Victorians aged 15 years and above.

¹⁰ Animal Welfare Victoria, Victorian Pet Census, Survey Findings Report, FINAL, 31 October 2023, p.67.

¹¹ Ibid, p.30.

¹² Animal Welfare Victoria, Victorian Pet Census, Survey Findings Report, FINAL, 31 October 2023, p.28.

1.3 Legislative framework for domestic animals in Victoria

The *Domestic Animals Act 1994* and the *Domestic Animals Regulations 2015* (the Regulations) establish a framework for the management of primarily dogs and cats in Victoria. The Act serves as the core legislation to promote animal welfare, the responsible ownership of dogs and cats and the protection of the environment through (amongst others):

- A registration and identification scheme for dogs and cats
- Regulation of matters relating to the breeding and sale of dogs and cats
- A registration scheme for domestic animal businesses
- Identification and control of dangerous dogs, menacing dogs and restricted breed dogs
- A scheme to protect the community and the environment from feral and nuisance dogs and cats.

The Regulations, which commenced in November 2015, are made under the s100 of the Act to prescribe additional detail on requirements for:

- Requirements for dangerous and restricted breed dogs
- Permanent identification of animals (microchipping)
- Applications for animal registry services licenses
- Provision of animal registry services
- Commercial dog breeder approvals
- Reuniting pets with owners
- Dog obedience training scheme to obtain reduced registration fees
- Fees and penalties.

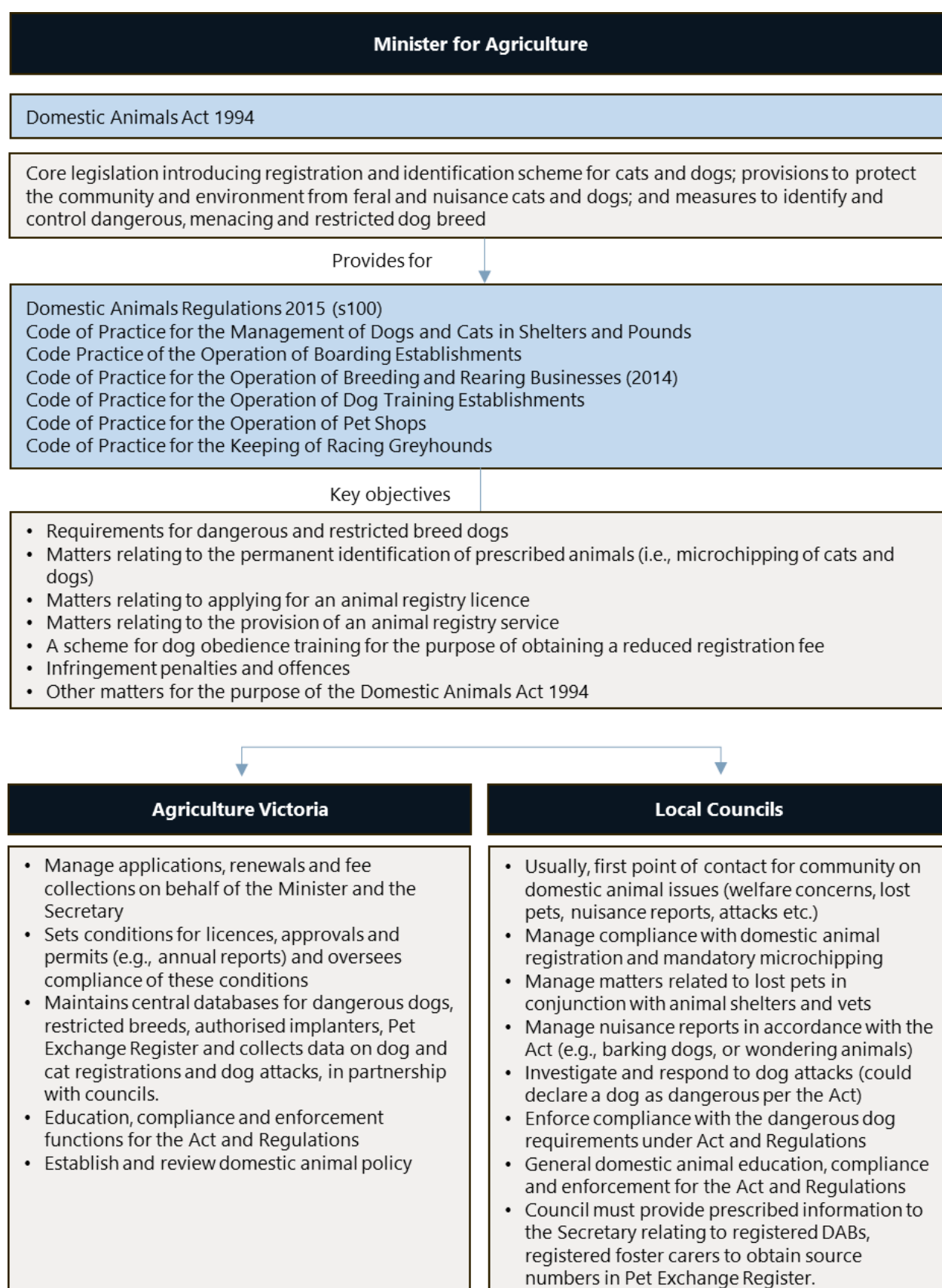
The Regulations work closely alongside the Act, often providing further detail to support substantive requirements prescribed under the Act. This includes supplementary details in relation to applications and renewals and outlining how participants in the domestic animal sector are to meet the requirements of the Act.

In addition to the Act and Regulations, under section 59 of the Act, the Minister may make business codes of practice which specify standards for the conduct of domestic animal businesses. Codes of practice are currently made for the:

- Management of Dogs and Cats in Shelters and Pounds
- Operation of Boarding Establishments
- Operation of Breeding and Rearing Businesses
- Operation of Dog Training Establishments
- Operation of Pet Shops.

A diagrammatic summary of the legislative framework is outlined in [Figure 1](#)~~Figure 1~~.

Figure 1 Legislative and regulatory framework for domestic animals in Victoria



1.3.1 Regulatory requirements for key participants in the sector

Participants with roles and responsibilities in the domestic animal sector under the legislative framework are summarised in the table below. All participants listed have requirements they need to comply with under the Act, while some must also comply with requirements under the Regulations or business codes of practice made under the Act (outlined in section 1.3). For completeness and to give context to the broader sector all participants have been included in the Table, although this RIS assesses options and impacts of only those who must comply with requirements under the Regulations.

Table 1 Participants in the domestic animals sector covered by the Regulations

Participants	Description	Requirements under the Regulations
Domestic animal businesses (DABs) – under the Act, must register with the Council in which business is conducted		
Commercial dog breeders	The proprietor/s of a breeding business approved by the Minister to legally keep up to 50 fertile female dogs for breeding. Must comply with the <i>Code of Practice for the Operation of Breeding and Rearing Businesses 2014 (June 2018 version)</i> .	Requirements for application for approvals and renewals, prescribed application and renewals fees, annual reporting, insurance, and qualifications/training. Authorised officers allowed to monitor compliance on the premises (Part 3A)
Pet shops	A shop that sells or buys domestic animals. Must comply with the <i>Code of Practice for the Operation of Pet Shops</i> .	Requirements for keeping records (Reg. 48), and obtaining source numbers ¹³ (Part 3C) - the Act requires a source number to advertise, microchip, sell or give-away a pet.
Dog training establishments	An enterprise which trains dogs (other than Greyhound Racing Victoria greyhounds) or cats for the purpose of profit. Must comply with the <i>Code of Practice for the Operation of Dog Training Establishments</i> .	No
Boarding establishments	An enterprise which boards dogs (other than Greyhound Racing Victoria greyhounds) or cats for the purpose of profit. Must comply with the <i>Code of Practice for the Operation of Boarding Establishments</i> .	No
Shelters and pounds	Premises maintained for providing temporary care or finds new homes for stray, abandoned or unwanted dogs or cats, or for impounding dogs or cats. Must comply with the mandatory <i>Code of Practice for the Management of Dogs and Cats in Shelters and Pounds - Revision 1</i> .	Reporting requirements for shelters that participate in reunification of pets with owners (Part 3D), obtaining source numbers (Part 3C)
Micro and recreational breeders (not DABs)		

Participants	Description	Requirements under the Regulations
Recreational breeders	<p>A recreational breeder is a breeding member of an Applicable Organisation (AO) and can have up to 10 fertile females.</p> <p>Recreational breeders do not have to register with their local council as a DAB, or comply with the Code of Practice for the Operation of Breeding and Rearing Businesses 2014. They are also eligible for reduced council pet registration fees.</p> <p>Recreational breeders must adhere to their AO's code of ethics, which is of a standard similar to the Code of Practice and any additional rules.</p>	Requirements for obtaining source numbers (Part 3C)
Micro breeders	<p>A microbreeder is a person who owns one or two fertile female cats or dogs and breeds to sell. Micro breeders do not have to register as a breeding DAB with their local council or comply with the Code of Practice for the Operation of Breeding and Rearing Businesses (2014). However, they must obtain a source number and microchip all pets prior to advertising, selling or giving them away.</p>	Requirements for obtaining source numbers (Part 3C)
AOs and dog obedience training organisations (DOTOs) (approved by Minister under Act)		
AO	<p>An entity approved by the Minister under section 5A of the Act. AOs usually represent dog or cat breeders and are recognised for upholding high standards of responsible breeding and pet ownership. AOs must:</p> <ul style="list-style-type: none"> ○ Have, communicate and enforce a mandatory code of conduct or ethics for all members that meets or exceeds the minimum standards required by Victorian legislation. ○ Submit an annual report to the Minister. 	Requirements for application for approvals and renewals, prescribed application and renewals fees, and reporting (Part 1A)
DOTO	<p>An entity approved by the Minister under section 5B of the Act. DOTOs offer dog obedience assessment programs that are approved under the Regulations. DOTOs must:</p> <ul style="list-style-type: none"> ○ Have, communicate and enforce a mandatory code of conduct or ethics for all members that meets or exceeds the minimum standards required by Victorian legislation. ○ Submit an annual report to the Minister. 	Requirements for application for approvals and renewals, prescribed application and renewals fees, and reporting (Part 1A)
Permanent identification of prescribed animals		
Authorised implanters (i.e., vets)	<p>Authorised implanters are people who are legally permitted to implant prescribed permanent identification devices (i.e., microchips) in cats and dogs e.g., registered veterinarians. They must comply with the microchipping requirements in the Act and the Regulations.</p>	<p>Requirements for implantation and removal of permanent identification devices including pre, during and post implantation (Part 3)</p> <p>Note: vets participating in reunification of lost dog and cats also have reporting requirements for reunification of pets with owners (Part 3D).</p>

Participants	Description	Requirements under the Regulations
Animal registry licence holders	Entities licenced to operate an animal registry service, which maintains records of cats, dogs, and horses with microchip implants.	Application for licences, conditions of licences, records management (Part 3)
Domestic dog and cat owners	Victorians who own domestic animals and are responsible for ensuring their animals are microchipped, registered and confined in accordance with the Act and Regulations. Additional requirements apply for the owners of dangerous dogs and restricted dog breeds.	Dogs and cats must be microchipped with a prescribed identification device, and registered with Council (Part 2) Owners must renew Council registration annually and provide certain details to be added to prescribed identifying information – permanent identification of certain dog classes (Part 2)
Dangerous dogs and restricted breed dogs		
Owners of dangerous dogs and restricted breed dogs		Perimeter fencing, enclosure, collar and warning sign requirements for dangerous dogs and restricted breed dogs (Part 2)
Animal sales and caged bird sales		
Animal sales and caged bird sales (excluding from pet shops)	People who wish to sell animals or birds from a place that is not a premises registered under Part 4 of the Act or the person's residence require an animal sale permit.	Requirements for animal sale permit and conditions of animal sale permit (Part 4), requirements for notification of and caged bird sales, obtaining source numbers (Part 3B)

1.3.2 Roles and responsibilities for administering the legislative framework

The Victorian Government, through the Department, is responsible for developing policy, legislation, regulations, education material and codes of practice related to domestic animals. It works in consultation with local councils and other stakeholders to ensure effective statewide standards. While the Department develops and administers these policies and regulations, local councils are the primary enforcement agencies at the local level.

More specifically, the Department's responsibilities include:

- *Permit and licence applications* – Reviewing and assessing applicants for various permits and licenses, such as approvals for commercial dog breeders and dog obedience training organisations.
- *Fee collection* – Managing the collection of fees for applications and renewals.
- *Licensing and oversight* – Setting conditions for licenses, approvals, and permits, and overseeing compliance through inspections and reports to the Minister.
- *Qualifications* – Establishing qualification requirements for commercial dog breeders and dog obedience trainers.

- *Education* – Developing responsible pet ownership education and training programs and defining required skills for dog training programs and providing online training for breeders with animal husbandry duties.
- *Compliance and enforcement* – Monitoring compliance with regulations, offering guidance on meeting regulatory requirements, and issuing penalties for non-compliance when necessary.
- *Information management* – Maintaining central databases for dangerous dogs, restricted breed dogs, authorised implanters, and the Pet Exchange Register, as well as collecting data on dog and cat registrations and dog attacks, in partnership with councils.
- *Policy development and information sharing* – Reviewing the effectiveness of regulations and creating protocols for sharing information between relevant agencies.

Local councils, on the other hand, are primarily responsible for enforcing provisions under the Act and supporting Regulations and relevant codes of practice including by:

- managing registrations of domestic animal businesses located in their jurisdiction as per the Act
- managing the registration of domestic cats and dogs residing in their jurisdiction as per the Act
- enforcing rules on dangerous and menacing dogs to protect the community prescribed in both the Act and the Regulations
- serving as a first point of contact in communities to deal with a range of domestic animal issues like nuisance complaints, attacks, welfare concerns and lost pets.

1.3.3 Regulatory reform in Victoria's domestic animal's sector

There has been a series of amendments to improve the Regulations since they commenced in November 2015, as summarised in the table below.

The most significant reforms to the Regulations were made to enforce new requirements introduced under the *Domestic Animals Amendments (Puppy Farms and Pet Shops) Act 2017* in December 2017, which banned pet shops from sourcing and selling dogs or cats unless they are from a registered shelter, pound or voluntarily enrolled foster carer. In addition, breeding businesses were banned from running or owning a pet shop.

In 2022, the Regulations were amended to formally enable pets to be reunified with owners by vets.

Table 2 Summary of changes to the Domestic Animals Regulations 2015

Year of amendment	Change	Section in Regulations
2015	Miscellaneous administrative amendments	Reg 7 – Dangerous dog enclosures
2018	Domestic Animals Amendments (Puppy Farms and Pet Shops) Act 2017	Reg 5 – Definitions Reg 5A- 5G – approved organisations and dog obedience training organisations Part 3A – Commercial dog breeders Part 3B – Animal Sale Permits
2019	Miscellaneous administrative amendments to enforce Domestic Animals Amendments (Puppy Farms and Pet Shops) Act 2017	Reg 5 – Definitions Reg 5A-5G – miscellaneous amendments Reg 12(a)(va) – source numbers Reg 21(2) – offence to remove microchip Reg 36(1)(b) – Notification requirement of microchipping registries Reg 41 (1)(c)(i) – Change of microchipping ownership Reg 41(2) – changes to microchipping details Reg 41(5) – new owner certs Reg 48(1)(f) and (h) – Record keeping Reg 48A- 48B – Commercial dog breeder application process Reg 48D – Commercial dog breeder reporting requirements Reg 48H – Animal sale permit applications Part 3C – source numbers/pet exchange register
2020	Miscellaneous administrative amendments	Reg 48k – fee for renewing source number
2022	Reuniting pets reforms	Part 3D – reuniting pets reforms (regulations for vets reuniting pets) Reg 8 – dangerous dog sign amendment Reg 12(va) – prescribed identifying information amendment

1.4 Sunsetting review and RIS

The Regulations will expire (or 'sunset') in November 2025. To support the remaking of the Regulations and any potential changes to improve the Regulations, DEECA is undertaking a sunset review to assess whether the Regulations are fit for purpose and meet the objectives of animal welfare, the responsible ownership of dogs and cats, and protection of the environment and community.

As part of the recent improvements to the Regulations and following DEECA's policy analysis and extensive stakeholder consultations throughout the implementation of the current Regulations, DEECA believes that the Regulations are effectively serving Victoria and continue to meet their intended objectives. As a result, DEECA is proposing to remake the current Regulations, with minimal changes to their existing form (see [Table 2Table 2](#)). This RIS is being undertaken to meet the requirements of the SL Act and the Victorian Guide to Regulation for sunsetting regulations. Its purpose is to assess the impact of options for replacing the sunsetting regulations on Victorian

businesses and the community, including evaluating feasible alternatives to the current Regulations. The RIS process includes targeted consultation during its development, as well as an opportunity for public comment on the final RIS and proposed Regulations. Key steps in the process include:

- Preparation of the RIS (this document)
- Public comment on the RIS and proposed Regulations
- Addressing public comments
- Finalising the Regulations.

The approach to preparing the RIS is as follows:

Figure 2 Summary of RIS process

1. Identify the problem	2. Identify options to achieve the objectives	3. Options analysis	4. Assess other impacts	5. Develop Implementation and evaluation plan
Considered the nature and extent of the problem that the proposed Regulations aim to address	Options that could address the defined problem were identified	Costs and benefits of options were assessed, and a preferred option was identified	Considered the likely small business and competition impacts of the preferred option	Arrangements for implementation and evaluation of the preferred option are described

Public comment

The proposed Regulations and this RIS will be released for a minimum of 28 days to provide businesses, members of the public and other interested parties the opportunity to provide feedback.

Domestic animals industry stakeholders, other interested parties and members of the public are invited to make submissions responding to the proposed Regulations and/or the RIS.

The proposed Regulations and RIS can be accessed via Engage Victoria's website at <https://engage.vic.gov.au/>

Addressing public comment and finalising the Regulations

At the conclusion of the public comment period, the Department will review and consider each submission and take account of the feedback on both the proposed Regulations and the RIS in finalising the Regulations.

The Department will prepare a document, which will discuss the comments provided in response to this RIS and respond to those comments. The draft regulations will then be finalised reflecting any changes arising from the public comment period.

2 Problem definition

This chapter outlines the nature and extent of the problem and the objectives of government intervention. It first outlines the overall problem that the whole legislative and regulatory framework aims to address before focusing on the specific residual problem addressed by the proposed Regulations.

In summary, the specific residual problem being addressed in this RIS is that some elements of the Act would not function or would not be enforceable without prescription under regulation, while clarity of some requirements is needed to ensure certainty and consistent compliance.

2.1 Overall problem

The overall problem addressed by the domestic animal legislative and regulatory framework (including the Act, the Regulations and Codes of Practice) in Victoria may be summarised as risks to:

- the welfare of domestic animals, from:
 - irresponsible ownership
 - poor treatment of breeding dogs and cats, as well as puppies and kittens
 - overpopulation of dogs and cats leading to overcrowding and strays
 - lost dogs and cats
- consumer protection, from poor standards in commercial breeding
- community health and safety, including from dangerous dogs
- the environment, from feral cats and dogs.

The Act aims to address these risks by establishing the legislative framework for breeding, selling, management and ownership of domestic animals.

However, there remain some residual risks as some requirements of the Act cannot function or would not be enforceable without prescription under regulation, while clarity of some requirements is needed to ensure certainty and consistent compliance.

In some places this RIS discusses the Act and other instruments such as Codes of Practice, however the purpose of doing so is to provide important context to the role of and need for the Regulations.

This chapter first discusses the overall problem, then the existing legislative framework, and finally the residual problem that would exist if there were no regulations.

This chapter divides the problem into three main areas arising from:

- **Breeding and selling domestic animals** – currently regulated through approved applicable organisations and commercial dog breeders authorised to breed domestic animals under certain conditions. In the absence of government intervention, significantly more dog and cat breeding would be expected to occur, leading to overbreeding (with negative health effects for the mother and puppies/kittens), more stray animals and associated negative externalities such as costs to shelters.

- **Domestic animal management** – primarily regulated through council compliance activities, local domestic animal management plans, pet registration and the microchipping of domestic animals conducted by authorised implanters and the capture of specific information in databases run by animal registry licence holders. In the absence of government intervention it would be more difficult to reunite lost pets with their owners, leading to welfare risks for the animals and putting additional pressure on animal shelters and pounds who bear the cost.
- **Domestic animal behaviour** – currently regulated through education, preventative measures (e.g., subsidies for completing accredited dog training offered by approved dog training organisations) and reactively through restrictions on dangerous and/or restricted dog breeds. In the absence of the government intervention, the risks and harms to the community posed by the presence of dangerous and restricted breeds of dogs would be significantly higher.

2.2 Breeding and selling domestic animals

Overall problem

Specific risks associated with poor conditions and overbreeding in some domestic animal businesses and recreational breeders include:

- *Animal welfare issues*: overbreeding or poor practices (such as extreme confinement, inadequate veterinary care and general care, unhygienic living conditions, mothers being made to have multiple litters per year with no recuperation) can result in poor behavioural, social and/or physiological outcomes^{14 15}
- *Overpopulation*: resulting in abandonment and pressure on resources in councils, animal shelters and veterinary practices.
- *Consumer protection issues*: can lead to the sale of animals with undisclosed longer-term health and/or behavioural issues associated with poor breeding practices (e.g. breeding animals with heritable defects¹⁶) and poor conditions¹⁷. While buyers are encouraged to visit breeding facilities to check conditions¹⁸ there is clearly an issue of asymmetric information where some consumers might not have sufficient information and capability to be fully informed about an animal's health and the breeding practices experienced by the animal.
- *Adverse environmental impacts*: Overpopulation leads to more abandoned pets which (especially for cats) can become feral, disrupt local ecosystems, cause nuisance and spread diseases.
- *Financial burden*: Abandoned animals create significant costs for councils, shelters, pounds, rehoming organisations and veterinary practices who operate programs to manage their impacts. This includes the cost of receiving abandoned animals, providing care to animals

¹⁴ RSPCA Victoria, <https://rspcavic.org/learn/puppy-factories>, <https://rspcavic.org/illegal-breeding-rearing-and-selling/>

¹⁵ The Australian Veterinary Association's submission to the NSW Inquiry into Puppy Farming (2022) stated "Puppy farming refers to the intensive over-breeding of dogs under conditions which fail to meet the animals' behavioural, social and physiological needs and may be permanently confined in cages. Puppy farms may contain large numbers of breeding animals confined in overcrowded and unhygienic conditions that lead to health and psychological problems in breeding animals and their offspring. Puppies are often poorly socialised and unhealthy because of their inappropriate rearing environments."

¹⁶ Australian Veterinary Association's submission to the NSW Inquiry into Puppy Farming (2022).

¹⁷ RSPCA Victoria, <https://rspcavic.org/learn/puppy-factories>.

¹⁸ RSPCA Victoria, <https://rspcavic.org/learn/puppy-factories>.

including food, adequate living conditions and veterinary care, and activities to support rehoming animals such as advertising.

Legislative framework (the Act)

To address the broad problems, the Act and the *Code of practice for the operation of breeding and rearing businesses 2014 (revision 2018)* establishes a range of controls on breeding and selling domestic animals. This includes the banning of “puppy farms” in Victoria through the *Domestic Animals Amendment (Puppy Farms and Pet Shops) Act 2017*. The Act was introduced following a Parliamentary Inquiry and feedback from the public, veterinary groups, animal welfare organisations, rescue organisations, local councils, dog and cat breeders, pet shops and representative groups.¹⁹

The Act places limits on the number of fertile females that breeders can keep. The framework is risk-based, with more requirements imposed on commercial dog breeders (permitted to keep 11-50 fertile female dogs) versus recreational breeders who are breeding members of an applicable organisation (permitted to keep up to 10 fertile female cats/dogs).²⁰

Microbreeders are also managed through the Pet Exchange Register as they require a source number to advertise, microchip, sell or give-away a pet. This traceability measure ensures every pet can be tracked back to its breeder, no matter how many times it changes ownership.

Data shows that the puppy farm reforms have had an impact on the number of breeding facilities. Prior to the legislative reforms in 2017 in relation to puppy farms:

- There were 295 dog breeding DABs, 42 cat breeding DABs and 3 mixed DABs breeding for a total of 340 breeding DABs in 2013.
- The abovementioned breeding DABs housed an estimated 3,674 fertile female dogs, 367 fertile male dogs, 327 fertile female cats and 15 fertile male cats producing an estimated 18,367 puppies and 1,635 kittens per year.²¹

Since the commencement of the puppy farm legislation and regulations, the number of breeding DABs has steadily declined year on year reaching 72 in 2024.^{22 23}

Specific residual problem being addressed in this RIS

For the purpose of this RIS, the problem is a residual problem whereby the substantive requirements of the Act remain in place but the supporting details prescribed in the Regulations are absent.

There may be a lack of clarity on how commercial dog breeders and applicable organisations can meet their obligations under the Act. This could result in inconsistent compliance with obligations, thereby impacting effectiveness of the requirements under the Act. Some might not understand the obligation or decide not to meet it; others might incur higher search costs in trying to understand the

¹⁹ *Getting It Done: Ending Puppy Farming Once And For All*, press release Minister for Agriculture, 15 December 2017.

²⁰ Agriculture Victoria. (2022, August). [Regulations for cat and dog breeders](#)

²¹ Rivers Economic Consulting. (2013). [Regulatory Impact Statement Review of the Code of Practice The Operation of Breeding and Rearing Establishments.](#)

²² Data supplied by DEECA.

²³ This could also in part be explained by an increase in the number of breeders with an AO rather than commercial dog breeders.

obligation, for example making enquiries to the Department. It would also be more difficult for the Department to undertake its role in approvals for applicable organisations.

For example, in the instance of making an application to become an applicable organisation s5A(3) of the Act says:

*“An application for an applicable organisation approval— (a) must include a report containing **the prescribed details** about the organisation and its activities; and (b) must include the organisation's code of ethics and details of how the code is enforced; and (c) must include the outcome of any disciplinary action taken by the organisation for breaches of the code of ethics during the preceding year; and (d) must include any other information required by the Minister; and (e) must be accompanied by the **prescribed application fee**.”²⁴*

In the absence of Regulations specifying what other information is required by the Minister, applicable organisations may face high search costs to determine what information is required to support a successful application.

Similarly, with regards to meeting the conditions of a commercial dog breeder approval, s58AF of the Act says:

*“(3) It is a condition of a commercial dog breeder approval that the approved commercial dog breeder submit a report to the Minister containing the **prescribed information** at the time required by the Minister.*

(4) It is a condition of a commercial dog breeder approval that the approved commercial dog breeder maintains public liability insurance for the breeding domestic animal business as prescribed”

In addition, without Regulations the Department would also be unable to cost recover its efforts through fees because fees are prescribed in the Regulations (see further discussion in section 4.4.).

2.3 Domestic animals management

Overall problem

This problem area relates to responsible pet ownership and the welfare of dogs and cats in the community, and protecting the community and the environment from nuisance²⁵ dogs and cats (noting this discussion does not include the problem of dangerous dogs²⁶, which is discussed separately in section 2.4).

Specifically, the following problems are being addressed:

²⁴ Domestic Animals Act 1994 - s5A(3)(e).

²⁵ Under section 32 of the Act, a dog or cat is to be regarded as a nuisance for the purposes of this section if it injures or endangers the health of any person; or if it creates a noise, by barking or otherwise, which persistently occurs or continues to such a degree or extent that it unreasonably interferes with the peace, comfort or convenience of any person in any other premises.

²⁶ Under the Act a dog may be declared dangerous if the dog has caused serious injury or death to a person or animal, the dog is a menacing dog and its owner has received at least 2 infringement notices for failing to comply with restraint requirements, the dog has been declared dangerous under corresponding legislation in another state or territory, or for any other reason prescribed.

- *Reuniting lost pets with owners* – Many lost animals cannot be easily identified and returned to owners, or it takes more time to do so, leading to longer impoundment durations and lower rates of reunification.
- *High euthanasia rates in shelters and increased burden on shelters* – Given capacity limits on shelters and pounds, many impounded cats and dogs are euthanised each year because they cannot be identified and returned to their owners.
- *Reduced owner accountability for nuisance pets* – It can be challenging to identify owners of dangerous or nuisance animals and encourage responsible pet management.
- *Adverse environmental impacts*: From lost pets (especially for cats) becoming feral or roaming pets disrupting local ecosystems and spreading diseases.
 - One study estimates that pet cats in Australia kill approximately 143 million reptiles, 134 million birds and 252 million mammals (both native and introduced) annually.²⁷
- *Financial cost*: The inability to efficiently reunite lost pets with owners can lead to increased costs for animal shelters²⁸, pound services²⁹, and veterinarians, effectively creating a negative externality where the full cost of responsible pet ownership is not worn by pet owners and is instead transferred to other parties. This includes the cost of receiving abandoned animals, providing care to animals including food, adequate living conditions and veterinary care, and activities to support reunifying animals with their owners.
- *Pet theft* – Poor identification of pets makes it easier for stolen pets to be sold or kept without detection.

The case study below outlines the impacts of lost or abandoned cats on Victoria's animal shelters and pounds.

Case study 2 Summary of insights from the Victorian Cat Management Strategy

The Victorian Cat Management Strategy (the Strategy) aims to improve cat management across the state. The Strategy recognises that as cat populations grow, so do the challenges surrounding their welfare, their impact on wildlife and public spaces, and the increasing demand on councils, shelters, pounds and other animal care organisations. The Strategy outlines that there are approximately 227,000 registered cats across Victoria, however the 2023 pet census estimates that Victoria has around 914,000 pet cats suggesting a high proportion may not be registered.³⁰ While Council data shows that around 95% of registered cats are desexed, the desexing status of unregistered pet cats is unknown. A lack of desexing is the primary cause of cat overpopulation, which causes flow on effects on the environment and pounds and shelters.

²⁷ Stobo-Wilson, Alyson M., Brett P. Murphy, Sarah M. Legge, Hernan Caceres-Escobar, David G. Chapple, Heather M. Crawford, Stuart J. Dawson et al. (2022) "Counting the bodies: Estimating the numbers and spatial variation of Australian reptiles, birds and mammals killed by two invasive mesopredators." *Diversity and Distributions* 28, no. 5, 976-99

²⁸ An animal shelter is an establishment that takes in and cares for lost, injured, stray or unowned dogs and cats. Shelters are most commonly owned and managed by animal welfare organisations, for example: the RSPCA Victoria, Cat Protection Society, The Lost Dogs' Home, Lort Smith Animal Hospital, Animal Aid Victoria.

²⁹ A council pound is an establishment that impounds and cares for lost, injured, stray and unowned dogs and cats.

³⁰ There is also an unknown number of stray cats and feral cats.

More broadly, a difference in ownership attitudes exists between some cat and dog owners. For instance, behaviour generally considered unacceptable in relation to dogs (e.g., lack of identification or confinement to the owner's premises) is more prevalent with cats. Cats also take longer to be reclaimed (wait time of up to 2 weeks) compared to a much shorter period for dogs. Agriculture Victoria data shows that 46,280 cats and 29,232 dogs were admitted to Victoria's pounds and shelters during 2023. Around 7% were reunited with owners and 45% were rehomed, leaving over 40% of impounded cats as unowned, never claimed and not rehomed.³¹ Comparatively, 50% of dogs were reunited with owners and 27% rehomed.³²

The Strategy estimates that the cost to council of providing a full-service pound, from the initial residential call to adoption, is almost \$1,000 per cat. This includes the cost of staff time, equipment, transport, vaccinations, worming/flea treatment, microchipping, desexing, other veterinary care, food, administration, and average length of stay of 20 days before adoption. These costs can decrease considerably if these cats are reclaimed (i.e., through microchipping) or rehomed faster than the average length of stay, or are euthanised.^{33 34}

Current legislative framework

The legislation relating to domestic animal managements covers areas such as registration and permanent identification of dogs and cats, control of cats and dogs, seizure of lost, stray or abandoned animals, and appointment of authorised officers. The key element of the legislative framework for domestic animal management is a scheme for registration and microchipping of cats and dogs³⁵, including the following requirements:

- All cats and dogs sold or given away by pet breeders, pet shops, pounds or shelters must first be microchipped and the microchip numbers should feature in advertisements (see text below describing microchips)
- Upon the sale or adoption of an animal, the new owners' details are provided to a licenced animal registry holder by the relevant breeder, pound etc. and the new owner subsequently receives a certificate of identification from the licenced animal registry.
- All dogs and cats must be microchipped prior to being registered with their local council.
- All dogs and cats over 3 months old must be registered with council.

Microchipping and registration increases the likelihood that owners will be reunited with their pet if it is lost and taken to shelter or pound or injured and taken to a vet.

A microchip is a tiny computer chip about the size of a grain of rice with an identification number programmed into it, which is designed to last for the life of an animal.³⁶ It is injected under the animal's

³¹ Animal Welfare Victoria. (2022). [Cat Management Strategy for Victoria Background Paper](#)

³² Collected as part of mandatory reporting, available at <https://agriculture.vic.gov.au/livestock-and-animals/animal-welfare-victoria/domestic-animals-act/animal-fate-data-set>.

³³ Animal Welfare Victoria. (2022). [Cat Management Strategy for Victoria Background Paper](#)

³⁴ Note: Cats without identification that are wild, uncontrollable or diseased (e.g., feral cats) can be euthanised without a holding period (per s84O(1) of the Act) given they are a threat to threatened native fauna and have been declared a pest animal under the CALP Act.

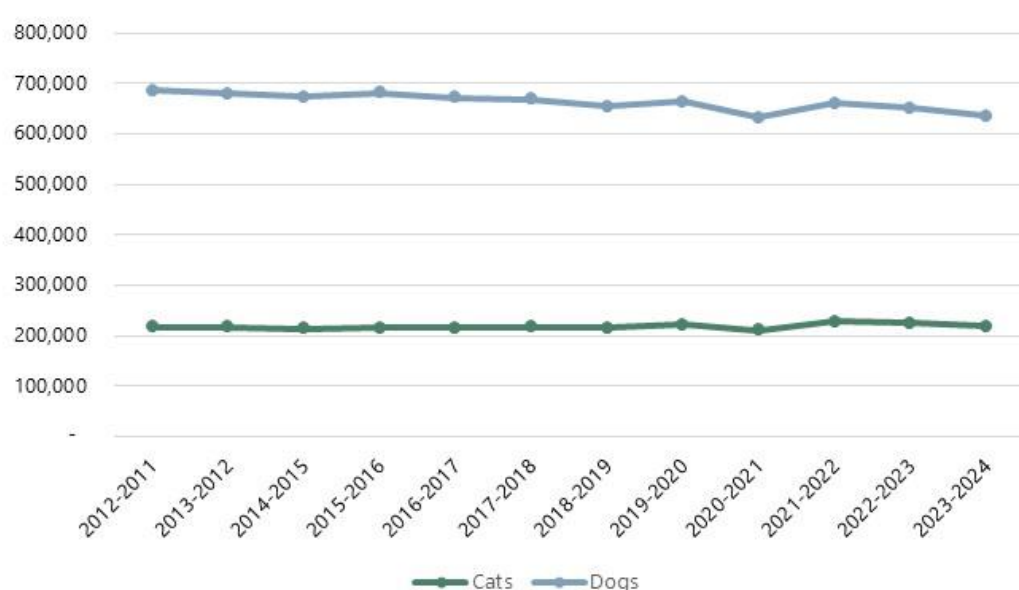
³⁵ Unlike cats and dogs, horses do not have to be microchipped or registered with council, but if they are microchipped their details must be recorded on a licenced animal registry.

³⁶ Agriculture Victoria. (2020, July). [Microchipping of dogs and cats](#).

skin between the shoulder blades by an authorised implanter so unlike a collar or tag it cannot get lost or fall off. The authorised implanter subsequently notifies a licenced animal registry holder within 2 days of implantation providing details of the microchip plus the prescribed identifying information (which includes details of the animal's owner) and this information is then securely stored in the animal registry service. Once implanted, any microchip scanner that is passed over the animal's skin will scan the microchips identification number, and can then be checked against the register containing details of the animal's owner.³⁷ This technology enables lost or injured pets to be reunited with their owners more often and faster.

In 2023-24 there were 218,436 registered cats and 634,984 registered dogs in Victoria (see Figure 3). The number of dog registrations has declined by around 50,000 (or 7%) whilst the number of cat registrations has remained relatively consistent.

Figure 3 Number of cat and dog registrations in Victoria



Microchipping, which came into effect in 2007, resulted in fewer pets being taken to shelters/pounds because it became easier for authorised officers/implanters to identify a lost pet's owner. Prior to this, reunification of lost pets relied on informal and ad hoc processes such as name tag information or local advertising of lost pets.

The role played by vets in the reunification of pets has also been significant and has evolved over the years because of both the introduction of mandatory microchipping and then the introduction in 2022 of a regulatory framework for the participation of vets in reuniting lost pets with their owners. While taking lost pets to local vets has been a longstanding community practice, mandatory microchipping has meant that lost pets taken to vets were able to be quickly reunited with owners. However, there was actually no legal framework for it to occur before 2022. Formalised by regulatory amendment, there is now a regulatory framework in place for the community to take lost pets to their local vet (with the vet's consent, noting they are not required to accept a lost pet) instead of surrendering them

³⁷ Ibid.

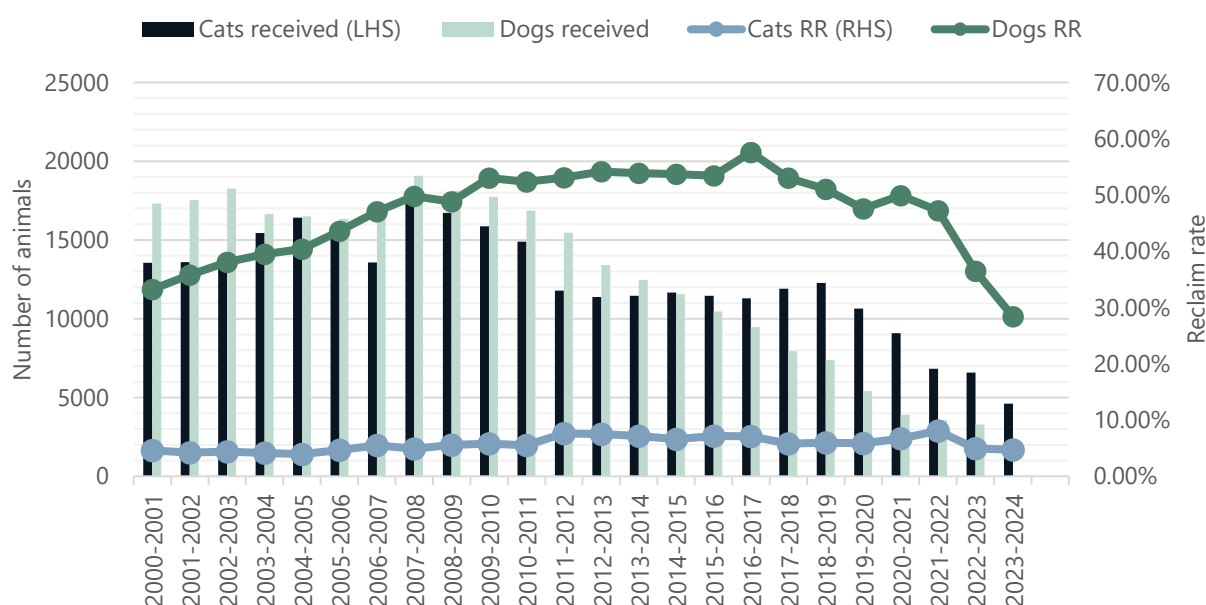
to a pound³⁸. Our survey of vets indicated over 90% of Victorian vets participate in the reunification process.

RSPCA data (see Figure 4) shows a significant decrease in the number of animals received since microchipping requirements were introduced, which we understand is a consistent outcome across Victoria's shelters and pounds; from a peak of 17,870 cats and 19,087 dogs in 2007-08 to 12,272 cats and 7,381 dogs in 2018-19 (pre-COVID-19).

The RSPCA's reclaim rate (% of reclaimed/total animals received) for cats increased from 4.9% in 2007-08 to 7.6% in 2011-12 before declining to 5.9% by 2018-19 (pre-COVID-19). Reclaim rates for dogs followed a similar (but more pronounced) trend increasing from below 40% between 2000-2005 to 58% in 2016-17 and declining slightly to 51% in 2018-19.³⁹

The RSPCA's decrease in the reclaim rate for dogs from 2022 onwards could be due to the new reunification framework resulting in more "harder to reunite" dogs ending up at the RSPCA (with vets quickly managing the "easier to reunite" dogs). The is also impacted by COVID-19 where, anecdotally, more pets were adopted and fewer pets were surrendered to RSPCA as lost pets because people generally stayed home.

Figure 4 Number of cats/dogs received by RSPCA Victoria and proportion reclaimed



Residual problem

For the purposes of this RIS, there is a residual problem whereby the substantive requirements relating to microchipping prescribed in the Act remain unchanged but the supporting details prescribed in the Regulations are absent.

³⁸ Under the reform, shelters and participating vets will be able to reunite lost pets with their owners more efficiently and without the need for a written agreement with local council (section 84Y of the Act).

³⁹ Cats are typically microchipped at a lower rate, with lower reclaiming rates, due to there being more stray cats (semi-owned or unowned cats).

In particular, the absence of the regulations would result in authorised implanters and animal registry licence holders being uncertain on how to meet their obligations.

Multiple stakeholders spoken to during this RIS process have asserted that it would be difficult to deliver their roles and obligations under the microchipping regime established in the Act in the absence of the Regulations. For example, an animal registry licensee stated that without the detail prescribed in the Regulations they would have significant uncertainty in the operation of their business (and meeting requirements under the Act), for example addressing issues around managing enquiries about microchip details for specific pets and ownership of domestic animals.

For example, in the instance of making an application to become an animal registry licence holder s63L of the Act says:

“(1) A person may apply to the Secretary for the grant of an animal registry licence.

(2) An application under subsection (1)— (a) must include the prescribed particulars; and (b) must be accompanied by the prescribed fee.”⁴⁰

In the absence of Regulations specifying the prescribed particulars required by the Secretary, prospective animal registry licence holders may face high search costs to determine what information is required to support a successful application. The same wording is used in s63O(3) of the Act regarding renewals.

The Department would also be unable to cost recover its efforts through fees because fees are prescribed in the Regulations. This would mean the costs of regulation would be borne from consolidated funds (ultimately by taxpayers) rather than pet owners who are causing the need for regulations.

Conditions of the licence could be another area of uncertainty as s63N(1) of the Act says *“An animal registry licence is subject to any conditions— (a) that are prescribed; and (b) that the Secretary imposes on the licence”*⁴¹ yet no conditions are prescribed in the absence of the Regulations.

The Regulations also impose several conditions on animal registry licence holders prescribed under s63N(2) of the Act which says that *“A licence holder must comply with the conditions to which the licence is subject.”* These conditions are prescribed in regulations 27 to 48 and detail the roles and responsibilities of animal registry licence holders in collecting, storing and managing the records of prescribed information associated with microchipped pets.

Similarly, regulations 17 to 24 articulate the roles and responsibilities for authorised implanters in the microchipping system. These include gathering the prescribed information prior to implantation, informing owners of the costs prior to undertaking the procedure, checking that there is not already a prescribed identification device implanted, only installing the device if it was taken out of sterile packaging and installing it in the prescribed location. The Regulations also prescribe the information that the authorised implanter is obligated to supply to the animal registry licence holder post implementation.

⁴⁰ *Domestic Animals Act 1994* – section 63L.

⁴¹ *Domestic Animals Act 1994* – section 63N.

In the absence of Regulation, these roles would be open to interpretation; potentially reducing the effectiveness of the registration and microchipping scheme.

2.4 Domestic animals behaviour

Overall problem

The main risk associated with dangerous animal behaviour is dog attacks and bites. While there are significant benefits from animal ownership, interactions with animals can cause injuries to humans, property and animals.

The AIWH reports that across Australia between July 2012 and June 2022, there were 23,379 cases of hospitalised injury cases due to contact with animals, of which 53% were due to dogs and cats. This represents 4.3% of total hospitalised injuries that occurred in Australia. 5,364 of these cases were in Victoria. There were 9,542 cases or 36.9 per 100,000 persons bitten or struck by a dog, which is 1.8% of total injury hospitalisations.

More detailed data is available for 2013-14 when almost 4,000 people were hospitalised in Australia in as a result of a dog-related injury—a rate of 17 cases per 100,000 population. Dog-related injuries were most common in children, with 689 children aged 0–9 hospitalised, 405 of whom were aged between 0 and 4. The main types of dog-related injury are identifiable in hospital data: dog bites and being struck by a dog.⁴²

Current legislation

Dangerous dogs

Dangerous dog regulations in Victoria commenced in 1994 with the establishment of the Act. There were significant reforms in 2010/2011 when parliament passed the *Crimes and Domestic Animals Acts Amendment (Offences and Penalties) Act 2011* which:

- Introduced an offence for failure to control a dangerous, menacing, or restricted breed dog that kills a person
- Introduced an offence reckless failure to control a dangerous, menacing, or restricted breed dog where that failure creates a danger that another person may be killed
- Increased penalties for owners of dangerous dogs, including potential jail time of up to 10 years if their dog kills someone, or up to 5 years if their dog endangers someone's life.
- Introduced a ban on registering new restricted breeds of dog in Victoria.⁴³

Dangerous and restricted breed dogs are managed through a range of additional requirements including special collars, warning signs and enclosures and fencing. The Act and the Regulations operate together, with substantive clauses predominantly in the Act and supporting clarifying details in the Regulations, as illustrated in the table below.

Dogs with ongoing behavioural issues can be declared as either dangerous dogs or regulated with extra precautions due to the genetic tendencies for behavioural issues amongst restricted breeds of dogs. According to the data from the Department, there were 1,618 declared dogs in Victoria as of

⁴² [Australian Institute of Health and Welfare, Dog-related injuries.](#)

⁴³ Laws were strengthened following the death of a child in a pit bull terrier attack.

2023-2024.⁴⁴ Declared menacing was the most significant category (65%), with declared dangerous (attack, or attack trained) while restricted breeds of dogs were the smallest and continue to decline as breeding from the animals is prohibited.

Table 3 Interconnected regulatory provisions for managing dangerous and restricted breeds of dogs

Requirements in the Act	Supporting detail in the Regulations
<p>S38(2) When a dangerous dog is kept on non-residential premises of the owner, the owner must ensure that—</p> <p>(a) when the dog is guarding the premises, it is kept inside perimeter fencing that complies with the prescribed requirements; and</p> <p>(b) in any other case, that the dog is kept in a prescribed enclosure.</p>	<p>R6: specifies the prescribed perimeter fencing for dangerous dogs guarding non-residential premises to meet the perimeter fencing obligations outlined in s. 38(2)(a) of the Act. It specifies matters such as height and materials that the fence is constructed from.</p>
<p>S38(1) and S38(2) says that when a dangerous dog is kept on residential or non-residential premises, the owner must ensure that the dog is kept in a prescribed enclosure. S38(3) says prescribed enclosure means an enclosure—</p> <p>(a) from which a dog cannot escape; and</p> <p>(b) that is constructed in such a manner that a person cannot have access to it without the assistance of an occupier of the premises who is of or over 18 years of age; and</p> <p>(c) that complies with the regulations.</p>	<p>R7: specifies the prescribed enclosure requirements for dangerous dogs and provides the details of the regulations referenced in s. 38(3)(c) of the Act in relation to prescribed enclosures. It prescribes matters such as the size of the enclosure, a need for a weatherproof sleeping area, height of walls, build materials etc.</p>
<p>S39 says the owner of a dangerous dog must display warning signs which comply with the regulations at all entrances to the premises where the dog is kept warning people that a dangerous dog is kept on the premises.</p>	<p>R8 specifies the shape, size, content and reflective properties of a dangerous dog sign to meet the warning sign requirements prescribed under s. 39 of the Act.</p>
<p>S41H says the owner of a restricted breed dog must display warning signs, which comply with the regulations, at all entrances to the premises where the dog is kept, warning people that a restricted breed dog is kept at the premises.</p>	<p>R10: specifies the shape, size, content and reflective properties of a restricted breed warning sign to meet the warning sign requirements prescribed under s. 41H of the Act.</p>
<p>S40 says the owner of a dangerous dog must ensure that at all times the dog wears a collar of the kind prescribed.</p>	<p>R9: specifies the requirements for a dog collar to be of the prescribed kind for the purposes of s. 40 and s41HA of the Act. The Regulations specify the collar should have red stripes, be light reflective, be made of durable materials etc.</p>
<p>S41HA says the owner of a restricted breed dog must ensure that at all times the dog wears a collar of the kind prescribed.</p>	

Dog obedience training

⁴⁴ Data supplied by DEECA. Note these figures could be an overestimate of the actual number as some people may have failed to report deceased declared dogs to the Department.

The legislative framework also aims to proactively improve dog behaviour and minimise the risks and harms to the community posed by the presence of dangerous and restricted breeds of dogs by encouraging participation in approved dog obedience training offered under the instruction of an approved dog obedience training provider (DOTO).

The Act requires that dog training establishments must be registered as domestic animal businesses and must comply with the Code of Practice for the Operation of Dog Training Establishments. A person must not operate a dog training establishment which is run for profit unless it is registered with their local council. The Act also requires councils to charge a reduced registration fee for dogs if they have taken part in an assessment program administered by a ministerially approved dog obedience training organisation, and been issued with the official 'dog obedience certificate'.

There is a growing number of approved DOTOs in Victoria offering accredited dog training courses to owners in exchange for reduced council pet registration fees⁴⁵. The number of DOTOs has increased by almost 50% between 2020-2021 (101 organisations) to 147 in 2023-2024.⁴⁶

Victoria's 2023 Pet Census Survey found that:

*"Most dog owners (80%) had trained their dog(s) at some point, including 59% who had used a training service. However, only around one third (35%) of dog owners had used training services in the last year. Use of training services in the last year was highest among those with dogs aged between 3 months to 2 years old (53%). Among those who had used training services for their dog, the main reasons were for obedience training, puppy school and socialisation."*⁴⁷

Data on dog and cat behaviour

In 2023 the RSPCA accounted for 9% of dogs and 11% of cats received by all Victorian shelters/pounds⁴⁸. RSPCA data indicates that the number of dogs and cats received that require euthanasia due to behavioural matters has declined.⁴⁹ In 2007-08 there were 1,624 Victorian cats euthanised by the RSPCA in response to behavioural issues, which accounted for 28% of the RSPCA's national figure⁵⁰. By 2020-21 the figures had declined substantially to just 210 Victorian cats euthanised due to behaviour (14% of the national figure), although noting an increase in cat euthanisations during and after the COVID-19 period⁵¹. The number of Victorian dogs euthanised by the RSPCA due to behavioural issues declined from 2,192 (or 19% of the national figure) in 2007-08 to just 196 (or 12% of the national figure) in 2020-21. A range of factors may be contributing to this

⁴⁵ Note the decision to offer a reduced registration fees, including the size of any discount, is subject to local laws set by each Council. Generally, participating councils are offering discounts in the order of 50% of standard registration fees.

⁴⁶ Data supplied by DEECA.

⁴⁷ Animal Welfare Victoria. (2023, October). [Victorian Pet Census Survey Report Findings](#)

⁴⁸ Agriculture Victoria's [Mandatory reporting of animal welfare outcomes in shelters and pounds](#)

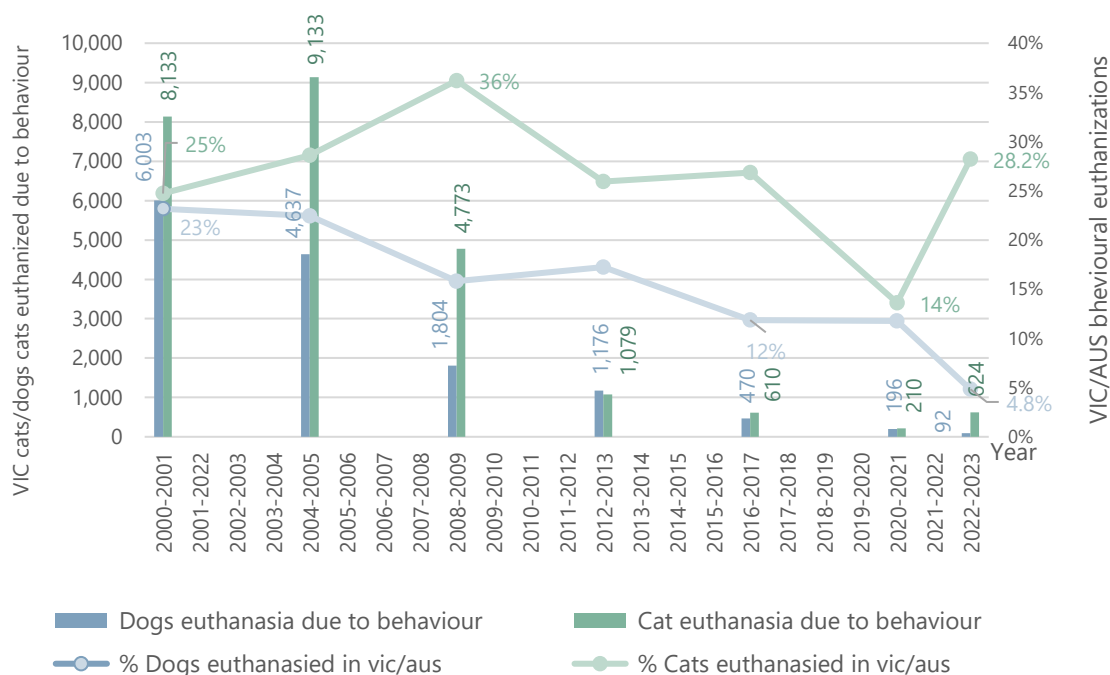
⁴⁹ RSPCA. (2024). [National statistics archive. Data only shows RSCPA euthanisations and not euthanisations at other veterinary practices](#)

⁵⁰ In 2007-08 1,624 cats were euthanised by RSPCA in Victoria specifically due to behavioural matters compared to 5,663 nationally with Victoria accounting for 28% of RSPCA's national cat euthanasia (due to behaviour) figure. 2007-08 was selected as the comparison point because it is the first year RSPCA data reported reasons for euthanasia.

⁵¹ An increase in cat euthanisations during this period may be attributable to the 2023-24 cat vaccination shortage.

outcome, including potentially Victoria's regulatory regime, changing RSPCA practices and community expectations for example in respect to animal welfare.

Figure 5 RSPCA Euthanisations due to behavioural issue



Residual problem

In the absence of Regulations in relation to dangerous dogs to support the Act, there would be uncertainty on what constitutes prescribed perimeter fencing, a prescribed enclosure, a prescribed collar and what the warning sign should look like leaving it up to owners to interpret how to comply. This uncertainty is expected to lead to lower compliance with the intended outcomes, increasing risks to the community from dangerous and restricted dog breeds.

In relation to dog obedience training, if there were no supporting Regulations the requirements of the Act would still be broadly operable but there would likely be small impacts related to increased uncertainty and increase search costs as trainers seek further clarity.

For example, in the instance of making an application to become an approved dog obedience training organisation, s5B(4) of the Act says:

*"An application for approval under this section— (a) must include a report containing the prescribed details about the organisation and its activities; and (b) must include any other information required by the Minister; and (c) must be accompanied by the prescribed application fee."*⁵²

In the absence of Regulations specifying what prescribed details should be included in the report (R5B), dog training organisations may face high search costs to determine what information is required to support a successful application. This same issue exists for renewals under s5C(2) as the requirements in the Act are the same for applications and renewals. The Department would also be

⁵² Domestic Animals Act 1994 - s5B(4).

unable to cost recover its efforts for applications and renewals through fees because fees are prescribed in the Regulations.

Once approved, s5D of the Act says that it's a condition of approval that dog obedience training organisations "*submit a report to the Minister by 31 July each year that sets out – (a) the prescribed matters; and (b) any other matters specified by the Minister in the approval or renewed approval.*"

Without the details in R5C the reports are likely to be inconsistent, incomplete and may not be of much value as an enforcement tool.

3 Objectives of proposed changes

The Regulations support the objectives of the Act, which are to promote animal welfare, the responsible ownership of dogs and cats and the protection of the environment. The Regulations do this by prescribing:

- requirements for dangerous and restricted breed dogs; and
- matters relating to the permanent identification of prescribed animals; and
- matters relating to applying for an animal registry licence; and
- matters relating to the provision of an animal registry service; and
- a scheme for dog obedience training for the purpose of obtaining a reduced registration fee; and
- infringement penalties and offences; and
- other matters for the purposes of the Act.

4 Options

This chapter outlines the feasible options considered for analysis in this RIS. It also describes options considered but not progressed.

4.1 Options development

This RIS considers options to re-make the Regulations which sunset in November 2025.

As part of the RIS process, it is important to consider different options that could achieve the Victorian Government's objectives. The SL Act, *Subordinate Legislation Act 1994 Guidelines* (the guidelines), and the *Victorian Guide to Regulation* recommend that this includes considering a range of approaches, including non-legislative options, approaches in other jurisdictions, and improvements to existing regulatory regimes and regulatory practice.

The following process was used to identify a set of feasible options for this RIS:

- Policy review of the problem being addressed and the objectives of the regulatory reform
- Initial stakeholder consultation to explore stakeholder views on the performance of the current regulations and any proposed amendments they would like to see
- Consideration of proposed amendments raised by stakeholders to determine feasibility (noting that many of the proposals involved legislative change which is out of scope for this RIS – see summary in Table 4 below)
- Development of a set of feasible options for consideration in this RIS, drawing on research findings, policy papers, and consultation outcomes.

A summary of the feedback from consultation undertaken by the Department and the Department's response is detailed in [Table 4](#).

Consultation with a range of stakeholders has also been undertaken by Sapere for this RIS, as summarised in Appendix B. Overall the Regulations are viewed positively. A couple of councils suggested changes are required to provide more flexibility in the requirements for dangerous dog enclosures and lack of clarity of the requirement for microchipping of dangerous dogs) however there were opposing views amongst stakeholders on these issues. The Department does not consider that there is sufficient evidence for change on this matter at this point, nor that change would promote the objectives of the Regulations. Some feedback on the legislation was received however this is out of scope for this RIS.

Table 4: Summary of initial consultation undertaken by the Department

Segment of domestic animal sector	Feedback received (referencing current regulations)	Department's response
Microchipping	Regulation 12 - Include email address as prescribed identifying information	Included in proposed Regulations
	Regulation 29 - There should be a single state-wide microchip database	Legislative change – out of scope
	Regulation 36 - clarify what council is to do with a notification that an animal has been presented for a second microchip to be implanted	Department to consider issuing guidance notes
	Regulation 41 or Regulation 12 - Require confirmation of prescribed identifying information/owner information. Require animal registry service to email owners asking for confirmation details are up to date	Department to consider education campaign.
Applicable organisations	Require regular random inspections by applicable organisations on their breeders	Department to consider inspection plan in reports for renewals
	Allow council officers to audit recreational breeders on behalf of applicable organisations as 'self-regulation' isn't working	
	Remove the applicable organisation scheme	Legislative change – out of scope
Commercial dog breeders	Consider lowering fees on commercial dog breeders	Fees to be reviewed in the RIS
Dangerous dogs	Enclosure detail requirements are not well worded.	Improvement to wording included in proposed Regulations
Reuniting pets	R48Q - Vets should be required to provide the information to Council within 24 hours of reuniting the animal - this would allow officers to follow up registration and containment before the animal escapes again.	Considering further consultation.

The Department does not consider that significant change to the Regulations is required as the Regulations are generally performing well and meeting objectives and there has been positive feedback from stakeholder on the effectiveness of the Regulations. More substantive feedback was received on the Act but this is out of scope for this sunseting process and RIS.

As outlined in section 1.3.4, it is also noted that since the current Regulations were introduced in 2015, there have been significant reforms to the Regulations, including amendments made to enforce new requirements introduced under the Domestic Animals Amendments (Puppy Farms and Pet Shops) Act 2017 in December 2017, which banned pet shops from sourcing and selling dogs or cats unless they are from a registered shelter, pound or voluntarily enrolled foster carer. In addition, breeding businesses were banned from running or owning a pet shop.

Only a small number of minor amendments to the current Regulations are therefore being considered. In addition, a review of prescribed fees is being undertaken.

4.2 Feasible options

The following options are considered in this RIS:

Base Case - The Regulations sunset in November 2025 and are not remade.

Option 1 - Regulations are re-made in their current form with some minor amendments to enhance clarity of existing provisions.

Option 2 – Option 1 plus changes to prescribed fees.

4.2.1 Base Case

The Base Case is a counter-factual scenario used to provide a common point of comparison for all options. In the Base Case the Regulations lapse in November 2025 and are not remade (i.e., it's the case that would exist in the absence of regulations). Under the Base Case there are no detailed regulations supporting the substantive provisions in the Act. Fees for applications and renewals would not be prescribed and therefore not collected.

4.2.2 Option 1

In Option 1, the Regulations would be re-made in their current form with some minor amendments to enhance clarity of existing provisions through either wording changes or updates to references (see summary of amendments in Appendix A). Fees would remain unchanged as per the current regulations. The inclusion of this status quo option provides for an evaluation of the effectiveness of the current regulations, which is important in the context of sunseting regulations.

4.2.3 Option 2

In Option 2, the Regulations would be re-made in their current form with some minor amendments as per Option 1. In addition to Option 1, there would be changes to prescribed fees to better align with the Department of Treasury's Pricing for Value principles.

5 Options analysis

This chapter analyses the impacts of the feasible options and identifies a preferred option.

5.1 Method for options analysis

Options in this RIS have been assessed in two parts – those relating to regulatory provisions excluding fees are analysed and those relating to fees.

Regulatory provisions excluding fees

Cost benefit analysis (CBA) is used to assess the option to remake the Regulations. Where required, assumptions requiring informed and subjective judgement have been made. The analysis is complemented by a discussion of qualitative benefits on items that cannot be assigned a dollar value.

Quantified costs and benefits are presented in present value (PV, \$2024-25) terms relative to the Base Case for the 10-year period from when the Regulations come into effect. The net present value (NPV) and benefit cost ratio (BCR) is estimated for each option. The preferred option is identified by assessing the NPV together with other benefits that are not quantified, alongside the extent to which the options meet the policy objectives.

Key data assumptions are outlined in Appendix C.

Fees

Fees are assessed against the Department of Treasury and Finance's *Pricing for Value* guidelines as described in section 5.3.

5.2 Options analysis for regulatory provisions (non-fees analysis)

This section assesses benefits and costs of the current Regulations being remade with minor improvements versus the Base Case of having no regulations. Overall, remaking the current Regulations with minor improvements is assessed as the preferred option.

There is strong stakeholder support for the benefits of the current Regulations, particularly in relation to microchipping, and for remaking the Regulations.

5.2.1 Summary of costs and benefits

[Table 5-5](#) outlines the results of the CBA. For benefits, the financial saving from avoiding animals ending up in pounds/shelters, and the resulting costs of this, was quantified. This saving is mainly driven by microchipping requirements that were introduced in 2007 and have had a significant effect on the ability to quickly reunite animals with their owners.

By itself, this benefit is sufficient to outweigh all costs of having the Regulations, leading to a positive NPV and BCR. In addition, a range of benefits from the regulations are not quantified because of data limitations but include:

- Animal welfare benefits from microchipping and reunification requirements, including avoided euthanisations, as well as requirements in relation to dog breeding
- Community safety from dangerous dog requirements
- Clarity provided in the Regulations in relation to understanding requirements under the Act, mainly leading to savings in administration costs.

While total benefits outweigh total costs, it is important to note that a relatively small number of key industry participants undertake significant compliance activities to comply with the Regulations, including AOs that are not-for-profit or small businesses such as commercial dog breeders. Vets also make a strong contribution to reunification outcomes in their voluntary role under the framework.

Table 5 CBA results – Regulatory provisions excluding fees, (\$m, PV)

	Option 1 relative to Base Case (\$m, PV 2024-25)
Benefits quantified	\$392.16
Avoided costs to pounds and shelters	\$392.16
Costs quantified	\$124.35
Costs to industry	\$116.76
Costs to government	\$7.59
NPV	\$267.81
BCR	3.15

5.2.2 Benefits

Stakeholder consultation indicates positive feedback in regard to the effectiveness of the existing regulatory framework in achieving the objectives of promoting animal welfare, the responsible ownership of dogs and cats and the protection of the environment.

To quantitatively estimate the size of benefits that may occur as a result of the Regulations, this RIS focuses on the impacts of microchipping because:

- The Regulations contain significant regulatory requirements supporting the microchipping regime which is established in the Act, with the main cost of the Regulations arising from these requirements.
- Without the Regulations, it would be difficult for the microchipping regime to operate effectively and efficiently.
- There is strong positive feedback about the importance of mandatory microchipping in reducing both the number of pets in pounds/shelters and the time taken for animals to be reunited with owners.
- There is data available to support quantitative analysis.

The quantified benefit of microchipping is the cost saving to pounds and shelters associated with:

- Fewer dogs and cats ending up in pounds and shelters (avoided dogs and cats in pounds/shelters)
- Increased reclaim rates in pounds and shelters (reduced number of days of dogs and cats in shelters).

Cost saving from fewer dogs and cats in pounds and shelters

To quantify the number of avoided dogs and cats in pounds and shelters, data from the RSPCA on the average number of dogs and cats received over the period 2001 to 2024 is used.⁵³ Comparing the average number of dogs 2001-02 to 2005-06 to the same figure for 2019-20 to 2023-24, it is estimated that on average 13,325 dogs and 7,348 cats⁵⁴ avoid entering the RSPCA's shelters annually. It is noted that factors other than the mandatory microchipping regime could have contributed to the observations in the data (for example voluntary microchipping and new technologies such as social media and mobile tracking devices); however feedback from stakeholders consulted in this RIS strongly indicated that the introduction of the mandatory microchipping regime was the overwhelming reason for decrease in pets in pounds and shelters.

As the RSPCA accounts for only 10% of dogs and cats received by Victorian shelters/pounds⁵⁵, the same decrease in dogs and cats in shelters and pounds is extrapolated to all pounds and shelters in Victoria, resulting in an estimate of 133,252 dogs 73,488 cats and avoid entering shelter/pounds annually.⁵⁶

According to the RSPCA the avoided cost of short-term shelter stays for cats is \$249 and \$225⁵⁷ for dogs, resulting in a benefit of \$48.28 million p.a. (undiscounted) or \$391.6 million (PV).

Cost saving from increased reclaim rates in pounds and shelters

Over the same period, the reclaim rate has increased from 4.26% to 6.07% for cats (i.e., 1.8% increase post mandatory microchipping). This implies that of the RSPCA's 4,611 cats received in 2023-24 an extra 83 cats were reunited with their owners per annum. Similarly, the RSPCA's reclaim rates for dogs increased from 39.5% to 42% (or 2.4% increase post mandatory microchipping) implying that an additional 62 dogs p.a. were reunited at the RSPCA. Using the same extrapolation approach as described above to calculate the impact across all Victorian shelters/pounds, it is estimated that an additional 622 dogs p.a. and 831 cats p.a. are reclaimed across Victoria.

RSPCA have advised that the difference in costs between animals that are reunited quickly versus those that are not claimed and have to be rehomed costs around \$2,154 per dog and \$2,460 per dog and \$2,154 per cat.⁵⁸ Therefore, the estimated benefits from an increase in the reclaim rate is estimated at around \$0.07 million p.a. (undiscounted) or \$0.56 million (PV).

⁵³ No similar dataset is available from other pounds and shelters.

⁵⁴ Average number of cats and dogs received annually by the RSPCA between 2001-02 and 2005-06 less the average received annually between 2019-20 and 2023-24.

⁵⁵ This assumes there will be similar impacts across all Victorian shelters and pounds. Based on feedback from a range of stakeholders on the effectiveness of the microchipping regime this is considered a reasonable assumption.

⁵⁶ Data from Agriculture Victoria's [Mandatory reporting of animal welfare outcomes in shelters and pounds](#) indicates in 2023 the RSPCA accounted for 11% of cats and 9% of dogs received by all Victorian shelters/pounds.

⁵⁷ Data provided by the RSPCA based on financial data it collects. Using this figure assumes dogs and cats received are quickly reunited i.e. short stays, which is a basic assumption reflecting data availability. It is likely that the stay for some animals might be longer and the cost higher.

⁵⁸ Data provided by the RSPCA based on financial data it collects an operational data on average length of stay.

Other benefits not quantified

Clarity of requirements for animal registry services

A key benefit identified in stakeholder consultation relates to the requirements relating to animal registry services; specially, the management of microchipping records of animals and facilitating the reunion of lost animals and their owners. Animal registry services consulted with observed that the Victorian system is very clear and prescriptive, which supports them in responding to requests for information. It also provides a clear framework for how they manage difficult issues regarding animal ownership; it was observed that they use the Victorian framework as a benchmark for managing difficult cases when there is a lack of clarity in other jurisdictions. This can save significant administrative time for the animal registry service, result in faster and/or less stressful processes for pet owners, and avoid costly legal action being undertaken.

Improved community health and safety from requirements for dangerous dogs

The Regulations clarify requirements under the Act in relation to dangerous dogs, such as requirements for enclosures. Councils indicated this provides clarity in regard to requirements, thus supporting their work in keeping the community safe from dangerous dogs. Note two councils indicated the requirements for concrete enclosures might be too prescriptive and thus result in renters or people with less money unable to implement or afford such enclosures and thus having to surrender a dangerous dog, although other councils thought the requirements are appropriate.

It is not possible to fully quantify the benefit of reduced risks from dangerous dogs due to limited data on dangerous dog attacks. Furthermore, substantive dangerous dog requirements are specified and made operable under the Act, which means it is difficult to isolate reductions in risks to the Regulations (which mainly provide clarity to requirements in the Act). Furthermore, dangerous dog attacks resulting serious injury or death are rare; it is not possible to predict with any level of certainty the likely occurrence of attacks or impact of the proposed Regulations in avoiding attacks. In addition, the Regulations provide clarity by providing additional detail what is provided under the Act for a range of approvals and other requirements. Regulations support the Act in regard to a range of matters including AOs, DOTOs, commercial dog breeder approvals, pet sales and source numbers. This reduces transaction costs for both industry participants and government in relation to how they must comply with or administer the legislation.

5.2.3 Estimate of costs

[Table 6](#) summarises the costs for Option 1 relative to the Base Case with most costs borne by industry. Total costs are estimated to be \$117 million over 10 years in PV terms (roughly \$12 million per year). Costs shown are for the 10-year life of the proposed Regulations.

The table identifies the party who directly incurs the cost, although some or most of the industry participant costs would ultimately be passed through to pet owners e.g. included in the purchase price of an animal from a breeder (e.g. costs of commercial dog breeder approval, microchipping) or shelter (e.g. microchipping cost).

To put the cost of the Regulations into perspective, it represents an average cost of regulation of \$136 over 10 years or \$13.60 each year, across approximately 860,000 microchipped dogs and cats.

Table 6 Estimated total costs for regulatory provisions excluding fees, (\$m, PV ten years)

Cost category	Option 1 relative to Base Case (\$m, PV 2024-25)
Costs to industry – Total	\$116.76
Breeding and selling domestic animals	\$12.22
Costs to applicable organisations	\$0.23
Costs to commercial dog breeders	\$0.61
Cost to micro breeders and recreational breeders	\$10.18
Cost to pet shops	\$1.19
Responsible management of animals	\$102.73
Cost to owners for microchip implantation (includes animal registry service cost)	\$84.82
Costs to vets to reunite pets	\$17.39
Cost to animal registry licence holders	\$0.52
Behaviour of domestic animals	\$1.80
Cost to dog training organisations	\$0.09
Cost to dangerous dogs and restricted dog breeds	\$1.72
Costs to government	\$7.59
Cost to government	\$7.59
Total costs	\$124.35

Detailed assumptions on cost estimates are provided in Appendix C.

5.2.3.1 Breeding and selling domestic animals

This section outlines the key costs to industry participants breeding and/or selling domestic animals under the Regulations. Costs relate to documentation and records for approvals and reporting, insurance and training requirements.

While the costs are not significant in terms of their relative totals, they are significant individual costs to a small number of industry participants, many of whom are small businesses or organisations.

Commercial dog breeders

Business plan for applications and renewals

Regulation 48A and Regulation 48B prescribes the information required to be included in the business plan accompanying the application and renewal (every 3 years) as required under section 58AC(2)(c) of the Act.

For the 13 commercial dog breeders required to apply for renewal⁵⁹, it is estimated that 43 business plans are required over 10-years with each plan taking 1 weeks' effort (40 hours) costing \$31,230 p.a. (undiscounted) or \$0.25 million (PV) over 10 years.⁶⁰ Feedback from stakeholder consultation

⁵⁹ Assuming no change from current situation in relation to number of commercial dog breeders, which is consistent with feedback received during consultation suggesting number of commercial dog breeders may in fact be declining.

⁶⁰ The cost of time for FY26 is assumed to be \$90.09 per hour for all businesses including loading. This is based on average weekly earnings of all full-time employees of \$1,994.30 in FY25⁶⁰ inflated to FY26 using the WPI. Assuming a 40-hour week plus a 75% standard loading⁶⁰.

suggested the business plan is an extensive document spanning approximately 120-pages and is a time-intensive process to initially develop and then update.

Annual reports to the Minister

Regulation 48D prescribes the information required for a report to the Minister under Section 58AF(3) of the Act, including data on number of breeding and non-breeding dogs, number of litters, number of puppies sold.

Feedback from one breeder suggests this is a brief 4 or 5 page report to compile but that they had invested around \$8,000-\$10,000 in a custom database to streamline data collection for the report although it is not known whether this would be a common cost incurred.

One annual report is produced annually by each breeder, taking about 8 hours to prepare, costing around \$9,369 p.a. (undiscounted) or \$75,991 (PV) over 10 years. This might under-estimate costs as it does not account for the cost of the database, it is difficult to know how many breeders have invested in such systems, what they cost and how much of that cost is directly attributable to the Regulations.

Public liability insurance

Regulation 48E prescribes the minimum value of public liability insurance as \$10 million under Section 58AF(4) of the Act. In the absence of Regulation, it is assumed commercial dog breeders purchase the minimum level of public liability insurance to meet their obligations under the Act.

One stakeholder suggested that the cost of the required \$10 million public liability insurance policy is \$12,000 per annum and that in the absence of Regulation the breeder would likely hold a \$5 million policy which is about \$2,500 cheaper per annum.

Indicatively, if all 13 commercial breeders were spending \$2,500 more per annum than they would under the Base Case, this implies that the cost of the Regulations is around \$32,500 p.a. (undiscounted) or \$0.26 million (PV) over 10 years.

Qualifications for staff with animal husbandry duties

Regulation 48F specifies the prescribed qualifications or training required under Section 58AF(5) of the Act:

- a Certificate IV in Companion Animal Services (or equivalent) or a minimum of 5 years' experience working in animal husbandry for managers, and
- completion of the *Breeding Dogs and Cats in Victoria* e-learning course conducted by the Department for any employee with animal husbandry duties.

It is assumed that all managers with animal husbandry duties have at least 5 years' experience before undertaking these duties; therefore, the incremental cost for managers is presumed to be zero.⁶¹ It is noted that the requirement for which employees need the e-learning qualifications can be interpreted broadly (e.g. it could be interpreted that a person who only walks the dog and cleans litter trays is required to complete the e-learning module). It is therefore assumed each commercial breeder may require one staff member to complete the e-learning module each year with the training taking about

⁶¹ This assumption was confirmed by one commercial dog breeder who noted in consultation that any managers or staff with key responsibilities already have the required qualifications.

2 hours to complete⁶². This would impose a cost on the 13 commercial breeders of around \$2,342 p.a. (undiscounted) or \$18,998 (PV) over 10 years.

Applicable organisations⁶³

Annual reports (as condition of approval) and reports for renewals

Regulation 5C specifies the prescribed content reports required to be submitted by AOs under Section 5C(2)(a) and Section 5D(a) of the Act⁶⁴, including information about the organisation, the board (or equivalent), and number of cats/dogs registered with the organisation. For costing purposes, it is assumed all AOs are required to submit one report annually unless they are subject to a renewal, which occurs every 3 years, in which case two reports are required.

Assuming each report takes roughly 1 week (40 hours) to prepare⁶⁵, the cost of these reports for the 6 current AOs is estimated at \$28,828 p.a. (undiscounted) or \$0.23 million (PV) over 10 years.

Micro breeders and recreational breeders requiring source numbers

Regulation 48L prescribes that an application to the Secretary by recreational breeders or micro breeders to obtain source numbers or renew source numbers made under Section 68ZD(1) of the Act must also include with the application evidence to verify the name and business/residential address of the applicant. It is estimated that 55,756 of these ID verification checks are required per annum⁶⁶ and that each check takes roughly 15 minutes to complete generating a total cost of \$1.25 million p.a. (undiscounted) or \$10.18 million (PV) over 10 years.

Pet shops required to keep records

Regulation 48 prescribes the information that must be kept in the record for a dog or cat offered for sale at a pet shop under Section 63AB(1)(a)(ii) of the Act including name, sex, breed, age, source number, and microchip number. These records must be accessible and kept for 5 years after record establishment.

Assuming 5% of all Victoria's kittens and puppies are sold through pet stores (equating to up to 6,645 animals in FY35)⁶⁷, and that it takes 15 minutes to establish a record for each animal sold, the annual cost of record keeping is estimated at up to \$0.14 million p.a. (undiscounted) or \$1.19 million (PV) over 10 years.

⁶² As advised by the Department.

⁶³ Note, Regulation 5B specifies requirements to be included in the report required in Section 5A(3)(a) of the Act. Given the number of approved AOs has remained unchanged for the past few years, it is assumed there are no new applications to become an AO and therefore the additional cost of Regulation 5B is assumed to be zero.

⁶⁴ Regulation 5C prescribes the same information requirements for these reports however the reporting period differs with the annual report relating to the previous financial year while the renewal report relates to the previous approval period for.

⁶⁵ One AO said it takes 2 weeks to collect data and compile report while doing other work in that time, while another AO said the systems it has in place means it takes between 2 and 5 days to compile.

⁶⁶ Based on data provided by Agriculture Victoria on number of checks between May 2024 to April 2025

⁶⁷ [Animal Welfare Victoria. \(2023, October\). Victorian Pet Census Survey Findings Report](#), Figure 14: Top sources of acquisition by pet type.

5.2.3.2 Responsible management of pets

The Regulations operationalise mandatory microchipping under the Act and facilitate the reunification of lost pets.⁶⁸

This section outlines the key costs to authorised implanters, animal registry licence holders and shelters/pounds involved in microchipping pets and/or reuniting lost pets with their owners.

Vets and others authorised to microchip animals

Microchip implantation

Part 3 of the Regulations set out the requirements relating to permanent identification of prescribed animals by authorised implanters: before, during and post implementation.

The fee charged by vets to undertake microchipping services has been used as the proxy for the cost of compliance. This fee is set commercially by vets.

Sapere conducted a short survey of vets which was circulated via email through the Veterinary Practitioner Board and the Australian Veterinary Association's newsletter. 122 survey responses provided information on fees charged. Based on analysis of the data collected, Sapere estimates an average fee of \$80 for the microchipping service.⁶⁹ It is estimated 1.3 million microchips are implanted over 10-years costing up to \$10.3 million p.a. (undiscounted) or \$84.8 million (PV) over 10 years. This is the most significant cost of the Regulations.

Voluntary reunification of lost pets

Section 84D(1)(d) of the Act says that a person (other than an authorised officer) who seizes a dog or cat under Section 84 or 84A of the Act must as soon as reasonably possible deliver it to an authorised council officer, a person/body/pound that has an agreement with council under Section 84Y or to a vet who does not have a Section 84Y agreement but who consents to receiving the lost cat/dog. On this basis, it is important to note that participation in the reunification of lost animal for vets is voluntary. Costing Part 3D of the regulations on reuniting pets through vets therefore assumes that only some vets incur these costs. It is noted that while the participation of vets is voluntary, there is a strong community expectation that vets will participate.

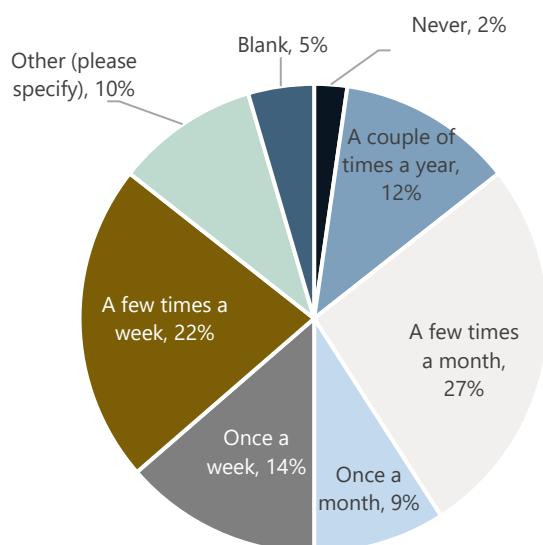
Sapere's survey of vets found that most vets reunite pets but the frequency in which they engaged in the voluntary reunification process varied (see Figure 6). Most vets reported reuniting pets at least a few times a month but the number of pets that are reunited with their owners is unknown; noting vets and councils report low compliance with council reporting requirements under Part 3D of the Regulations.

Using the survey data, it is inferred that each of the 450 Veterinary practices reunites pets with owners just under once a week, which gives 23,796 pets reunited.

⁶⁸ Via key definitions established in Regulations 11 to 15 and Part 3 and Part 3D of the Regulations.

⁶⁹ Taking into account information collected on the fee charged and what vets said about the extent of cost recovery.

Figure 6 Sapere's survey of vets - how often they participate in voluntary pet reunification (under Part 3D of the Regulations).
N=131



Vets were also asked about the time and costs involved in managing lost pets⁷⁰. Responses were varied with many noting the accuracy of microchip data being central to the time involved. Of the 97 respondents that answered this question, about half said it took up to an hour with another quarter suggesting between 1-2 hours.

Assuming it takes an average of 1 hour per animal (per the survey results), with 23,796 pets reunited, the cost to vets in reuniting pets with their owners is around \$2.14 million p.a. (undiscounted) or \$17.39 million (PV) over 10 years.

Animal registry licence holders

Establish and maintain records

Requirements for animal registries include the following:

- They must receive and record the prescribed information to establish a record
- They must ensure that records are accessible electronically or by telephone at any time of the day or night
- Should they receive a request to provide the prescribed information, they must provide the information and contact the owner and inform them of the request. The licence holder may not charge fees to owners, the Secretary or authorised officers to access the information in their records.
- Must amend prescribed identifying information within 7 days of receiving an application from the owner, an authorised officer or the new owner (in a change of ownership)
- Must keep a record of the prescribed identifying information for the greater of: the lifetime of the animal, 30 years post record establishment or 30 years post a former licence holder establishing the record.

⁷⁰ Including administration, microchip scanning, care, and the reunification process.

- They must use their records to facilitate, through best endeavours, prompt reunion of any prescribed animal implanted with a microchip with its owner.

Our consultation with the registries has indicated that significant work is undertaken by animal registry licence holders to establish, maintain and manage records.

To establish records, there is often back and forth between vets and the registries to obtain the accurate set of prescribed information required. One registry told us that they have invested in a data validation platform to streamline the process and reduce incomplete forms.

In relation to managing the records, animal registry licence holders are required to manage complex cases in relation to records and pet ownership disputes. As noted in section 5.3.2, we heard that the microchipping and registry framework in Victoria is considered best practice in Australia in terms of providing a system to manage difficult cases.

During consultation with the registries, it was established that the once-off membership fee charged for the registry as part of the microchipping fee is a key source of revenue⁷¹ for registries and that it broadly covers the costs of operating the registry under the Regulations. Once-off membership charges are shown in [Table 7](#), ranging from \$10 per animal to \$25.

It should be noted that the authorised implanter who provides the prescribed identifying information to the animal registry licence holder pays the once-off membership fee for the pet. This means the cost of the animal registry is included in the microchipping fee. It would be a double count to include this cost in our analysis. For completeness of understanding, if we adopted the highest fee of \$25 per newly microchipped pet as the indicative cost of compliance, the cost of establishing and maintaining records is estimated at \$3.22 million p.a. (undiscounted) or \$26.5 million (PV) over 10 years. This cost is however excluded from the CBA as it is already accounted for because vets incur the membership costs for registries and pass these costs on to consumers through their service fees for microchipping.

Table 7 Summary of once-off fees charged to add a new microchip to a registry

Organisation	Once-off membership charges
Central Animal Records - standard subscription	\$11.99
Australasian Animal Registry	\$15.00
Petsafe	\$25.00
Greyhounds Vic – animal registry	No data
HomeSafe ID (*Note: no longer operating)	\$20.00
Global Micro Animal Registry fees	\$10.00

Monthly copy of records to Secretary

Regulation 40 says at least once a month, the licence holder must create an electronic copy of the records kept as part of the animal registry service and place them on a secure storage device plus provide a copy for the Secretary. This process is expected to take 1 hour for each of the 6 licence holders per month, costing roughly \$43,841 (PV) over 10-years.

⁷¹ Other sources of revenue made by the registries may also cross-subsidise the animal registry service operations, however we heard in consultation these are not significant. Other sources of revenue include fees charged for change of ownership requests, and revenue generated from the sale of pet tags or voluntary premium memberships.

One of the registries we spoke to during stakeholder consultation indicated that it had invested in systems that now enables these monthly data backup copies to be generated in around 0.5 hour per back up.

Complaints system and quarterly report on complaints

Regulation 38 says that a licence holder must establish and maintain a system for recording and addressing complaints regarding its animal registry service, which is approved by the Secretary. It is estimated that around 120⁷² complaints are received annually across the 6 licence holders. Assuming it takes half a day (4 hours) to receive, understand, record and resolve each complaint, the cost of complaints is estimated at \$43,241 p.a. (undiscounted) or \$0.35 million (PV) over 10 years.

Under Regulation 42 a licence holder must also provide a written report on complaints to the Secretary every 3 months. Assuming each report takes 1 day to compile, the cost of the reports is estimated at \$14,414 p.a. (undiscounted) or \$0.12 million (PV) over 10 years.

5.2.3.3 Domestic animal behaviour

This section outlines the key costs to dog trainer organisations and owners of dangerous dogs.

Dog training organisations

Report for applications

Regulation 5D prescribes the requirements to be included in the report required to support an application to become a dog obedience training organisation under Section 5B(4)(a) of the Act. It is estimated that there are no new applications over the 10-year period as the number of dog training organisation has remained steady at three for the past few years. New applications, whilst not expected, could result in minor costs.

Report for renewals/ annual reports as condition of approval

Regulation 5E specifies the prescribed content and information or reports for renewals and annual reports as conditions of approval under sections 5C(2)(a) and 5D(A) of the Act.

All dog training organisations are expected to incur the cost of providing this information annually regardless of whether it supports a renewal application or its annual reporting⁷³. Stakeholder consultation indicates it takes roughly 40 hours for each of the 3 DOTOs per annum to provide the information (as suggested in stakeholder consultation), the cost of reports is estimated at up to \$10,810 p.a. (undiscounted) or \$0.08 million (PV) over 10 years.

Owners of dangerous dogs and restricted dog breeds

Costs of perimeter fencing for dangerous dogs

Regulation 6 specifies the prescribed perimeter fencing for dangerous dogs guarding non-residential premises to meet the perimeter fencing obligations outlined in Section 38(2)(a) of the Act. The cost of

⁷² The Department estimated 24 complaints per operator p.a. in 2015 as reported in the Rivers Consulting (2015) impact assessment

⁷³ Except those that applied for first time registration in that year i.e., operated for less than one year.

compliant perimeter fencing is estimated at \$1,115⁷⁴ and is only needed for dangerous dogs kept on non-residential premises (assumed to be roughly half of all dangerous dogs, which equates to approximately up to 490 dangerous dogs in FY35). The cost of fencing is estimated at up to \$32,532 p.a. (undiscounted) or \$0.20 million (PV) over 10 years.

Enclosures, warning signs and collars for dangerous dogs and restricted dog breeds

Regulations 7-10 specify the prescribed enclosure requirements referenced in Section 38(3)(c) of the Act; details of a dangerous dog sign that meets the requirements under Sections 39 and 41H of the Act; and the requirements for a dog collar to be of the prescribed kind under Section 40 and 41HA of the Act. These requirements apply equally to both dangerous dogs and restricted breeds of dogs.

The cost of an approved enclosures is estimated at \$4,000⁷⁵ per dog. Applying this cost to the number of dangerous and restricted breed dogs (up to 981 in FY35) in Victoria results in costs of up to \$233,359 p.a. (undiscounted) or \$1.43 million (PV) over 10 years.

Additionally, the estimated cost of an approved dangerous dog sign is \$62 per sign⁷⁶ and the incremental cost of a collar (i.e., difference between a regular collar and an approved dangerous dog collar) is estimated at \$24 per collar⁷⁷ relative to the Base Case. Assuming signage and collars are subject to wear and tear, a further 10% p.a. wear and tear cost is added to these items to account for likely replacements. Collectively, these are estimated to cost up to \$13,747 p.a. (undiscounted) or \$0.08 million (PV) over 10 years.

Other requirements not quantified

Other requirements noted but considered negligible for costing purposes⁷⁸ or already incurred under the Base Case, are:

- Declared bird organisation: regulation 48I which prescribes the detailed information to be included in the notice to the Secretary prescribed in Section 58U(1)
- Animal sale permits: regulation 48H says it is a condition of an animal sale permit holder to offer basic care to animals subject to the permit.
- Regulation 48J prescribes additional information to be provided to the Secretary when complying with s68Q of the Act which relates to information to be provided to the Secretary by Councils (on behalf of their DABs), micro breeders and recreational breeders for the establishment and maintenance of an information register.
- Regulation 5F outlines the set of skills against which a dog obedience training program must assess a dog.

⁷⁴ Based on a 2015 value of \$850 in 2015 which has been inflated at 2.5% p.a. Source: Rivers Economic Consulting. (2013). [Regulatory Impact Statement Review of the Code of Practice The Operation of Breeding and Rearing Establishments](#).

⁷⁵ Stakeholder engagement with a council indicated that members of the community with dangerous dogs incur costs between \$3,000-\$5,000 in building a suitable enclosure for a dangerous dog. This is assuming that the owner undertakes the construction. Costs are likely to increase if a tradesperson is engaged to do the works.

⁷⁶ Based on the current price of \$61 for an approved dangerous dog sign available from here the Dog Line ([available here](#)) in FY25 and inflated to FY26 values.

⁷⁷ Based on the retail price of a standard Rogz branded (size L) dog collar from Pet Circle costing \$25 ([available here](#)) versus \$49 for an approved VIC dangerous dog collar (size L) from here the Dog Line ([available here](#)). The difference of \$24 is inflated from FY25 to FY26.

⁷⁸ Reflecting very low volume of transactions, negligible compliance costs and substantive requirements sit in the Act.

- Regulation 5G sets the requirements for a dog obedience assessment program including a written/oral exam and a practical exam.
- Animal registry licence holders: Prescribed particulars for applications and renewals for licence holders under Regulation 25.

5.2.3.4 Cost to government of administering the Regulations

The estimated costs for the Department to administer the proposed Regulations is about \$0.94 million p.a. (undiscounted) or \$7.59 million (PV) over 10 years. (see detail in section 5.3). This includes the costs to administer approvals, permits and licences, and to conduct compliance, monitoring and enforcement activities.

5.3 Options analysis for fees

This section assesses options for recovering the costs of regulation of domestic animals. Options for increasing the level of cost recovery and structure of fees are assessed against the current fees arrangements as well as a base case of having no fees.

There is currently estimated cost recovery of 86%. This result is largely driven by close to full cost recovery of the costs of administering the source numbers system, which accounts for about 80% of the Department's costs of regulation.

Based on a review of current fees arrangements versus the Pricing for Value guidelines, small fee increases are proposed for AO approvals and renewals, and a decrease for DOTO renewals. A more significant fee increase is proposed for animal registry licences, bringing it to full cost recovery from a current level of just over 50% (from \$1,245 to \$2,455.36). A new fee of \$24.50 is proposed for inspections of the dangerous dogs register.

5.3.1 Legal authority to set fees

Under the Act, fees can be prescribed in the Regulations for:

- s.5A(3) Application for applicable organisation approval
- s.5B(4) Application for approval of dog obedience training organisations
- s.5C Application for renewal of approval
- s.44AC(3) Persons who may inspect the dangerous dogs register
- s.58E Application for registration and renewal of registration of a domestic animal business by Council (other than an animal shelter or pound)
- s.58G Transfer of registration of a domestic animal business by Council
- s.58AC Application to Minister for commercial dog breeder approval
- s.58M(2)(b) Application for animal sale permit
- s.63L Application for an animal registry licence
- s.63O Renewal of animal registry licence
- s.68ZD Application for source numbers or renewal of source numbers.

If fees are not prescribed in the Regulations, no fees apply under the Act.

5.3.2 Why are fees needed

The estimated costs for the Department to administer the proposed Regulations is about \$0.94 million per annum (see detail in section 5.3.6). Note this is likely an under-estimate as it does not include costs such as vehicle costs used for inspections, the costs of which are understood to be small and too difficult to attribute directly versus other activities.

Assessing the nature and extent of the problem should consider the need for fees on a 'first principles' basis, that is, to consider whether fees are needed to recover the Department's costs at all. The Base Case is a scenario where the Department does not charge fees for its activities associated with administering the regulations. Under this scenario, the Department would be required to make up the revenue shortfall from consolidated revenue and/or conduct its regulatory activities with fewer resources.

There is a strong case that fees should recover some amount of the Department's costs of administering the Regulations from parties that give rise to the need for these regulatory activities. Without fees, the general public (including those who do not own animals) would cross-subsidise the provision of the regulatory framework. Further:

- Imposing fees ensures that only 'genuine' applicants apply, effectively setting a minimum financial requirement for applicants, and helps improve the quality of applications.
- Without fees, regulated parties would not receive appropriate price signals about the value of all the resources being used to regulate their industries.

On the other hand, there are some potential public policy reasons for why the general public should contribute to costs imposed by domestic animals sector, including the ability of participants in the sector to pay and the desire for pricing to support (or not deter) positive behaviours. For instance, if fees charged to breeders are too high it might deter compliance with the approvals requirements.

These considerations are explored further in this analysis using the principles set out in the Pricing for Value guidelines.

5.3.3 Methodology used to assess fees

The process undertaken to review fees was:

- Estimate costs of the activity/service associated with each fee type
- Compare costs to current fee levels to identify the level of cost recovery, both overall (across all activities) and on an individual fee level
- Consider potential for change in fee structure e.g. new fees required or potential for introducing variable or tiered fees
- Consider potential for changing the level of a fee e.g. increase or decrease to current fees.

Fee options are assessed against the pricing principles for setting fees and charges established in the Department of Treasury and Finance's *Pricing for Value* guide.

The Pricing for Value Pricing Principles are intended to be flexible and to be applied in a wide range of scenarios, from the State's provision of services to industry managed co-regulatory schemes. For simplicity in this RIS, the following table provides a summary of the key pricing principles considered, and their interpretation, in the context of remaking the fees under the Regulations.

Table 8 Pricing principles considered in this analysis

Pricing principle		Description
How much does the regulatory activity cost and who benefits?	1-3	Agencies should aim to recover the full costs of service provision to promote efficient consumption. The cost of service provision should be borne by those who benefit from the service. Services creating broad benefits for the community should be priced to support efficient consumption i.e. this might mean there is rationale for charging less than full cost recovery if benefits accrue to the community as well as industry.
Ability to pay	5	The price of services should not limit access to those with a lower ability to pay.
How will the price of the service impact behaviour?	8	The fees should encourage positive compliance behaviour or actions from the regulated parties (and not incentive non-compliance e.g. driving activity underground).
Simple and easy to understand	11	Pricing structures should be easy to understand and simple to administer.

5.3.4 Current fee arrangements

Fees currently prescribed in the Regulations are outlined in Table 9 Fees are indexed annually as per the Treasury guidance on indexation of fees and penalties.⁷⁹

Table 9 Fees currently prescribed in the Regulations

Activity/fee type	Fee units prescribed in the Regulations	\$ Fee, in 2025-26 fee units
AO - application for approval	100	\$1,681.00
AO - renewal of approval	50	\$840.50
DOTO - application for approval	100	\$1,681.00
DOTO - renewal of approval	50	\$840.50
Persons who may inspect the dangerous dogs register ⁸⁰	-	-
Commercial dog breeder - application for approval	200	\$3,362.00
Commercial dog breeder - renewal of approval	200	\$3,362.00
Animal sale permit - not-for-profit	2	\$33.62
Animal sale permit – other	12	\$201.72
Animal registry licence – approval	76.3	\$1,281.60
Animal registry licence – renewal	76.3	\$1,281.60
Source numbers - approval and renewal	1.5	\$25.22

⁷⁹ Department of Treasury and Finance, <https://www.dtf.vic.gov.au/indexation-fees-and-penalties>.

⁸⁰ The Act enables a fee to be prescribed for inspection of the dangerous dogs register but no fee is currently prescribed.

5.3.5 Estimating the cost of the regulatory activities

Direct costs have been estimated for fees enabled under the Act using a bottom-up approach based on development of process maps of tasks undertaken for each activity/fee type and estimations of time plus allocation of fixed costs.

Wage costs are sourced Victorian Public Service Enterprise Agreement 2024⁸¹. On-costs are calculated at an additional 16.5%, and overheads costs at an additional 50%, resulting in a total wage multiplier of 1.75.⁸²

It is noted that some costs have not been quantified because of data gaps, such as vehicle costs, and reflect taking a proportionate approach to addressing such gaps. Hence full costs might be slightly under-estimated. To estimate average costs, assumptions have also been made about the number of applications likely to be simple or complex, which may vary in any given year.

The following shows the estimated cost for each fee type per unit and the total estimated cost of just under \$0.94m p.a. to the Department.⁸³ The largest cost of service is for the provision of source numbers, which accounts for over 80% of costs.

Table 10 Cost estimates for each fee type

Activity/fee type	Number applications p.a	Estimated average cost per unit \$	Total cost p.a. \$
AO - application for approval	0	\$5,415	\$0
AO - renewal of approval	2	\$3,599	\$7,198
DOTO - application for approval	0	\$4,128	\$0
DOTO - renewal of approval	1	\$2,140	\$2,140
Persons who may inspect the dangerous dogs register	1	\$733	\$733
Commercial dog breeder - application for approval	13	\$6,773	\$88,054
Commercial dog breeder - renewal of approval	4	\$6,773	\$27,093
Animal sale permit - not-for-profit	17	\$1,543	\$26,231
Animal sale permit - other	1	\$1,543	\$1,543
Animal registry licence - approval	0	\$2,455	\$0
Animal registry licence - renewal	6	\$2,455	\$14,732
Source numbers - approval and renewal	30,348	\$25.35	\$769,407
Total			\$937,132

⁸¹ Schedule C – VPS Salaries and Classification and Value Range Descriptors, date of effect of salaries May 2024.

⁸² Based on Department of Treasury and Finance's Guide to assessing and calculating costs.

⁸³ There have not been new applications AOs, DOTOs and animal registry licences for a number of years.

5.3.6 Assessing the current level of cost recovery

The following table summarises the cost estimates for each activity, and shows current cost recovery levels. There is a cost recovery level of 89% across all services. The key factor in this result is almost 100% cost recovery for source numbers. All other activities are cost recovered at a level of 41% on average.

Table 11 Cost recovery analysis, under current prescribed fees

Activity/fee type	No. p.a.	Fee units prescribed in the Regulations	\$ Prescribed fee, at 2025-26 fee units	Estimated average cost per unit \$	Total fee revenue p.a. \$	Total cost p.a. \$	Cost recovery %
AO - application for approval	0	100	\$1,681.00	\$5,415	\$0	\$0	31%
AO - renewal of approval	2	50	\$840.50	\$3,599	\$1,681	\$7,198	23%
DOTO - application for approval	0	100	\$1,681.00	\$4,128	\$0	\$0	41%
DOTO - renewal of approval	1	50	\$840.50	\$2,140	\$841	\$2,140	39%
Persons who may inspect the dangerous dogs register	1	0	\$0.00	\$733	\$0	\$733	0%
Commercial dog breeder - application for approval	13	200	\$3,362.00	\$6,773	\$43,706	\$88,054	50%
Commercial dog breeder - renewal of approval	4	200	\$3,362.00	\$6,773	\$13,448	\$27,093	50%
Animal sale permit - not-for-profit	17	2	\$33.62	\$1,543	\$572	\$26,231	2%
Animal sale permit - other	1	12	\$201.72	\$1,543	\$202	\$1,543	13%
Animal registry licence - approval	0	76.3	\$1,282.60	\$2,455	\$0	\$0	52%
Animal registry licence - renewal	6	76.3	\$1,282.60	\$2,455	\$7,696	\$14,732	52%
Sub-total (excluding source numbers)					\$68,144	\$167,725	41%
Source numbers - approval and renewal	30,348	1.5	\$24.50	\$25.35	\$743,374	\$769,407	99%
Total					\$833,369	\$937,132	89%

5.3.7 Fee analysis versus pricing principles

Across all activities, there is estimated cost recovery of 89%. Assessing against the Pricing Principles, on balance the cost recovery arrangements seem reasonable at an overall level as most revenue is recovered from the individuals and entities that cause the need for regulations, and there is also a broader community benefit from having the regulations.

The source number system, the revenue from which underpins the cost recovery position, is a key element of the animal traceability system. Under the Act, every person who is selling or who proposes to sell dogs or cats by advertising or proposing to advertise the animal must have a source number, to be renewed annually. It does not seem unreasonable that fee revenue from source numbers represents the fundamental source of revenue for the Department's domestic animals regulatory activities. Obtaining and paying a relatively small fee of \$24.50 for a source number does not impose a material burden on any one entity (although noting a seller of a single animal pays as much as a seller of a many animals). At least some (if not all) of the amount of the cost of paying for a source number will be passed onto people who buy pets, who are the end beneficiary of the domestic animal sector; if owners did not get value from having domestic animals there would not be a market for domestic animals.

For other fee types, there is cost recovery of 41%. An increase in fees could better allocate costs to those who cause the need for regulations. However, increasing some fees significantly could negatively impact ability to pay or disincentivise regulatory compliance, which could impact on achieving the regulatory objectives.

Reflecting consideration of the above factors, fee increases from current levels are proposed as set out in Table 12.

The proposed fee changes are small in terms of the total impact on revenue collected, with a total estimated revenue increase of less \$10,000. However, they better align the fee arrangements to the Pricing for Value principles, including sending appropriate price signals to regulated parties about the cost of regulation.

Analysis for each activity and fee type versus the Pricing Principles is provided below Table 12.

Table 12 Proposed fees, with changes in fees highlighted grey (fees based on 2025-26 DTF fee unit of \$16.81)

Activity/fee type	No. p.a.	Fee units prescribed in the Regulations	\$ Fee, in 2025-26 fee units	Proposed fee, fee units	\$ Fee, 2025-26 fee units	Fee increase %
AO - application	-	100	\$1,681.00	166	\$2,790.46	66%
AO – renewal	2	50	\$840.50	110	\$1,849.10	120%
DOTO - application	-	100	\$1,681.00	100	\$1,681.00	0%
DOTO - renewal	1	50	\$840.50	10	\$168.10	-80%
Persons who may inspect the dangerous dogs register	<1	0	\$0.00	1.5	\$25.22	n/a

Activity/fee type	No. p.a.	Fee units prescribed in the Regulations	\$ Fee, in 2025-26 fee units	Proposed fee, fee units	\$ Fee, 2025-26 fee units	Fee increase %
Commercial dog breeder - application for approval	13	200	\$3,362.00	207	\$3,479.67	3%
Commercial dog breeder - renewal of approval	4	200	\$3,362.00	207	\$3,479.67	3%
Animal sale permit - not-for-profit	17	2	\$33.62	6	\$100.86	200%
Animal sale permit - other	1	12	\$201.72	14	\$235.34	17%
Animal registry licence - approval	-	76.3	\$1,282.60	105	\$1,765.05	38%
Animal registry licence - renewal	6	76.3	\$1,282.60	105	\$1,765.05	38%
Source numbers - approval and renewal	30,348	1.5	\$25.22	1.5	\$25.22	0%

AO approvals

An application fee is paid for the initial AO application and a renewals fee is paid once every three years for a renewal.

Cost recovery for AOs is currently 31% for application fees and 23% for renewal fees, noting there has been the same AOs approved for several years with no new AO applications and no new applications forecast. There are only six AOs currently approved with a small total cost to service to the Department (estimated at just over \$9,000 p.a.).

Activities of AOs and their members, in terms of breeding, are a key driver of the need for regulation. The fee level also sends a price signal to potential AO applicants about the costs associated with regulation and whether to apply to be an AO. However, reasons for not recovering full costs from AOs include external benefits from regulation (noting the AOs quasi-regulatory role) and ability to pay considerations, as discussed in the table below.

On balance, an increase in the cost recovery level to 51.4% is considered reasonable, with a corresponding increase in fees for application to \$2,790.46 and for renewals to \$1,849.10 (at 2025-26 DTF fee unit value of \$16.81). This better reflects the drivers of cost but takes into account other factors such as the potential to negatively impact regulatory outcomes and ability to pay.

Table 13 Analysis of fees against Pricing Principles - AOs

Pricing principle	Analysis
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How much does the service cost and who benefits from the service?	<ul style="list-style-type: none"> • A key driver of the regulation is better breeding practices. • The cost of regulatory service for the Department is relatively small. • Activities of AOs and their members, in terms of breeding, are a key driver of the need for regulation • On the other hand, AOs undertake what could reasonably be described as a quasi-regulatory role as they set, promote and enforce their code of conduct/ethics. This supports outcomes of the domestic animals framework in regard to discouraging poor practices.
Ability to pay	<ul style="list-style-type: none"> • The six approved AOs are a mix of not-for-profit organisations and for profit businesses. • Fees will likely be passed onto members (breeders).
How will the price of the service impact behaviour?	<ul style="list-style-type: none"> • It is not expected that increasing the fee charged will impact compliance of AOs as required in the Regulations, however it could impact fees they charge to their members or quality/level of service delivery e.g. capacity to resource oversight of the behaviour of their members. • Any fee passed onto members will be spread across a large number of members so is likely to be insufficient to drive a material change in behaviour (such as driving activity underground).
Simple and easy to understand	<ul style="list-style-type: none"> • There are no cost drivers providing a justification for change to a more complex variable or tiered fee structure.

DOTO approvals

An application fee is paid for the initial DOTO application and a renewals fee is paid once every three years for a renewal. There are currently three approved DOTOs with a small total cost to of service to the Department estimated at about \$2,500 p.a..

Cost recovery for DOTOs is currently 41% for application approvals and 39% for renewals.

A higher fee is likely to better allocate costs to those who benefit from the service (DOTOs, dog training establishments and pet owners) but there are also community benefits in having better dog training standards. It is also reasonable to consider ability to pay of DOTOs which are not-for-profit entities.

On balance, no change to fees is proposed for DOTO applications, and a decrease in fee for renewals.

Table 14 Analysis of fees against Pricing Principles - DOTOs

Pricing principle	Analysis
How much does the service cost and who benefits from the service?	<ul style="list-style-type: none"> • A key driver of the regulation is the desire for better dog training standards, which leads to benefits for individual dog owners who undertake the training and the community more broadly who benefit from better behaved dogs. • The cost of regulatory service for the Department is relatively small. • Like AOs, DOTOs have a quasi-regulatory role in that they provide approved programs for dog trainers and have code of ethics that they set, promote and enforce to members of the DOTO. • Being a member of an approved DOTO may bring commercial benefits to dog trainers e.g. additional customers from branding and promotion. This is reinforced by the registration discount available to owners of dogs who undertake an approved training program.

	However, stakeholder consultation indicated concern in the industry about dog training businesses operating without council registration as DABs, so there may be limits to the commercial incentives in this regard.
Ability to pay	<ul style="list-style-type: none"> • All current DOTOs are not-for-profit entities and stakeholder consultation indicated DOTOs have tight resource constraints. • Fees may be passed onto dog training establishments and ultimately to pet owners engaging their dogs in training although this will depend on the competition in the market.
How will the price of the service impact behaviour?	<ul style="list-style-type: none"> • If fees are increased significantly and are passed onto members there is potential to deter dog training from taking part in an approved program delivered by one of the DOTOs. This could negatively impact dog training standards, which is the purpose of having regulations in regard to dog training. It is uncertain the extent to which fees will be passed on absorbed by the DOTOs.
Simple and easy to understand	<ul style="list-style-type: none"> • There are no cost drivers providing a justification for change to a more complex variable or tiered fee structure.

Commercial Dog Breeder approvals

Cost recovery for Commercial Dog Breeder applications is currently 49% for application and renewal fees.

A higher fee is likely to better allocate costs to those who benefit from the service (Commercial Dog Breeders and pet owners) but there is a significant risk that too high a fee could drive non-compliant behaviour and negatively impact standards in commercial dog breeding. A small 3% increase in the cost recovery level to 51% is proposed to align with the level of cost recovery for AO fees.

This would increase fees for new applications and renewal to \$3,479.67 (at 2025-26 DTF fee unit value of \$16.81).

Table 15 Analysis of fees against Pricing Principles – Commercial Dog Breeders

Pricing principle	Analysis
How much does the service cost and who benefits from the service??	<ul style="list-style-type: none"> • The underlying need for regulation is driven by people (breeders) breeding large numbers of cats and dogs and people buying the animals from breeders
Ability to pay	<ul style="list-style-type: none"> • There are 13 new applications and 4 renewals each year (a renewal is required every 3 years). • Fees may be passed onto pet owners depending on the competition in the market. • Of relevance is feedback from various stakeholders on breeders not complying with puppy farm laws e.g. by shifting activities across the NSW border where there are currently weaker laws – a significantly higher fee may exacerbate the risk of non-compliance. NSW is currently in the process of introducing

	strengthened puppy farming laws ⁸⁴ ; this may reduce the risk of non-compliance in Victoria.
How will the price of the service impact behaviour?	<ul style="list-style-type: none"> As above, an increase in fees could drive non-compliance.
Simple and easy to understand	<ul style="list-style-type: none"> There are no cost drivers providing a justification for change to a more complex variable or tiered fee structure.

Animal sale permits

Individuals or organisations wanting to hold an animal sale event can apply to the Minister for Agriculture for an animal sale permit. The permit is to allow for the sale of animals outside of a pet shop or residential property. Sale events might include adoption days, pet shows, or animal charity events.

The purpose of animal sale permits is to ensure the Department understands where animal sales events are taking place and that illegal sales are not taking place.

Cost recovery for animal sales permits is currently very low at about 2% for not-for-profit entities and 13% for other entities.

In the 2023-24 financial year, there were 18 applications for an animal sale permit, almost all from shelters (not-for-profit entities) who were having targeted animal sale events.

The Department is proposing a small increase in the level of cost recovery is proposed, from 2% to 6% for not-for-profit entities and from 13% to 15% for other entities. This would increase fees for not-for-profit entities to \$100.86 and other entities to \$235.34 (at 2025-26 DTF fee unit value of \$16.81).

Slightly higher fees recover slightly more costs and send a signal to entities about the cost of regulation while ensuring that the fee is not set too high versus ability to pay for not-for-profit entities to ensure that the Department continues to have oversight of animal sale events. To ensure that the Department continues to have oversight of animal sale events it is also not set too high as to discourage compliance with the permit.

Table 16 Analysis of fees against Pricing Principles – Animal sale permits

Pricing principle	Analysis
How much does the service cost and who benefits from the service?	<ul style="list-style-type: none"> Not-for-profit entities are currently the main parties driving the activity There is value to community from such events in terms of finding owners for pets at shelters.
Ability to pay	<ul style="list-style-type: none"> Not-for-profit entities are likely to have limited financial resources to pay a significantly higher fee that better reflects costs, as reflected in the current fee structure.

⁸⁴ For NSW see <https://www.dpi.nsw.gov.au/animals-and-livestock/animal-welfare/animal-welfare-reform/prevention-of-cruelty-to-animals-amendment-puppy-farming-act-2024>. Changes are being introduced in 2024 and 2025.

How will the price of the service impact behaviour?	<ul style="list-style-type: none"> It is possible that if a significantly higher price was imposed it might either cause animal sales events not to occur, thus impacting potential benefits of these events, or it might cause events to be held without a permit (i.e. non-compliant) and for the Department to not know events are taking place.
Simple and easy to understand	<ul style="list-style-type: none"> There are no strong reasons for moving away from the current tiered fee structure, with strong rationale for keeping a low fee not-for-profit entities.

Source numbers

Anybody who advertises a dog or cat for sale or to give away in Victoria is required to have a source number from the Pet Exchange Register. A single source number is required for each person selling cats or dogs. This source number must be displayed on all advertisements along with each animal's microchip number. A source number is required when implanting a microchip into a dog or cat born after 1 July 2020. A source number is valid for one year and can be renewed annually.

The fee of \$24.50 for application or annual renewal of a source number currently recovers nearly 100% of the costs of the Pet Exchange Register, including operations and IT systems costs. Average number of source numbers issued per month as at March 2025 was 2,529 (including both new and renewals).

The revenue from source numbers comprises over 80% of fees revenue collected under the Regulations.

No change is to current fee arrangements are proposed.

Table 17 Analysis of fees against Pricing Principles – Source numbers

Pricing principle	Analysis
How much does the service cost and who benefits from the service?	<ul style="list-style-type: none"> Source numbers are intended to improve traceability in the supply chain of dogs and cats, supporting responsible appropriate breeding practices. Those who create a need for traceability, i.e. those selling dogs and cats, are bearing the costs currently (some of the cost is likely passed on to owners who also benefit).
Ability to pay	<ul style="list-style-type: none"> The cost of a source number is small and there is no evidence of inability to pay. It is noted that a person advertising for sale just one animal is paying proportionately more per animal than a person selling many animals (as only one source number is required per seller), however exemptions could create the potential for loopholes.
How will the price of the service impact behaviour?	<ul style="list-style-type: none"> The fee charged currently is unlikely to be large enough to impact behaviour
Simple and easy to understand	<ul style="list-style-type: none"> Almost all applications for source numbers are simple and processed digitally. A very small number are complex (paper-based or needing follow ups) which are more costly to administer, however the small additional revenue collected would not justify having a more complex fee structure such as tiered fees and the administrative complexity this might involve, as well as the problem of identifying what applications are simple or complex in advance.

Animal Registry Services

Cost recovery for Animal Registry Services applications is currently 52% for both applications and renewals.

It is proposed to increase the cost recovery level to 71.9%, with a fee of \$1,765.05 (at 2025–26 DTF fee unit value of \$16.81). This would reflect user pays arguments (ultimately it should be pet owners paying) while acknowledging the benefits of the microchipping and registry scheme to the community.

Table 18 Analysis of fees against Pricing Principles – Animal Registry Services

Pricing principle	Analysis
How much does the service cost and who benefits from the service?	<ul style="list-style-type: none">• The underlying need for regulation is driven by the problem of lost dogs and cats, and the desire for identification and traceability back to the owner.• The registries exist to support the identification and traceability of animals.• The regulations require every animal to have its detailed recorded at a registry, which charge a fee, and there is a limited number of registries allowed.• The cost of regulatory service for the Department is relatively small.
Ability to pay	<ul style="list-style-type: none">• There are six animal registry services.• Most if not all operate across multiple state and territory jurisdictions.• An increase in the fee up to 100% cost recovery would represent a few cents additional cost per registry record.• If the costs are passed on to vets and then pet owners⁸⁵, the costs are too immaterial to impact ability to pay. We estimate that there are about 130,000 new microchips implanted each year, each of which will have a record created at the registry.
How will the price of the service impact behaviour?	<ul style="list-style-type: none">• Price of the service is unlikely to impact service behaviour.
Simple and easy to understand	<ul style="list-style-type: none">• There are no cost drivers providing a justification for change to a more complex variable or tiered fee structure.

Inspection of Victorian Dangerous Dogs Register

Under section 44AB of the Act, the Secretary must keep a register of dangerous, menacing and restricted breed dogs. The Act authorises certain persons in certain circumstances to inspect the information kept on the register and for a prescribed fee to be paid for the request a copy of information. This includes (amongst others as set out section 44AC(2) of the Act), for the purposes of confirming details relating to the dog and/or owner, the owner of the dog, a person who wishes to purchase the dog, or a veterinary practitioner who is in the course of carrying on his or her practice.

⁸⁵ Owners pay a fee to the microchip implanter who then pays a fee to the animal registry service. Costs could be passed onto vets by the animal registry service who might or might not be able to pass the cost onto pet owners, depending on competition in the market for vet services.

A person must not inspect or attempt to inspect information kept in any part of the register unless the person is authorised to do so under section 44AC.

No fee is currently prescribed for inspection of the Register. It is estimated that the cost of a request for inspection and copy of the information costs \$733, reflecting the time taken to manage telephone and email enquiries, technical review and application decision by a senior team member.

An application for inspection that could be charged a fee is rare, with one occurring every few years.

A new fee of 1.5 units is proposed (\$25.22 for a fee unit value of \$16.81) to provide a price signal that there are resources involved in providing the information. It is not proposed to recover full costs as there are community benefits in providing information from the Register when authorised to do so, for example it may prevent the sale of a dangerous dog to a person who does not have full information about the dog without access to the Register. This has clear community safety benefits.

Table 19 Analysis of fees against Pricing Principles – Inspection of Victorian Dangerous Dog Register

Pricing principle	Analysis
How much does the service cost and who benefits from the service?	<ul style="list-style-type: none">• Estimated to cost \$733 per application• There are community safety benefits in providing the information in certain cases.• Setting a small price could provide a price signal about the cost of resources in providing the information.
Ability to pay	<ul style="list-style-type: none">• Charging full cost recovery or even half cost recovery could be a barrier to people in the community making genuine requests for information.
How will the price of the service impact behaviour?	<ul style="list-style-type: none">• No impacts on behaviour expected.
Simple and easy to understand	<ul style="list-style-type: none">• A flat fee is simple to understand.

6 Preferred option

6.1 Summary of the preferred option

The preferred option will remake the current Regulations substantially in their current form, with a small number of minor amendments (see Appendix A) and proposed fees as follows:

Act	Proposed fee, fee units	\$ Fee, in 2025-26 fee units	Fee increase %
AO - application	166	\$2,790.46	66%
AO – renewal	110	\$1,849.10	120%
DOTO - application	100	\$1,681.00	0%
DOTO - renewal	10	\$168.10	-80%
Persons who may inspect the dangerous dogs register	1.5	\$25.22	n/a
Commercial dog breeder - application for approval	207	\$3,479.67	3%
Commercial dog breeder - renewal of approval	207	\$3,479.67	3%
Animal sale permit - not-for-profit	6	\$100.86	200%
Animal sale permit - other	14	\$235.34	17%
Animal registry licence - approval	105	\$1,765.05	38%
Animal registry licence - renewal	105	\$1,765.05	38%
Source numbers - approval and renewal	1.5	\$25.22	0%

6.2 Small business impacts

The main compliance requirements of the Regulations are microchipping requirements which apply to vet practices which are mostly small businesses⁸⁶; this is estimated at \$84.82 million over 10 year and represents nearly 70% of total costs. The cost of these requirements is typically expected to be passed onto pet owners in the form of microchipping fees.

There are significant documentation and reporting requirements and associated administration costs in relation to approvals for a small number of regulated parties, particularly for animal registry licences, AOs, DOTOs and commercial dog breeding businesses which are mainly small businesses or not-for-profit organisations. In addition, these regulated parties are required to pay a fee for approvals to operate in the industry. Some of these costs are expected to be passed onto participants

⁸⁶ In Victoria, there were 1,116 veterinary services businesses operating at June 2024. Of these, 452 (41 per cent) were non-employed, 235 (21 per cent) employed between 1 and 4 employees, 324 (29 per cent) employed between 5 and 19 employees and 105 (9%) businesses employed between 20 and 199 employees. Source: Australian Bureau of Statistics, 8165.0 Counts of Australian Businesses, including Entries and Exits, June 2024.

in the industry such as members of AOs (for example, dog breeders) and DOTOs (dog trainers), and ultimately to pet owners.

Broadly the costs of the proposed Regulations and potential costs to small businesses are considered to be outweighed by the benefits of the Regulations, including:

- Cost savings from fewer dogs and cats in pounds and shelters and increased reclaim rates
- Animal welfare benefits from microchipping and reunification requirements, including avoided euthanisations, as well as requirements in relation to dog breeding
- Community safety from dangerous dog requirements
- Clarity provided in the Regulations in relation to understanding requirements under the Act, mainly leading to savings in administration costs.

6.3 Competition impacts

Victoria is a party to the Competition Principles Agreement, which requires that any new primary or subordinate legislation should not restrict competition unless the government’s objectives can only be achieved by restricting competition, and that the benefits of the restriction outweigh the costs. As such, a RIS must include a competition assessment in accordance with the Victorian Guide to Regulation.

The proposed Regulations are not expected to materially impact competition in the market for domestic animals. It is noted that there are requirements in the Act (rather than the Regulations) which may impact competition or industry structure, particularly in relation to AOs, DOTOs and dog breeding approvals. The Regulations provide additional information for these requirements but do not materially change what is already required under the Act.

Table 1314 Competition assessment

Question	Summary	Description
Will the proposed Regulations likely affect the market structure of relevant sectors? That is, will it reduce the number of firms in the market, or increase the size of incumbent firms?	No	The main costs imposed by the Regulations are in relation to microchipping and are not expected to change the market structure of the veterinary services industry. While the Regulations will add costs or clarify some requirements, the changes are unlikely to be significant enough to impact the number of firms in the market (entering or exiting).
Will it be more difficult for new firms or individuals to enter relevant sectors after implementing the proposed Regulations?	No	The main costs imposed by the Regulations are in relation to microchipping. They are small compared to the overall cost of veterinary services and are not expected to prevent new vets entering the industry.
Will the costs and benefits associated with the proposed	No	In most cases, stakeholder feedback and analysis undertaken for this RIS has not indicated the

Question	Summary	Description
Regulations change disproportionately affect some sectors or individuals more substantially than others?		proposed Regulations will disproportionately impact some sectors more than others. One council indicated concern for renters or people less financially able to comply with dangerous dog requirements such as concrete enclosures, however the Department considers the costs are justified in order to protect community safety.
Will the proposed Regulations restrict the ability of businesses to choose the price, quality, range or location of their products?	No	No restrictions as a result of the proposed Regulations have been identified.
Will the proposed Regulations lead to ongoing higher costs for new market entrants that incumbents do not have to incur?	No	No higher ongoing costs for new market entrants as a result of the proposed Regulations have been identified.
Is the ability or incentive to innovate, research and develop new products likely to be affected by the proposed Regulations?	No	The Regulations prescribe requirements around microchipping and animal registry services which may limit opportunities to innovate however the Department considers this is justified in order to protect community safety. No stakeholder concerns about the Regulations in this regard have been received.
Will the proposed Regulations lead to any challenges in accessing international markets?	No	n/a

7 Implementation and evaluation

7.1 Implementation plan

The proposed Regulations are largely the same as the current arrangements except for the introduction of higher fees for some approval types (and other changes which are minor in nature). There is a high level of understanding amongst industry participants of key requirements, as evidenced through feedback gathered in stakeholder consultation.

In relation to minor changes, including proposed fee changes, the Department will:

- Communicate to industry the making of the new Regulations including minor changes
- Communicate to council the making of the new Regulations including minor changes
- Communicate fee changes to industry.

The current Regulations are due to sunset on 24 November 2025 unless remade by this date. The proposed Regulations are expected to come into effect by this date.

7.2 Evaluation strategy

The Regulations will sunset 10 years after the making of the Regulations. The Department will actively monitor and evaluate the effectiveness and efficiency of the Regulations throughout the life of the Regulations. Supporting this, the Department will continue to consult and gather feedback from key industry stakeholders on a frequent basis.

The Regulations will sunset 10 years after the Regulations have been made. The Department will actively monitor and evaluate the effectiveness and efficiency of the Regulations throughout the life of the Regulations. The following structured evaluations will be undertaken:

- An evaluation five years after the establishment of the Regulations (the mid-term evaluation)
- An evaluation before the Regulations sunset.

To support this evaluation the department will develop an evaluation plan including evaluation questions, available data and data gaps to assess any potential gaps in evidence.

Key evaluation questions will be designed to align with the Department of Treasury and Finance Resource Management Framework, such as:

- Problem justification: What is the evidence of continued need for the Regulations and role for government?
- Effectiveness: To what extent has the primary objective of the Regulations been achieved?
 - Have the Regulations been effective in reducing the number of cats and dogs that end up in pounds and shelters or the length of stay?
 - Have the Regulations been effective in increasing the reunification of lost pets with their owners?
 - Have the Regulations been effective in reducing the number of attacks by dangerous dogs?

- Efficiency: do the Regulations achieve the objectives in the most efficient way?

Data assessment will include consideration of ensuring appropriate baseline data for performance indicators to enable a comparison of the current state versus future state. There are currently adequate data sources to support assessment of key elements of the proposed Regulations including the microchipping, animal registry and reunification requirements.

Appendix A: Proposed amendments to Regulations

Regulation**	Issue	Current drafting	Proposed change
Microchips			
12	Lack of complete contact information to contact owner of microchipped animal	Current prescribed identifying information relating to the owner: the owner's given names and surname; <ul style="list-style-type: none"> the owner's residential address and (if different) postal address; the owner's telephone number; the name and telephone number of a person (other than the owner) who can be contacted in relation to the animal. 	Include the owner's email address as prescribed identifying information
40	Lack of timeframe for delivering records	Records must be deposited at least once a month	Require records to be deposited by 15th business day after the end of each month. New offences/penalties created for failing to deposit records or make records available for inspection.
41	Unclear timeframes	No timeframe for license holder to notify current owner of an application for ownership change. Current drafting changes between days and business days	Require license holder to notify current owner within 7 business days of application. Update all timeframes to business days.
Fees			
5A	Change to applicable organisation and dog obedience training organisation fees	Current fees: New applications – applicable organisation: 100 fee units New applications – dog obedience training organisation: 100 fee units Renewal applications (all): 50 fee units	Update to: New applications – applicable organisations: 166 fee units New applications – dog obedience training organisations: 100 fee units Renewal applications – applicable organisation: 110 fee units Renewal applications – dog obedience training organisations: 10 fee units

26	Change to registry licence application fee	Current fee: 76.3 fee units	Update to 105 fee units
48C	Change to commercial dog breeder application fee	Current fee: 200 fee units	Update to 207 fee units
48B	Change to animal sale permit fee	Current fees: Not for profit: 2 fee units All other applications: 12 fee units	Update to: Not for profit: 6 fee units All other applications: 14 fee units
NEW	Fee required for inspecting the register of dangerous menacing and restricted breed dogs	n/a	New fee of 1.5 fee units

Applicable Organisations

5B and 5C(2)	AO application – lack of information on training of staff on Code of Ethics and breeding programs	n/a	Include training materials that the AO uses to ensure staff are appropriately trained in enforcing their Code of Ethics and outline of current and proposed breeding programs.
5C(2)(a)	AO report – lack of information on-site inspections	n/a	Include a calendar of when site inspections were conducted
5C(2)(b)		“a copy of a statement demonstrating how members are informed about the requirements applying to the approval status of the organisation and its code of ethics”	Update to include a copy of membership form that shows current required details already required under this section
5C(3)	Lack of clarity on reporting period	Reporting period was able to be determined by the Minister upon approval	Updated to previous financial year.

Dog Obedience Training Organisations

5E(3)	Lack of clarity on reporting period	Reporting period was able to be determined by the Minister upon approval	Updated to previous financial year.
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Commercial Dog Breeders

48F(1)(a)	Certificate listed no longer exists as a qualification in Australia	Listed qualification: Certificate IV in Companion Animals Services (or equivalent)	Updated to: Certificate III in Animal Care Services (or equivalent)
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Dangerous Dogs

6(2)	Lack of clarity on spacing of mesh required for perimeter fencing	Mesh used in the construction of an enclosure must be: (a) chain mesh manufactured from 3×15 mm wire to form a uniform 50 mm mesh; or (b) weldmesh manufactured from 4 mm wire with a maximum mesh spacing of 50 mm.	Updated to: Mesh used in the construction of perimeter fencing under this regulation must be: (a) chain mesh manufactured from minimum 3.15 mm diameter wire to form a uniform mesh with a maximum mesh spacing of 50 mm; or (b) welded mesh manufactured from minimum 4 mm diameter wire with a maximum mesh spacing of 50 mm.
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7(2)(e)(i)	More security needed on locks	A lock that enables the enclosure to be security locked when the dog is in the enclosure	A self-closing and self-latching mechanism that enables the enclosure to be securely locked when the dog is in the enclosure
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7(4)	Lack of clarity on spacing of mesh required for enclosure	Mesh used in the construction of an enclosure must be: (a) chain mesh manufactured from 3.15 mm wire to form a uniform 50 mm mesh; or (b) weldmesh manufactured from 4 mm wire with a maximum mesh spacing of 50 mm.	Updated to: Mesh used in the construction of perimeter fencing under this regulation must be: (a) chain mesh manufactured from minimum 3.15 mm diameter wire to form a uniform mesh with a maximum mesh spacing of 50 mm; or (b) welded mesh manufactured from minimum 4 mm diameter wire with a maximum mesh spacing of 50 mm.
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GMA registered hounds

13	Ensure that GMA registered hounds qualify for reduced registration.	For the purposes of section 10C(1)(a) of the Act, the prescribed manner of enabling identification of a hound registered with or taken to be registered with the Game Management Authority under the Wildlife (Game) Regulations 2012 is implantation with a prescribed permanent identification device.	Update to refer to the Schedule of the Act and to align wording with the power in the Schedule.
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Transitional provisions

54	Transitional provision not required due to passage of time	Assessment programs, organisations and training courses approved before 2015 are taken to be approved under the regulations	Remove regulation 54
55	Transitional provision not required as covered by Interpretation of Legislation Act	Complaints systems approved under past regulations are taken to be approved under current regulations	Remove regulation 55
56	Transitional provision not required as covered by Interpretation of Legislation Act	Regulations do not affect past infringement notices and infringement penalties	Remove regulation 56
57 - 58	Requirements are not transitional in nature	Restrictions on establishing new records for microchipped dogs, cats and horses	Move the requirements in regulations 57 and 58 into the substantive parts of the Regulations
59	Transitional provision not required as covered by Interpretation of Legislation Act	Records established under past regulations are taken to be established under current regulations	Remove regulation 59

Infringements

Schedule 5	Residents not paying fines, excessive failure to register fine	s. 10(1)-(3) - Current infringement penalty for failure to register/renew registration is \$407.02	s. 10(1)-(3) - Reduce infringement penalty for failure to register/renew to under \$100
		s. 13(1)-(2) - Current infringement penalty for failure to notify sale of unregistered animal is \$203.51	s. 13(1)-(2) – Reduce infringement penalty for failure to notify sale of unregistered animal to under \$100
		s. 21 - Current infringement penalty for unregistered dog with Council ID marker is \$101.75	s. 21 - Reduce infringement penalty for unregistered dog with Council ID marker to around \$50
		s. 22 - Current infringement penalty for removal of Council ID marker is \$101.75	s. 22 – Reduce infringement penalty for removal of Council ID marker to around \$50
		s. 32(1) - Current infringement penalty for dogs/cats creating nuisance is \$101.75	s. 32(1) - Reduce infringement penalty for dogs/cats creating nuisance to around \$50

Schedule 5	New infringeable offences added to legislation	n/a	Include new infringement penalties for sections 26A(1) of the DA Act and regulations 48(1) and (2) of the proposed Regulations.
Schedule 5	Following the passing of the Regulatory Legislation Amendment (Reform) Act 2025, new infringement penalties need to be applied	n/a	<p>Include new infringement penalties for sections 29(6), 29(8), 40, 41(1), 84D(1) and 84DA(2) of the DA Act.</p> <p><i>Note:</i> The provisions of the Regulatory Legislation Amendment (Reform) Act 2025 relating to these penalties are not yet in force. They are intended to commence at the same time as the proposed Regulations.</p>

** Regulation numbers list the corresponding regulation in the Domestic Animals Regulations 2015.

Appendix B: Summary of Stakeholder Consultation

Consultation informing this RIS

Stakeholder consultation was undertaken during this RIS to gather information on the options for remaking the Regulations and their costs, benefits and effectiveness in achieving the objectives.

The following stakeholder groups were consulted during the RIS:

- Animal shelters
- Applicable organisations
- Dog obedience training organisations
- Veterinary practitioners and industry body
- Commercial dog breeders
- Animal registries
- Councils.

Additionally, a short survey was developed and circulated via email through the Veterinary Practitioner Board and the AVA's newsletter. A summary of the survey results is also presented below.

Summary of stakeholder consultation interviews, by topic

Microchipping and animal registries

Feedback on the current *Domestic Animals Regulations 2015* has been positive particularly regarding microchipping pets and the related animal registry services, which support the reunification of lost pets.

Feedback indicated that microchipping has increased the speed and efficiency in which animals are reunited with their owners, in turn reducing costs to animal shelters and councils.

Councils observe that microchipping helps support enforcement activities because the microchips uniquely identify animals allowing enforcement officers to proceed with confidence that they are dealing with the correct animal in their application of regulatory powers.

One of the limitations identified in regard to the current microchipping system was outdated information associated with the microchip. There are currently no legislative or regulatory requirements mandating updates of microchipping data. Despite this, some animal registries voluntarily encourage owners to update their details on the registry by sending them notifications encouraging owners to check their details. Vets and shelters have indicated that council registration data is often more up to date than microchip data and that registration data is used in the first instance when attempting to reunite a lost pet. In some instances, both sets of data are outdated making it difficult to contact the owner. Some councils have suggested that this could be (in part) because of a general lack of awareness in the community on the difference between microchipping and council registration with many thinking they are the same. Nonetheless one stakeholder suggested it may be possible to amend the existing privacy restrictions (e.g. through consent forms)

such that updates made on veterinary patient management systems can be passed on to registries to update the corresponding microchip details.

Animal registry services indicated that Victoria's regulatory system for animal registry services was regarded as the 'gold-standard' across Australia. Registries noted that the Regulations provide clear guidance on the roles, responsibilities and privacy restrictions that apply in relation to collecting and recording information and responding to enquiries. Registries noted that when there is legal ambiguity in other states, they look to the Victorian regulatory framework for guidance.

In relation to administrative reporting when vets choose to reunite lost pets with their owners (under Part 3C of the Regulations), vets are required to provide quarterly reporting to councils. Both councils and vet practitioners agree compliance with this requirement is low (a view reflected in survey results – see discussion below). Vets argue the reporting requirements are onerous and of limited value. Councils observe that the information, if received, would help inform their reporting statistics and help them develop more accurate information about repeat offenders (i.e. allowing dogs to escape).

Applicable organisations and commercial dog breeders

The Regulations covering applicable organisations and commercial dog breeders are largely administrative in relation to matters such as applications, renewals and annual reporting. Most of the substantive requirements for these industries are established in the Act.

Feedback was provided on the broader legislative requirements in relation to illegal breeding activities however this is out of scope for this analysis.

In relation to requirements in the Regulations, applicable organisations and commercial breeders both noted there is a high reporting burden on individual organisations.

Dog training organisations

Feedback from dog training organisations suggested that the cost of reporting was quite high, especially for not-for-profit organisations. However, they agreed that the skills against which a dog obedience training program must assess the dog against (Regulation 5F) and the requirements for a dog obedience assessment program (Regulation 5G) are standard practice and would not change in the absence of Regulation.

Dangerous dogs

Feedback on the dangerous dog requirements suggested that in general the requirements for dangerous dogs are working well. One council had strong views that the requirements for a concrete floor in a dangerous dog enclosure is too prescriptive and that the costs can be prohibitive for some dangerous dog owners. Other councils observed that they experienced no problems applying the requirements; they saw them as important for community safety and were also able to apply them flexibly as required.

Source numbers and other breeding/sale related matters

Some stakeholders raised concerns about allegations of source numbers being 'stolen' (i.e., used without consent) or the use of expired source numbers in advertisements which provides an unintended legitimacy to illegal breeding and sales of puppies and kittens. Stakeholders report having

observed this behaviour on online marketplace platforms which they say are not actively monitored for compliance with requirements.

Summary of survey results

In March 2025, Sapere conducted a survey of registered veterinary practitioners to assess the impacts and effectiveness of the Regulations particularly on microchipping and reuniting lost pets. The survey received 132 responses which are analysed below.

Microchipping

Vets were asked to report the time taken to comply with their microchipping responsibilities under the Regulations, the fees that they charge customers for this service and to what extent those fees covered the costs of providing the service.

The results indicate that for around two-thirds of vets, microchip implantation and the associated administration takes on average 10-20 minutes to complete per animal.

On fees charged to customers for microchipping pets, vets an array of charges ranging from free (as a valuable community service) to \$218 with an average fee of \$83 charged.

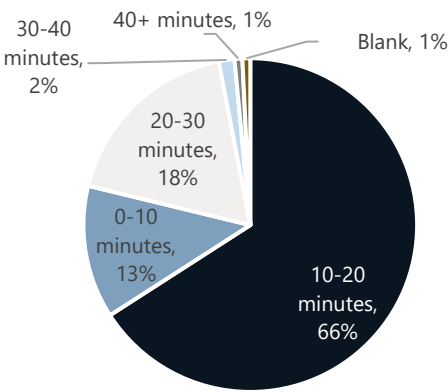


Table 1415 Fees charged for microchipping, including analysis of full-cost recovery fees

\$ charged	No.	%	Summary statistics
\$0-49	8	7%	
\$50-99	91	75%	
\$100-149	5	4%	
\$150+	18	15%	
Total responses			122
Range of all reported fees			\$0-\$218
Average fee (all responses)			\$83
Range fees (at or near cost recovery)			\$60-\$100
Average fee (cost-recovery)			\$78

When asked whether vets had any other comments on the regulatory requirements for microchipping, source numbers were singled out as problematic by 29 respondents. Respondents suggested that source numbers were not well understood, have not reduced puppy farms, and are often not provided by the breeder creating another barrier for owners to microchip pets which in some instances leads to pets not being microchipped. The recommendation of a single registry (maybe even national) was suggested by around 7 respondents.

Reuniting pets

Vets were asked how often their practice received a lost pet and engage in the voluntary reunification processes to which most vets indicated that they did reunite pets but the frequency in which they engaged in the reunification process varied. Most vets reunited pets at least a few times a month.

Vets were subsequently asked about the time and costs involved in managing lost pets, including administration, microchip scanning, care, and the reunification process. Responses were varied with many noting the accuracy of microchip data being central to the time involved. On average, of the 97 respondents that answered this question, about half said it took up to an hour with another quarter suggesting between 1-2 hours.

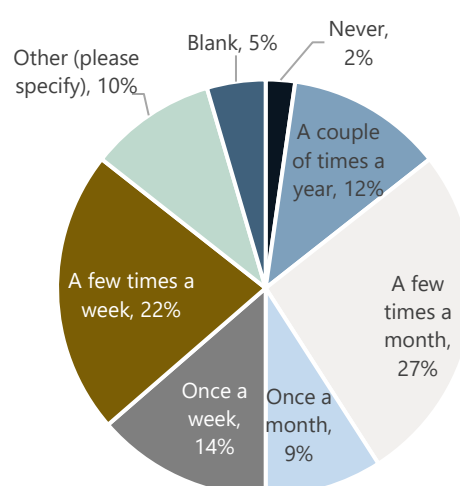


Table 1546 Time involved in reuniting pets

Response	No.	% that responded
0-1 hour	46	47%
1-2 hours	23	24%
over 2 hours	18	19%
Other	10	10%
Total	97	
Blank	34	

When asked about council reporting requirements when vets reunite pets, several vets were not aware of it or were aware of it but opposed doing it. As such it would appear the compliance costs for reporting under Part 3C of the Regulations is low.

Appendix C: Data and assumptions

Key data sources and assumptions used in the options analysis are set out below.

Table 16-17 Key data and assumptions

Description	Quantity data/assumption	Monetisation data/assumptions
General modelling assumptions		
Discount rates and inflation		Real discount rate applied to cash flows: 4% p.a. ⁸⁷ Inflation rate – Consumer Price Index (CPI): 2.50% p.a. based on long term forecast Wage price index (WPI): 3.25% p.a. for FY25
Cost of time to industry		\$90.09 per hour in FY26 including loading. Based on average weekly earnings of all full-time employees of \$1,994.30 in FY25 ⁸⁸ inflated to FY26 using the WPI. Assuming a 40-hour week plus a 75% standard loading ⁸⁹
Costs - Breeding and selling domestic animals		
Applicable organisations (AOs) - number	Total AOs: 6 AO's FY26-FY35 Growth rate in AOs: No new AOs since inception ⁹⁰	
Applicable organisations - admin/ reporting	New AO applications: 0 p.a. Annual reports: 6 p.a. Renewals: average 2 p.a. – every 3 years	Annual report costs: 40 hours per annual report Cost of renewals for AOs: same report as annual report
Commercial dog breeders (CDB) – number	Total CDB: 13 CDBs FY26-FY35 Growth rate in CDBs: No new CDBs for past few years ⁹¹	
Commercial dog breeders (CDB) - regulatory requirements	No. new applications: 0 p.a. No. business plans for renewals: 4.3 p.a. based on 3-year renewal No. annual reports: 1 per CDB No. CDB who require \$10m public liability insurance: all 13 CDBs FY26-FY35 No. CDB employees requiring e-learning module qualifications: 1 staff member per CDB p.a.	Cost per business plan: 80 hours per business plan Cost of annual report: 8 hours per report Incremental cost in insurance: Difference between \$5m and \$10m public liability insurance is \$2,500 per CDB

⁸⁷ Department of Treasury and Finance. (2013). [Economic Evaluation for Business Cases Technical guidelines](#). Pg25.

⁸⁸ ABS. (2024, May). [ABS Average weekly earnings Australia, downloads Earnings; Persons; Full Time; Adult; Total earnings ; May 2024](#)

⁸⁹ Based on DTF's guide to assessing costs

⁹⁰ Agriculture Victoria. (2025, March). [Applicable Organisations and recreational breeders](#)

⁹¹ Agriculture Victoria. (2025, February). [Commercial dog breeders](#)

Description	Quantity data/assumption	Monetisation data/assumptions
		<i>Cost of completing e-learning: estimated at 2 hours per person⁹²</i>
Pet shops – keeping records	<i>No. pet shop records: estimated at 5% of new pet acquisitions i.e., 5% of new microchipped cats and dogs – 6,444 in FY26 to 6,645 in FY35</i>	<i>Cost to establish a record: 15 minutes per record</i>
Micro breeders & recreational breeders – ID checks to obtain source numbers	<i>No. ID checks required p.a.: 55,576 checks p.a. based on AgVic data from May 2024- April 2025.</i>	<i>Cost to complete ID check: 15-minutes per check.</i>
Costs – Responsible management of pets		
Prescribed animal populations – number of microchipped cats and dogs	<i>Total dogs: 636,478 in FY26 to 643,246 in FY35 based on CAGR of 0.1% p.a. estimated using AgVic data of 632,006 in FY21 and 634,984 in FY24. Total cats: 222,667 in FY26 to 242,746 in FY35 based on CAGR of 1.0% estimated using AgVic data of 210,213 in FY21 and 218,436 in FY24.⁹³</i>	
Vets - microchipping requirements for vets	<i>New microchipped dogs: 95,472 in FY26 to 96,487 in FY35 New microchipped cats: 33,400 in FY26 to 36,412 in FY35</i>	<i>Cost to vets to implant microchips: \$80 per new microchip</i>
Vets – reunite lost pets	<i>No. pets received by vets for reunification: 23,796 p.a. estimated based on Sapere survey of vets</i>	<i>Time/costs for vets to reunite pets: estimated at 1 hour per pet, based on Sapere survey of vets</i>
Animal registries - number	<i>No. animal registries: 5 registries in FY26-FY35, no new registries (i.e., no new applications)</i>	
Animal registry – regulatory requirements	<i>No. renewals: 1.67 renewals p.a. based on 3-year licence Record establishment & maintenance: new microchipped pets p.a. x membership once-off membership fee Complaints system: average 24 complaints per registry, p.a.⁹⁴ Complaints reports: quarterly, per registry Monthly copy of records: monthly, per registry</i>	<i>Cost per renewal: 8 hours per renewal application Cost of record establishment & maintenance: \$25 per new microchipped pet charged as once-off fee⁹⁵ and includes costs of using records to aid reunification Cost per complaint: assumed half a day (4-hours) per complaint Cost to compile complaints reports: one business day (8 hours) per report</i>

⁹² Estimate provided by Agriculture Victoria.

⁹³ Agriculture Victoria domestic animal registration data.

⁹⁴ The Department estimated 24 complaints per operator p.a. in 2015 as reported in the Rivers Consulting (2015) impact assessment.

⁹⁵ Fees ranged from \$10 per pet to \$25 per pet based on publicly available data. Applied the higher fee as consultation indicated while this fee covers most costs for registries, registries (as private companies) do still have 'top-up' revenue sources - for example sale of tags or premium (non-mandated) membership to the registries.

Description	Quantity data/assumption	Monetisation data/assumptions
		<i>Cost to generate monthly copy of records: 1 hour per back up</i>
Costs - Domestic animal behaviour		
Dog training organisations – admin/ reporting	<i>Total DTOs: 3, with no change forecast</i> <i>No. new applications – zero as no change in number of dog training organisations</i> <i>No. annual reports – based on new DTO's p.a.</i> <i>No. renewals – total DTOs divided by 3 (3-year renewal)⁹⁶</i>	<i>Annual report costs: 40 hours per annual report</i> <i>Renewal applications cost: same report as annual report i.e., no extra costs</i>
Dangerous and restricted breed dogs – number	<i>Total dangerous dogs: 565 in FY26 to 981 in FY35 estimated using a CAGR of 6% p.a. based on 288 in FY15 and 500 in FY15</i> <i>Total restricted breed dogs: 49 in FY26 to 13 in FY35 based on CAGR of -14% p.a. estimated using 240 in FY15 and 65 in FY24⁹⁷</i>	
Dangerous and restricted breed dogs – requirements	<i>Perimeter fencing: total dangerous dogs x 50% kept on non-residential premises, one per dog (no replacements)</i> <i>Enclosures: one per new dog, no replacements</i> <i>Warning signs/collars: one per new dangerous dog plus one replacement every 10-years for restricted breeds</i>	<i>Perimeter fencing cost: \$850 per fence in FY15⁹⁸, or \$1,115 per fence in FY26</i> <i>Enclosure costs: \$4,000 per enclosure</i> <i>Warning signs cost: \$61 per sign⁹⁹</i> <i>Prescribed collars costs: \$24.60 per collar as incremental difference between standard collar and prescribed collar.¹⁰⁰</i>
Benefits		
Benefits – avoided cost of pets in pounds/shelters (reunited prior to being surrendered)	<i>No. cats avoid pounds/shelters: 7,348 p.a. based on (average cats received by RSPCA between FY02-FY06 of 14,903) prior to mandatory microchipping in 2007 – average received between FY19-FY24 of 7,554 cats p.a. = 7,348 cats p.a.</i> <i>No. dogs avoid pounds/shelters: 13,325 p.a. based on (average dogs received by RSPCA between FY02-FY06 of 17,062) prior to mandatory microchipping in 2007 – average</i>	<i>Avoided cost per animal: \$249 per cat and \$225 per dog based on financial data from the RSPCA</i>

⁹⁷ Agriculture Victoria data of 500 dangerous dogs in FY24 and its FY15 figure of 288 supplied to Rivers Consulting in 2015.

⁹⁸ Based on a 2015 value of \$850 in 2015 which has been inflated at 2.5% p.a. Source: Rivers Economic Consulting. (2013). [Regulatory Impact Statement Review of the Code of Practice The Operation of Breeding and Rearing Establishments](#).

⁹⁹ Based on the current price of \$61 for an approved dangerous dog sign available from here the Dog Line ([available here](#)) in FY25 and inflated to FY26 values.

¹⁰⁰ Based on the retail price of a standard Rogz branded (size L) dog collar from Pet Circle costing \$25 ([available here](#)) versus \$49 for an approved VIC dangerous dog collar (size L) from here the Dog Line ([available here](#)). The difference of \$24 is inflated from FY25 to FY26.

Description	Quantity data/assumption	Monetisation data/assumptions
	received between FY19-FY24 of 3,737 dogs p.a. = 13,325 dogs p.a. RSPCA figures multiplied by 10 as only accounts for 10% of intake across all Victorian shelters/pounds ¹⁰¹ i.e., 73,288 cats and 133,252 dogs p.a.	
Benefits – avoided cost of pets in pounds/shelters (reunited faster)	<i>No. cats with shorter stay in pound:</i> 83 cats p.a. based on an increase of 1.80% ¹⁰² in the reclaim rate of cats x 4,611 cats received by RSPCA in FY24 <i>No. dogs with shorter stay in pound:</i> 62 dogs p.a. based on an increase of 2.44% ¹⁰³ in the reclaim rate of dogs x 2,550 dogs received by RSPCA in FY24 RSPCA figures multiplied by 10 as only accounts for 10% of intake across all Victorian shelters/pounds ¹⁰⁴ i.e., 831 cats and 622 dogs p.a.	<i>Avoided cost:</i> difference of cost to shelter/pound between a claimed versus unclaimed pet of \$2,154 per cat and \$2,460 per dog based on financial data from the RSPCA.

¹⁰¹ Data from Agriculture Victoria's [Mandatory reporting of animal welfare outcomes in shelters and pounds](#) indicates that between 1 January 2023 – 40 June 2023 RSPCA accounted for 12% of cats and 9.1% of dogs received by all Victorian shelters/pounds. Similarly, the same data for the period 1 July 2023 – 21 December 2023 indicates RSPCA accounted for 9.7% of cats and 8.8% of dogs received. The 2024 data is not yet available.

¹⁰² RSPCA data indicates that the average reclaim rate for cats between FY02-FY06 (prior to mandatory microchipping) was 4.26% of cats, whereas it was an average of 6.07% of cats between FY19-FY24.

¹⁰³ RSPCA data indicates that the average reclaim rate for dogs between FY02-FY06 (prior to mandatory microchipping) was 39.47% of dogs, whereas it was an average of 41.90% of dogs between FY19-FY24.

¹⁰⁴ Data from Agriculture Victoria's [Mandatory reporting of animal welfare outcomes in shelters and pounds](#) indicates that between 1 January 2023 – 40 June 2023 RSPCA accounted for 12% of cats and 9.1% of dogs received by all Victorian shelters/pounds. Similarly, the same data for the period 1 July 2023 – 21 December 2023 indicates RSPCA accounted for 9.7% of cats and 8.8% of dogs received. The 2024 data is not yet available.

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