



Tabled, by leave,

The Hon. Tara Mainwaring

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Clerk of the Parliaments

24 / 10 / 24

PREVENTION OF CRUELTY TO ANIMALS AMENDMENT (PUPPY FARMING) BILL 2024

STATEMENT OF PUBLIC INTEREST

Need: Why is the policy needed based on factual evidence and stakeholder input?

The need for government action has been established through the outcomes of several Parliamentary Inquiries, discussion papers and public consultation activities undertaken since 2015.

The proposed Prevention of Cruelty to Animals Amendment (Puppy Farming) Bill 2024 (the **Bill**) delivers on the NSW Government election commitment to introduce legislation to ban puppy farms in NSW, drawing upon several recommendations from the Select Committee on Puppy Farming in New South Wales, Puppy farming in New South Wales Report, August 2022 (the **Puppy Farming Report**) as well as the Victorian, Western Australia and South Australian puppy farming legislation.

Of particular note the Puppy Farming Report identified the inverse relationship between numbers of animals at intensive breeding facilities and the ability to guarantee positive welfare outcomes for animals. The Puppy Farming Report cited limits must be placed on the number of dogs that can be housed at a breeding facility. Of the 18 recommendations made, the Bill will specifically address the following key recommendations for dogs:

- Recommendation 2 – Introduction of legislation on puppy farming in NSW.
- Recommendation 4 - That the NSW Government closely consider evidence before this inquiry and introduce: a cap on the number of female breeding animals that a proprietor of a companion animal breeding business may have, lifetime litter limits for (cats and) dogs used for breeding, and staff to animal ratios for companion animal breeding businesses.
- Recommendation 12 - That the Department of Primary Industries implement a well-resourced breeder licensing scheme in New South Wales that contains robust licensing conditions for breeders, taking into account the evidence received by this committee.

The proposed amendments are supported by public consultation and build on the existing regulatory framework to include:

- requiring all dog breeders to obtain a unique breeder identification number, unless a working dog is bred on the farm to primarily drive, tend, work, or protect livestock on that farm
- strengthened identification requirements when breeders are advertising to sell, transfer or give away dogs
- mandatory lifetime litter limit of five litters for breeding dogs (with a reduced limit in the event of three births by caesarean)
- mandatory staffing ratios for dog breeding premises of 1 staff member for every 20 dogs
- legislating a cap of 20 on the number of female adult dogs over six months of age (not including dogs that have been rendered permanent infertile) that can be kept at a premises (unless a time limited exemption has been provided in certain circumstances),



- mandating compliance with the Breeding Code for any person breeding a dog after 1 December 2029, and
- creating new penalty offences for breaching any of the above provisions

Objectives: What is the policy's objective couched in terms of the public interest?

There is strong public interest in ensuring appropriate standards of animal welfare and strengthening breeding practices for dogs in NSW. The overarching goal of this policy is to align appropriate standards of animal welfare, balance the needs of industry and expectations of the wider community, whilst harmonising arrangements, where appropriate with neighbouring jurisdictions to deliver benefits of cross border consistency and improved animal welfare outcomes for NSW.

The Bill is not proposing to replicate the Victorian framework – which has been strongly viewed by industry, enforcement agencies and the community as being unnecessarily complex and difficult and not consistent with animal welfare standards expected by the people of New South Wales.

The Government's Bill will deliver transparency of dog breeding operations within NSW, regardless of the size of an operation, providing greater accountability and oversight; whilst ensuring appropriate standards of animal welfare.

Options: What alternative policies and mechanisms were considered in advance of the bill?

There have been a range of longstanding issues raised about the inadequacy of the regulatory framework relating to dog breeding practices. These have been the subject of discussion papers, inquiries and previous private members bills dating from 2011 to 2024. The feedback and outcomes from these public consultations have informed the development of proposed amendments to the Bill.

The NSW Government committed to the introduction of a new animal welfare framework in NSW, including a commitment to introduce legislation to ban puppy farms in NSW. Options to meet the NSW Government objective included:

- **Option 1 (base case):** Continuation of the current legislation under Prevention of Cruelty to Animals Act 1979 (**POCTAA**). Under this option, no further action would be taken by the NSW Government to improve animal welfare conditions for the breeding of dogs, and the current regulatory framework under POCTAA would remain as is. This option was not considered to be appropriate noting the significant level of community, industry and parliamentary concerns around puppy farming and poor breeding practices under the existing regulatory framework.
- **Option 2:** Changes to strengthen the regulatory framework managing the breeding of puppies. Under this option, the changes to POCTAA aim to strengthen the transparency, oversight and accountability of puppy breeding activities, and improve the animal welfare outcomes for breeding of dogs across



NSW, and address outcomes from targeted parliamentary inquiries, industry and community feedback.

Additional targeted consultation on Option 2 occurred from May to mid-August 2024 including, the Animal Welfare Advisory Committee, POCTAA enforcement agencies, a range of dog breeder organisations, and other peak bodies, which informed the development of the Bill. Several mechanisms were proposed to stakeholders and feedback indicated general support for the government policy principles.

Analysis: What were the pros/cons and benefits/costs of each option considered?

Quantitative data to assess benefits and costs was limited with very little data on breeding operations, industry revenue structures, puppy sales etc. However, significant amounts of information were available from the substantial formal stakeholder feedback via relevant inquiries to inform likely benefits and costs.

The magnitude of costs was assessed against making no changes (base case), and it was concluded that the proposed amendments will likely result in additional costs to people breeding dogs, government and approved charitable organisations (ACOs) and the community. The relative costs identified are outlined below.

- Minimal costs included increased labour costs for breeders to meet the new mandatory requirements (such as increased mandatory staff ratios, paperwork, advertising and application costs).
- Minor costs associated with compliance and enforcement activities, increased costs for some breeders to upgrade/modify premises, and increased breeding costs and reduced income earnings for some breeders who need to reduce their lifetime litter limit.
- Moderate costs included increases in Government costs to establish a well-resourced breeder licensing scheme and to upgrade system requirement to facilitate the mandatory breeder identification numbers, enhancements to the NSW Pet Registry, and implementation of the exemption to maximum number of female adult dogs, and related staffing and administration costs.

There were some additional costs which were unable to be quantified such as the costs to breeders impacted by the maximum cap and the cost to consumers of the potential reduction in the supply of puppies or increased puppy purchase price. These costs were estimated to be within the range of minor to major for breeders and minor to moderate for consumers.

While data quantifying the additional benefits was limited, there was substantial scientific and qualitative information supporting significant improvements in the welfare of animals and benefits to the community, state and local governments, ACOs, customers and social licence for people breeding dogs, from the proposed amendments. As such, it is likely that the additional benefits will outweigh the costs of proposed amendments.



The government's package will safeguard and strengthen breeding practices by targeting key breeding risks to animal health and welfare, minimise adverse consequential impacts, be easy to understand and will harmonise arrangements, where appropriate with neighbouring jurisdictions to provide cross-border consistency.

Pathway: What are the timetable and steps for the policy's rollout and who will administer it?

The 24 October 2024 is the determination date for the number of female adult dogs on a dog premise for the purpose of the 10-year grandfathering exemption to the maximum cap of female adult dogs.

Upon Assent, the following provisions will commence:

- Maximum cap of female adult dogs, which includes a time limited exemption until 1 December 2025 where the number of female adult dogs kept on the dog premises is no more than the number immediately before the assent of the Bill.
- Other consequential amendments to POCTAA and *Companion Animals Act 1998 (CAA)* will also commence.

In early to mid 2025, certain breeders will be able to apply for a 10-year grandfathering exemption to the maximum cap of 20 female adult dog measure that will come into force on 1 December 2025.

From 1 December 2025, the following provisions will commence:

- mandatory breeder identification numbers
- mandatory advertising requirements
- lifetime litter limits
- staff to dog ratios, and
- related penalty offences.

From 1 December 2026, exemption holders must not have more than 50 female adult dogs.

From 1 December 2029, the following measure will commence:

- mandatory compliance for all dog breeders with the Breeding Code, and
- related penalty offences.

From 1 December 2035, exemption period expires, and all breeders must not have more than 20 female adult dogs.

To ensure the policy objectives of the Bill remain valid and whether the terms of the Bill remain appropriate for securing these objectives, a review will be conducted after 6 years from the date of assent, being approximately 5 years from the commencement of the substantive provisions within the Bill.

The key roles and responsibilities of relevant agencies are outlined below:

- Department of Primary Industries and Regional Development



- Policy, and legislative framework and supporting regulations.
 - Development and implementation of public facing policy communications and education.
 - Annual reporting to relevant Ministers and Government as required on compliance and enforcement activity via the approved charitable organisations and overarching policy outcomes.
- Office of Local Government
- *Mandatory breeder identification numbers*: application for and allocation/ refusal / suspension / cancelling of BINs and RONS, and management of the NSW Pet Registry including public facing system and program administration, communications and education
 - *Exemption from maximum cap of female adult dogs*: processing applications, receiving annual reports, liaising with ACOs.
 - Policies and procedures, guidance, communications and approved forms.
 - Annual reporting to relevant Ministers and Government on breeder registration and identification requirements and the administration of the program as required.

Consultation: Were the views of affected stakeholders sought and considered in making the policy?

The Department took into consideration previous consultation and submissions relating to puppy farming including stakeholder views provided to the Puppy Report as well as relevant stakeholder feedback provided to the Government through other inquiries. In addition, the Department conducted targeted consultation sessions with the following stakeholders over a four-week period commencing 20 May 2024 and provided additional opportunity for written submissions.

- Approved charitable organisations and enforcement agencies: Animal Welfare League NSW, Greyhound Welfare Integrity Commission, NSW Police and RSPCA NSW.
- Other stakeholders: Animal Care Australia, Animal Medicines Australia, Animal Welfare Advisory Committee, Assistance Dogs Australia, Australian Association of Pet Dog Breeders, Australian Federation of Livestock Working Dogs, Australian Veterinary Association, Department of Communities and Justice, Dogs NSW, Guide Dogs NSW/ACT, Local Government NSW, Master Dog Breeders and Associates, NSW Farmers Association, NSW Office of Local Government, NSW Veterinary Practitioners Board, and Pet Industry Association of Australia.

Stakeholders supported the government's policy principles to introduce provisions that are:

- Easy to understand across industry, the community and government,
- Risk and cost proportionate, balancing of appropriate standards of animal welfare, with industry needs and expectations of the wider community,
- Minimise adverse consequential impacts, and



- Harmonise arrangements with other jurisdictional legislative frameworks, where appropriate.

Stakeholders welcomed the package of targeted and outcome focussed proposals that will 'raise the bar' and set 'clear guard rails' to improve puppy standards and safeguard ethical dog breeding practices within NSW. Generally, stakeholders considered the package of provisions will establish an appropriate level of regulatory control, support greater transparency of ethical breeders, and increase industry and community confidence.

Whilst there was acknowledgement that the proposed adult female cap and mandatory staff ratio provisions will target key breeding risks to animal health and welfare, it was noted that there is limited scientific evidence available on these matters. Many stakeholders suggested including a requirement to review the legislation (e.g., within six years), to ensure that in the longer-term provisions remain fit for purpose for NSW.

Furthermore, stakeholders recognised the need to avoid duplication in proposed practices for certain sectors, such as greyhounds within the meaning of the *Greyhound Racing Act 2017*, where the greyhound is owned or kept in connection with greyhound racing or by a registered greyhound racing industry participant; or for those circumstances where the breeding of dogs is under an animal research authority provided under the *Animal Research Act 1985*.

However, opinions were mixed regarding any further extension of exemptions to working dogs for example. It was acknowledged that these matters are complex, and any exemptions should be tightly targeted and be only applied for legitimate purposes where they deliver positive animal welfare or human health outcomes (for example assistance dogs) where appropriate.

Stakeholders commented that the Bill was more appropriate and reasonable than past legislative proposals that gave rise to concerns about significant business and financial impacts on local councils and unnecessary prescription on breeding groups, without delivering the crucial transparency of breeding operations within NSW.

Stakeholders highlighted that many within the industry already undertake best practices and undergo audits through third-party accreditation processes. There was agreement that the total numbers of dog breeders throughout the State is unknown and that fully quantifying the extent of impacts from the proposals would be challenging, but nevertheless it is necessary for legislation to mitigate potential consequential issues, such as possible euthanasia or surrendering of otherwise healthy dogs.