



Animal
Medicines
Australia

PET OWNERSHIP

in Australia | 2016

Animal Medicines Australia | “*The voice of the animal health industry*”

Animal Medicines Australia

Animal Medicines Australia (AMA) is the peak body representing the leading animal health companies of Australia.

Our members include those who develop, formulate, register and manufacture veterinary medicine products aimed at managing the health of animals from companion to equine and food-producing.

As part of our role, AMA provides up-to-date data and information on trends to inform decision-making and policy development. This report is part of that work.



OUR MEMBERS



Disclaimer

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Acknowledgements

Animal Medicines Australia thanks the Pet Food Industry Association of Australia (PFIAA) for its financial contribution to this report.



A close-up photograph of two turtles resting on a piece of weathered wood. One turtle is in the foreground, facing right, while another is partially visible behind it. The turtles have dark shells with distinct yellowish-yellow patterns. The background is blurred green foliage.

For those of us with pets, their value is clear.

They are part of our lives, usually regarded as part of the family. They are companions for relaxation, for physical activity or for teaching our children responsibility.

But beyond our own experiences with Bella, Tiger or Max, understanding the broader role of pets in Australia is more complex.

This report outlines key findings from a Newgate Research quantitative study of Australian households and the state of pet ownership in 2016. It also draws on information from other sources locally and internationally to provide a comprehensive view of changes in pet ownership in Australia since 2013.

Through this report, we can better understand the role pets play in modern Australian society, both in terms of the value people place on their pets and the value they deliver to us.

Identifying who owns pets and what type they own or aspire to own, gives us unique insights into:

- the quantum and diversity of the pet population, by animal type and primary role played within households;
- the drivers and barriers to pet ownership;
- reasons for pet purchase and attitudes towards pets, with insights into the human-companion animal bond;
- pet health and management, including incidences of desexing, adoption, microchipping and pet insurance, as well as veterinary services and information sources; and
- estimated expenditure on pet-related purchases, by product and service type, and purchase channels.

Understanding more about our pet populations means we can better advise governments, industry and others about the role pets play in our community and how that can be enhanced.

The signature of Andrew Mason, President of Animal Medicines Australia.

Andrew Mason
President
Animal Medicines Australia

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TOP 5 INSIGHTS

Notes to the Reader

The survey questionnaire for this research was based on that used for the 2013 study and, for the purposes of comparison, most of the questions from the original study were retained. However some modifications were made in order to include two new pet categories (small mammals and reptiles) and to address emerging issues and questions of importance to AMA.

There were two other important modifications relating to sampling.

- Firstly, where the 2013 study excluded those aged 65 or more, the decision was taken to include them in 2016 since the role of pets in the lives of older Australians is a significant one to measure and understand into the future.
- Also, the 2013 study excluded people from the Northern Territory and other external territories. To ensure true national representation in 2016, these territories were included.

These two decisions naturally have implications for the ability to compare data from 2013 to those from 2016. This has been addressed by matching the 2016 to the 2013 sampling definitions (i.e. only analysing the 2016 responses of those aged 18 to 64 and by excluding respondents from the Northern and external territories, with associated weighting adjustments) to enable valid observation of changes over time. Where 2016 data are presented without comparison to 2013, those data include people aged 65 and over and from the Northern and external territories.

Readers should note that percentages presented in charts and tables throughout this report may not add up to 100%. This may be due to rounding on single response questions, or because the question allowed multiple responses. Also note that percentages included in commentary are not presented as full data sets. Figures presented and discussed represent only those which are statistically significant at the 95% confidence level (the market research industry standard) and are relevant to the objectives of this report.

The base (number and type of respondents) and the actual survey questions are shown underneath the charts and tables. This is typically expressed as “Base: year: type of respondent, n=count of respondents”. The results throughout the report are weighted to reflect population characteristics and enhance the data accuracy.

Any statistically significant differences reported are at the 95% confidence level and noted using arrows ($\uparrow\downarrow$) or different font colours (red meaning significantly lower than other groups, blue meaning significantly higher than other groups). While some differences may appear significant, they may not be considered statistically reliable due to small sample sizes.

Methodology and Technical Notes

The primary quantitative research conducted by Newgate Research to inform this report was administered online from 22 to 29 April 2016 among a representative sample of Australians aged 18 or over. Quotas were set using population data from the ABS Census 2011 by postcode of residence, using the ABS Greater Capital City Statistical Area framework. Soft quotas were also set by gender and age.

The sample size was n=2,022, which yielded a maximum error margin of +/-2.2% at the 95% confidence level for a 50% result. To correct for sampling bias, the data set was weighted using 2011 ABS Census data.

For findings relating to household characteristics, weights were applied according to ABS data on household location within Major Statistical Regions (Greater Capital City Statistical Areas versus Rest of State). For findings relating to individual attitudes and behaviours, weights were applied according to ABS population data broken down by gender, age and place of residence.

The remaining data included in this report have been compiled from the analysis of secondary sources obtained and approved by the AMA and provided to Newgate Research. These sources have been fully referenced throughout the report.

This project was conducted in accordance with AS:ISO20252:2012 guidelines (the international standard for Market and Social Research) to which Newgate Research is accredited.

Australia's pet populations declined between 2013 and 2016 due to decreases in the ownership of fish and birds. However, ownership of cats and dogs increased. Predictions are that pet populations will be stable over the longer term.

- The overall pet population in Australia has declined by 9% since 2013 as a result of decreases in the populations of birds (down 11%) and fish (down 21%).
- Despite this, there were increases in the numbers of dogs (up 3%) and cats (6%) – although household penetration of each is stable due to growth in the number of households in Australia.
- Future predictions are that the overall pet population will increase marginally over the next five years, indicating a longer term stabilisation in pet numbers.

Cost and responsibility of care remain key barriers to ownership; but other issues around ownership, such as the ability to exercise our pets and take them on holidays, have lessened.

- Cost has intensified as a barrier to pet ownership since 2013.
- Strata and body corporate regulations, accessing holiday care and managing pet responsibilities amid a busy lifestyle also remain significant blocks.
- The question of space is much less of a factor in the decision to acquire a pet.
- Among those who already own pets, there have been declines in some of the difficulties they experience with pet ownership including the ability to take their pets on holidays, cleaning up after them, exercising them regularly and keeping them groomed.

Increasing urbanisation combined with current strata laws present the biggest threats to growing pet ownership in Australia. The growth in solo households also adds pressure. However there is strong desire to own a pet among participants from non-English backgrounds, representing a possible opportunity.

• The shift towards higher-density housing in urban areas of Australia to manage population growth is the biggest current threat to pet ownership in Australia – particularly in the current environment of strict body corporate or strata rules that exclude pets in multi-dwelling developments.

- Recent growth in solo households is also a threat due to issues with appropriately caring for a pet without assistance.
- Increasing immigration offers opportunities, as the survey shows that those from non-English-speaking backgrounds are more likely to want to own a pet and are also more likely to intend purchasing one in the next year.

The rise of the ‘fur baby’: Dogs and cats are much more than mere companions – they have become a part of the family.

- There has been a marked change in the role dogs and cats play in the household since 2013. The relationship between humans and their pets has become much closer with a significant lift in the proportion of owners who see their pets as a members of the family rather than as merely companions.

Having pets as family members is resulting in ‘premiumisation’: Australians are spending more on premium products, services and insurance to manage and enhance the wellbeing of their pets.

- Pet owners are spending more per animal on their pets than they did in 2013.
- There has been a shift away from shopping in supermarkets with owners increasingly opting to shop for their pet needs at specialty pet superstores.
- The markets for pet treats and pet healthcare products are growing rapidly, while bulk food options are declining. Owners are also seeking out food products made with natural and organic ingredients.
- Rates of pet insurance for dogs and cats have also increased.



01 Pet Ownership in Australia

There are more than 24 million pets in Australia today – slightly greater than the human population at 23.77 million. This means nationally, there is a 101:100 ratio between the individual pet and human populations.

At 62%, Australia continues to have one of the highest household rates of pet ownership in the world¹. Around 5.7 million of Australia's 9.2 million households are home to a pet, with many having more than one dog, cat, fish, bird, small mammal, reptile or some other type of pet as part of the family.

TYPES OF PETS OWNED BY AUSTRALIANS

Almost two in five households have dogs (38%) while nearly three in ten households have cats (29%), with an average of 1.3 dogs and 1.4 cats per household.

More than one in ten households also keep fish (12%), with an average of 8.0 fish per household. A similar proportion of households keep birds (12%), with an average of 3.9 birds per household.

For the first time in 2016, this study also examined small mammals and reptiles as pets (separating them out from the 'other pets' category used in 2013), and found similar rates of ownership of each (both 3%). The average number of small mammals per household is 1.9, and that for reptiles is 1.7.

A similar proportion of households (3%) said they own another type of pet – with examples including horses, goats, sheep and hermit crabs.

PET OWNERSHIP IN AUSTRALIA, 2016	HOUSEHOLD PENETRATION (%)	TOTAL OWNER HOUSEHOLDS ('000)	ANIMALS PER HOUSEHOLD (AVE.)	TOTAL PET ANIMALS ('000)
Dogs	38.5	3,555.0	1.3	4,759.7
Cats	29.2	2,698.8	1.4	3,883.6
Fish	11.8	1,088.5	8.0	8,729.5
Birds	11.8	1,086.9	3.9	4,187.4
Small mammals	3.1	282.8	1.9	536.9
Reptiles	2.7	250.2	1.7	415.5
Other pets	2.8	256.7	6.1	1,572.9
Pet Owners	62.0	5.7 m		24.1 m
Non-Owners	38.0	3.5 m		

Base: 2016: Total sample, n=2,022; Q: Thinking now about pets. Which of these pets, if any, do you have in your household?

Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.

¹ GfK International via Mars PetCare College – Learning Module 4, Section 3, Australian Pet Population. Permission supplied by GfK International and Mars Petcare Australia.

There are more than 24 million pets in Australia today – largely in line with the total human population.

Dog ownership in Australia

Dogs remain Australia's most popular pets.

Currently, 38% of Australian households have at least one dog, with an average of 1.3 dogs per household and a total estimated population of almost 4.8 million nationally.

Half of all dogs owned in Australia are pure breeds (52%), while two in five are mixed breeds (41%) and the remaining 7% are designer breeds.

In terms of size, more than two thirds (68%) of dogs weigh in at between 4 and 25 kilograms (37% are between 4 and 10 kilograms and 31% are between 10 and 25 kilograms). Dogs in the 4 to 10 kilogram range are statistically more likely to be mixed (42%) or designer (56%) breeds. At the upper end of the weight range, 20% of dogs weigh more than 25 kilograms and these are more likely to be pure breeds (24%).

More than a third of dogs have been acquired through a breeder (36%). Other common sources include friends or neighbours (17%), animal shelters (16%) and pet shops (14%). Pure breeds were more likely to be sourced from breeders (56%), while designer breeds were more likely to be from pet shops (28%). Mixed breeds tend to come from either animal shelters (27%) or friends and neighbours (26%).

Overall, three in ten dogs were acquired for free (30%), and these were much more likely to be mixed breed (42%). Owners of mixed breeds are also more likely than owners of other breeds to have paid less than \$200 (23%). Both pure and designer breeds are more likely than mixed breeds to have cost their owners between \$501 and \$1,000 (25% and 34% respectively), while pure breeds are more likely than all other breeds to have price tags of \$1,001 or more (15%). The estimated average cost for a pure bred dog was \$674 while for designer breeds it was \$658. The average cost for a mixed breed dog is estimated at \$306.

The most common reason cited for getting a dog was companionship (66%). However, when asked what role the dog plays once acquired, 64% said they were a member of the family, while only 23% saw their dogs as companions. Interestingly, only 6% of dogs have a security role in the household and these are more likely to be larger dogs weighing 25kg or more (13%).

Two-thirds of all dogs are kept both indoors and outdoors (66%), while 20% are exclusively kept outdoors and 14% are exclusively kept indoors. Households that keep their dogs exclusively outdoors are more likely to have children (28%), be living in freestanding homes (22%), and be in regional centres or rural areas (27%). Households with dogs kept exclusively indoors are more likely to be in semi-detached homes (32%) and in urban or city areas (20%). Dogs weighing 10kg or more are more likely to be outdoor-only dogs (29%) while dogs weighing under 10kg are more likely to be indoors-only dogs (21%).

Dog population	4.8 million
Number of households with dogs	3.6 million
Dog ownership (% of households)	38%
Average number per home	1.3
Dogs per 100 people	20

Base: 2016: Total sample, n=2, 022/Dog owners, n=763; Q: Thinking now about pets. Which of these pets, if any, do you have in your household? Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.

Cat ownership in Australia

Cats are the second most common type of pet, being found in 29% of Australian households. There is an average of 1.4 cats per household and a total estimated population of almost 3.9 million.

Three-quarters of cats owned in Australia are mixed breeds (76%), while the remainder are pure breeds (24%).

A quarter of cats have been acquired through animal shelters (25%), and 19% were from friends or neighbours. Interestingly, the third most common source of cats was the street, with 15% saying their cats were strays. This was higher than the proportion who bought their cats from a breeder (13%) or a pet shop (10%). Pure breeds were more likely to have been purchased from a breeder (40%) or pet shop (17%), while mixed breeds were more likely to have been acquired from an animal shelter (29%), from friends or neighbours (22%), or were taken in as strays (19%).

Just over half (52%) of all cats were acquired for free, while 32% paid up to \$200 and 5% paid more than \$500. The estimated average price paid for a cat was \$274. Pure breeds are more likely to have been bought for \$200 or more (45%), with the estimated average cost of a pure bred cat being \$401.

As with dogs, companionship (65%) was the most common reason for acquiring a cat, but once they enter the household, the cat's role is redefined as a member of the family (65%) while only 24% say their cat has a companionship role. Pure breeds were more likely than mixed breeds to have been obtained for relaxation (13% versus 3%), for entering competitions as a hobby (8% versus 0%) or for breeding purposes (5% versus 0%).

The majority of cats (59%) are kept both indoors and outdoors, while 34% are exclusively kept indoors and 7% are exclusively kept outdoors. Pure bred cats are more likely to be kept indoors (54%) and this is more likely to be by people who live in apartments or units (55%).

Cat population	3.9 million
Number of households with cats	2.7 million
Cat ownership (% of households)	29%
Average number per home	1.4
Cats per 100 people	16

Base: 2016: Total sample, n=2, 022/Cat owners, n=585; Q: Thinking now about pets. Which of these pets, if any, do you have in your household? Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.

Fish ownership in Australia

The proportion of Australian households that keep fish is currently at 12%, with an average of 8.0 fish per household and a total estimated population of more than 8.7 million nationally.

The main reasons for acquiring fish as pets were for relaxation (40%) or as a hobby (29%) – both reasons by far more common than for any other type of pets. Other lower-level reasons included educating and teaching responsibility to children (9%) and companionship (5%).

More than two-thirds of owners keep their fish indoors (69%), while a quarter keep their fish outdoors (24%) and one in ten have fish that are kept both indoors and outdoors (10%).

Fish population	8.7 million
Number of households with fish	1.1 million
Fish ownership (% of households)	12%
Average number per home	8
Fish per 100 people	37

Base: 2016: Total sample, n=2, 022/Fish owners, n=237; Q: Thinking now about pets. Which of these pets, if any, do you have in your household? Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.

Bird ownership in Australia

Just over one in ten Australian households (12%) own at least one bird, with an average of 3.9 birds per household and a total estimated population of almost 4.2 million.

Nearly a quarter of bird owners keep chickens (23%), while another 5% said they owned another type of bird.

The main reason for owning birds was companionship (32%), with those who own caged birds more likely than other bird owners to list companionship as the main reason (47%). This was followed by relaxation (19%) – the second highest incidence among all pet types, after fish. Other reasons included wanting the eggs (12% overall and 65% of chicken owners), wanting to educate and teach responsibility to children (10%), or for breeding purposes (5%).

More than half of bird-owning households keep their birds in cages indoors (52%), while more than a third keep their birds outdoors in aviaries (36%). Those who keep birds outdoors are more likely than other bird owners to keep them for breeding purposes (10%).

Bird population	4.2 million
Number of households with birds	1.1 million
Bird ownership (% of households)	12%
Average number per home	3.9
Birds per 100 people	18

Base: 2016: Total sample, n=2, 022/Bird owners, n=226 Q: Thinking now about pets. Which of these pets, if any, do you have in your household? Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.

Small mammal ownership in Australia

Ownership of small mammals is similar to that of reptiles at 3% of Australian households with an average of 1.9 animals per household and a total estimated population of nearly 537,000.

More than half of these households keep rabbits (56%), while nearly one in three own guinea pigs (27%). Less common were households that own mice or rats (13%) and ferrets (6%).

The main reason for acquiring a small mammal was companionship (36%). This was followed by educating and teaching responsibility to children (26%) – a more commonly cited reason than among owners of any other type of pet. Other reasons included relaxation (13%) and being lower maintenance pets (8%).

Small mammal population	537,000
Number of households with small mammals	283,000
Small mammal ownership (% of households)	3%
Average number per home	1.9
Small mammals per 100 people	2

Base: 2016: Total sample, n=2, 022/Small mammal owners, n=61; Q: Thinking now about pets. Which of these pets, if any, do you have in your household? Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.

Reptile ownership in Australia

Reptiles can be found in 3% of Australian households, with an average of 1.7 animals per household and a total estimated population of more than 415,000 nationally.

Half of these households keep lizards (50%), while three in ten own snakes (30%). More than one in ten own turtles or tortoises (12%) or frogs or salamanders (11%). Meanwhile, 2% said they owned another type of reptile.

The top reason for acquiring a reptile was for the companionship (34%). Other key reasons included relaxation (17%), or for entering competitions as a hobby (14%). One in ten also said the main reason for purchasing a reptile was that they were lower maintenance than other pets (10%).

Reptile population	415,000
Number of households with reptiles	250,000
Reptile ownership (% of households)	3%
Average number per home	1.7
Reptiles per 100 people	2

Base: 2016: Total sample, n=2,022; Reptile owners, n=53; **Q:** Thinking now about pets. Which of these pets, if any, do you have in your household?

Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.

CHANGES IN PET OWNERSHIP SINCE 2013³

Overall pet numbers in Australia have fallen by almost 9% in the past three years, down from over 26 million in 2013 to 24 million in 2016.

This change has been driven by declines in the ownership of fish and birds.

As shown in the table below, the number of fish kept as pets in Australia is down by 21% or 2.4 million fish.

The overall pet bird population has also declined over this period, down by 11% or 526,000 birds. This is consistent with forecasts that the pet bird population will continue to experience declines due to ongoing changes in legal restrictions on the types of birds that can be kept in Australia and the diminishing popularity of bird-keeping as a pastime⁴.

While fish and bird numbers might have fallen, there were increases in the populations of dogs and cats over the same period. Dog numbers went up to 4.8 million in 2016 (a lift of just under 3% in three years) and cat numbers increased to almost 3.8 million (up 6%).

Note that, while the pet populations may have shifted, household penetration of pets has remained stable overall (63% in 2013 versus 62% in 2016). This is most likely due to a 6% growth in the number of Australian households between 2013 and 2016⁵. The only individual pet type for which a drop in penetration rates was recorded was pet fish (down from 15% to 12%).

PET POPULATION IN 2016	POPULATION CHANGE SINCE 2013 (%)	H'HOLD PENETRATION IN 2016	H'HOLD PENETRATION CHANGE SINCE 2013 (%)	ANIMALS PER H'HOLD IN 2016	ANIMALS PER HOUSEHOLD CHANGE SINCE 2013
Dogs	4.8 m	+ 2.8% ↑	38.5%	- 0.7 pt	1.3
Cats	3.8 m	+ 6.5% ↑	29.0%	+ 0.4 pt	1.4
Fish	8.7 m	- 21.3% ↓	11.7%	- 3.5 pt ↓	8.0
Birds	4.2 m	- 11.2% ↓	11.5%	- 1.9 pt	3.9
Other pets	2.5 m	+ 10.8% ↑	7.2%	+ 0.5 pt	
Total	24.0 m	- 8.6% ↓	61.7%	- 1.6 pt	

Base: 2016: Total sample, n=2,022; 2013: Total sample, n=1,734; **Q:** Thinking now about pets. Which of these pets, if any, do you have in your household?

³ Pet Ownership in Australia 2013 was published by Animal Medicines Australia (previously the Animal Health Alliance). This previous wave of the study had surveyed only those aged between 18 and 64 years, and excluded those living in the Northern Territory and other external territories. To ensure comparability, commentary regarding changes since 2013 relate only to participants within that exact age and geographic scope, with modified weighting applied. For this reason, 2016 findings reported here for comparison purposes may differ from the overall findings that use a more representative sample of the overall Australian population. Details in Notes to the Reader.

⁴ Euromonitor International, Pet Care in Australia, May 2016.
Used with permission.

⁵ Australian Bureau of Statistics, Household and Family Projections, Australia, 2016, medium growth scenario (cat. no. 3236.0).

PET OWNERSHIP ACROSS AUSTRALIA'S STATES AND TERRITORIES

The table below sets out the rates of pet ownership in Australia by state and territory. It shows that, statistically, ownership rates overall and by pet type are broadly in line with the national averages, although cat ownership is higher in Victoria than New South Wales while fish ownership in New South Wales is higher than in other states or territories.

Pet ownership in 2016 / state and territory

	TOTAL (N=2,022)	NSW (N=628)	ACT (N=44)	VIC (N=516)	TAS (N=44)	QLD (N=411)	SA (N=158)	WA (N=210)	NT* (N=11)
Dogs	38%	38%	43%	40%	43%	37%	45%	33%	45%
Cats	29%	25% ↓	34%	34% ↑	30%	26%	37%	28%	45%
Fish	12%	15% ↑	16%	11%	14%	9%	9%	9%	18%
Birds	12%	14%	16%	10%	7%	10%	13%	12%	27%
Small mammals	3%	3%	2%	4%	5%	2%	4%	3%	9%
Reptiles	3%	3%	0%	3%	0%	2%	4%	1%	9%
Other pets	3%	2%	7%	4%	5%	2%	3%	4%	0%
Any pet	62%	60%	75%	65%	66%	59%	68%	57%	82%

Base: Total sample, n=2,022; **Q:** Thinking now about pets. Which of these pets, if any, do you have in your household? **Note:** Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.; **Q:** What is your postcode?

* NT includes other external territories. The sample size for this region is too small to enable meaningful commentary on any differences, and results should be interpreted with caution.

MULTIPLE PET OWNERSHIP IN AUSTRALIA IN 2016

There are currently 2.3 million households with more than one type of pet.

Looking at the make-up of these multi-pet households, dogs are most likely to be included in households with other pet types. The exception to this is homes that own small mammals, where cats are top of the list – although dogs are next in line.

In general, households that own dogs are most likely to also have a cat (34% of dog owners have at least one cat), and the reverse is true of cat-owning households (45% of cat owners have at least one dog).

Bird and fish owners are also most likely to have a dog if they have another pet (58% and 57%, respectively), followed by having a cat (40% and 41%, respectively). This was followed by having fish (35% of bird owners) or a bird (35% of fish owners).

Those who own small mammals and reptiles are more likely, if they own another type of pet, to have a greater variety of animals. For owners of small mammals, this was led by cats (57%), followed by dogs (54%), birds (37%), fish (34%) or another type of animal (25%). Among reptile owners, 53% have a dog, 34% have a cat, 34% have fish and 31% have a bird.



There are currently 2.3 million households with more than one type of pet.

Who are Australia's pet owners?

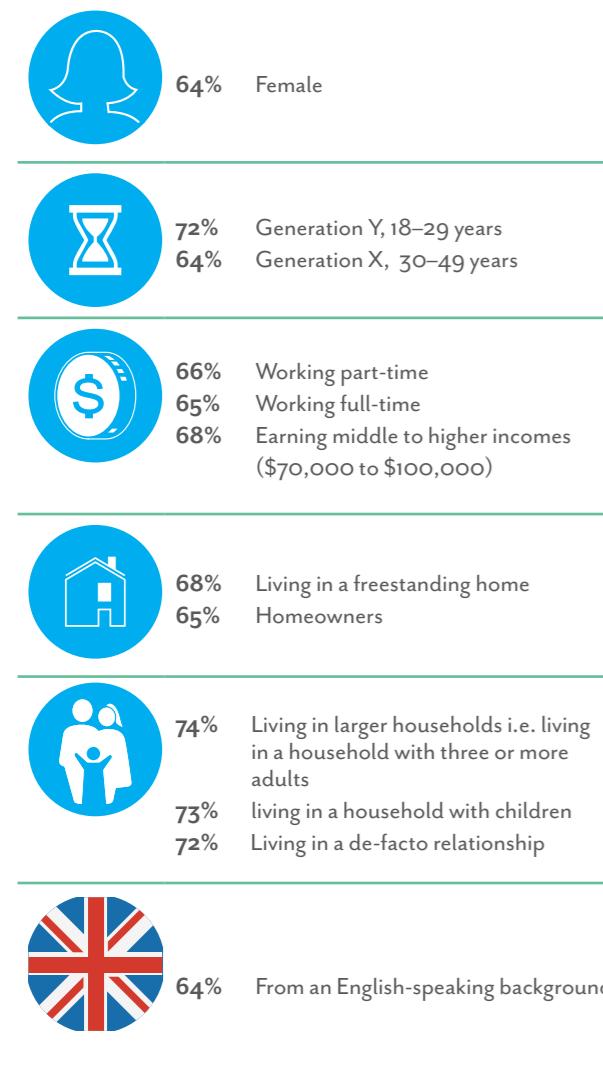
While all types of people own all types of pets, analysis of the data from this research has shown that some people are statistically more likely than others to be pet owners, and some are less likely to own pets.

The following profiles outline those differences.



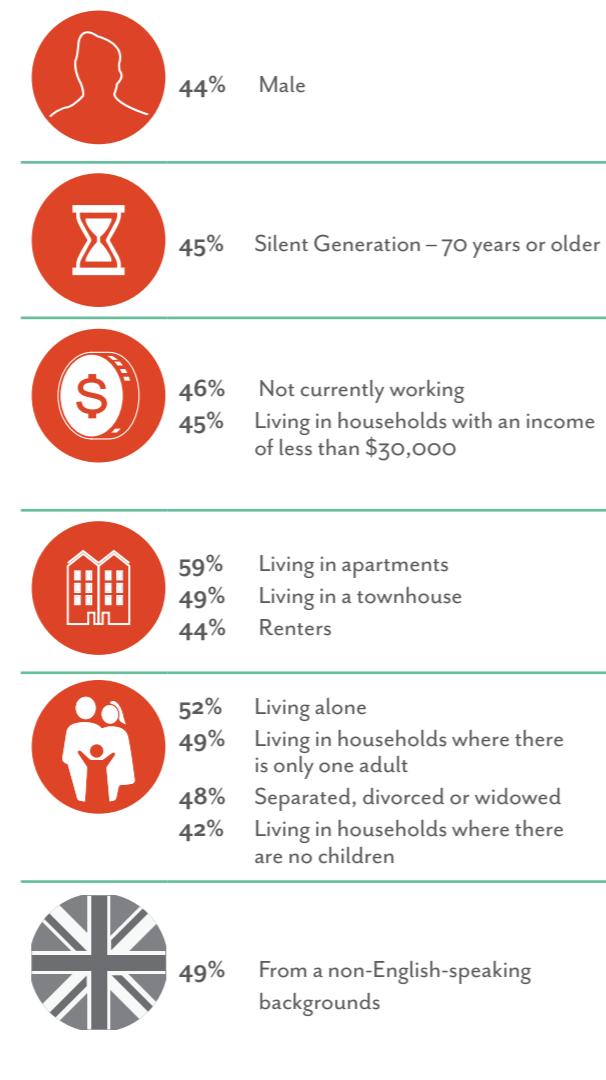
PET OWNERS ARE MORE LIKELY TO BE

(% OF EACH SEGMENT WHO CURRENTLY OWN A PET)



NON-PET OWNERS ARE MORE LIKELY TO BE

(% OF EACH SEGMENT WHO CURRENTLY OWN A PET)



Dog Owners

Over and above the profile of the average pet owner, dog owners (38% of all survey participants) are more likely to be:

- Earning higher incomes, 46% of those with household incomes of \$100,000 or more
- Aged 25–34 years (47%)

Cat Owners

Cat owners (29% of all survey participants) are:

- 34% most likely to be 45–54 years of age,
- 34% Living in Victoria

IN TERMS OF BREED TYPE:

PURE BREEDS (52% OF ALL PET DOGS) WERE MORE LIKELY TO:

- Live in a household with children, (58% of dogs in households with children are pure breed); or
- Live in urban or suburban areas (net 56%)

MIXED BREEDS (41% OF ALL PET DOGS) WERE MORE LIKELY TO:

- Live in regional and rural areas (51%)
- Live in a rental property (47%)
- Live in a household with no children (44%)
- Have an owner who is in a de facto relationship (51%); or
- Have an owner whose household income is less than \$100,000 (44%)

DESIGNER BREEDS (7% OF ALL PET DOGS) WERE MORE LIKELY TO:

- Live in an apartment or unit (18%)
- Live in urban areas (12%)
- Have an owner from non-English-speaking background (13%)
- Have an owner who is employed full-time (11%); or
- Have an owner who is university-educated (11%)

PURE BREEDS (24% OF ALL PET CATS) WERE MORE LIKELY TO:

- Live in a townhouse (41%)
- Live in urban areas (40%)

Live in a household with children (30%)

- Have an owner who is male (31%)
- Have a Generation Y owner (35%)

Have an owner who is university-educated (33%); or Have an owner who is employed full-time (32%)

MIXED BREEDS (76% OF ALL PET CATS) WERE MORE LIKELY TO:

- Live in regional and rural areas (83%)
- Live in a freestanding house (78%)
- Live in a household with no children (78%)
- Have an owner who is female (79%)
- Have a Baby Boomer owner (84%); or
- Have an owner who is not employed at all (80%)

Fish Owners

Fish owners (12% of all survey participants) are more likely to be:

- Aged between 18 and 24 years (18%)
- Living in New South Wales (15%)

Bird Owners

Bird owners (also 12% of all survey participants) have the same profile as all pet owners.

Reptile Owners

Reptile owners (3% of all survey participants) are more likely to be:

- Aged 25 to 34 years (6%)
- Living in urban areas (5%)

Small Mammal Owners

Small mammal owners are more likely to be aged 18 to 24 years (7%).

Base: 2016: Total sample, n=2,022; **Q:** Thinking now about pets. Which of these pets, if any, do you have in your household?

Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats.

INTERNATIONAL PET OWNERSHIP COMPARISONS

Globally, around 57% of households own a pet⁶ so, at 62%, Australians are more likely to have a pet than most nationalities.

As shown in the graphic opposite from GfK Research, Argentina (66%), Mexico (64%) and Brazil (58%) have the highest proportions of dog owners. Russia (57%), France (41%) and the USA (39%) have the higher percentages of cat owners, while the Chinese have more fish (17%), and bird ownership is highest in Turkey (20%).

As shown opposite, GfK's research also reveals that Australians' ownership of pets in all categories in their study – i.e. dogs, cats, fish, birds and other pets – exceeds the 22 country average; while the proportion of households with no pets is below that average.

The table adjacent delivers insight into pet populations, comparing New Zealand, the United States and United Kingdom with Australia. These three countries have been chosen due to their economic and cultural similarities to Australia.

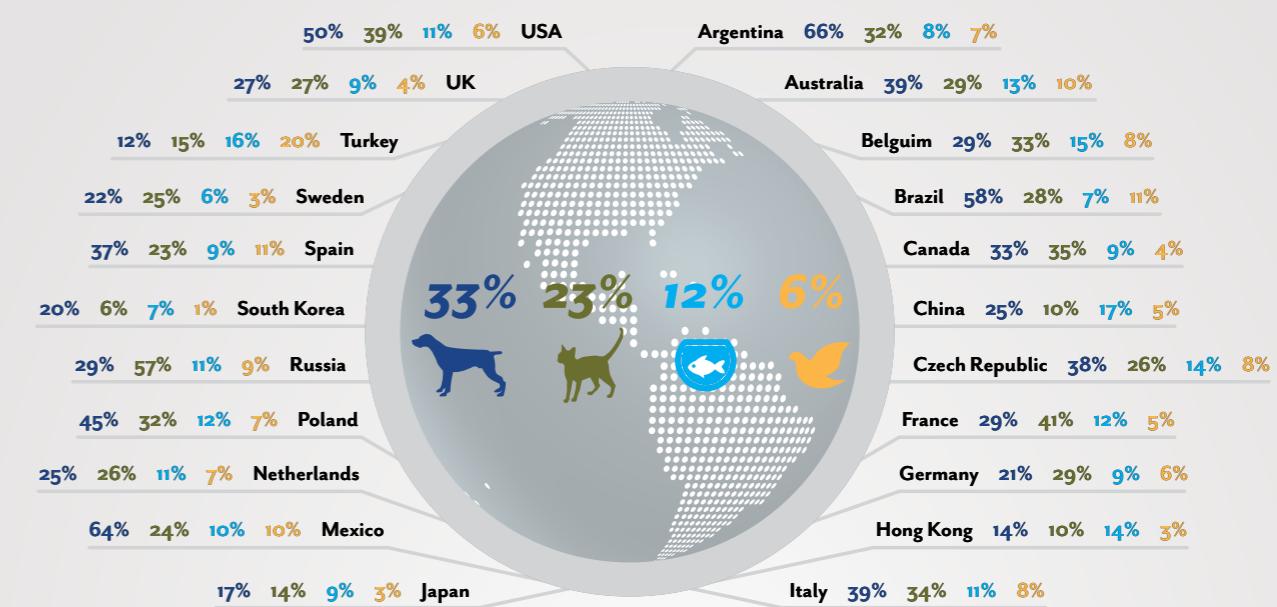
In recent years, the United States has overtaken New Zealand to have the highest rate of pet ownership at 65% of households, with New Zealand now at 64% and Australia at 62%. Ownership in the UK is far lower at 40%.

While the US has the highest proportion of households with dogs (44%), New Zealand has the higher penetration of cats (also 44%).

PET TYPE	AUSTRALIA (2016)	UNITED STATES (2015–16)	NEW ZEALAND (2016)	UNITED KINGDOM (2014–15)
Dogs				
Households with dogs	38%	44%	28%	24%
Dogs per 100 people	19	24	15	13
Cats				
Households with cats	29%	35%	44%	17%
Cats per 100 people	15	27	24	11
Total				
Households with any type of pet	62%	65%	64%	40%

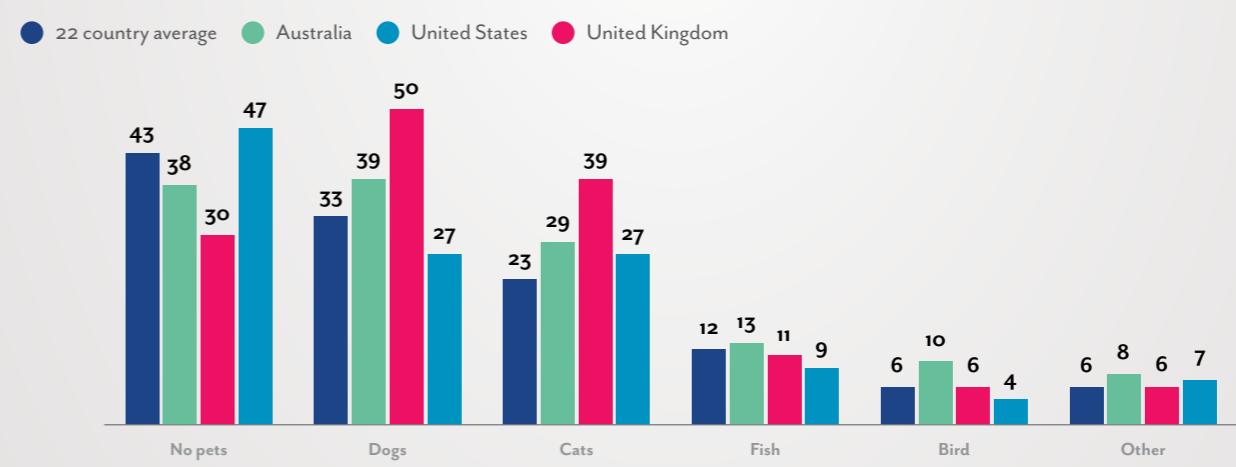
Source: Newgate Research 2016; data compiled by Newgate based on figures from NZCAC 2016; Statistics New Zealand 2016⁷; APPA 2016⁸; United States Census Bureau 2016; PFMA 2016⁹

Pet ownership around the world



Source: GfK UK survey, Base: 27,000+ internet users (ages 15+) in 22 countries. Multiple answers possible

International Pet Ownership Comparisons



Source: GfK UK survey, Base: 27,000+ internet users (ages 15+) in 22 countries. Multiple answers possible

7 New Zealand Companion Animal Council, Companion Animals in New Zealand 2016, p11, http://nzcac.org.nz/images/downloads/Companion%20Animals_in_New_Zealand_2016_Report_web.pdf

8 American Pet Products Association, Pet Industry Market Size & Ownership Statistics, https://americanpetproducts.org/press_industrytrends.asp

9 Pet Food Manufacturers' Association UK, Pet Population 2016, <http://www.pfma.org.uk/pet-population-2016>

6 GfK International via Mars PetCare College, Learning Module 4, Section 3, Australian Pet Population. Used with permission.

New Zealand

In June 2016, the New Zealand Companion Animal Council (NZCAC) released its second Companion Animals in New Zealand report. The report is based largely on the results of a broad pet owner survey, which provided insight into the level of pet ownership and the role that pets play in families and society.

The 2016 report found that 64% of all NZ households own at least one pet, which is down from 68% in 2011. This fall can largely be attributed to a 4% decline in households that own cats (down from 48% to 44% of households) although cats remain the most popular household pets in the country overall.

The total pet population in New Zealand is also slightly down at 4.6 million (from 4.9 million in 2011). Of this number, 1.1 million are cats, 0.7 million are dogs, 1.5 million are fish and 0.6 million are birds.

New Zealand pet population breakdown, 2015

COMPANION ANIMAL TYPE	HOUSEHOLD PENETRATION	AVERAGE NUMBER IN HOME	TOTAL ('000)
Cats	44%	1.5	1,134
Dogs	28%	1.4	683
Fish	10%	8.9	1,510
Birds	7%	5.4	595
Rabbits	3%	2	116
Horses/ponies	2%	3.4	116
Other	5%	5.9	502
None	36%	-	-
Total	64%	-	4,656

Source: NZCAC 2016

As they do for Australians, pets play a vital role in the lives of New Zealanders. While companionship might be the main reason for acquiring these animals, both cats and dogs become members of the family and trusted companions in 95% of pet-owning households.

For this reason, New Zealanders with pets place great importance on their pets' health and wellbeing, with total expenditure on products and services estimated at \$1.8 billion, up from \$1.6 billion in 2011.

Of this, expenditure on cats and dogs was \$1.5 billion, or 86% of total expenditure. This figure is slightly down from 2011 when it was 92% of the total and reflects the change in overall population figures¹⁰.

United States

The American Pet Products Association (APP) undertakes a biennial survey of pet owners. The 2015–16 survey found that 65% of households, or 79.7 million homes, own a pet. This represents a 3% increase since 2011–12, and a 9% increase since the first US survey was conducted in 1988.

After dropping significantly from 2009–10 to 2011–12, cat numbers have now largely stabilised at around 86 million. Despite this, the United States still has one of the largest domestic cat populations in the world. Dog numbers are currently reported at 78 million, which is consistent with measures since 2010.

Interestingly, while ownership rates have increased, overall pet numbers have decreased quite significantly from 411.8 million in 2009–10 to 312.1 million in 2015–16. This is largely attributed to a decrease of 75 million in freshwater fish numbers, but there were also drops in the numbers of horses, saltwater fish and reptiles.

United States pet population [million]

PET TYPE	2009–10	2011–12	2015–16
Freshwater fish	171.7	151.1	95.5
Cat	93.6	86.4	85.8
Dog	77.5	78.2	77.8
Bird	15.0	16.2	14.3
Small animal	15.9	16.0	12.4
Horse	13.3	7.9	7.5
Saltwater fish	11.2	8.6	9.5
Reptile	13.6	13.0	9.3
Total	411.8	377.4	312.1

Source: APPA 2015–16

In 2016 it is estimated that the value of the pet care market in the United States is US\$63 billion, up on the 2015 figure of US\$60 billion¹¹.

United Kingdom

In the United Kingdom, the Pet Food Manufacturers Association (PFMA) undertakes annual research on pet numbers and expenditure on pet care products.

In 2016 it estimates that there are around 57 million pets in Britain, which represents a marked drop of 10 million or 15% in just five years. Similarly, the number of households with pets has fallen from 48% of households (13 million) owning at least one pet in 2012, to 40% (11 million) in 2016.

Dogs and cats remain the most popular pets in the UK, with the total number of each estimated at 8.5 million and 7.5 million respectively. This translates into 24% of households owning at least one dog and 17% owning at least one cat.

United Kingdom pet population [million]

PET TYPE	2011–12	2012–13	2013–14	2014–15	2015–16
All	66.9	69.2	64.9	58.4	57.0
Indoor fish	23.0	23.3	23.3	19.9	16.0
Outdoor fish	21.8	21.8	18.4	17.1	20.0
Dogs	7.6	8.6	8.9	8.5	8.5
Cats	7.8	8.5	7.9	7.4	7.5
Rabbits	1.2	1.3	1.2	1.0	0.8
Domestic fowl	0.7	0.7	0.8	0.7	0.5
Guinea pigs	0.9	0.6	0.5	0.7	0.7
Indoor birds	0.8	1.0	0.8	0.5	0.6
Hamsters	0.7	0.6	0.4	0.4	0.4
Lizards	0.3	0.4	0.4	0.3	0.3

Source: PFMA 2016

Despite declining overall pet numbers, the pet food industry in the United Kingdom has remained healthy with the value of pet food sales rising by 1% to reach £2.8 billion in 2015, up from £2.14 billion three years earlier¹².



¹⁰ New Zealand Companion Animal Council, Companion Animals in New Zealand 2016, p11, http://nzcac.org.nz/images/downloads/Companion%20Animals_in_New_Zealand_2016_Report_web.pdf

¹¹ American Pet Products Association (APP), APPA 2009–10/2011–12/2015–16 National Pet Owners Surveys.

¹² Pet Food Manufacturers' Association UK, Pet Population 2016, <http://www.pfma.org.uk/pet-population-2016>

O2 Barriers to Pet Ownership



According to the Newgate survey, over half (53%) of Australians would like a new type of pet. This is stronger among those who do not currently have any pets (59%) than those who do (49%), but both figures represent an opportunity to potentially grow pet ownership in Australia.

However, when asked whether they were planning to actually purchase a new type of pet in the next 12 months, only 13% (15% of non-owners and 11% of current pet owners) confirmed that they intended to buy. This indicates that there are significant barriers to owning a pet.

To further understand these barriers, all participants (whether they currently own a pet or not) were first asked what type of pet they might like to own, and then asked the reasons they don't own that pet type. The results for all pet types have been aggregated and are shown in the chart below, detailing the net of all responses, as well as a breakdown between current pet owners and non-owners.

As shown, the most common reasons for not owning pets are having an unsuitable home or lifestyle (21%), followed by the responsibility of ownership (14%), cost (13%) and the issue of other members of the household not wanting one (10%). Interestingly, owners strike more problems with objections from other household members (13%) than non-owners (7%).

The biggest difference between owners and non-owners in terms of barriers is that non-owners cite problems with strata and body corporate regulations (17%) as being more significant than responsibility (14%) and cost (13%). Strata and body corporate regulations are much less of a problem for owners, although they do still exist (3%) and this is presumably owners in multi-dwelling developments with restrictions on the particular type of pet they want to own.

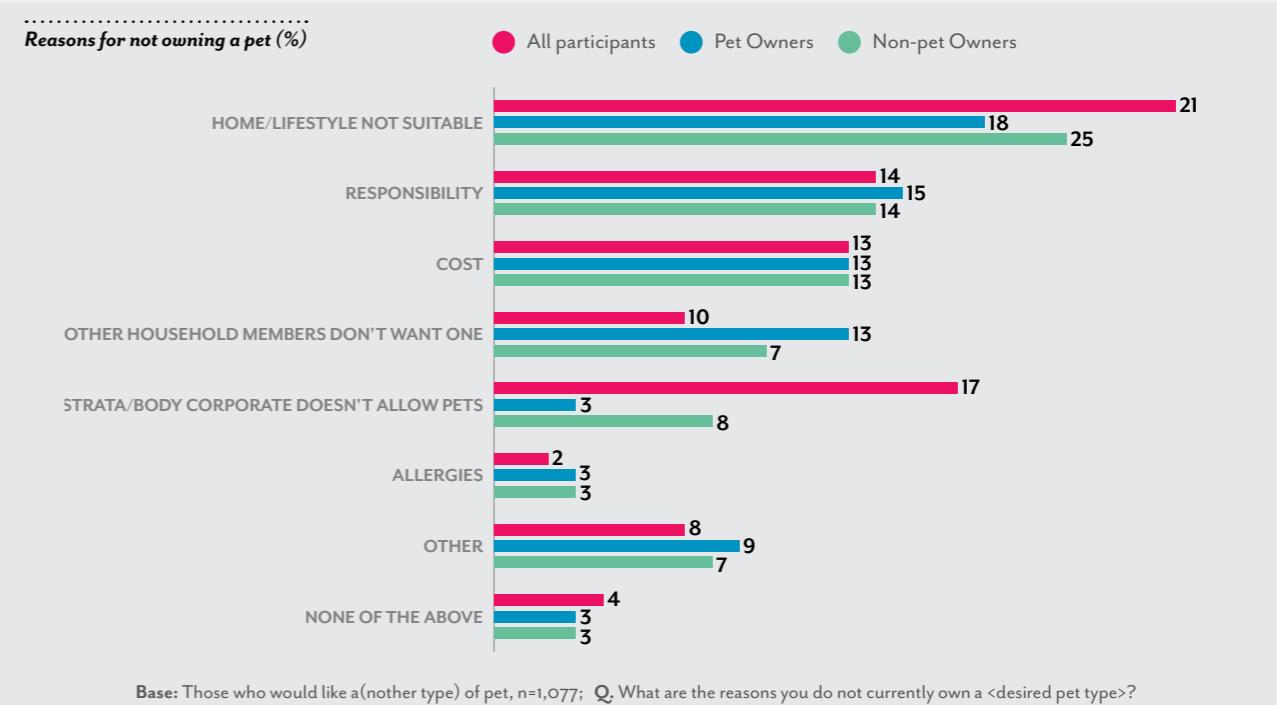
Of all survey participants who cited strata or body corporate restrictions as a barrier, a third (31%) would be prepared to pay more rent or fees to be able to own a pet. This sentiment is stronger among those who are aged 18–29 years (50%), those who are married (57%), or pet owners who would like to own another type of pet (49% versus 26% non-owners).

Anecdotal evidence suggests that there is some movement towards reducing the impact of strata laws as a barrier with increasing numbers of apartments being marketed as pet-friendly and some jurisdictions changing strata laws to default towards pet ownership rather than against it.

CHANGES IN BARRIERS TO PET OWNERSHIP SINCE 2013

Since 2013, there have been two significant changes in the barriers to pet ownership among those who would like to own a pet. When the data were standardised to allow for direct comparison, they revealed that the issue of cost increased from 12% to 15% and the problem of other members of the household not wanting a pet rose from 9% to 12%.

While the reasons for objections from other household members could not be ascertained from this data, it is reasonable to suggest that growing concern about cost relates not just to the cost of acquiring a pet, but also to ongoing maintenance costs as will be discussed in the following section.



Desire versus Intent to Buy: What changes?

The graphic opposite shows the differences between those who would like to own a pet and those who intend to buy one, by pet type. Some of the key things to note are:

There is strong desire for pets – especially cats and dogs – among those who live in apartments or units, and renters, but these people are not more likely to be intending to buy one in the next 12 months. Key barriers for this cohort include the impacts of strata and body corporate regulations, or having an unsuitable home or lifestyle – more so than other segments.

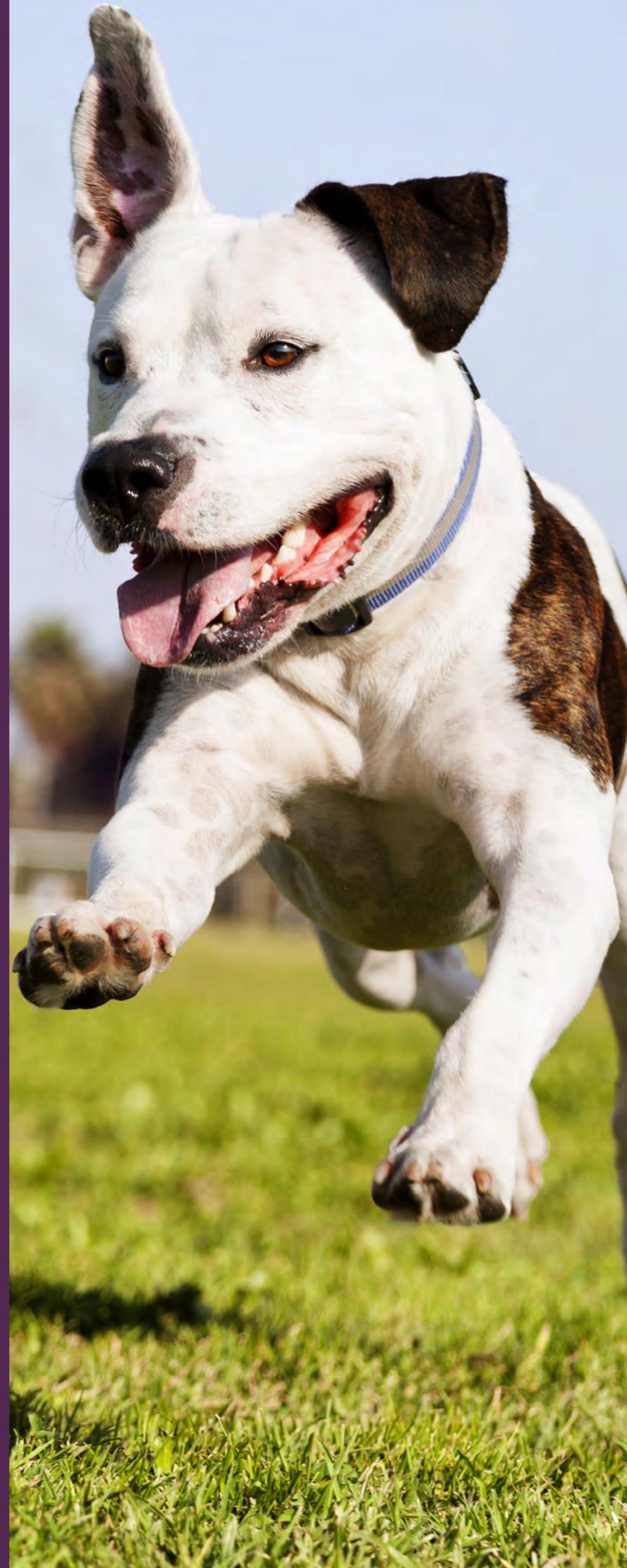
Single people and those living alone are also keen to own pets, including small mammals and reptiles, however they are not appearing as segments that are intending to buy in the next 12 months. This appears to be related to the difficulties single people and solo households can experience in caring for a pet on their own – including on-going costs, grooming, regular exercise and support for when they cannot look after their pets.

Similarly, part-time workers would like a pet, but are not likely to be planning to buy in the immediate term. This may reflect concerns at the cost of buying and owning a pet; or even possible logistical issues around caring for them, especially if they are casual or shift-workers.

People with non-English-speaking backgrounds are a segment with great potential for the pet industry, given they have strong stated desire to own pets, and are also intending to purchase in the next 12 months.

What can be drawn from this is that there is untapped demand for pets in Australia among certain demographics which could be addressed through a combination of innovation in targeted and affordable pet care services and policy initiatives to support some of these segments (including those impacted by strata laws).

The following infographic highlights the demographic groups that were more likely to want a particular type of pet. For example, 14% of Gen X survey participants would like to own pet fish – which is significantly higher than all other age groups combined (in this case, 7%). Similarly, 3% of university-educated adults actually intend to acquire pet fish in the next 12 months – which is significantly higher than among those with lower education levels (i.e. primary, secondary or trade qualifications – only 1% of whom intend to acquire pet fish).



Profiles of future pet owners

WOULD LIKE TO OWN... (DO NOT CURRENTLY OWN)



A PET IN
GENERAL

MORE LIKELY TO BE:

- Female, 56%;
- Generation Y, 69%;
- Single, 62%;
- Employed part-time, 62%;
- From a non-English-speaking background, 62%;
- Living in an urban area, 59%;
- Living in an apartment or unit, 63%; or
- Renting, 61%.



A DOG

MORE LIKELY TO BE:

- Female, 30%;
- Not employed, 30%;
- Living alone, 31%
- Living in an apartment or unit, 39%; or
- Renting, 33%.



A CAT

MORE LIKELY TO BE:

- Employed part-time, 19%;
- Living in an urban area, 17%;
- Living in an apartment or unit, 20%; or
- Renting, 17%; or
- Living with older children (aged 14–17), 18%.



FISH

MORE LIKELY TO BE:

- Generation X, 14%;
- From a non-English-speaking background, 14%;
- University-educated, 12%;
- Renting, 11%;
- Living with children at home, 14%;
- Living with younger children (aged under 14), 17%; or
- A current cat owner, 13%.



A BIRD

MORE LIKELY TO BE:

- A current cat owner, 15%; or
- A current dog owner, 13%.



A SMALL
MAMMAL

MORE LIKELY TO BE:

- Generation Y, 15%;
- Single, 11%;
- In a de facto relationship, 10%;
- Employed part-time, 11%;
- Renting, 8%;
- Living in larger households, with three or more adults, 9%;
- A current reptile owner, 22%;
- A current fish owner, 11%;
- A current cat owner, 10%; or
- A current dog owner, 9%.



A REPTILE

MORE LIKELY TO BE:

- Generation Y, 12%;
- Single or in a de facto relationship, both 9%;
- Renting, 8%;
- Living with children at home, 7%;
- A current small mammal owner, 15%;
- A current fish owner, 12%;
- A current bird owner, 10%;
- A current cat owner, 9%; or
- A current dog owner, 7%.

INTEND TO ACQUIRE... (IN THE NEXT 12 MONTHS)

MORE LIKELY TO BE:

- Younger (Generation Y, 24%; Generation X, 15%);
- In a de facto relationship, 17%;
- Employed (full-time, 16%; part-time, 16%);
- University-educated, 16%;
- Earning household incomes of \$100,000 or more, 16%;
- From a non-English-speaking background, 22%;
- Living with others and currently have no pets, 18%;
- Living with children at home, 18%; or
- Living in an urban area, 18%; or
- Living in a townhouse, 19%.

MORE LIKELY TO BE:

- Generation Y, 14%;
- University-educated, 10%;
- From a non-English-speaking background, 12%;
- Living in an urban area, 10%; or
- Living with children at home, 10%.

MORE LIKELY TO BE:

- Generation Y, 6%;
- Single, 4%;
- Employed full-time, 4%;
- University-educated, 4%;
- Living alone, 4%;
- Living in a townhouse, 7%;
- Renting, 4%; or
- Living in an urban area, 6%.

MORE LIKELY TO BE:

- From a non-English-speaking background, 8%;
- Generation X, 4%;
- University-educated, 3%; or
- Living with children at home, 5%.

MORE LIKELY TO BE:

- Living with children at home, 2%.

• No significant differences.

MORE LIKELY TO BE:

- Renting, 1%; or
- Living with children at home, 1%.



Responsibility: Pets are for Life

The Newgate data shows that the issue of responsibility is one of the top three considerations for people planning to acquire a pet in the near future.

However, judging by the numbers of pets being abandoned at animal shelters each year, there are clear gaps in many people's understanding of what that responsibility actually entails. This has led to many campaigns – both in Australia and worldwide – to ensure the community understands what responsible pet ownership means.

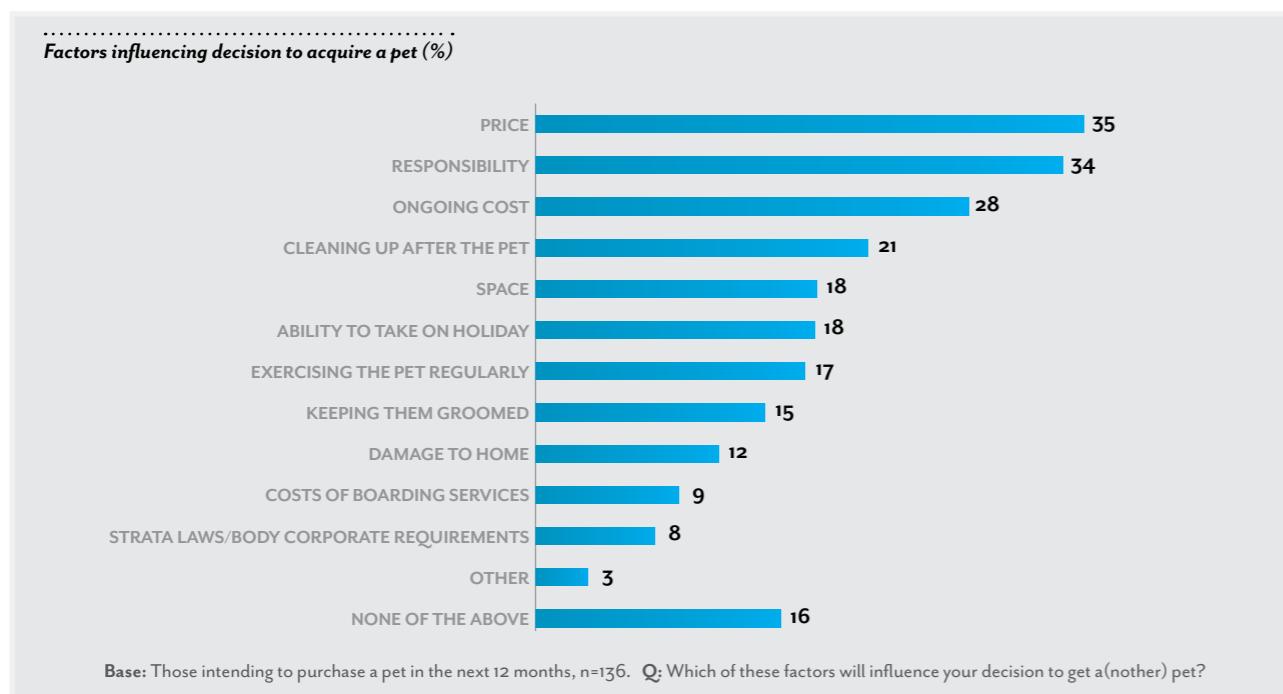
The RSPCA says responsible pet ownership means providing for all the requirements of your pet including the obvious ones such as food, exercise, housing, grooming and veterinary and preventative health care. It also raises less obvious, but equally important, responsibilities like understanding the physiological, behavioural and social needs of your pet, including training and socialising them to make sure they develop appropriate behaviours around both people and other animals.

Then there's the fundamental match between the owner's lifestyle and the type of pet desired. If you're an outdoor type who loves to walk or run, then a dog may be for you. Similarly, if you prefer pets that do not require as much attention, then perhaps fish or reptiles would be more appropriate. Certainly there are those who underestimate the impact having a pet will have on their lifestyle, especially if they've never owned one before.

The other consideration, so often misunderstood, is that a pet is for life. The excitement of acquiring a pet (especially for children) often fades quickly and this is where the animal's future welfare hangs in the balance. Hence the RSPCA and similar organisations around the world offer a wealth of resources to educate potential pet owners about what responsible pet ownership means and what they need to carefully consider before they fall for that beautiful face...

To find out more about responsible pet ownership, go to: <https://www.rspca.org.au/campaigns/responsible-pet-ownership>[†]

[†] RSPCA Australia, Responsible Pet Ownership, <https://www.rspca.org.au/campaigns/responsible-pet-ownership>.



INFLUENCERS IN THE DECISION TO ACQUIRE A PET

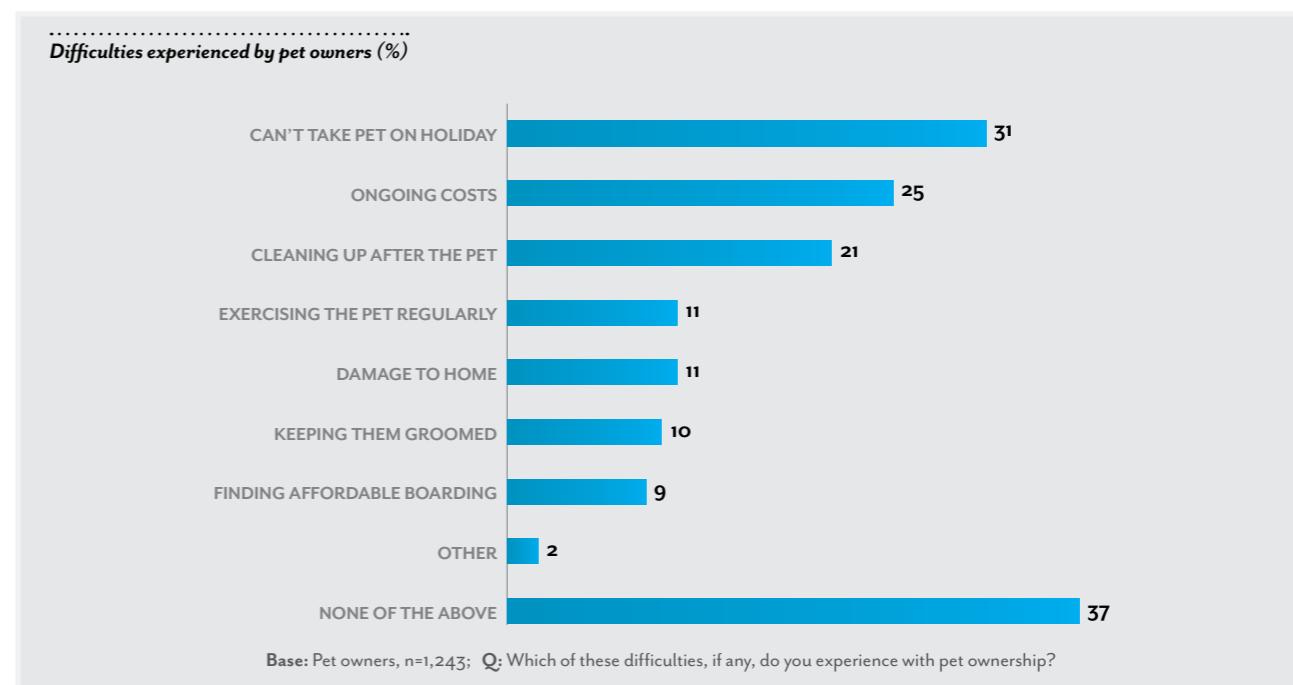
Among those who intend to purchase a pet in the next 12 months, a number of factors will have an influence on their decision. The relative importance of each is shown in the chart above.

Overall, the top three considerations are the cost of acquiring the pet (35%), the responsibility of ownership (34%) and the associated ongoing costs (28%).

The prominence of concern about price is interesting in light of the fact that, according to the 2016 Newgate data, 47% of all dogs and 84% of all cats were acquired either for free or for less than \$200. This suggests some perceptual issues around pet price tags. That said the issue of ongoing costs would appear to be justified given that the amount that Australians spend on their pets has risen by an average of 33% per animal and 29% per household since 2013. Further detailed analysis of costs and pet prices are provided in chapter 3 of this report.

Further analysis of this data revealed some differences in the importance of these influencers between owners and non-owners. It showed that non-owners are less concerned about the price of a pet than owners (29% versus 40%) and that price is indeed less of a concern for them than the responsibility (36%) and ongoing costs (32%). They are also more worried about the cost of boarding services than owners (14% versus 4% for current pet owners).

In terms of changes since 2013, concerns about having the appropriate space for a pet almost halved from 31% to just 17%¹³



THE DIFFICULTIES OF PET OWNERSHIP

As shown in the chart above, the more common difficulties experienced by current pet owners are not being able to take their pet on holidays, ongoing costs and cleaning up after pets. Other difficulties cited include damage to the home, having to exercise pets regularly, keeping pets groomed and finding affordable boarding.

Analysis of verbatim comments from participants showed that leaving their pets at home, whether for work or other commitments, is a barrier to ownership.

"I find it hard to leave them at home, even for a few hours by themselves as they are extremely anxious when they know I'm getting ready to go somewhere and I get anxious while I'm gone because I don't like upsetting them... I'd take them ABSOLUTELY EVERYWHERE if I could!"

— survey participant, dog owner

Others reported that because of their other commitments with children and/or, because they were elderly themselves, they considered the demands of looking after a pet too great.

"As I have a disability and my cat is deaf and nearly blind, I find it difficult to keep getting up each couple of hours to feed her a small amount as she only eats regular small food." — survey participant, cat owner.

Importantly, however, some of the perceived difficulties of ownership appear to have lessened since 2013. There have been decreases in reported problems with taking pets on holidays (from 48% in 2013 to 34%), cleaning up after the pet (from 33% to 24%), exercising the pet regularly (20% down to 13%) and keeping them groomed (from 18% to 11%).

It is likely these changes have come about due to improved availability of information and a proliferation of pet care services, including pet-friendly holiday options and grooming services.

It is also important to note that almost two in five pet owners (37%) do not experience any of the issues listed, which could indicate there are other issues owners are experiencing or that these owners do not feel that owning a pet is a problem. Further research would be required to answer this question.

¹³ Note: 2016 results adjusted here to allow comparability with 2013 – details in Notes to Reader.



03 Putting a Value on Pets

Australians have a strong emotional attachment to their pets, with people increasingly considering them members of the family¹⁴. Most pet owners want to provide their pets with the best possible life, and are now spending more across an increasing range of pet supplies and services to keep them healthy and happy.

This phenomenon has become known as ‘premiumisation’ and the Newgate survey results suggest it is becoming more established in Australia with average household expenditure on pets increasing by 29% between 2013 and 2016, and by 33% per animal. This is all the more notable given flat retail sales growth across the economy¹⁵ in the same period.

The following analysis looks at what Australians are spending to acquire and to provide for their pets, as well as the channels they are using for both pet acquisition and pet care.

EXPENDITURE ON ACQUIRING OUR PETS

Prices paid for dogs and cats

Half of all cats and nearly one third of dogs arrive in their new households at no cost.

Three in ten dogs were acquired for free (30%), while the estimated average price paid was \$548 – with 16% costing less than \$200 and 9% costing more than \$1,000.

Both pure breed and designer breed dogs were more likely to have been purchased for \$500 or more (40% and 44%, respectively). The average price for pure breeds is estimated at \$674, while for designer breeds it is \$658, and mixed breeds \$306.

Those who obtained a dog for free are more likely to be renting (38%) or living in rural areas (37%). Owners who tended to have paid more for their dogs included Generation X (aged 30–49, spending \$622 on average), those with university qualifications (\$599), those living in households with combined incomes of more than \$100,000 (\$681), those with children under the age of 13 years (\$680) or those living in urban areas (\$673).

More than half of all cats (52%) were acquired for free, while the average price paid is estimated to be \$273 – with 32% costing less than \$200 and 5% costing more than \$500. Pure breeds are more likely to have been bought for \$200 or more (45%), with the average price estimated to be \$401. Mixed breeds that were paid for had price tags of around \$202.

Those who obtained a cat for free are more likely to be not employed (59%), living in regional areas (66%), with household incomes of less than \$30,000 (63%) or renting (60%).

AMOUNT PAID	DOGS	CATS
Nothing/free	30%	52%
Up to \$200	16%	32%
\$201-\$500	27%	11%
\$501-\$1,000	18%	4%
More than \$1,000	9%	1%
Average price paid	\$548	\$274

Base: All dogs owned by participants n=1,059, All cats owned by participants n=865; Q: How much did you purchase <Cat/Dog name> for?

¹⁴ The growing perception of pets as family members is confirmed in data detailed in Section 5 of this report.

¹⁵ IBISWorld, Consumer Goods Retail in Australia: Market Research Report, <http://www.ibisworld.com.au/industry/default.aspx?indid=1720>. Australian Bureau of Statistics, Retail Trade, Australia, Sep 2016 (cat. no. 8501.0)

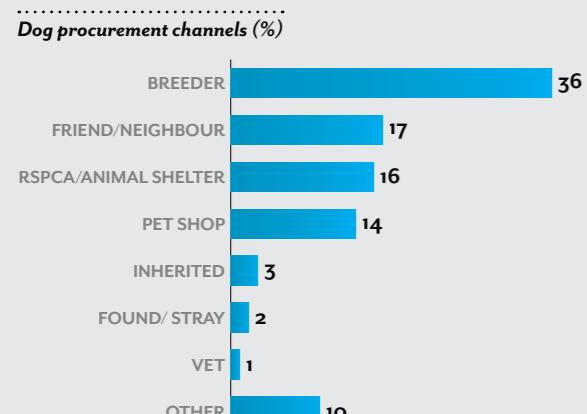
Procurement channels for dogs and cats

In terms of purchase channels, more than a third of dogs have been acquired through a breeder (36%) and this has increased significantly from 29% in 2013. Other common sources include friends or neighbours (17%), animal shelters (16%) and pet shops (14%).

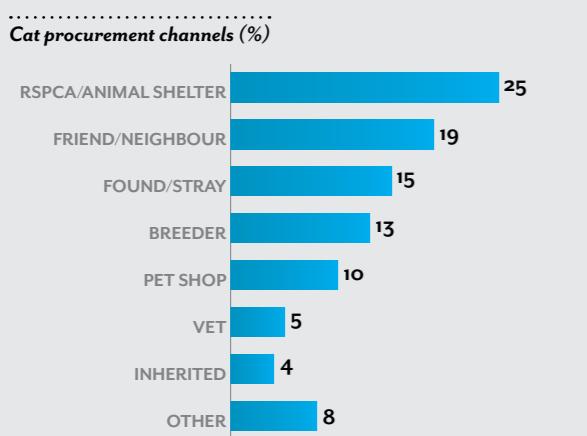
Pure breeds were more likely to be sourced from breeders (56%), while designer breeds were more likely to be purchased from pet shops (28%).

A quarter of cats have been acquired through animal shelters (25%), while a further 19% were from friends or neighbours. Other common sources include strays (15%), breeders (13%) and pet shops (10%).

Pure bred cats were more likely to have been purchased from a breeder (40%) or pet shop (17%), while mixed breeds were more likely to have been acquired from an animal shelter (29%), friends or neighbours (22%), or the street (19%).



Base: All dogs owned by participants, n=1,059
Q: Where did you get <dog name>?



Base: All cats owned by participants, n=865;
Q: Where did you get <cat name>?

Buying a pet online

These days, we can buy or sell almost anything online, including pets.

While there are certainly reputable and trusted names legitimately offering pets for sale through this channel, there have been anecdotal observations of pets being bought and sold on popular auction or trading sites.

The risks of buying a pet this way, for the buyer and for the pet, are substantial. The pet's pedigree, temperament, medical history, previous care and treatment (which can impact current behaviours) and likely size (if bought when young) are all things a prospective buyer needs to understand before they buy and, often, such information is not being provided by these unscrupulous operators. There is also the risk that the pet has not been cared for appropriately, leaving the new owner with significant physical, emotional or mental conditions to address.

Australians' love of animals is also being exploited online by scams. The Australian Competition and Consumer Commission (ACCC) has recently warned of scams involving advertisements for non-existent puppies being placed in newspapers and online classifieds. The 'seller' provides interested buyers with pictures of an adorable puppy and then tricks them into paying fees for transport, customs or medical costs before the dog can be delivered. Once the payment is made, the puppy and money vanish†.

Unfortunately, there is currently no empirical data available on the scale of these issues. Further research and industry monitoring will almost certainly be required to allow the pet industry, and potentially regulators, to address them appropriately.

†Source: ACCC Scamwatch, Pause to avoid a puppy scam, <https://www.scamwatch.gov.au/news/pause-to-avoid-a-puppy-scam>

Total expenditure by category (\$ million)



Base: Dog owners, n=763; Cat owners, n=585; Fish owners, n=237; Bird owners, n=226; Reptile owners, n=53; Small mammal owners, n=61;
Q: Approximately how much has been spent on each of these items in the past year for your dog(s)/cat(s)/fish/bird(s)/reptile(s)/small mammal(s)?

EXPENDITURE ON PRODUCTS AND SERVICES

In total, Australian households are estimated to have spent more than \$12.2 billion on pet products and services in the last 12 months – an increase of 42% since 2013¹⁶.

The chart above shows the breakdown of expenditure in the last year by category of product or service for all pets i.e. dogs, cats, birds, fish, small mammals and reptiles, but excluding other unspecified pet types.

As can be seen, more than a third of total expenditure is on food (35%), followed by veterinary services (18%), healthcare products (12%) and general pet products and accessories (9%).

Euromonitor International forecasts suggest that overall expenditure on pet care will be stagnant in the medium term. It predicts that overall sales of pet foods are likely to decline in the next five years, driven by a relatively stable pet population coupled with growing preference for smaller pets that require lower calorific intake. Meanwhile sales of pet products will experience stable growth, particularly as a result of premiumisation and humanisation¹⁷. In support of these figures, Euromonitor points to the continual growth of Australian businesses that offer pet pampering services (such as a pet patisserie in Sydney which offers 'doggie birthday cakes' made by a qualified pet nutritionist), as well as baked treats, grooming services and pet accessories. Businesses which offer personal pet sitting, catering to the needs of discerning 'pet parents', are also growing.

¹⁶ The 2016 estimate includes all people aged 65 and over – this demographic represents 25% of the pet products and services market and has not, until now, been included in market value calculations so will represent a significant departure from previous estimates. For reference, comparisons of standardised data between 2013 and 2016 (removing 65+ and NT and external territories) show that the market value of expenditure on dogs, cats, birds and fish rose from the previously published estimate of \$8bn to \$11.3bn among those aged 18–64 – a 42% increase over the three years. Details in Notes to the Reader.

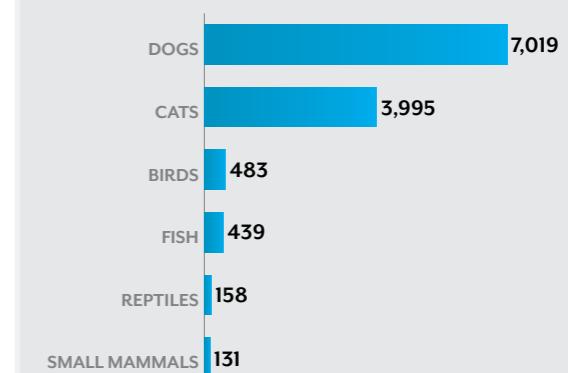
¹⁷ Euromonitor International, Pet Care in Australia, May 2016, p47.
Used with permission.

EXPENDITURE BY PET TYPE

While estimated household average expenditure on birds has declined slightly (down 8% from 2013), consistent with declining pet bird populations, Australians are spending significantly more on their cats (up 35%), dogs (up 33%) and fish (up 54%) across most product categories in 2016.

Australians spend the most on dogs, with an estimated average of \$1,475 spent per animal each year, followed by cats, at an estimated \$1,029 per animal.

Total expenditure by pet type (\$ million)



Base: Dog owners, n=763; Cat owners, n=585; Fish owners, n=237; Bird owners, n=226; Reptile owners, n=53; Small mammal owners, n=61;
Q: Approximately how much has been spent on each of these items in the past year for your dog(s)/cat(s)/fish/bird(s)/reptile(s)/small mammal(s)?

ANNUAL HOUSEHOLD SPEND	DOGS	CATS	FISH	BIRDS	SMALL MAMMALS	REPTILES	NATIONAL TOTAL* (\$M)
Food	\$622	\$576	\$119	\$221	\$164	\$186	\$4,228.3
Veterinary services	\$397	\$273	\$23	\$39	\$73	\$35	\$2,244.4
Pet healthcare products	\$248	\$159	\$45	\$50	\$54	\$66	\$1,446.6
Products or accessories	\$134	\$98	\$157	\$89	\$88	\$243	\$1,094.4
Clipping/grooming	\$129	\$45					\$579.7
Boarding/minding	\$86	\$80					\$519.8
Pet insurance	\$93	\$59					\$490.5
Competitions/memberships	\$39	\$37	\$23	\$18	\$48	\$31	\$307.0
Training/behaviour/therapy	\$49	\$37					\$274.4
Transport	\$44	\$33					\$244.7
Alternative healthcare treatments	\$39	\$37					\$237.9
Walking	\$42						\$149.2
Other	\$52	\$47	\$36	\$26	\$36	\$72	\$409.1
Total per household	\$1,975	\$1,480	\$403	\$444	\$464	\$633	
Total per animal	\$1,475	\$1,029	\$50	\$115	\$244	\$381	
National total* (\$m)	\$7,019.4	\$3,995.5	\$438.7	\$482.9	\$131.2	\$158.3	\$12,226.0

Base: Pet owners with dogs, cats, fish, birds, reptiles or small mammals (i.e. excluding owners of other pet types such as horses, goats, sheep or hermit crabs) n=1,238; Q: Approximately how much has been spent on each of these items in the past year for your <pet type>?

* Excludes "other" unspecified types of pets.



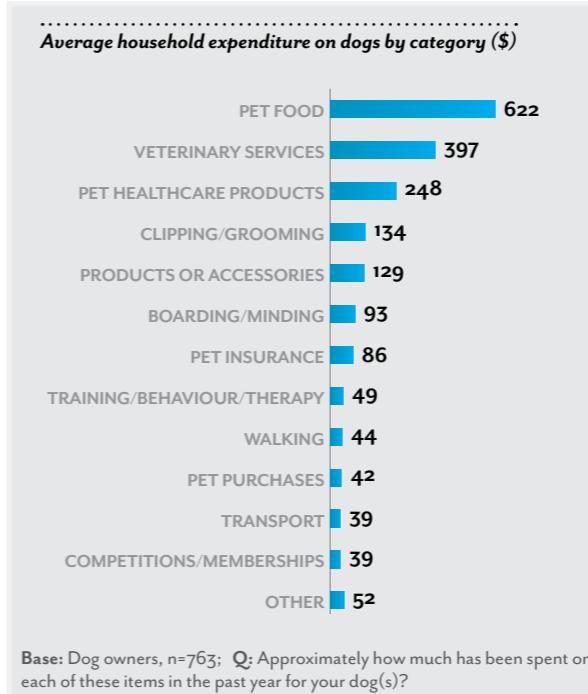
Expenditure on dogs

The average dog-owning household spends an estimated \$1,975 per year on their dogs. The main areas of expenditure are food (\$622) and veterinary services (\$397). Nearly a third of dog owners (31%) have more than one dog, which makes the estimated average per animal \$1,475.

ITEM	AVERAGE SPEND PER HOUSEHOLD (\$)	CHANGE SINCE 2013
Food	\$622	+19% ↑
Veterinary services	\$397	+15% ↑
Pet healthcare products	\$248	+30% ↑
Products or accessories	\$134	+35% ↑
Clipping/grooming	\$129	+33% ↑
Pet insurance	\$93	+72% ↑
Boarding/minding	\$86	+78% ↑
Training/behaviour/therapy	\$49	+69% ↑
Transport	\$44	+143% ↑
Walking	\$42	+126% ↑
Competitions/memberships	\$39	+42% ↑
Alternative healthcare treatments	\$39	-
Other	\$52	+118% ↑
Average per household	\$1,975	+33% ↑

Base: Dog owners n=763; Q: Approximately how much has been spent on each of these items in the past year for your dog(s)?

Note: 2016 results shown represent participants aged 18+ from all states and territories in Australia. Where comparisons are made with 2013 results, the 2016 figures have been restricted to 18–64 year-olds only and exclude the Northern Territory and other external territories of Australia to match the data sets and make valid comparisons. Details in Notes to the Reader.



Perhaps unsurprisingly, expenditure on pure breed dogs is considerably higher than for mixed or designer breed dogs when it comes to food, pet healthcare products, pet accessories, insurance, competitions/memberships, training, behaviour therapy, transport and alternative healthcare treatments. These dogs are more likely than other breeds to weigh more than 25kg (24% versus the net 15% of other breeds).

However owners of designer breed dogs spend more than twice as much as other dog owners on clipping and grooming. Most of these dogs weigh less than 10kg (73% versus net 47% of other dogs).

Those who own dogs weighing more than 25kg spend almost one and a half times as much on food as those whose dogs are 10kg or less (an estimated \$872 versus \$582).

Households in the city spend three times more than those in regional and rural areas on accessories such as toys, clothing, leads, bowls, collars and carriers (\$238 versus \$83). They also spend 12 times more than those in regional areas on training and behaviour therapies (\$131 versus \$11).

Looking at state-by-state breakdowns, expenditure for dogs on healthcare products such as flea and tick treatments, worming and dietary supplements is broadly consistent with the national estimated average expenditure figure of \$248.

The only exception is South Australia which spends a lot less, with an estimated annual average spend of \$148. There are indications this may also be the case in Tasmania, though the average expenditure for the state (\$136) is based only on a sample of 18 responses and should be interpreted with caution.

Euromonitor International reports that premiumisation and humanisation are the key trends influencing dog food expenditure at the moment, with the emphasis on health and wellness evident in popular products such as premium treats that promise good quality, natural ingredients or offer a health or functional purpose (e.g. dental sticks)¹⁸.

Expenditure on cats

On average, annual household expenditure on cats is 25% less than on dogs. The average cat-owning household spends \$1,480 per year on its cats, equivalent to \$1,029 per animal (35% have more than one cat).

There have been significant increases in the amount spent by cat owners on food and veterinary services – up by 20% and 25% respectively since 2013. Although starting from a much lower base, there have also been significant increases in spending on accessories (up 59%), training and behavior therapy (up 306% since 2013), transport (up 285%) and competitions/memberships (up 165%).

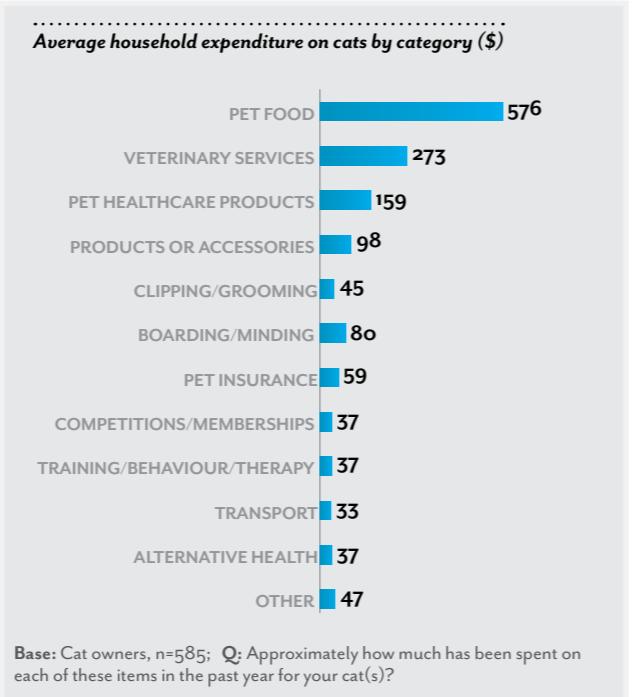
Expenditure in the major categories of food, veterinary services and healthcare products are similar for all cats, regardless of breed, but in all other areas of expenditure, the amount spent on pure bred cats is considerably higher, in several cases more than ten times as much. Overall, average expenditure per cat on pure breeds is 56% more than that spent on mixed breeds (an estimated \$1,580 versus \$1,015).

Households in regional and rural areas spend half as much on veterinary services for their cats than people living in urban areas (\$181 versus \$368); this was also the case for healthcare products (\$125 versus \$216), accessories (\$65 versus \$152), boarding and minding services (\$30 versus \$234), alternative healthcare treatments (\$6 versus \$121), and competitions and memberships (\$3 versus \$137). Meanwhile, those in urban areas spend more on transport than those in suburban areas (\$112 versus \$12).

As with dogs, Euromonitor International reports cat owners are increasingly focusing on health and wellness, as evidenced by the growth of expenditure on cat treats over recent years¹⁹. They are much more aware of their cat's age and condition-specific needs and are therefore seeking more specialised and healthier foods that might promote longevity while also indulging their pet.

ITEM	AVERAGE SPEND PER HOUSEHOLD (\$)	CHANGE SINCE 2013
Food	\$576	+20% ↑
Veterinary services	\$273	+25% ↑
Pet healthcare products	\$159	+13% ↑
Products or accessories	\$98	+59% ↑
Boarding/minding	\$80	+36% ↑
Pet insurance	\$59	+74% ↑
Clipping/grooming	\$45	+81% ↑
Competitions/memberships	\$37	+165% ↑
Training/behaviour/therapy	\$37	+306% ↑
Alternative healthcare treatments	\$37	-
Transport	\$33	+285% ↑
Other	\$47	+89% ↑
Average per household	\$1,480	+35% ↑

Base: Cat owners n=585; Q: Approximately how much has been spent on each of these items in the past year for your cat(s)?



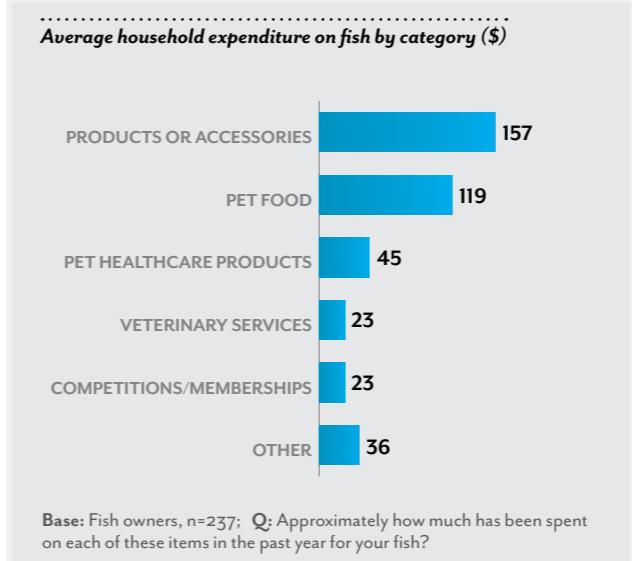
Expenditure on fish

The average fish-owning household has eight fish and spends an estimated \$403 a year on them, or around \$50 per fish. While overall pet fish numbers are declining, there has been a 54% increase in expenditure by those households that do keep fish between 2013 and 2016.

Products and accessories such as tanks, filters and ornaments are the biggest expense, followed by food.

ITEM	AVERAGE SPEND PER HOUSEHOLD (\$)	CHANGE SINCE 2013
Products or accessories	\$157	+27%
Food	\$119	+75% ↑
Pet healthcare products	\$45	+24%
Veterinary services	\$23	-
Competitions/memberships	\$23	+16%
Other	\$36	+144% ↑
Average per household	\$403	+54% ↑

Base: Fish owners n=237; Q: Approximately how much has been spent on each of these items in the past year for your fish? NB: 2016 results shown represent participants aged 18+ from all states and territories in Australia. Where comparisons are made with 2013 results, the 2016 figures have been restricted to 18–64 year-olds only and exclude the Northern Territory and other external territories of Australia to match the data sets and make valid comparisons. Details in Notes to the Reader.



Euromonitor International reports growing popularity of premium fish food, in line with trends for other pets. These premium foods uses high quality ingredients, such as Spirulina, carotenoid and vitamins, which help to optimise growth and enhance appearance.²⁰

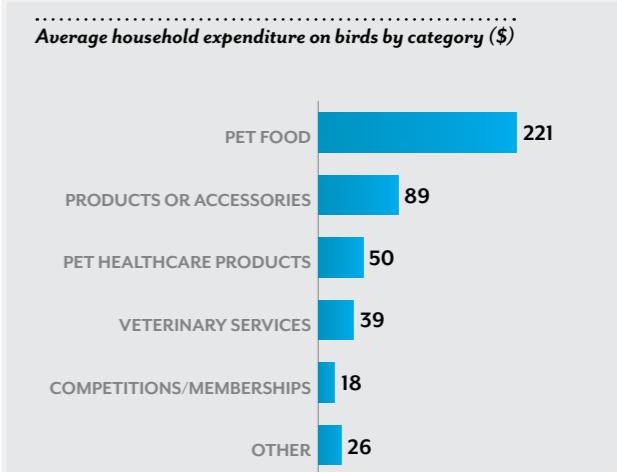
Expenditure on birds

The average bird-owning household has just under four birds and spends \$444 a year keeping them, which is just over \$115 per bird. The biggest areas of expenditure are bird food, and products and accessories such as cages and toys.

Average spending on birds has declined between 2013 and 2016, with an 8% fall in the overall household expenditure and a 6% fall in the amount spent per bird. While the Newgate data shows that food costs are up, the amount spent on veterinary services and other expenses has fallen.

ITEM	AVERAGE SPEND PER HOUSEHOLD (\$)	CHANGE SINCE 2013
Food	\$221	+11%
Products or accessories	\$89	-13%
Pet healthcare products	\$50	-12%
Veterinary services	\$39	-40%
Competitions/memberships	\$18	-27%
Other	\$26	-20%
Average per household	\$444	-8% ↓

Base: Bird owners n=226; Q: Approximately how much has been spent on each of these items in the past year for your bird(s)? NB: 2016 results shown represent participants aged 18+ from all states and territories in Australia. Where comparisons are made with 2013 results, the 2016 figures have been restricted to 18–64 year-olds only and exclude the Northern Territory and other external territories of Australia to match the data sets and make valid comparisons. Details in Notes to the Reader.



Increasing bird food costs could be explained by the increasing popularity of outdoor aviaries and chickens and a decline in indoor caged birds. Households with chickens or aviary birds spend on average 72% more on food than those with indoor caged birds (\$307 versus \$179). The increasing popularity of premium all-natural bird food and products such as shell grit for healthy digestion²¹ may also be contributing to this shift.

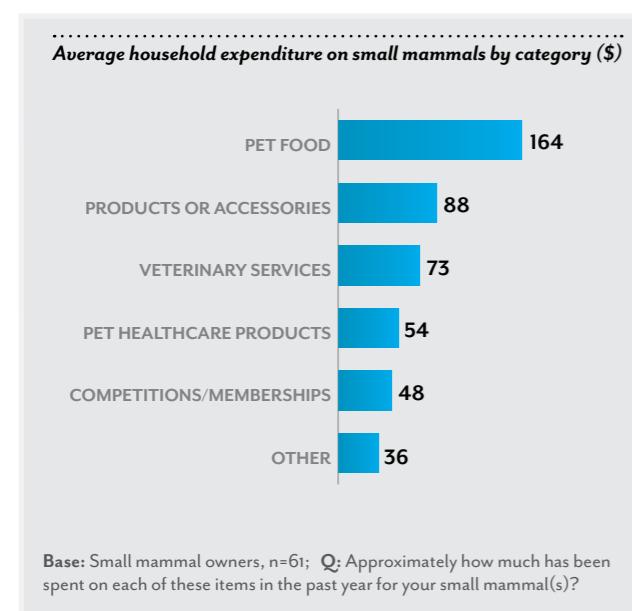
¹⁹ Euromonitor International, Pet Care in Australia, May 2016, p23.
Used with permission.

²⁰ Euromonitor International, Pet Care in Australia, May 2016, p47.
Used with permission.

²¹ Euromonitor International, Pet Care in Australia, May 2016, p47.
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Expenditure on small mammals

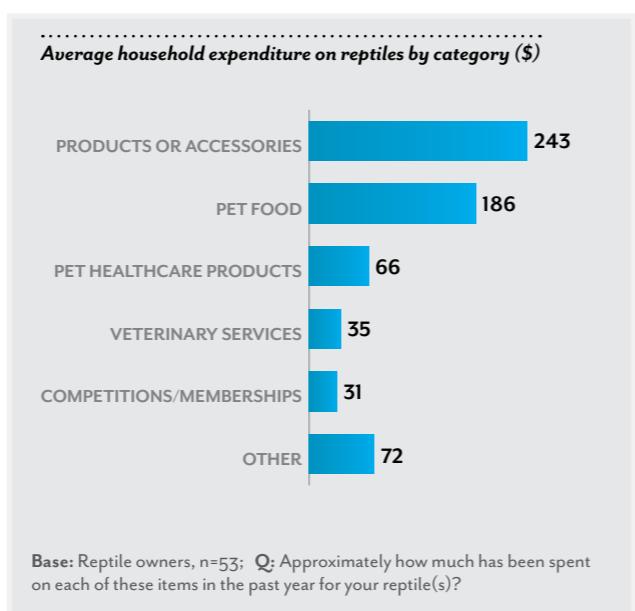
Small mammals are kept by 3.1% of Australian households as pets, with an average of 1.9 small mammals kept by each. The average small mammal-owning household spends \$464 a year on them, which is just over \$244 per animal. Food is the major cost in keeping small mammals.



As with reptiles, comparable data is not available on small mammal ownership and expenditure from 2013 but Euromonitor International reports that, while the small mammal population is largely stable, the value of food expenditure is outstripping growth in volume indicating possible premiumisation impacts in this category as well²².

Expenditure on reptiles

Just 2.7% of Australian households keep reptiles as pets, with an average of 1.7 reptiles kept in each. The average annual spend per household on reptiles is \$633, which equates to just over \$381 per animal. The biggest expenditure category for this pet type is products or accessories.



While comparable data is not available on reptile ownership and expenditure from 2013, Euromonitor International reports that premiumisation is occurring in the small reptile food category with pet owners prepared to pay more for premium and nutritious products²³.

²² Euromonitor International, Pet Care in Australia, May 2016, p48. Used with permission.

²³ Euromonitor International, Pet Care in Australia, May 2016, p48. Used with permission.

EXPENDITURE ON PET FOOD

Pet owners are currently estimated to spend more than \$4.2 billion on pet food a year – an increase of 35% since 2013²⁴.

Dog food accounts for more than half of this at \$2.2 billion, or 52%. Cat food also comprises a significant proportion at \$1.6 billion or 37% of all pet food sales. Together, dog and cat food represent almost 90% of all pet food expenditure.

Expenditure on pet food by pet type		
PET TYPE	\$ (MILLIONS)	% OF TOTAL
Dog	\$2,211.8	52%
Cat	\$1,554.3	37%
Bird	\$240.2	6%
Fish	\$129.1	3%
Small mammal	\$46.4	1%
Reptile	\$46.4	1%
Total	4,228.3	100%

Base: 2016: Dog owners, n=763/Cat owners, n=585/Fish owners, n=237/Bird owners, n=226/Reptile owners, n=53/Small mammal owners, n=61;

Q: Approximately how much has been spent on each of these items in the past year for your <pet type> food

Pet food sales: volume versus value

According to Euromonitor International data, the volume of pet food sales is largely stable, but pet owners are paying more for their animals' food²⁵. An increase in expenditure was also observed in the Newgate study.

The report suggests that these changes can be attributed to a stagnant pet population, a preference for smaller pets which require a lower calorific intake and the trend towards purchasing more premium products for pets. At the same time, premium pet food has experienced strong growth while economy and mid-priced pet food brands have registered declining sales²⁶.

The shift to premium foods

The shift in expenditure to more premium pet foods stems from the anthropomorphisation (or 'humanisation') of pets as they become much more a part of our families. In nations like Australia which have higher standards of living, higher order needs such as health and wellness are much more of a focus for the human population, and this is being relayed to our pets.

As a result, Australian pet owners are spending more on pet treats, just as we might reward ourselves with treats. They're paying attention to country of origin and checking for 'Australian made' as an assurance of quality and freshness, and natural and organic pet food ingredients are also being sought.

Demand for specialist and therapeutic foods is also growing. For example, pets can be diagnosed as suffering from coeliac disease which is treated with a gluten-free diet. As such, there has been significant growth in gluten-free options for pets, just as there has been for humans. Dietary options are also proliferating for pets with other sensitivities.

There are also therapeutic foods for dogs which are purchased at the recommendation of a veterinarian to treat issues related to mobility, digestion and oral health. These clinical nutrition products account for a small share of overall dog food sales due to their specificity and limited availability through vet clinics, but the range of options available is increasing.

PROCUREMENT CHANNELS FOR PET FOOD

A drift from the supermarket to the superstore

According to Newgate's 2016 data, most dog, cat and bird food continues to be purchased from supermarkets but, in line with a move towards more premium products, more pet owners are shopping at speciality stores for pet food.

While 81% of dog owners purchase some of their dog food through supermarkets and 36% through pet stores, those who make the majority of such purchases through supermarkets has fallen from 70% in 2013 to 60% in 2016 while those who make the majority of their purchases through pet stores has increased from 16% to 26%. There has also been an increase in the proportion of dog owners who make the majority of their food purchases through butchers (3% to 7%) and online (2% to 4%), while those doing so through their vet has fallen from 5% to 2%.

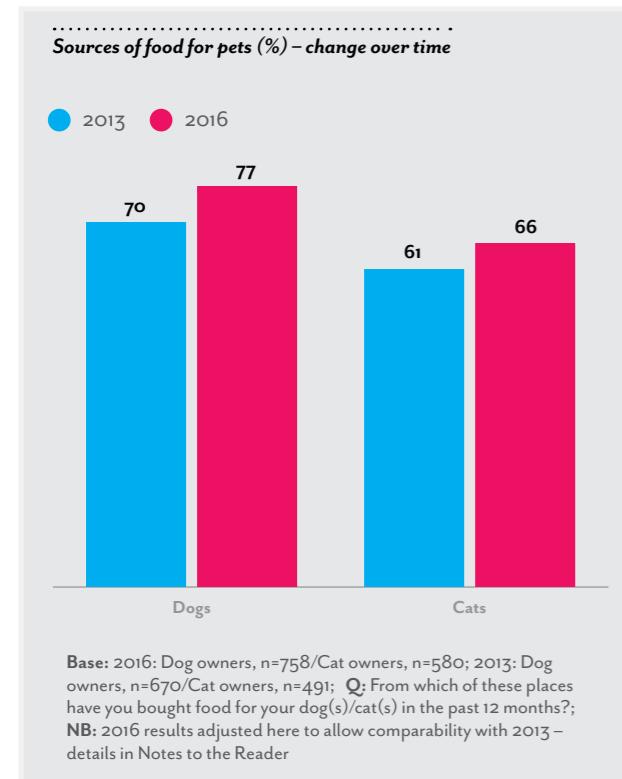
Similarly, while 86% of cat owners continue to make food purchases through supermarkets and 30% through pet stores, those who make the majority of their food purchases through supermarkets has declined from 77% to 67% in three years, while those making the majority of their food purchases through pet stores has increased from 12% to 24%.

²⁴ The 2016 estimate includes all people aged 65 and over – this demographic represents 25% of the pet products and services market and has not, until now, been included in market value calculations so will represent a significant departure from previous estimates. For reference, comparisons of standardised data between 2013 and 2016 (removing 65+ and NT and external territories) show that the pet food market for dogs, cats, fish and birds increased from previously published estimate of \$3bn to \$4bn among those aged 18–64 – a 35% increase over the three years. Details in Notes to Reader.

²⁵ Euromonitor International, Pet Care in Australia, May 2016, p5-6. Used with permission.

²⁶ Euromonitor International, Pet Care in Australia, May 2016, p3. Used with permission.

Food purchase patterns remained largely stable among bird owners. For fish owners, however, there has been a shift away from supermarkets as a general source of food, down from 51% to 37%; the proportion of fish owners purchasing food from pet stores has remained steady at 62%²⁷.

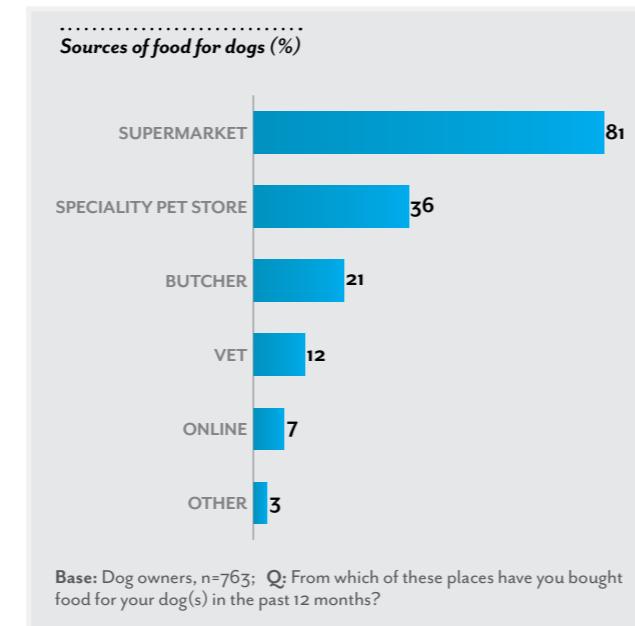


Euromonitor International²⁸ confirms the shift away from supermarkets. While they continue to be the top distribution channel for pet care with 62% of pet food and 54% of pet products by value sold through supermarkets, the value share of specialty pet superstores is consistently increasing. In 2015, pet superstores recorded an 8% value share of pet products and a 9% value share of pet food, with Euromonitor forecasting growth of pet superstores due to their ability to provide a more comprehensive product offering. This includes a more extensive product range, more personalised advice on product choices and pet welfare concerns, and a range of other pet services such as grooming and washing.

Procurement channels for dog food

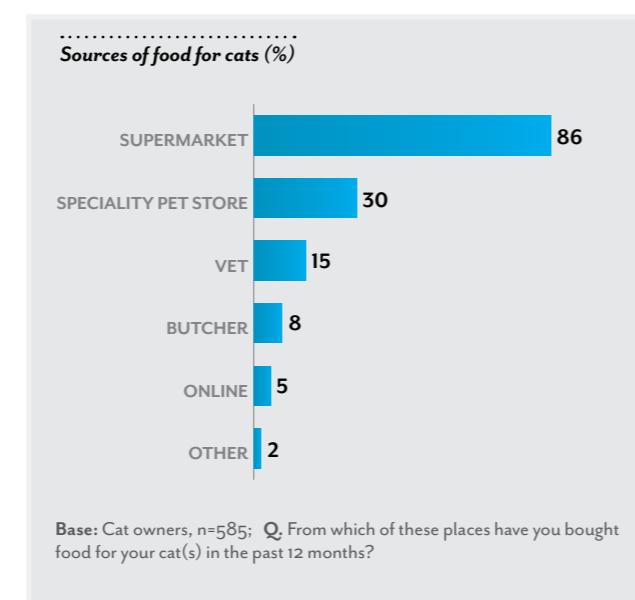
In 2016, supermarkets continued to be a key distribution channel for dog food, with 81% of households shopping there for at least some of their pet food. Supermarkets were followed by specialty pet stores (36%) and butchers (21%). Some households bought food from vets (12%), the internet (7%) or other sources (3%). Food for pure bred dogs is more likely to have been purchased from a pet store (46%), while food for mixed breeds was less likely to have been purchased from a pet store (31%) or a vet (8%).

According to Euromonitor, internet retailing has been slow to gain traction in dog food due to a combination of high freight costs (which erode retailer profits), and consumer aversion to shipping fees²⁹



Procurement channels for cat food

Most cat-owning households continued to purchase food through the supermarket (86%). This was followed by specialty pet stores (30%), vets (15%), butchers (8%), online (5%) and other sources (2%). Food for pure breeds is more likely to be purchased from the vet (26%), the butcher (15%) or online (11%), while food for mixed breed cats is more likely to come from the supermarket (90%).



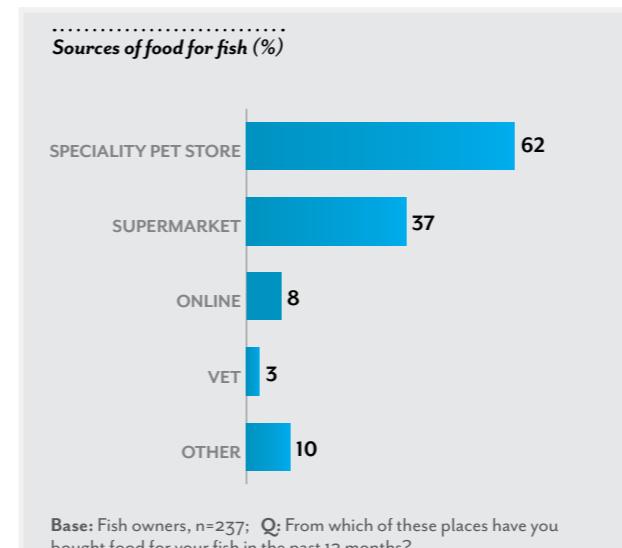
²⁷ Note: 2016 results adjusted here to allow comparability with 2013 – details in Notes to Reader

²⁸ Euromonitor International, Pet Care in Australia, May 2016, p4.
Used with permission.

²⁹ Euromonitor International, Pet Care in Australia, May 2016, p37.
Used with permission.

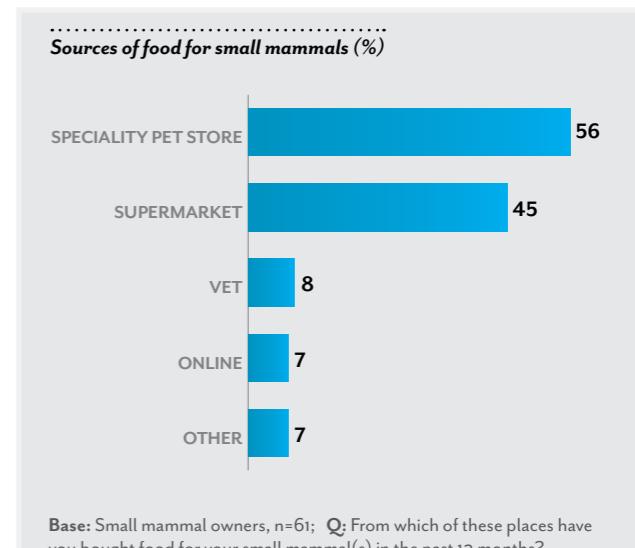
Procurement channels for fish food

Most fish food was purchased at specialty pet stores (62%) or supermarkets (37%). Meanwhile, some households bought fish food from the internet (8%), vets (3%) or other sources (10%). Indoor fish in particular were more likely to receive food purchased from a pet shop (69% versus 40% for outdoor fish), while owners with both indoor and outdoor fish were more likely than others to purchase food online (23%).



Procurement channels for food for small mammals

Most food for small mammals was purchased from specialty pet stores (56%) or supermarkets (45%). Some households also bought food through vets (8%), the internet (7%) or other sources (7%).

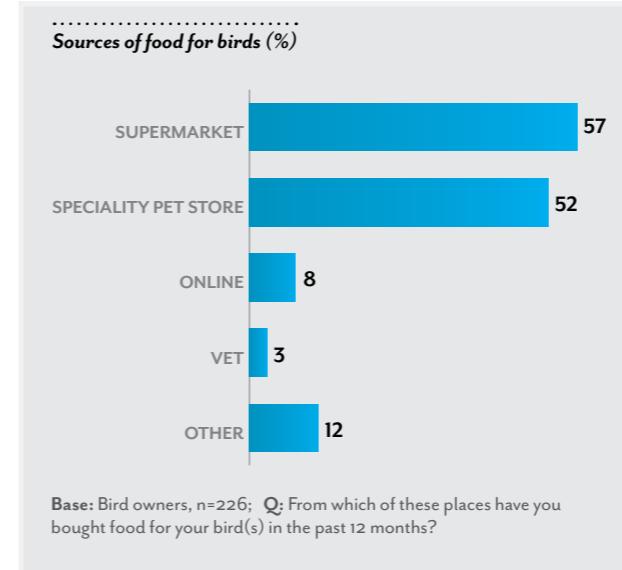


Procurement channels for reptile food

Most reptile food was purchased through specialty pet stores (57%). This was followed by supermarkets (19%), vets (15%) or online (7%). Interestingly, one in five households with reptiles bought food from unspecified other sources (20%).

Procurement channels for bird food

The majority of bird owners continued to make food purchases through the supermarket (57%) or specialty pet stores (52%). Some households bought bird food online (8%), through vets (3%) and through other sources (12%). Those who own chickens are more likely than other bird owners to buy their food from specialty pet stores (73%) or other sources (24%).



Sources of food for reptiles (%)



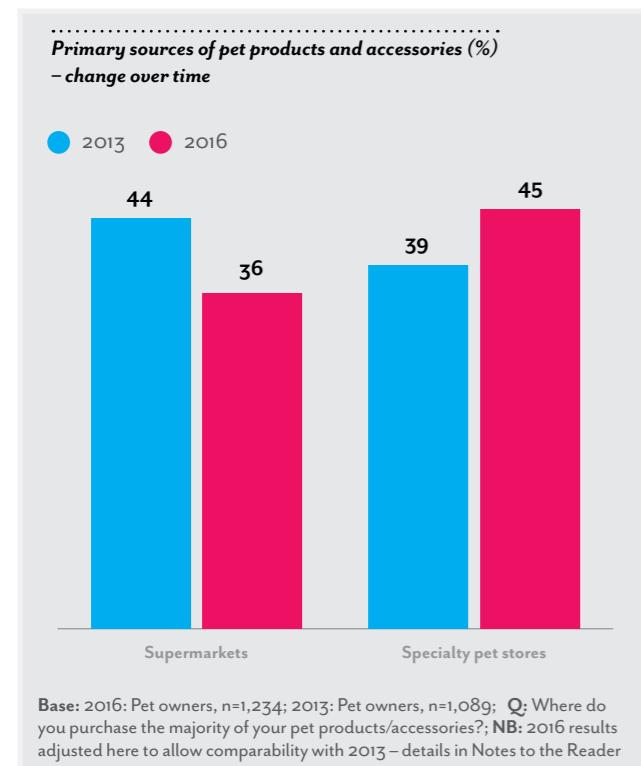
EXPENDITURE ON PET PRODUCTS AND ACCESSORIES

Pet owners are currently estimated to spend \$1.1 billion on pet products and accessories. For the purpose of this report, products and accessories include items such as food bowls, leads, cat litter trays, lighting, toys, cages, tanks and grooming items.

The humanisation of pets is increasing demand for all types of pet products with pet owners seeking the best quality and a much greater variety in order to enhance their pets' quality of life.

Procurement channels for pet products and accessories

As with food, there is an increasing trend towards buying pet products and accessories from specialty pet stores rather than supermarkets. The percentage of households buying these products from supermarkets fell from 44% in 2013 to 36% in 2016, while over the same period those shopping at specialty pet stores rose from 39% to 45%. Other channels used include the internet (7%), vets (3%), pharmacies (1%) or other outlets (7%)³⁰.



Pet owners in higher-income households (those earning \$100,000 or more) are more likely to make the majority of their product and accessory purchases through pet stores (54%), while this is less likely for those who are not employed (39%), those living in regional areas (35%) and lower-income households earning less than \$30,000 (34%).

Those who rely mostly on supermarkets are less likely to be non-English-speakers (21%), university-educated (28%), from urban areas (26%), or in higher-income households earning \$100,000 or more (28%). However, they are more likely to be living in Western Australia (49%) or regional areas (46%).

Online outlets are more likely to be the mainstay of young families with children aged 13 years or younger (9% versus 7%), while those who tended to rely on pharmacies were more likely to be working full-time (2% versus 1%) or living in urban areas (3%).

Euromonitor reports that a rise in sales of pet accessories such as harnesses reflects the popularity of taking dogs on outings. It also observed that increasing urbanisation has shifted the domain of pets from outside to inside the home. As a result, more pet owners are looking for toys that act as occupiers to entertain and relieve boredom such as toys which hold treats in a hollow section inside them³¹.



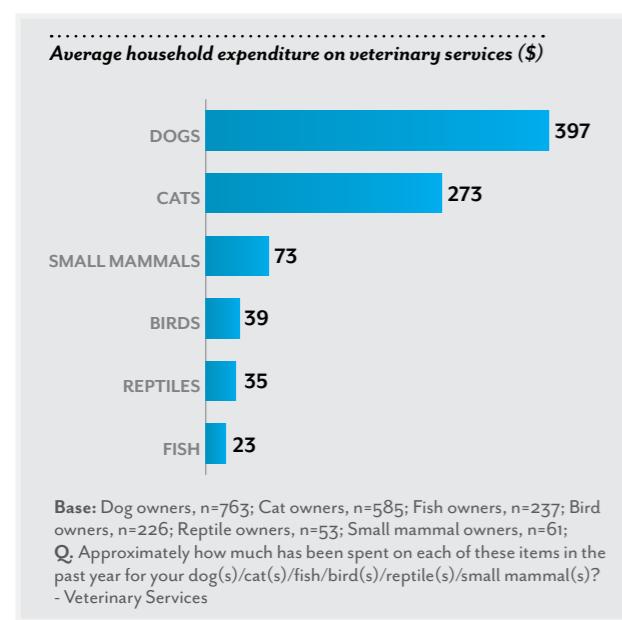
04 Managing Pet Health

³⁰ Note: 2016 results adjusted here to allow comparability with 2013 – details in Notes to Reader

³¹ Euromonitor International, Pet Care in Australia, May 2016, p55. Used with permission.

THE CHANGING ROLE OF VETS

After food, Australian pet owners spend more on veterinary services for their pets than on anything else, with \$2.2 billion now spent each year at the vet.



The majority of pet owners view the role of vets as treating pets when they are sick (72%) or keeping pets healthy (71%). This marks something of a shift from 2013, when owners' dominant view was that vets were there to treat sickness (85%). As the 2016 data shows, owners want vets to place as much emphasis on maintaining their pets' health.

The majority of dogs and cats have been taken to the vet in the past 12 months (79% and 65%, respectively), including 43% of dogs and 28% of cats who have visited multiple times.

Vet visitation incidence

NUMBER OF VISITS, 2016	CATS	DOGS
At least once	65%	79%
None	35%	21%
Once	37%	36%
Multiple times	28%	43%
Twice	19%	24%
3 times	5%	11%
4-5 times	3%	4%
6 times or more	1%	3%
Average visits	1.1	1.6

Base: All dogs owned by participants n=1,059; All cats owned by participants n=865; **Q:** How many times was <dog/cat name> seen by a vet in the past year?

Owners who take their cats to vets are more likely to own a pure bred cat (77%), be university-educated (76%), employed full-time (72%), living in urban areas (76%), living in households with combined incomes of \$100,000 or more (74%), or owners of their own homes (68%). Conversely, owners who do not take their cat to the vet at all are more likely to be living in lower-income households (less than \$30,000) (48%), not employed (44%), or renting (42%). They are also more likely to own a mixed breed cat (40%).

Vet visitation for dogs is similar. Owners are more likely to have taken their dog to the vet in the past year if they live in urban areas (89%), in higher-income households earning \$100,000 or more (86%) or in their own home (82%). Those who have not taken their dog to the vet at all are more likely to be renting or living in a regional area (both 27%) and more likely to own a mixed breed dog (25%).

The most common reasons for veterinary visits include check-ups (56% dogs, 54% cats) and vaccinations (53% dogs, 48% cats), followed by illness or injury (20% dogs, 19% cats) and desexing (9% dogs, 12% cats).

While the reasons for taking a cat to the vet have remained consistent since 2013, there has been a decrease in the proportion of vet visits for dogs that relate to vaccination, surgery and hospital in-patient care.

Reason for vet visitation

REASON	DOGS 2013	DOGS 2016	CATS 2013	CATS 2016
Pet wellbeing or welfare	27%	-	26%	-
Check-up	60%	56%	53%	54%
Vaccination	63% ↑	53% ↓	54%	48%
Illness or injury	-	20%	-	19%
Desexing	10%	9%	9%	12%
Dentistry	6%	6%	5%	5%
Pathology and laboratory tests	7%	5%	5%	5%
Surgery	8% ↑	3% ↓	4%	3%
X-ray and imaging services	4%	3%	3%	3%
Hospital in-patient care	6% ↑	2% ↓	2%	2%
Other	7% ↑	4% ↓	6%	4%
None of the above	0% ↓	2% ↑	1%	1%

Base: 2016: Dogs who have visited the vet in the past year n=842, Cats who have visited the vet in the past year n=551/2013: Dogs who have visited the vet in the past year n=915, Cats who have visited the vet in the past year n=736; **Q:** What was the reason for the visit/s?

THE GROWTH OF THE INTERNET AS AN INFORMATION SOURCE

Vets remain the most common sources of information on pet health used by pet owners (54%) but only by a small margin. One in two pet owners are now turning to the internet for advice and information (50%) and there has been a related drop in the proportion of owners turning to their vet for preventative advice since 2013 (down by 12% from 59% to 47% in 2016).

Other main sources of information used included specialty pet stores (21%) and family, friends or neighbours (18%). Less common sources include the RSPCA or animal shelters (8%), animal shows on TV (6%), books or the library (5%), breeders (5%) or other alternatives (8%).

Compared to others segments, younger pet owners are more likely to use online sources (60% of those aged 18-24 years) while older owners are more likely to turn to books and libraries (10% of those aged 65 years or above).

PET HEALTHCARE TRENDS AND PRODUCTS

To keep pets in good physical condition and maximise their longevity, pet healthcare products have become an important and necessary expense for pet owners. The most common products are flea and tick treatments, worming tablets for internal parasites and, increasingly, dietary supplements.

The vast majority of healthcare products and veterinary medicines for companion animals are manufactured by 12 animal health companies in Australia. Many of these are part of larger international companies that manufacture human healthcare products and medicines.

These companies are Apex, Bayer Australia Animal Health, Boehringer-Ingelheim, Elanco Animal Health, Exelpet, Jurox, Merial, MSD Animal Health, Norbrook, Novartis Animal Health Australasia, Virbac Australia and Zoetis AnimalHealth.

While the range of products available to manage health related problems, disease and illness is extensive, ten product categories account for 96% of all products sold by manufacturers.

Healthcare Products

Parasiticides for dogs and cats make up nearly three quarters (64%) of all pet healthcare products sold in Australia.

Parasiticides include treatments for external parasites such as fleas and ticks; internal parasites such as heartworms, roundworms, hookworms and tapeworms; and treatments for both internal and external parasites.

Australia's environmental and climatic conditions are very well suited to a wide range of internal and external parasites, many of which are also carried by native species. Common parasites include paralysis ticks and heartworms, which can be deadly.

As a result, the risk and likelihood of pets being infested or affected by parasites in Australia is much higher than in other parts of the world.

Pet owners value the health and wellbeing of their pets, which is why parasiticides make up such a high proportion of all healthcare products sold.

Market share of pet healthcare products in Australia³²

	MARKET SHARE 2015	COMPOUND AVERAGE GROWTH RATE 13/15
Alimentary system companion	0.5%	51.6%
Anaesthetics companion	2.7%	7.4%
Antibiotics companion	5.0%	19.6%
Antidotes companion	0.1%	1.0%
Aural preparations companion	1.0%	19.9%
Cardiovascular companion	2.0%	1.7%
Central nervous companion	0.8%	8.3%
Dermatological companion	0.6%	9.9%
Endocrine companion	1.4%	18.6%
Genitourinary companion	0.2%	7.5%
Immunomodifiers companion	0.4%	8.9%
Miscellaneous companion	1.3%	3.4%
Musculoskeletal companion	3.4%	5.4%
Nutrition & metabolism companion	0.6%	4.1%
Ophthalmic companion	0.5%	8.5%
Parasites – external companion	26.9%	9.3%
Parasites – internal companion	37.3%	1.8%
Respiratory companion	0.2%	-12.5%
Vaccines & antisera companion	15.2%	8.5%
Total	100.0%	6.4%

³² Market data provided by Animal Medicines Australia.
Used with permission

Vaccines and antisera are the next largest product category, accounting for 15% of manufacturer product sales. Vaccines enable veterinarians to protect pets against a range of diseases, a number of which can be fatal, even with treatment.

Diseases most commonly vaccinated against in dogs include parvovirus, canine cough, hepatitis and distemper. In cats common diseases that vaccines protect against include feline leukaemia virus, feline enteritis, chlamydophila, feline immunodeficiency virus and feline respiratory disease.

Antibiotics, non-steroidal anti-inflammatories, cardiovascular, dermatological, aural preparations and sedatives and anaesthetics collectively account for just over 10% of all product sales. Demand for both antibiotics and aural preparations has grown almost 20% since 2013.

Beyond the top ten product categories, the range of products available for the treatment of other conditions is broad. These products include treatments for behavioural problems, corticosteroids and nutrition and metabolism products.

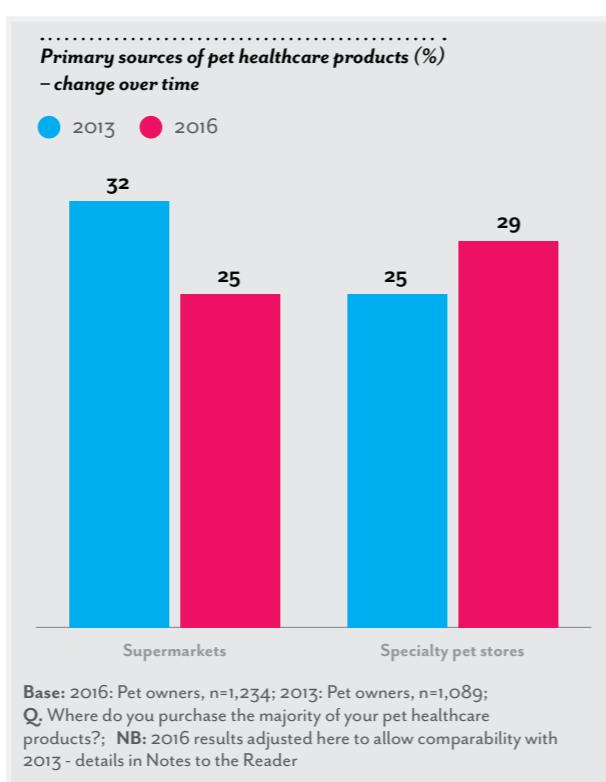
Expenditure on Pet Healthcare Products

Pet owners' expenditure on pet healthcare products is estimated at \$1.4 billion and is reported to have increased by over 40% since 2013³³.

Euromonitor International reports that expenditure on pet dietary supplements grew by 13% in 2015 alone and is likely to be one of the fastest-growing categories in pet care in the future based on the speed of its growth in the US. Consumers are seeking natural health alternatives that support overall pet health e.g. liver support tablets, as well as those that address breed-specific issues in a preventative way, and demand for these is only projected to rise.³⁴

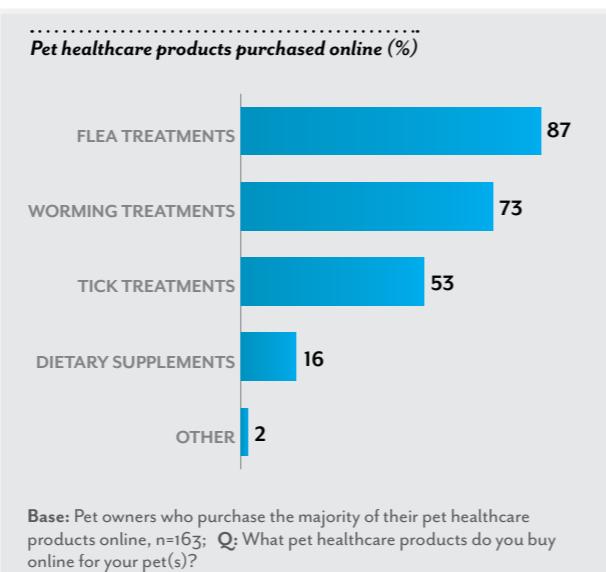
Procurement channels for pet healthcare products

Thirty percent of households purchase the majority of their pet healthcare products – such as flea treatments and dietary supplements – from specialty pet stores (29%). A quarter rely on vets (25%). The same proportion (25%) get their pet healthcare from supermarkets, although this has fallen from 32% in 2013. Meanwhile, other households tended to buy pet healthcare products online (13%), through pharmacies (2%) or another source (7%).



Generation X pet owners are less likely to make most of their healthcare purchases through vets (18%), while those living in regional areas are less likely to make such purchases through specialty pet stores. Generation Y pet owners are less likely to turn to online sources for such purchases (6%), while those living in urban areas are more likely to rely on pharmacies (5%).

Those who make pet healthcare purchases online are most likely to be buying treatments for fleas (87%), worms (73%) or ticks (53%), followed by dietary supplements (16%) and other products (2%).



³³ The 2016 estimate includes all people aged 65 and over – this demographic represents 25% of the pet products and services market and has not, until now, been included in market value calculations so will represent a significant departure from previous estimates. For reference, comparisons of standardised data between 2013 and 2016 (removing 65+ and NT and external territories) show that the market value of healthcare products for dogs, cats, birds and fish rose from the previously published estimate of \$1bn to \$1.4bn among those aged 18–64 – a 40% increase over the three years. Details in Notes to the Reader.

³⁴ Euromonitor International, Pet Care in Australia, May 2016, p54. Used with permission.

DESEXING AND MICROCHIPPING

Desexing and microchipping rates are relatively high in Australia³⁵.

Almosts eight in ten dogs have been desexed (78%), while a similar proportion have been microchipped (83%). For cats, around nine in ten have been desexed (89%) and just over seven in ten have been microchipped (72%).

Desexing

Rates of desexing have remained stable for both dogs and cats since 2013. Rates of desexing for dogs are significantly lower in Western Australia (63%) but are consistent across all states for cats.

Rates of desexing for dogs are lower for small dogs weighing 4kgs or less (67%). Desexing rates are also lower for dogs owned by those who are younger (67% of those aged 18–24 years), single or in a de facto relationship (both 68%), in households that are renting (65%) and with young children under the age of 13 years (72%). Conversely, desexing rates are higher in dogs owned by those who are aged 65 years or older (88%), married (87%), living in households earning \$100,000 or more (84%) and who own their own home (83%).

For cats, desexing rates are lower for pure breeds (83%). They are also lower among cats owned by people who are single (81%), from non-English-speaking backgrounds (81%) or under the age of 35 years (78%), as well as cats living in apartments (79%), households with children under the age of 13 years (79%), rental properties (83%) or households with children in general (84%). Meanwhile, cats were more likely to be desexed if they were of mixed breed (91%), or owned by someone who is aged 45 years or over (97%) or married (94%), living in a household with a combined income of \$100,000 or more (96%), owns their own property (93%), lives with three adults or more (94%), has no children (92%) or lives in a freestanding house (91%).

The Australian Veterinary Association (AVA) and the RSPCA both support the desexing of companion animals. Similarly, the Pet Industry Association of Australia's (PIAA) National Code of Practice encourages desexing companion animals.

The RSPCA and animal shelters have a policy of desexing animals before they are re-homed. For kittens and puppies, this usually occurs at eight weeks of age.

These policies, coupled with education programs about the benefits of desexing aimed at pet owners (for example those run by animal shelters and city councils), appear to be having a positive impact on the number of unwanted animals.

Over the three years since the last report both the number and proportion of animals euthanased by the RSPCA has continued to decline steadily from 49,688 or 38% in 2011–12 to 40,296 or 32% in 2014/15³⁶.

The health and behavioural benefits of desexing dogs and cats are well documented and include the following:

Health benefits

- Desexed animals generally live longer, healthier lives
- Reduced risk of cancer and other diseases affecting the reproductive organs
- Reductions in the frequency of pregnancy and therefore the need to raise litters which can cause exhaustion in female cats and dogs

Behavioural benefits

- Less likely to run away, wander, get into fights or get injured
- Reduced territorial behaviour such as spraying and marking territory
- Less likely to suffer from anti-social behaviour
- Eliminates the 'urge to mount' peoples' legs in male dogs
- Eliminates the 'heat' cycle in female cats and therefore their efforts get out and roam for a mate
- Can make them more affectionate, which means they are better companions

Cost benefits

- Reduces the huge cost associated with caring for and re-homing unwanted animals.
- The financial impost of desexing is minimal (ranges from \$115 to \$500 depending on the type of animal, gender, size and age³⁷) when compared to the cost of a lifetime of feeding, veterinary bills and care for offspring
- Lower ongoing costs, as registration fees are less for desexed animals
- Reduced cost of treating animals injured during fights

³⁵ National Desexing Network, About NDN, <http://www.ndn.org.au/about-ndn.html>. Australian Veterinary Association, Pet Ownership Statistics, <http://www.ava.com.au/news/media-centre/hot-topics-4>

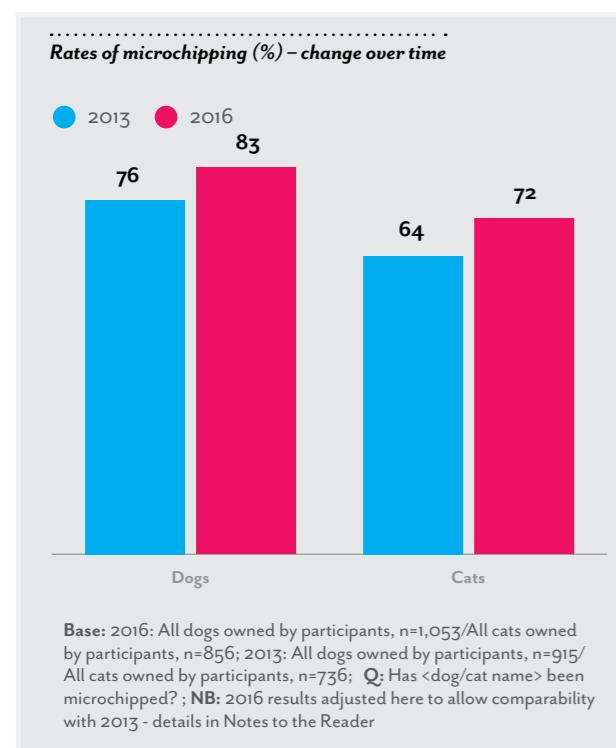
³⁶ RSPCA Australia, National Statistics 2014–2015, https://www.rspca.org.au/sites/default/files/website/The-facts/Statistics/RSPCA_Australia-Report_on_animal_outcomes-2014-2015.pdf

³⁷ RSPCA Australia, Costs, <https://www.rspcansw.org.au/learn/owning-a-pet-costs>

Microchipping

Microchipping and registration of dogs and cats is compulsory across most states and territories in Australia and has risen over the past three years. Nationwide, 83% of dogs (up 7%) and 72% of cats (up 9%) are now microchipped.

Dog microchipping rates are higher in Victoria (89%), and lower in South Australia (72%) and Western Australia (73%). Designer (94%) or pure bred dogs (85%) with married owners (89%) living in freestanding houses (84%) in suburban areas (86%) are the most likely to be microchipped – particularly if the household is occupied by only two adults (86%) who come from an English-speaking background (84%).



Meanwhile, cats are more likely to be microchipped if they are pure breeds (81%) with university-educated owners (80%) who live in an urban or suburban area (net 76%).

Microchipping ensures that pets are identified for life and can be reunited with their owners if they are lost. On a larger scale, it can be invaluable following a natural disaster, such as a flood or cyclone, where a large number of pets can be displaced.

In New South Wales, under the Companion Animal Act 1998, all dogs and cats must be microchipped at the point of sale, change of ownership or by 12 weeks of age, whichever occurs first.³⁸

In Victoria the Domestic Animals Act 1994 requires that all dogs and cats be microchipped as a condition of pet registration, which is compulsory once they are three months old.³⁹

In Queensland the Animal Management (Cats and Dogs) Act 2008 requires microchipping of dogs and cats prior to sale or transfer regardless of age.⁴⁰ The Australian Capital Territory has the same requirement under the Companion Animals Act 1998⁴¹.

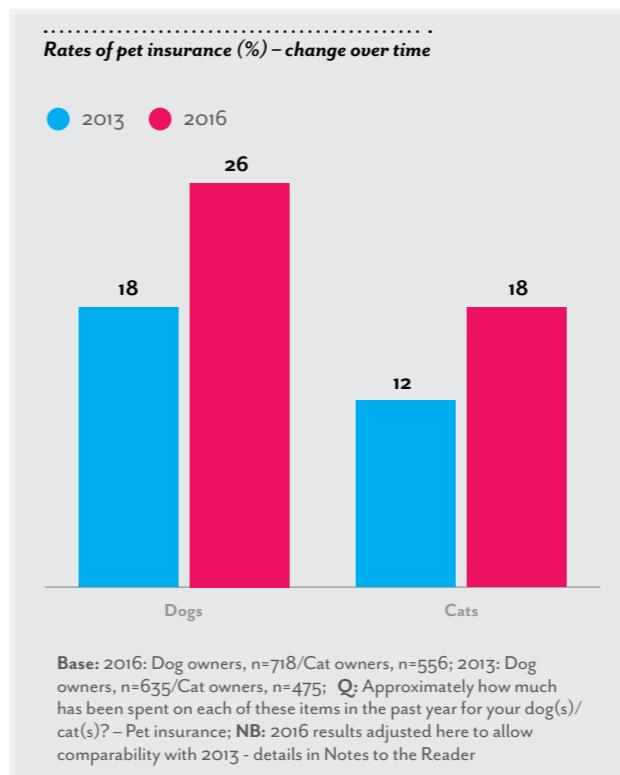
In Western Australia, dogs are required to be microchipped by three months of age, and cats are required to be microchipped prior to six months of age⁴².

There are no requirements for microchipping companion animals in South Australia or the Northern Territory (RSPCA, 2013b) but legislation is imminent for compulsory registration and microchipping of dogs and cats in South Australia. It is expected to come into force by the end of 2016⁴³.

PET INSURANCE

Australian cat and dog owners are spending an estimated \$490 million a year on pet insurance, with expenditure on dog insurance almost twice that of cat insurance.

Although the rates of pet insurance have increased since 2013, it is still not widely used. In 2016, only 26% of households with dogs (up 9%) and 19% of households with cats (up 6%) have taken insurance policies to cover veterinary costs.



Key reasons cited by owners for not purchasing insurance were that they do not see the value (47% of dog owners, 48% of cat owners) or that it's too expensive (43%, 42%), followed by not having investigated or thought about insurance (18%, 16%).

Aside from these reasons, some also mentioned the number of exclusions in pet insurance policies as being a key reason why they had not purchased such products.

"I had it previously but the number of exclusions didn't make it worthwhile." – survey participant, dog owner

Many cat and dog owners mentioned that they had not bought insurance because their pet was 'too old to be insured'.

Awareness of pet insurance does not appear to be an issue, with only 1% of dog owners and 3% of cat owners saying they did not know it was available. Similarly, the proportion of households who hadn't looked into pet insurance has fallen from 25% for both dogs and cats in 2013, to 18% and 17% respectively in 2016 – suggesting that despite high levels of awareness and improving rates of investigation, the insurance products available remained unattractive for nearly one in five cat and dog owners.

Households earning \$100,000 or more are more likely than other segments to say they don't see the value in insuring their dog (62%) or cat (66%) – a sentiment also shared by male dog owners (54%). Meanwhile, pet owners under the age of 25 are more likely than other segments to say they have not investigated or thought about insurance for their dog (54%) or cat (34%).

³⁸ Office of Local Government New South Wales, Microchipping and Registration, <https://www.olg.nsw.gov.au/public/dogs-and-cats/information-for-the-community/microchipping-registration>

³⁹ Agriculture Victoria. Microchipping information for cats and dogs, <http://agriculture.vic.gov.au/pets/registration-legislation-and-permits/Microchipping-of-Dogs,-Cats-and-Horses/microchipping-information-for-dog-and-cat-owners>

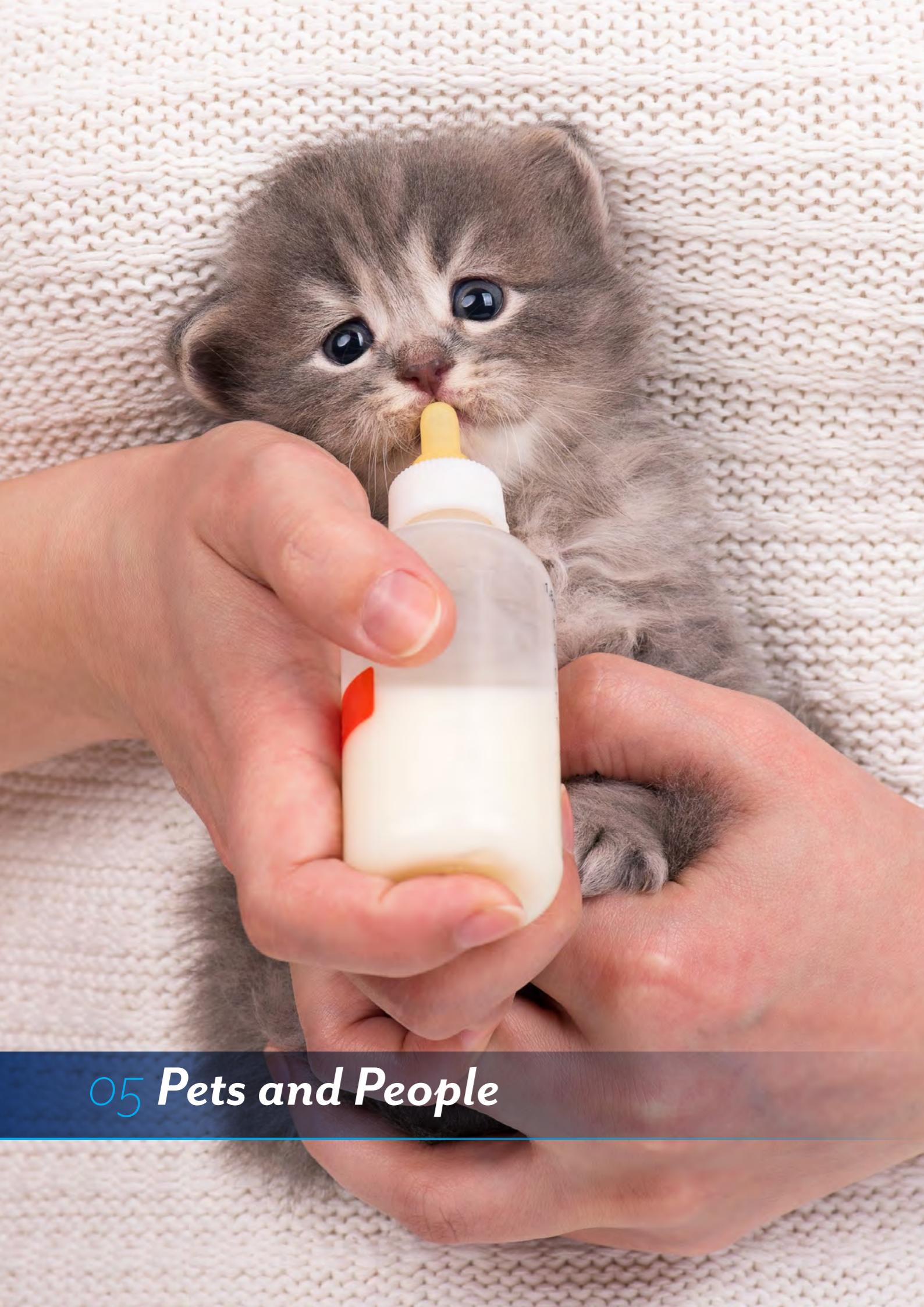
⁴⁰ Queensland Government, Laws for pet owners in Queensland, <https://www.qld.gov.au/families/government/pets/pages/pet-laws.html>

⁴¹ Transport Canberra and City Services, Your Responsibilities, <http://www.tccs.act.gov.au/city-living/pets/dogs/your-responsibilities>

⁴² RSPCA Australia, Responsible companion animal ownership, http://kb.rspca.org.au/RSPCA-Policy-A01-Responsible-companion-animal-ownership_589.html

⁴³ RSPCA Australia, Responsible companion animal ownership, http://kb.rspca.org.au/RSPCA-Policy-A01-Responsible-companion-animal-ownership_589.html

05 Pets and People



It is not hard to convince a person who has a pet of the value of the bond between humans and animals. It makes little difference what type of pet a person has. If they have an affinity with that animal, they will get an enormous amount of joy.

By far, the main reason for acquiring a pet is for companionship, with 66% of dog owners and 65% of cat owners citing that as the main reason. Indeed, this reason was cited by 36% of those who own small mammals such as rats and guinea pigs, 34% of those who own reptiles including lizards and snakes, 32% of bird owners and even 5% of fish owners.

However, as we have already noted, companionship is increasingly giving way to something closer as dogs and cats become a part of our families, and this will be discussed shortly.

Some pet owners don't deliberately go out to acquire a pet. As the Newgate data shows, a number of people ended up with their dog or cat in order to save a stray or abandoned animal, or the pet simply moved in – particularly for cats (of which 25% were acquired through animal shelters – the most common method of cat acquisition – and a further 15% were adopted strays), though 16% of dogs were also adopted from shelters.

"It was me or death."

– survey participant, cat owner

"I took on two rescue birds so they were not euthanised."

– survey participant, bird owner

"She just appeared at our place... she was only a small puppy." – survey participant, dog owner

"It came inside one day and never left."

– survey participant, reptile owner

And while other households acquire a pet simply because they love a certain animal, or as a gift for their children, there is also a proportion who purchase a pet as company for their existing cat or dog, or to replace an animal who has died.

"We could only have one child so bought her for my daughter since she didn't have a brother or sister."
– survey participant, cat owner

"It's a companion for our other dog."
– survey participant, dog owner

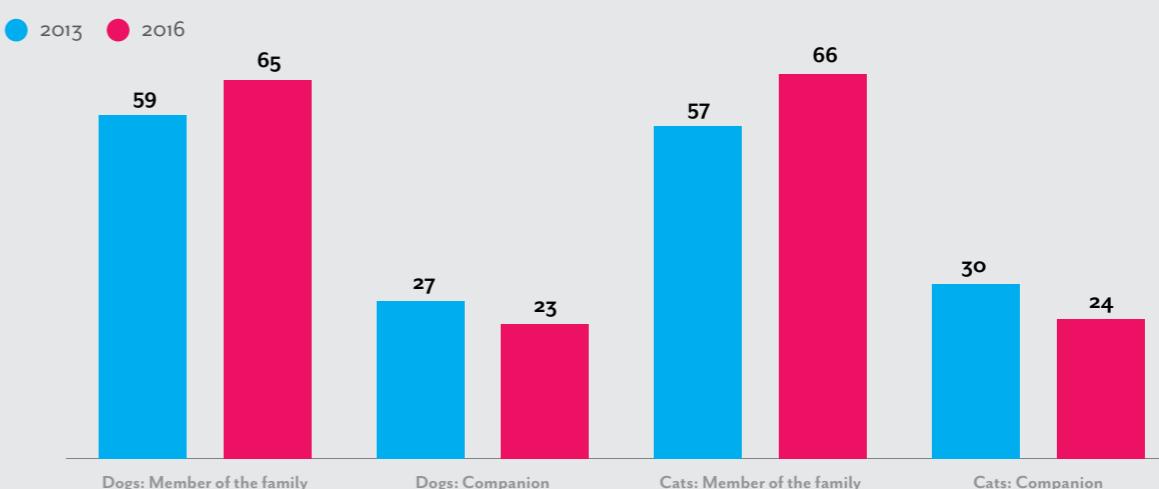
"I lost a cat to snake bite and needed another one to help with the loss." – survey participant, cat owner

THE CHANGING ROLE OF CATS AND DOGS IN THE HOUSEHOLD: THE RISE OF THE 'FUR BABY'

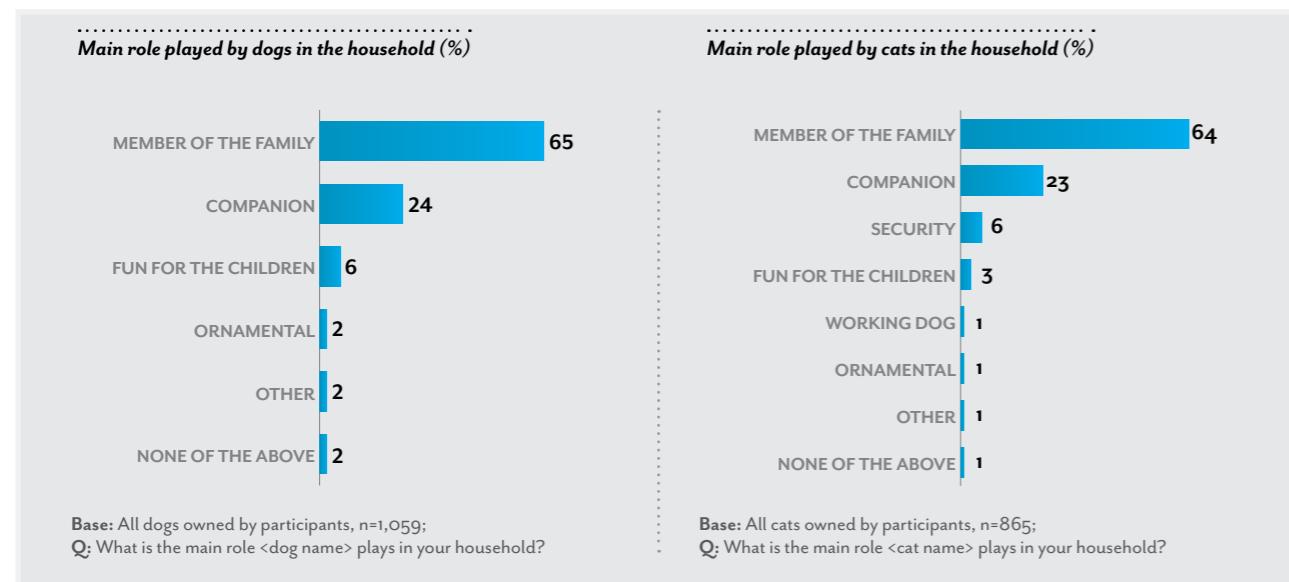
"What's the main role my dog plays in my household? He's my baby." – survey participant

While companionship is cited as the number one reason for initially acquiring a dog or cat, there has been a marked increase in cats and dogs being viewed as part of the family over the past three years, indicating the relationship has become much more personal. Two-thirds of households with dogs (65%) and cats (66%) now regard them as part of the family, up from 59% and 57% respectively in 2013. This view is generally consistent across household types and regardless of whether the cat or dog is a pure breed, designer breed or mixed breed. Demographically, female owners (68%) and suburban households (71%) are more likely to regard their cats as part of the family than males (58%) and those living in the city (50%). There are also some cultural differences in this regard, with households from non-English-speaking backgrounds less likely to consider their dog a member of the family (52%).

Main role played by pets in the household (%) – change over time



Base: 2016: All dogs owned by participants, n=1,053; All cats owned by participants, n=856; 2013: All dogs owned by participants, n=915; All cats owned by participants, n=736; Q: What is the main role <dog/cat name> plays in your household?; **NB:** 2016 results adjusted here to allow comparability with 2013 – details in Notes to the Reader



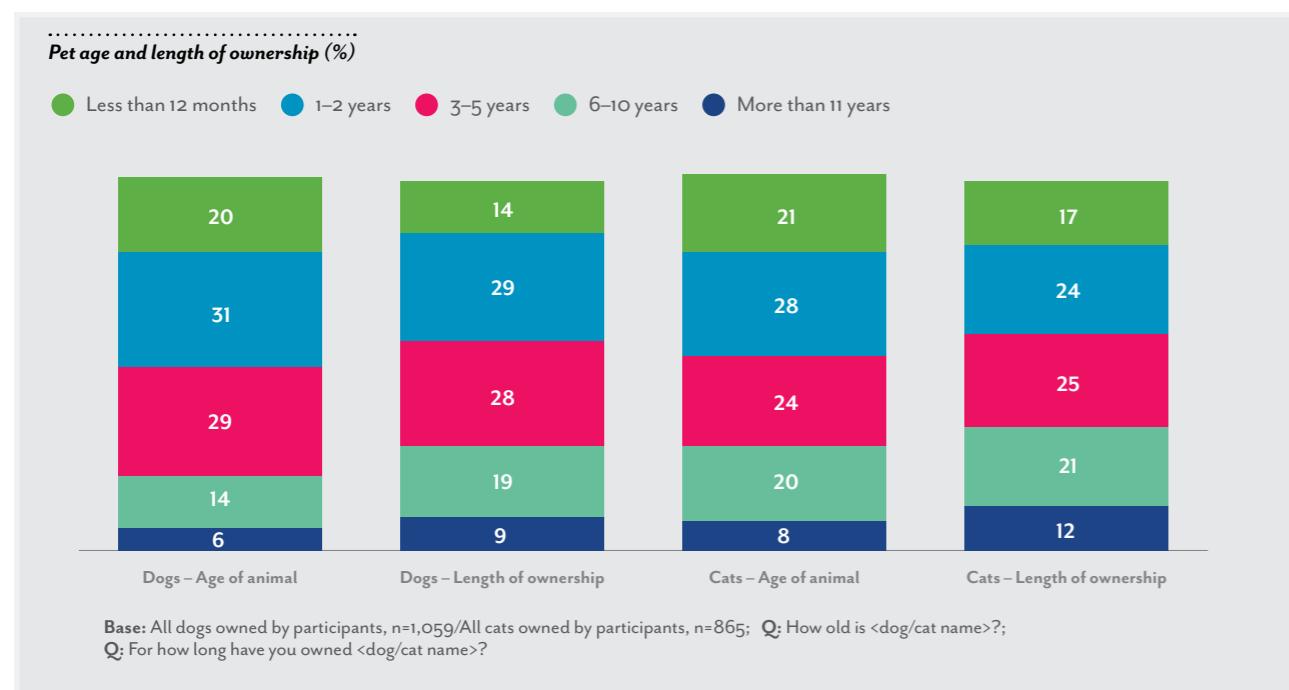
Despite some differences, the evolution of pets into family members has become so widespread, it has entered the lexicon in recent years. In 2015, both the Oxford English and Macquarie Dictionaries officially admitted the term 'fur baby' into their pages to describe the phenomenon.

But just as the close human-animal bond is a key driver for acquiring a pet, it is also a significant reason why many non-owners don't currently have a pet, due to the grief they have experienced at the loss of a much-loved family member.

"Our last pet passed away from cancer two years ago. I still miss Pippa. I don't want a dog at present."
— survey participant, non-owner

"Our much loved dog went to doggie heaven and we are still grieving." — survey participant, non-owner

"My last cat died from being run over and I can't bear to go through that again." — survey participant, non-owner



Nearly one in five said they would offer them to a charity or person in need (17%), while 8% would send them to a shelter and 8% would donate them to a health service. These most common choices centre on trusted persons or altruistic causes, echoing the common view of pets as members of the family.

"I have a bequest in place, if I die before my cats the local no-kill animal shelter rehomes them and I give the shelter \$10K per cat to cover costs etc."
— survey participant, cat owner

However, 8% of owners overall said they would sell their pets, while 5% said they would euthanase the animals (this was particularly the case among solo households at 9%).

One in ten (11%) said they would consider other alternatives. In qualitative comments following on from this, a few participants noted that they would somehow find a way to look after their pets no matter the circumstances.

"I would die before giving up my animals."
— survey participant

"I would find a way to look after her, no matter what..."
— survey participant

"It wouldn't happen. That would be like giving the kids away." — survey participant

THE CHANGING FACE OF AUSTRALIA AND ITS IMPLICATIONS FOR PETS

Since the early 20th Century, from 1911 to 2016, Australia has experienced a five-fold increase in its population, from 4.5 million to 24 million.⁴⁴ Over this time, the number of households increased more than ten-fold, from 894,000 to 9.2 million⁴⁵. At the same time, household size has decreased, with the average number of people in a private dwelling falling from 4.5 to 2.6.⁴⁶

The changing size and shape of Australian households has implications for our pet population with increasing urbanisation, the ageing population, immigration, economic shifts and changing patterns of family relationships all changing the way we keep and regard domestic animals.

Urbanisation

Detached houses account for about 70% of all housing in Australia⁴⁷, but this is changing rapidly.

'Multi-unit' dwellings are now a far more significant part of the new home building market than at any other point in Australia's history. Twenty years ago the medium/high density component of multi-unit commencements (units of three storeys or more) accounted for around 5% of total housing commencements. In 2014, this share reached around 25%.⁴⁸

Because those living in freestanding houses are more likely than others to be pet owners, the implications for pet ownership are clear. Those living in apartments are less likely to own a pet than those living in a traditional house (41% versus 68%), so a shift towards higher-density housing is likely to lead to fewer pets – particularly in the current environment where pet ownership can be stymied by body corporate or strata rules.

PET OWNERSHIP RATE BY DWELLING TYPE	TOTAL	FREESTANDING HOUSE	SEMI-DETACHED HOUSE	TOWN HOUSE	APARTMENT/UNIT
All pets	62%	68%↑	61%	51%↓	41%↓
Dogs	38%	45%↑	36%	29%	18%↓
Cats	29%	31%↑	25%	28%	22%↓
Fish	12%	13%↑	15%	6%	9%
Birds	12%	14%↑	17%	5%↓	5%↓
Small mammals	3%	3%	1%	5%	1%
Reptiles	3%	3%	1%	3%	1%
Other pets	3%	4%↑	2%	1%	1%↓

Base: 2016: Total sample, n=2,022; Q: Thinking now about pets. Which of these pets, if any, do you have in your household? Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats; Q: In total, including yourself, how many adults aged 18 years and over live in your household?; Q: And how many children aged 17 years or younger live in your household?

⁴⁴ Australian Bureau of Statistics, Australian Demographic Statistics, June 2015 (cat. no. 3101.0).

⁴⁵ Australian Bureau of Statistics, Household and Family Projections, 2016, medium growth scenario (cat. no. 3236.0).

⁴⁶ Australian Institute of Family Studies, Australian Households and Families, <https://aifs.gov.au/publications/australian-households-and-families>

⁴⁷ Housing Industry Association, The Changing Composition of Australia's New Housing Mix, https://hia.com.au/~media/HIA%20Website/Files/IndustryBusiness/Economic/discussion%20papers/Changing_Composition_Australias_NewHousingMix.ashx

⁴⁸ Housing Industry Association, The Changing Composition of Australia's New Housing Mix, https://hia.com.au/~media/HIA%20Website/Files/IndustryBusiness/Economic/discussion%20papers/Changing_Composition_Australias_NewHousingMix.ashx

These findings apply for all types of pets, from dogs through to fish and reptiles.

Interestingly, the research shows that once people become pet owners, there is generally little difference in the numbers of pets they acquire according to the type of home they live in, with numbers similar for freestanding houses, semi-detached housing, townhouses and apartments. The one exception to this is the number of dogs owned, with those in apartments or units more likely than others to have only one dog (84%).

Changing family structure

The more people living in a household, the more likely they are to have a pet.

But with the percentage of family households in decline and the rise of lone-person households across Australia, it is a trend which poses a potential threat to future pet populations.

Households with three or more adults, and those that have children, are the most likely to have pets, regardless of the type of house or apartment they live in. The only exception to this is reptiles, which can be found equally across households of different sizes.

	HOUSEHOLDS WITH PETS	HOUSEHOLDS WITH NO PETS
Net	62%	38%
1 Adult	51%	49%
2 Adults	62%	38%
3+ Adults	74%	26%
Has children	73%	27%
No children	58%	42%

Base: 2016: Total sample, n=2,022; **Q:** Thinking now about pets. Which of these pets, if any, do you have in your household?

Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals includes rabbits, guinea pigs, ferrets and mice/rats; **Q:** In total, including yourself, how many adults aged 18 years and over live in your household?; **Q:** And how many children aged 17 years or younger live in your household?

According to the 2011 Census, the proportion of family households fell from 77% in 1986 to around 72% in 2011; and while this is projected to reach 70% by 2026, the rate of change is stabilising in relative terms and families will remain by far the most common household type in Australia.

Of those family households, however, around half are couple only households, and around half have children. Meanwhile, the proportion of solo households has increased from 19% in 1986 to 24% in 2011, with an anticipated share of 26% by 2026.

PET OWNERSHIP BY HOUSEHOLD COMPOSITION	TOTAL	1 ADULT	2 ADULTS	3+ ADULTS	HAS CHILDREN	NO CHILDREN
All pets	62%	51%↓	62%	74%↑	73%↑	58%↓
Dogs	38%	29%↓	39%	48%↑	48%↑	35%↓
Cats	29%	26%	28%	36%↑	35%↑	27%↓
Fish	12%	6%↓	12%	19%↑	19%↑	9%↓
Birds	12%	7%↓	12%	17%↑	17%↑	10%↓
Small mammals	3%	1%↓	3%	6%↑	6%↑	2%↓
Reptiles	3%	2%	2%	4%	4%	2%
Other pets	3%	1%↓	3%	4%	4%↑	2%↓

Base: 2016: Total sample, n=2,022; **Q:** Thinking now about pets. Which of these pets, if any, do you have in your household? **Note:** Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats; **Q:** In total, including yourself, how many adults aged 18 years and over live in your household?; **Q:** And how many children aged 17 years or younger live in your household?

HOUSEHOLD COMPOSITION	1986	1991	1996	2001	2006	2011	2016*	2021*	2026*
Family households	77	75	73	72	72	72	71	71	70
Lone-person households	19	20	23	24	24	24	25	25	26
Group households	4	5	4	4	4	4	4	4	4

Sources: Australian Bureau of Statistics, 1986-2011 Censuses. Australian Bureau of Statistics, Household and Family Projections, medium-growth scenario (cat. no. 3236.0).

Solo households in particular are more likely to be older (35% of those aged 65 years or above), living in an apartment (44%) or regional area (27%), renting (27%), or with relatively low income (52% of those earning less than \$30,000) – a convergence of traits that makes this group less likely to own pets (48% versus 66% of multi-person households) and less likely to plan on acquiring a pet (10% of solo households who do not have pets, versus 18% of non-owners in multi-person households), in part due to concerns regarding on-going costs and care responsibilities including grooming and exercise.

Indeed these households were less likely to access support from family in caring for their pets – both while away from home (49% versus 59% of multi-person households) and if they could no longer look after their pets (59% versus 68%).

Immigration

According to the Australian Bureau of Statistics⁴⁹ in mid-2015, 28.2% of the estimated resident population (ERP) was born overseas (6.7 million people). By 2050, it is estimated that approximately one-third of Australia's population could be born overseas⁵⁰.

Depending on the cultural background of different migrant groups, increased migration could lead to a lower penetration of pet ownership in Australia, as those from a non-English speaking background are currently less likely to own a pet. However the survey also shows that those from non-English-speaking backgrounds are more likely to want to own a pet and are also more likely to intend purchasing one in the next year (see chapter 2).

This is clearly a very nuanced market which will require further research to fully understand its potential.

PET OWNERSHIP BY CULTURAL BACKGROUND	TOTAL	NON-ENGLISH-SPEAKING BACKGROUND	ENGLISH ONLY
All pets	62%	51%↓	64%↑
Dogs	38%	31%↓	40%↑
Cats	29%	20%↓	30%↑
Fish	12%	12%	12%
Birds	12%	8%	12%↑
Small mammals	3%	4%	3%
Reptiles	3%	3%	3%
Other pets	3%	2%	3%

Base: 2016: Total sample, n=2,022; **Q:** Thinking now about pets. Which of these pets, if any, do you have in your household? **Note:** Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats; **Q:** In total, including yourself, how many adults aged 18 years and over live in your household?; **Q:** Do you prefer to speak a language other than English at home? Which language do you prefer to speak?

PET OWNERSHIP BY GENERATIONS	TOTAL	GENERATION Y (18-29 YEARS)	GENERATION X (30-49 YEARS)	BABY BOOMERS (50-69 YEARS)	SILENT GENERATION (70+ YEARS)
All pets	62%	72%↑	64%↑	59%	45%↓
Dogs	38%	45%↑	41%↑	34%	28%↓
Cats	29%	36%↑	32%↑	27%	18%↓
Fish	12%	16%↑	13%	9%	6%↓
Birds	12%	13%	11%	12%	10%
Small mammals	3%	6%↑	3%	2%	1%
Reptiles	3%	6%↑	3%	2%	1%
Other pets	3%	2%	3%	3%	2%

Base: 2016: Total sample, n=2,022; **Q:** Thinking now about pets. Which of these pets, if any, do you have in your household? **Note:** Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats; **Q:** In total, including yourself, how many adults aged 18 years and over live in your household?; **Q:** How old are you?

⁴⁹ Australian Bureau of Statistics, Migration, Australia, 2014-15 (cat. no. 3412.0).

⁵⁰ Baker, A.E.Z., Procter, N.G. & Ferguson, M.S. (2015) Engaging with culturally and linguistically diverse communities to reduce the impact of depression and anxiety: a narrative review.

PETS AND THE ELDERLY

In the five years since June 2009, the number of people aged 65 years and over in Australia increased by 565,600 (20%) to reach 3.5 million people at June 2014. This trend is projected to continue, from 15% of the total Australian population in 2014⁵¹ to between 18-19% of the population in 2031 and 25% by 2101.

As people age, they are less likely to own a pet, with less than half of those aged 70 years or older currently owning a pet compared to the average across all age groups (62%).

	PET OWNERS	NON-OWNERS
Net	60%	40%
18–24 years	73%	27%
25–34 years	67%	33%
35–44 years	62%	38%
45–54 years	67%	33%
55–64 years	59%	41%
65+ years	48%	52%

Base: 2016; Total sample, n=2,022; Q: Thinking now about pets. Which of these pets, if any, do you have in your household? Note: Reptiles include snakes, turtles/tortoises, lizards and frogs/salamanders. Small mammals include rabbits, guinea pigs, ferrets and mice/rats; Q: In total, including yourself, how many adults aged 18 years and over live in your household? Q: How old are you?

Comments provided by survey participants suggest that age itself can be a barrier to pet ownership in terms of the elderly's perceived ability to care for a pet and the possibility that their pet may outlive them.

'We had a cat before but now we think it would be too much as we are not young any more.'

—survey participant, non-pet owner

'My dog died, and I am too old to start again.'

—survey participant, non-pet owner

However, there is growing anecdotal evidence that pets can have an enormous impact on the quality of life of Australia's ageing population as shown in the increased use of therapy and assistance pets in aged care facilities and hospitals (refer to page 55 *Delta Society*).

PHYSICAL HEALTH, MENTAL HEALTH AND PETS

Not only do pets encourage us to lead healthier lifestyles, but pet ownership has been found to be significantly correlated with a number of health benefits such as fewer doctor visits, lowered stress and increased social support for individuals⁵².

Increasing evidence also suggests that pet ownership can improve cardiovascular health, with dogs in particular acting as a stimulus for exercise⁵³.

51 Australian Bureau of Statistics, Population by Age and Sex, Regions of Australia (cat. no. 3250.0).

52 Ferry, L.A. (2007). Adult Pet Attachments.

53 Walsh, F. (2009). Human-Animal Bonds I: The Relational Significance of Companion Animals.

Pet ownership during childhood also encourages physical activity and outdoor exercise. Research shows that children aged 5–6 in a family who own a dog are less likely to be overweight or obese compared with those who do not own a dog⁵⁴.

Studies show that exposure to pets in early childhood may reduce the incidence of allergies linked to asthma and help to strengthen the immune system⁵⁵.

A number of studies focus on the positive impact that pets can have in helping people cope with diseases such as heart disease, dementia, AIDS and cancer⁵⁶. They have also found a correlation between the treatment of chronic disease and the presence of companion animals with respect to the alleviation of depression, loneliness and low morale whilst dealing with the treatment of chronic illness⁵⁷.

It's been shown that when a pet was introduced into the home of someone suffering from Alzheimer's Disease (a form of dementia), in three weeks their agitation levels significantly decreased⁵⁸.

Pets can also contribute significantly to a reduction in stress and overall improvement in mental health⁵⁹. Australian research⁶⁰ has found that cat owners have significantly better scores for psychological health than non-pet owners.

A joint study⁶¹ between the University of Western Australia and the Mars PetCare WALTHAM Centre for Pet Nutrition in the United Kingdom showed that pet owners are more likely to meet new people and make meaningful friendships. A separate study found that pet owners had greater self-esteem, undertook more exercise, fared better on measures of wellbeing and were better able to cope with social rejection than non-pet owners.⁶²

For many years it has also been believed that viewing animals in nature can have a calming impact on the watcher. For instance, relaxation was chosen as the reason for acquiring their pet by 40% of fish owners, 19% of bird owners, 17% of reptile owners and 13% of small mammal owners.

54 Timperio, A., Salmon, J., Chu, B. & Andrianopoulos, N. (2008). Is dog ownership or dog walking associated with weight status in children and their parents?

55 Gearn, J., Reardon, C., Hoffjan, S., & Nicolae, D. (2004). Effects of dog ownership and genotype on immune development and atopy in infancy.

56 Walsh, F. (2009). Human-Animal Bonds I: The Relational Significance of Companion Animals.

57 Walsh, F. (2009). Human-Animal Bonds I: The Relational Significance of Companion Animals.

58 Wells, D. (2011). The value of pets for human health.

59 O'Haire, M. (2010). Companion animals and human health: Benefits, challenges and the road ahead.

60 Straede, C.M. & Gates, G.M. (1993). Psychological health in a population of Australian cat owners.

61 Wood, L., Martin, K., Christian, H., Nathan, A., Lauritsen, C., Houghton, S., Kawachi, I. & McCune, S. (2015). The Pet Factor – Companion Animals as a Conduit for Getting to Know People, Friendship Formation and Social Support.

62 McConnell, A.R., Brown, C.M., Shoda, T.M., Stayton, L.E. & Martin, C.E. (2011). Friends with benefits: on the positive consequences of pet ownership.

PET THERAPY AND ASSISTANCE DOGS

The practice of using animals for therapy dates back to the 18th century when animals were introduced into so-called 'mental institutions' to help patients with social development during their stay. It is now recognised as a formal therapy treatment known as "animal assisted interventions"⁶³ or pet therapy.

A trained therapy pet, usually a dog, visits places like schools, hospitals and retirement homes, leveraging the human-animal bond to boost morale among students, patients and residents. To visit health care facilities, they must have the relevant health checks, as well as behavioural training.

Assistance dogs are trained to work alongside people with a disability, such as guide dogs assisting the blind or those with illnesses such as cerebral palsy, spina bifida or multiple sclerosis. There are also specially trained dogs being placed with diabetics to give their owners warning well in advance of an impending and potentially lethal hypoglycemic episode.

Assistance dogs also provide support for people dealing with mental illnesses ranging from post-traumatic stress disorder (PTSD) to dementia or anxiety.

WORKING ANIMALS

Aside from assistance dogs and animals providing pet therapy, companion animals, especially dogs, play an important role in many facets of Australian life including law enforcement⁶⁴, the military and in agriculture.

Trained detector dogs are used by police in locations such as airports, seaports, mail centres and private courier depots, with 61 currently working in Australia⁶⁵. They protect Australia from exotic pests and diseases, and assist in locating missing people, criminals, drugs and explosives.

Military working dogs provide specialist sensory, detection and protection capabilities both domestically and overseas. Working closely with their handler teams, the dogs provide a sense of smell and hearing far superior to that of a human, are obedient and responsive when well trained, and can operate effectively for extended periods. Australian farmers also use dogs to assist with livestock management and movement around properties with breeds such as kelpies, border collies, Maremma sheep dogs and cattle dogs (blue heelers) bred for skills that are useful on cattle and sheep farms.

Delta Society

The Delta Society was set up by the Animal Welfare League of Australia in 1997. Among other programs, the Delta Therapy Dogs initiative provides training and assessment for volunteers and their dogs to bring pet therapy to hospitals, aged care facilities, mental health units and disability services.

While guide dogs are widely accepted in the community, the need for other assistance dogs is relatively poorly understood.

There are currently over 1,000 Delta volunteers and their special dogs making regular visits to an estimated 20,000 Australians in hospitals and health care facilities.

Delta General Manager Hollee James says pet therapy, which can be as simple as offering a floppy ear to listen and a paw to shake, has been shown to reduce tension, fatigue and confusion; and increase enthusiasm, interest and inspiration among patients.

"Elderly pet owners who must enter aged care facilities report feelings of loss when they have to leave their pets behind," Hollee says. "Bringing one of our dogs in is like delivering something from home. It provides a bridge for communication with other patients and very often fulfils the role of human visitors."

Hollee says pets delay the ageing process through increased physical exercise and socialisation, and increased mental functioning – through talking to and caring for them.

"Pets provide one of the few interventions capable of permanently lifting the atmosphere of hospices and nursing homes," she says. "Interaction with a furry friend reduces blood pressure, provides tactile stimulation, assists with pain management, gives motivation to move, walk and stimulates the senses. A visit with a dog provides a positive mutual topic for discussion, promotes greater self-esteem and wellbeing, and focused interaction with others."



06 Lifestyles of the Fluffy, Furry and Scaly



As pets are regarded more and more as part of the family, their lifestyles are more closely aligning to ours. Particularly for dogs, but also with cats, where they live and how they spend their time is changing as the lifestyles of Australians change.

Dogs are going running, to the park, for drives or even to tai chi classes in the car with their owners. While most cats were not taken on trips outside the home, survey participants reported taking their cats caravanning, and for walks around the neighbourhood, as well as to the vet when required.

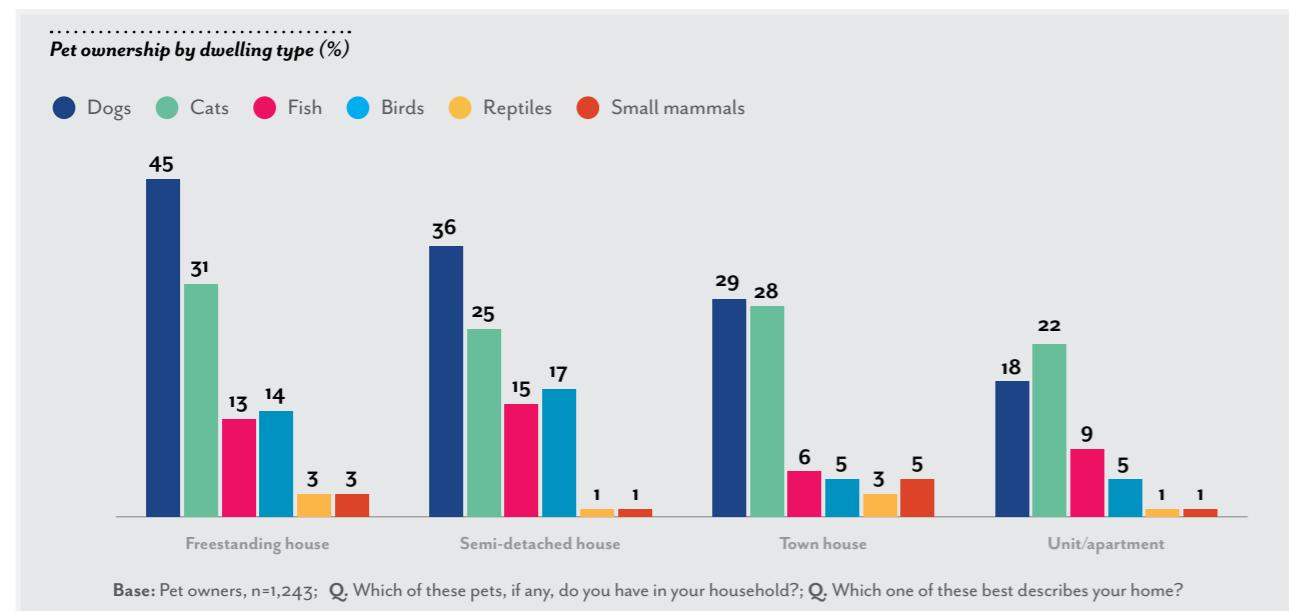
WHERE THEY LIVE

The typical Australian pet lives in a free-standing (68%), owner-occupied house (65%) in a suburban or regional setting (63%), with three or more adults (74%) and children living at home (73%). They are also more likely to be owned by households earning middle or higher combined household incomes i.e. \$70,000 to \$99,999 (68%) and \$100,000 or more (66%).

Top dog and cat names in 2016

of the top dog and cat names in 2016, most are human names





The chart above shows the types of pets owned by dwelling type as at 2016. Compared with 2013, these breakdowns have remained largely unchanged. However, overall pet ownership rates have increased over time among households without children (46% to 54%).

In terms of household makeup, just under three-quarters of households with children have pets (73%), while 58% of households without children have pets – a difference of 14%. This is true for all types of pets, with households with children more likely to have a dog (+12%), fish (+9%), a cat (+8%), a bird (+7%), a small mammal (+3%), a reptile (+2%) or another type of pet (+2%).

LEISURE ACTIVITIES

The vast majority of dogs (85%) go on outings with their owners, while the opposite is true for cats, with 85% being kept solely at home.

Dogs

Two-thirds of dogs have access to both the indoor and outdoor areas of their homes (66%). This is particularly the case in households where there are no children (69%) or where the owner has been separated, divorced or widowed (80%). Households with children, meanwhile, were more likely to keep dogs outdoors only (28%).

Perhaps not surprisingly, freestanding houses are more likely to keep outdoor-only dogs (22%), while semi-detached houses are more likely to keep indoor-only dogs (32%); townhouses, apartments and units, however, did not differ significantly from overall results.

Meanwhile, larger dogs are most likely to be kept outdoors only (29% of those weighing more than 10kgs), as are dogs in regional areas (27%). Conversely, smaller dogs are more likely to be kept indoors only (21% of those weighing less than 10kgs), as are dogs living in urban areas (20%).

The number of dogs kept exclusively outside declined from 25% to 20% between 2013 and 2016.

Three-quarters of dogs are taken on walks in the neighbourhood (74%), with other common activities including visits to parks and other public spaces (52%), visits to family and friends (38%), holidays (19%) and shopping trips (10%). However, 15% of all dogs are kept exclusively at home.

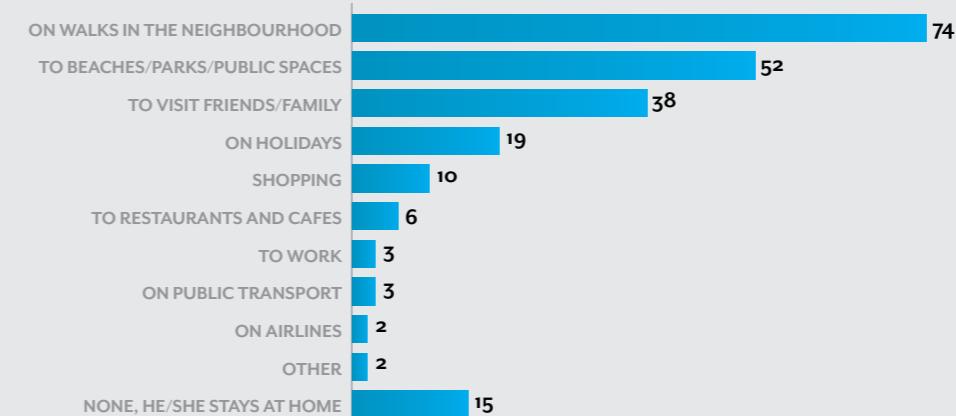
Small dogs weighing less than 4kg are less likely than other dogs to be taken on walks around the neighbourhood (60%) or to parks, beaches and other public spaces (38%). Designer breed dogs are more likely to be taken to visit friends (56%) or to restaurants and cafes (15%), while dogs living in urban areas are generally more likely to be taken on most types of common activities listed – including on holidays (27%), out shopping (20%), to restaurants and cafes (16%) and even to work (8%) and on public transport (7%).

Cats

Just over one-third of Australian pet cats (34%) – including more than half of all pure breed cats (54%) and those owned by people living in apartments (55%) – are kept exclusively indoors. The majority of cats have access to both the indoor and outdoor areas of their homes (59% – more common for cats in freestanding houses, at 63%), with a relatively small proportion being kept outdoors only (7%). Those with children at home are more likely to keep their cats exclusively outdoors (12%). The mix of indoor and outdoor lifestyles has remained largely consistent for cats since 2013.

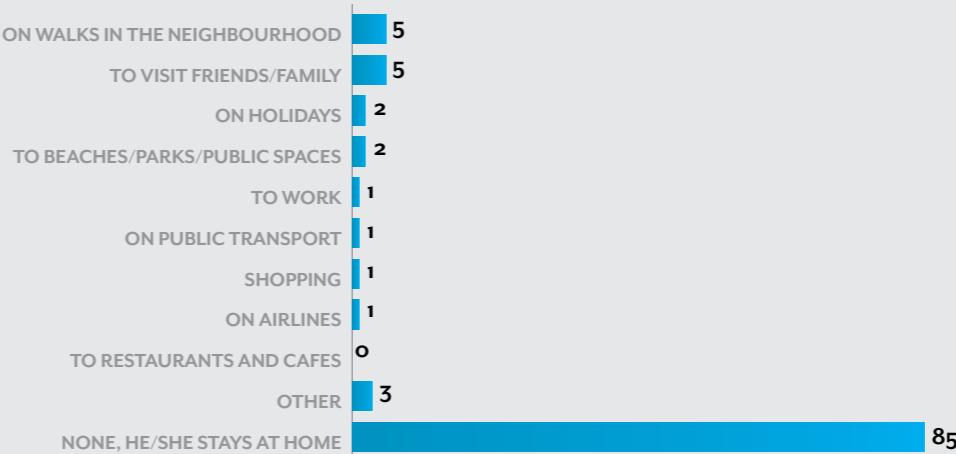
Most cats are kept solely at home (85%). A small number are taken on walks in the neighbourhood (5%), to visit friends and family (5%), on holidays (2%) and to parks and other public spaces (2%). Pure breeds are more likely to be taken out overall, with 28% being taken out of the house on some kind of activity (versus only 11% of mixed breeds).

Dogs in public places (%)



Base: All dogs owned by participants, n=1,059; Q: Where do you take the dog?

Cats in public places (%)



Base: All cats owned by participants, n=865; Q: Where do you take the cat?

GROOMING

Clipping and grooming is the fifth largest expenditure category associated with pet ownership in Australia, totalling an estimated \$580 million in 2016.

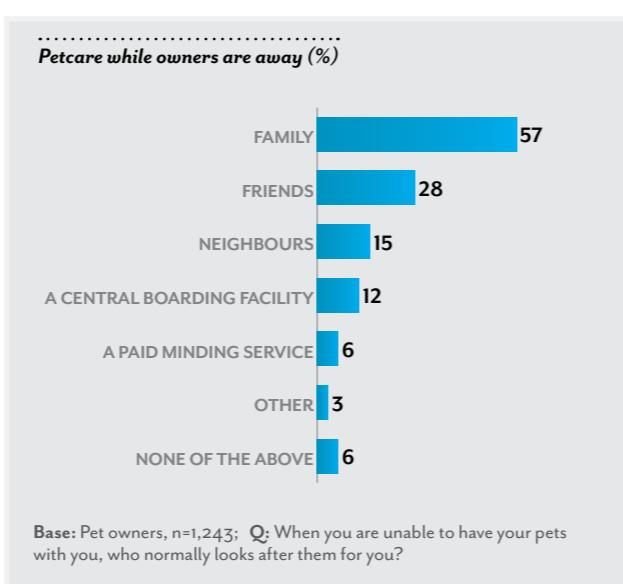
Almost half of all dog owners report spending nothing on their pet's grooming (49%), and a further 20% spend less than \$100, while at the other end of the scale, 6% of dog owners spent \$500 or more. Average household spending on dog grooming has increased by 33% since 2013 and is now \$128 per annum in 2016.

The amount spent grooming cats is significantly less than that for dogs, with 80% of cat owners spending nothing and just 8% spending \$100 or more a year. There has been a small but significant increase in the proportion of cat-owning households spending between \$200 and \$500 on grooming (from 1% in 2013 to 3% in 2016), accompanied by a decrease in the proportion spending nothing at all (from 87% to 81%).

For around 10% of pet owners, keeping their pet groomed is a difficulty they encounter with pet ownership – particularly for dogs (12%). This is more likely to be a concern among owners who are from non-English-speaking backgrounds (18%), younger (Generation Y, 17%), single (15%), living alone (15%) or male (14%).

Among those who don't currently own a pet, 12% cited concerns about grooming duties as a factor influencing their decision to acquire a pet in the future.

Beyond grooming services, sales of pet beauty products have been encouraged by the premiumisation and humanisation trends. According to Euromonitor International, pet beauty product sales reached A\$22 million in 2015, representing 7% of other pet products value sales. In line with other trends, the emphasis is on natural products and an example is the prevalence of products such as oatmeal shampoo which is thought to be less irritating on skin⁶⁶.



HOLIDAYS

Overall, 19% of dog owners and 2% of cat owners take their pets on holidays with them.

The dogs mostly likely to be taken on holiday include those whose owners are Baby Boomers (25% of those aged 50-69 years) or living in urban areas (27%). Pure and designer breed dogs (net 22%), and pure breed cats (4%), are more likely to go on holidays than their mixed breed counterparts (14% dogs, 1% cats).

The barriers to holidaying with pets have reduced significantly with many options now available including hotels and holiday homes being promoted as pet-friendly destinations. Despite this, being unable to take their pet on holiday is still cited as the number one difficulty experienced by pet owners in caring for their pets. This is a concern for 32% of pet owners and is largely consistent across all demographics – though notably of particular concern for pet owners who are married (36%) or from non-English-speaking backgrounds (43%).

"In the last eight years my dogs have never been away from me for a length of time that required someone to help." – survey participant, dog owner

The ability to be able to take a pet on holiday is a significant factor in deciding to acquire a pet, or an additional pet, for 18% of both owners and non-owners (23% of those who do not currently have a pet and 13% of those who would like another type of pet).

Because the majority of pets are left behind, Australian pet owners spend \$520 million a year on pet boarding or minding services.

"It is very expensive for me to go on holiday as boarding costs for multiple cats are high."
– survey participant, cat owner.

Most pet owners choose to leave their pets with someone with whom they have a trusted personal relationship while they are away. This includes family (57%), friends (28%) or neighbours (15%). This preference is particularly strong among younger pet owners (Generation Y, 90%), and those with dogs (83%) and birds (87%) – with family especially preferred for dogs (63%).

Pet owners who are married or own their own home are more likely than others to consider a central boarding facility (17% and 14% respectively). Meanwhile, solo households are more likely to rely on a paid minding service (9%).

From analysis of qualitative responses to the survey, some participants reported that they engage house sitters to live in their homes and care for their pets when they are not there.

The cost of boarding services is cited by 14% of those who do not currently own a pet as one of the contributing factors to their decision not to own a pet.

⁶⁶ Euromonitor International, Pet Care in Australia, May 2016, p55.
Used with permission.

07 Making Changes



Based on the feedback from the 2016 research, the AMA has identified a number policy initiatives for supporting pet-related policy-making, growing pet ownership, making it easy to own a pet and supporting responsible pet ownership in Australia.

Supporting pet-related policy-making

- Establish an evidence base for better, more integrated, community planning and policy-making by including pet ownership metrics on the Australian Census.
- Work with all Australian jurisdictions to harmonise pet-related legislation and facilitate national responses to issues such as unethical breeding practices and online 'black markets' for pets.
 - This might include requiring consistent minimum standards such as breeder registration and microchipping for those selling pets online, along with requiring completion of buyer questionnaires acknowledging commitment to responsible pet ownership prior to transfer of pet registration.
- Provide funding via national authorities to explore the role of pets in the health and wellbeing of all Australians.
 - There is potential for this work to reach across portfolios such as health (including preventative health initiatives, mental health approaches); education (e.g. the benefits of therapy pets on learning outcomes for children with learning challenges); transport and planning (discussed further on).

Growing pet ownership

- Address one of the main barriers to ownership – restrictive strata management laws - by working cohesively with government, the pet industry, animal health and welfare groups and key stakeholders on strata law reform.
- Take an active role in the planning of communities and community infrastructure, to provide more pet-friendly accommodation, facilities and services.
- Conduct further research among Australians from non-English-speaking backgrounds to better understand this important market of future pet owners.
- Foster growth in support services for busy pet owners, with a focus on affordable services for solo householders to bolster ownership in this category.

Making it easier to own a pet

- Make it easy for owners to take their pets with them:
 - Work with transport authorities to expand access and facilities for pets on all public transport modes to allow owners to more easily integrate their pets into their everyday activities and (especially) holidays. This includes addressing restrictions currently in place for point-to-point transport such as taxis and ride sharing.
 - Improve accessibility, facilities and infrastructure for pets in public areas (e.g. beaches, parklands etc).

Supporting responsible pet ownership

- Incorporate pet awareness and education, including pet visits, into school curriculums so children have exposure to pets and the requirements for responsible ownership at an early age. These programs could be run by retailers or ethical breeders, as well as welfare groups and pet educators.
- Provide adequate funding and facilities for responsible pet rescue organisations, animal welfare groups or other relevant bodies to:
 - Expand education programs about responsible pet ownership, including basic health and socialisation requirements;
 - Develop programs or campaigns for reducing rates of euthanasia; and
 - Consider the potential for developing a national 'select a pet' site where owners' needs are matched to different types of pets.

Animal Medicines Australia (AMA), as the peak body representing the leading animal health companies in Australia, will work with the industry, governments, the community and others to pursue these initiatives so the important role pets play in our community can be enhanced.

APPENDIX

Research methodology

This study was conducted online among a representative sample of Australian adults, based on a modified version of the questionnaire used for the inaugural 2013 study.

Quotas were set using population data from the ABS Census 2011 by postcode of residence, using the ABS Greater Capital City Statistical Area framework. Soft quotas were also set by gender and age.

The sample size was n=2,022, which has a maximum error margin of +/-2.2% at the 95% confidence level for a 50% result. The survey was fielded from 22-29 April 2016, with a pilot of n=349 surveys conducted from 22-26 April 2016.

To correct for sampling bias, the data set was weighted using 2011 ABS Census data. For findings relating to household characteristics, weights were applied by household location within Major Statistical Regions. For findings relating to individual attitudes and behaviours, weights were applied by population gender, age and place of residence (Greater Capital City Statistical Areas versus Rest of State).

The previous wave of the study had surveyed only those aged between 18 and 64 years, and excluded those living in the Northern Territory and other external territories. To ensure comparability, commentary regarding statistical changes relates only to participants within that exact age and geographic scope, with modified weighting applied.

In preparing this report, Newgate Research has presented and interpreted information that we believe to be relevant to achieve the objectives of this research project. Where secondary sources are used, where assumptions are made as a part of interpreting the results or where our professional opinion is expressed rather than merely describing the findings, this is noted.

Please note that percentages on single response questions may not total 100% due to rounding, or if the question was multiple response the total may also exceed 100%. There may be slight variances in some 2013 results due to refined weighting methodology.

Relevant statistically significant differences between sub-groups or questions are identified throughout the data tables at the 95% confidence level, using colour coding. Unless otherwise noted, all trend results highlighted are statistically significant at the 95% confidence level.

Averages have been presented with outliers removed, based on rigorous analysis using Grubbs' test for outliers. This may have resulted in slight variances to averages for the 2013 period.

Most results for dogs and cats have been re-based on the total number of animals rather than the number of participants who own a dog or cat. These results have been weighted by household data from the ABS Census, as previously outlined.

Extrapolations of results by total households or persons have been based on ABS Household and Family Projections (2016, cat. no. 3236.0) and Australian Demographic Statistics (June 2015, cat. no. 3101.0), placing the estimated number of households nationally at 9,241,497 under a medium-growth scenario, the total population at 23,777,777, and the number of residents aged 18 years and above at 18,437,328.

This research was conducted in accordance with the international quality standard for market and social research (ISO 20252).

Glossary

Note: The terms 'pet' and 'companion animal' are used interchangeably in this report.

Companion Animals: Companion animals or pets are animals, such as dogs or cats that are kept as companions in the home, or in close daily relationships with humans.

Companion animal populations: This report focusses on the ownership of dogs, cats, birds, fish, small mammals and reptiles kept as pets. Working dogs are included where their owners also consider them to be companion animals. Unless otherwise stated population numbers are for Australian companion animals as per the findings of the Australian Pet Ownership Survey undertaken by Newgate Research. While pets may fulfil a variety of roles, including 'guard dog' or 'working dog', if participants consider them to be pets, they are included in the survey and population figures.

Designer breed: A designer breed is deliberate offspring from two pure bred animals of different varieties or breeds.

Households: A household is defined by the ABS as "one or more persons, at least one of whom is at least 15 years of age, usually resident in the same private dwelling". Under this definition, all occupants of a dwelling form a household. Extrapolations of results by total households or persons have been based on ABS Household and Family Projections (2016, cat. no. 3236.0) and Australian Demographic Statistics (June 2015, cat. no. 3101.0), placing the estimated number of households nationally at 9,241,497 under a medium-growth scenario, the total population at 23,777,777, and the number of residents aged 18 years and above at 18,437,328.

Humanisation: Humanisation occurs when the pet owner increasingly treats their companion animal as a human by paying extra attention to the nutritional and psychological needs of their pet (Knight, 2010).

Mixed breed: Mixed breed animals differ from other cross-bred animals in that their parentage is undocumented or unknown.

Ownership rates: The percentage of households that own pets.

Pet care products: Items manufactured for use on or by pets, including toys, scratching posts, bowls, litter trays and grooming items.

Pet care services: Includes all pet care services including veterinary services, pet-minding, transport, clipping and grooming and walking.

Pet type: Refers to a species of animal i.e. a dog, cat, etc. as opposed to specific breeds of different species i.e. Labrador, Alsatian, German Shepherd, etc.

Premiumisation: Refers to pet owners seeking premium pet products or services that have a higher price positioning and are branded as premium or high quality.

Private dwelling: As defined by the ABS, a private dwelling is a structure which is intended to have people live in it, and which is habitable on Census Night. Some examples of dwellings are houses, motels, flats, caravans, prisons, tents, humpies and houseboats (ABS, 2013a).

Pure breed: Pure bred animals refer to companion animals that have been bred from parents of the same breed or variety and have unmixed lineage in their pedigree strain.

Regional: Those areas not considered metropolitan areas.

Suburban: Residential areas located on the outskirts of a metropolitan area.

Treats: Products marketed and fed not as a main meal, but more as a reward or indulgence.

Units and apartments: The Australian Pet Ownership survey groups units and apartments as one accommodation type.

Urban: Residential areas surrounding a city.

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