

# CONTRIBUTION OF THE PET CARE INDUSTRY TO THE AUSTRALIAN ECONOMY

The following data is from the Executive summary of the BIS Shrapnel Report entitled *Contribution of the Pet Care industry to the Australian Economy* 6<sup>th</sup> Edition 2006. PIAA is one of a number of organizations who fund the research and development of the Report through the Australian Companion Animal Council (ACAC).

As part of your investment in PIAA membership this data enables PIAA to support and promote the benefits of the pet care industry through the media, to politicians and governments and to current and potential pet consumers across Australia.

## EXECUTIVE SUMMARY

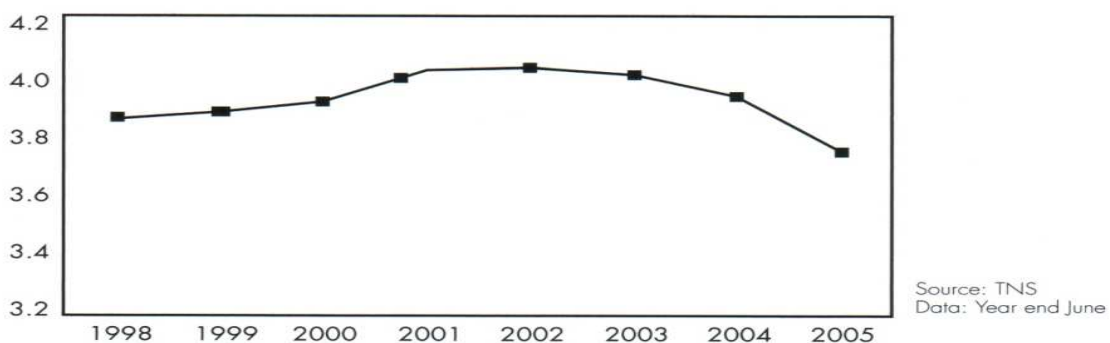
### Population Trends

The incidence of pet ownership in Australia is one of the highest in the world, with an estimated 63% of households owning some kind of pet (53% owning a cat or dog).

There are over 38 million pets of various species throughout Australia. The current estimate of cat and dog populations is 2.43 and 3.75 million respectively. In addition, there are roughly 20 million fish, 9 million birds and 3 million other pets.

The population of dogs in Australia has been in an overall decline since 2002 according to data from Market Research company TNS. The number of dogs per dog owning household has also declined slightly to 1.43 dogs in 2005.

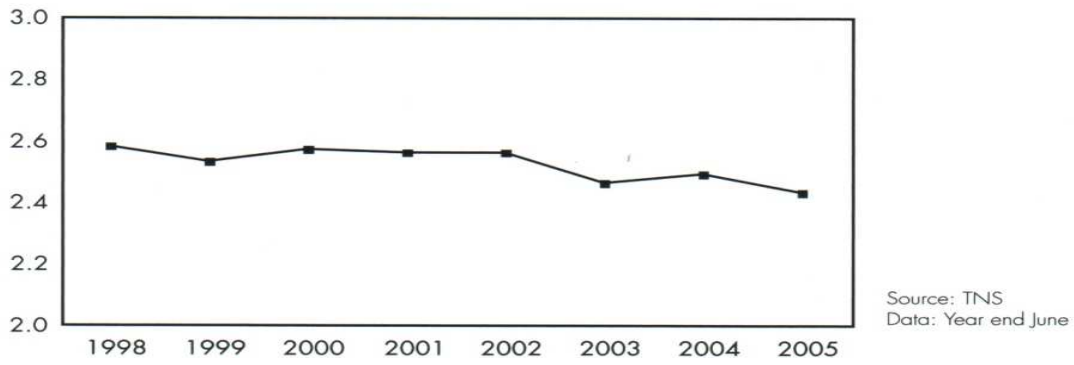
### Dog population – trend line estimates, 1998 –2005 (million)



The cat population has been in a state of decline for over a decade. The number of cats per cat owning household has also declined to 1.40 cats per household from a high 1.48 in 2003.

While the population of cats and number of cats per household has been in decline, the percentage of households with cats has increased over the past few years (from 23% in 2003 to 25% in 2005).

### Cat population – trend line estimates, 1998 – 2005 (million)



### Expenditure on pet care products and services

In calendar year 2005, we estimate that total consumer expenditure on pet care products and services is \$4.62 billion.

All state and territories benefited from the total expenditure, with their market share roughly equal to their proportion of the pet population.

### Summary of Australia expenditure on pet care, by state, 2005 (\$ million)

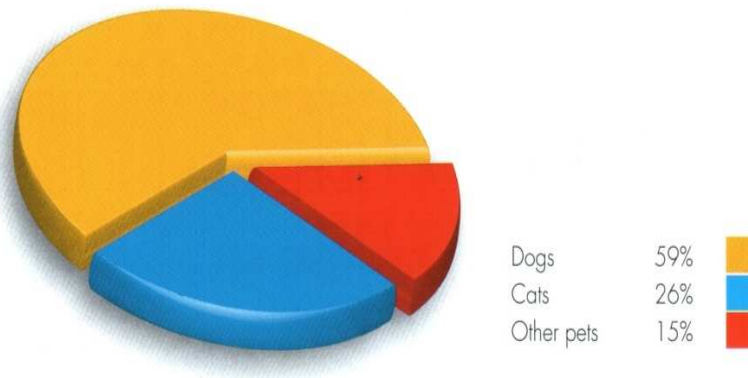
State	Dogs	Cats	Other pets	Total	%of total
NSW/ACT	958	417	237	1,612	34.9
VIC	679	295	168	1,142	24.7
QLD	536	233	133	902	19.5
WA	272	119	67	458	9.9
SA	235	103	58	396	8.6
TAS	65	28	17	110	2.4
<b>Total</b>	<b>2,745</b>	<b>1,195</b>	<b>680</b>	<b>4,620</b>	<b>100</b>

Source: BIS Shrapnel estimates

### Summary of Australian expenditure on pet care – by state, 2005 (Percentage of total)



Expenditure on pet care – by pet type, 2005 (Percentage of total)

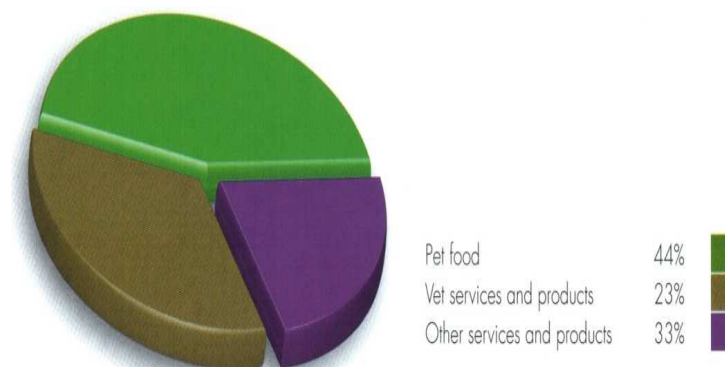


There are three main market segments which account for the total expenditure on pet care products and services. The 2005 total of \$4.62 billion is a 15.5% increase on the 2002 figure of \$4.0 billion.

Pet Care – summary of expenditure (\$ million)	
Market Segment	Consumer Expenditure
Pet Food	2,011
Vet services and products	1,065
Other services and products	1,544
<b>Total 2005</b>	<b>4,620</b>
Total 2002	4,000
<b>% Variation 2002–2005</b>	<b>15.5</b>

Source: BIS Shrapnel estimates

Pet care – summary of expenditure, 2005 (percentage of total)



## Employment in the pet care industry

We estimate that the pet care industry gives employment to some 44,700 people, both directly and indirectly.

Pet Care Industry – summary of employment, 2005			
Activity	Direct Employment	Indirect Employment	Total
Veterinary services	13,400	–	13,400
Pet service Providers	11,800	–	11,800
Retailing Pet Products	8,500	–	8,500
Pet food Manufacture	3,350	3,350	6,700
Veterinary products	2,000	1,000	3,000
Pet acc manufacturing	950	250	1,200
Veterinary education & Training – Vet Science	100	–	100
<b>Total</b>	<b>40,100</b>	<b>4,600</b>	<b>44,700</b>

Source: BIS Shrapnel estimates

## Number of people employed in the pet care industry, 2005



## The social benefits of pets

Pets today are being treated more like ‘one of the family’ than in any previous generation. With an enormous array of products on the market aimed at improving a pet’s lifestyle, the transference of parenting instincts onto family pets is increasingly easier.

Numerous studies have been conducted on the social and physical benefits of pet ownership, the outcomes confirm that not only do pets make us feel good, they are actually beneficial for us, both physically and mentally. Pets provide companionship, improve feelings of safety, increase social interaction, encourage exercise and improve psychological physical health.

A study conducted by the Baker Medical Research Institute in Melbourne revealed that pet owners had lower risk factors for cardiovascular disease and lower cholesterol than non-pet owners. German, Australian and Chinese data has confirmed that pet owners visit the doctor less often and spend less money on medication than non-pet owners.

The Australian National People and Pets Survey revealed that pet owners value the friendly companionship of their dog or cat.

- o 58% of pet owners say they got to know people and made friends through having pets
- o 62% of pet owners say that having a pet around when people visit makes it easier 'to get into a conversation and create a friendly atmosphere'
- o 79% of owners find it comforting to be with their pet 'when things go wrong'
- o 91% felt 'very close' to their pet – almost as many as feel close to their family

This reinforces that pets are integral members of the family however constituted.