

Environment, Planning and Countryside Committee

Date: Wednesday 3 November 2004
Time: 9.30am to 12.30pm
Venue: Committee Room 2, National Assembly Building

REGULATORY APPRAISAL

Horse Passports (Wales) Regulation 2004

The Regulations provide enforcement authorities with powers to enforce a European Commission Decision in relation to the identification of horses treated with medicines that must not be administered to food producing animals. They revoke and replace the Horse Passports Order 1997 and the Horse Passports (Amendment) Order 1998 in so far as they extend to Wales.

1. Purpose and Intended Effect

Issue

- This is a consolidated Regulation, which will implement Commission Decision 2000/68/EC. This Decision:
 - a) extends the current requirements for passports to be obtained for all equidae;
 - b) requires each passport to carry a unique identifying number which will remain with that animal for life;
 - c) introduces a declaration into the passport requiring an owner to state whether or not their horse is intended for human consumption;
 - d) requires an owner who has declared their horse to be for human consumption to record in the passport which veterinary drugs have been administered.
- All owners of equines are required to have applied for a passport by late autumn 2004, and all owners of equines must have a passport by 28 February 2005. The legislation that accompanies this RA will bring the EU Decision into effect.

Objective

- The main objective of the EU Decision is to prevent horses being slaughtered for human consumption which have been administered with veterinary medicine for which no Maximum Residue Limit (MRL) has been set. In addition, it states that certain medicines (listed in Annex IV of Council Regulation 2377/90) should never be given to a food-producing animal, including horses.
- A secondary objective is to enable horse medicines, for which there is no MRL set, to continue to be used on horses not intended for human consumption.
- Additionally the Horse Passports legislation provides an opportunity to develop a National Equine Database in partnership with the UK equine industry. There will be a statutory requirement on Passport Issuing Organisations to provide the required information. The data will provide information on the overall size of the UK horse population and its geographical distribution. This will make it possible to put in place monitoring systems and develop effective control strategies in the event of an outbreak of a notifiable disease of horses.

To meet these objectives Commission Decision 2000/68/EC requires all horses to be accompanied by a passport, which includes a record of the date certain veterinary medicines were administered, if the owner has declared that the horse is intended for human consumption.

Risk Assessment

It may be harmful for humans to eat horsemeat if in the last six months of its life the horse has been administered with an unauthorised veterinary medicine.

- Failure to obtain information identifying unauthorised veterinary medicines given to horses intended for the food chain could result in the European Commission removing approval for some frequently used veterinary medicines resulting in welfare issues.
- In the event of an outbreak of a notifiable disease affecting horses it would be impossible to mount effective disease control measures if there is no record of horse owners, their location and the overall size of the equine population.

2. OPTIONS

There are two options:

- a) **Do Nothing:** There is no alternative effective means of protecting human health from the risk of consuming meat from horses administered with unauthorised veterinary medicines. There is no means available to obtain comprehensive information identifying the owners of horses or their location. Wales would not be able to undertake effective disease control measures in the event of an outbreak of a notifiable disease affecting horses, which would also impinge on the effectiveness of measures used elsewhere in the UK .

- b) **Implement Commission Decision 2000/68/EC:** This will transpose the requirements of Commission Decision 2000/68, which applies throughout the European Union, into Welsh law and ensure that there is a viable method of identifying horses intended for the human food chain treated with unauthorised medicines thereby protecting human health.

The Commission Decision requires:

- that additional veterinary pages and a declaration be added to all new passports for registered equines;
- that existing passports be updated with the additional sections on veterinary medicines and the declaration; and
- that all owners of horses in Wales register their horses with an authorised organisation (if this has not already been done), and obtain a passport for each horse they own.

3. Benefits

Option a) – do nothing

There are no benefits from taking this Option. The National Assembly for Wales is required to implement Commission Decisions.

Option b) - implementation of the Horse Passports (Wales) Regulations 2004:

Implementation of the Commission Decision will:

- Provide better traceability of horses in the event of a disease outbreak in Wales;
- Prevent any unauthorised medicines, used on food producing animals, from entering the human food chain; and
- Ensure that approval of certain frequently used medicines is not removed.

Implementation of the Commission Decision has the support of much of the horse industry. Many Breed societies consider that all horses should have a passport. The British Horse Industry Confederation favour all horses having a passport because they consider that this could form the basis of a programme to improve breeding standards; and may have welfare benefits by discouraging indiscriminate breeding/inbreeding of animals. Passports, which are increasingly used in the equine industry, provide a useful document to confirm a horse's identity, assisting trade.

4. Business sectors affected

The business sectors affected are those organisations authorised to issue horse passports (Passport Issuing Organisations). These are primarily breed societies, some of which are small organisations manned by volunteers and many are also registered charities. There are currently around 70 UK based organisations authorised to issue horse passports, 8 are based in Wales.

5. Issues of Equity or Fairness

There is an issue in relation to the semi feral breeds or ponies living on common land because the value of these animals is often less than the cost of the passport.

Animal welfare organisations and others made representations to DEFRA arguing that making an irreversible declaration early in a horse's life, that it would never enter the food chain, would create future welfare problems. DEFRA consequently agreed to depart from the European Decision in implementing their legislation for England and allow owners to defer signing the declaration until such time as:

- Any veterinary medicine specified in Annex IV to Council Regulation (EEC) No. 2377/90 is administered to a horse. The declaration must state that the horse is not intended for slaughter for human consumption, unless the declaration has already been signed.
- The horse is consigned for slaughter for human consumption. The declaration must state that the horse is intended for slaughter for human consumption.
- The horse is sent outside the United Kingdom. A Passport Issuing Organisation or the Secretary of State must countersign the declaration.

However, the Assembly has no power to act or legislate where such action or legislation is incompatible with Community law. Scotland and Northern Ireland are in a similar position to that of the Assembly as they are also bound by their constituting legislation to act compatibly with EC law.

It could be argued that following implementation horse owners in Wales could be faced with less favourable trading conditions than their counterparts in England. Conflicting legislative regimes in England, Wales and other Devolved Administrations could give rise to inconsistency and inequity.

6. Costs

a) Compliance Costs

Industry

Compliance costs for a typical business are difficult to quantify because of the variety of businesses that issue passports and the widespread use of unpaid volunteers to resource this work. All will seek to recoup the costs of a passport from the horse owners themselves. The Breed Societies will also have had to amend some of their passport documentation to fall into line with the Commission Decision requirements. Approved organisations will, however, benefit from being provided with a potential source of income.

Riding schools, studs and animal welfare charities will be affected but their costs will be directly related to how many horses they have and the level of charge made by the Passport Issuing Organisation.

Owners

Most of the compliance cost falls to horse owners. The cost of purchasing a passport will be dependent upon how many horses they own, whether or not the horses are pure-bred and the level of charge made by the Passport Issuing Organisation.

All passports must contain an identifying silhouette of the horse noting the colour, identifying markings on the horse's body and hair patterns (whorls). If the owner is thought to be competent to complete the silhouette then the cost of a passport could be between £10-£25. Owners of registered animals who hold registration documents but not a valid passport are able to upgrade such papers to full passports through their Breed Societies for a relatively small cost (approximately £10). In the case of registered horses that were issued with a passports that do not include the Section IX pages on the medicinal treatment owners will need to return their passports to the Passport Issuing Organisations for these to be inserted. Most Passport Issuing Organisations are inserting these pages free of charge.

Owners applying for a passport for the first time could pay between £40 and £60 if the PIO does not deem them 'competent' to fill in the required silhouette of the horse. This task will then fall either to a veterinary surgeon or someone who is deemed competent by the PIO e.g. riding school instructor, horse breed judge. A visit from the vet could cost around £20-£40. Individuals living in the same area or keeping their animals at livery could arrange for a vet to complete silhouettes for all their horses at the same time which should help to reduce the cost.

With many horses living to between 20 and 30 years of age it is argued that owners could not possibly know what the possible disposal route would be at an early stage of a horses life. The majority of owners will automatically declare that the animal

could not enter the human food chain, which will in effect mean that the animal could not be disposed of through an abattoir and owners would not therefore receive its carcass value. In such circumstances the only legal alternatives for disposal would be through hunt kennels or a knackers yard (£50-£100 depending upon the size of the animal), or commercial incineration (£200-£400) requiring owners to pay for disposal.

There may be some new organisations who apply to become authorised to issue horse passports under either the Horses (Zootechnical Standards) Regulations 1992, or the Horse Passports Order 1997. This task will be resourced within the Animal and Plant Health Division.

The cost of a publicity campaign to inform horse owners, and other interested parties, of the requirement for all horses to have a passport and how to get one, will be met from the existing EPC budget for publicity.

7. Consultation with small businesses: the small firms' Impact Test

Discussions have taken place with a wide range of interests in the industry since the initial consultation was undertaken in 2000. Concern has been expressed about implementing Option 2 because of the growing backlog of applications to be processed by Breed Societies who have limited resources available. This situation is being monitored in consultation with the PIOs.

8. Enforcement and sanctions, monitoring and review

Responsibility for the enforcement of the legislation rests with local authorities. The Food Standards Agency is responsible for carrying out checks at slaughterhouses, using information contained in passports relating to certain administered veterinary medicines. Penalties under the proposed legislation can be applied by the Courts for non-compliance, a fine not exceeding the statutory maximum £5,000 per offence or imprisonment for a term not exceeding 3 months or both.

Local authority Trading Standards will undertake enforcement activities to ensure that all horses have the appropriate passports, particularly at shows and markets and take the appropriate action against horse owners who do not have passports.

The Assembly has authority to withdraw recognition from any Passport Issuing Organisation if they consistently fail to abide by the provisions of the legislation.

Passport Issuing Organisations in Wales currently provide the Assembly with statistics on the number of applications received, those outstanding and the number of passports issued. Future monitoring will centre around the checks undertaken by local authorities (trading standards). The Assembly will require each of the Unitary Authorities to provide statistics on a 6 monthly basis on checks undertaken.

8. Result of Consultation Exercises

A consultation paper, which set out various options for implementation of the Commission Decision for both registered and all other horses, was carried out in August 2000. The responses received generally supported increased traceability of horses but questioned the additional bureaucracy involved. Concern was also raised about the welfare of the low value ponies currently living on common land and on the hills of Wales because the cost of each passport is likely to exceed the value of the animal.

A wider consultation was held in August 2003. Feedback received from the Breed Societies reflected support for passports. Commoners Associations, National Parks and welfare groups expressed concern for the owners of low value ponies. It was generally felt that:

- horse owners should keep the passports rather than the 'keeper' as defined in the Regulations.
- veterinary surgeons must be permitted to treat a horse whether a passport has been presented to them or not
- welfare charities should be given longer to apply for passports when a horse is received into their care because some horses die within a relatively short space of time through injury or sickness
- horses which do not leave the premises due to old age etc should not be required to have a passport
- foals should not be required to have a passport until 6 months old or by 31 December of the year of its birth
- low value horses kept on the hills and common areas in Wales should be exempt from passports.

9. Summary and recommendation

The cost of horse passports will be borne by individual horse owners and the impact of which will depend on how many horses are owned.

Initial implementation costs for the GB industry are estimated to £17.6 million. Annual costs (dependent upon the number of foals born) could be £1-2 million.

This RA summarises the two main options for implementing Commission Decision 2000/68/EC.

- **Option 1:** there could be a public health impact within the European Union if horses from Wales are slaughtered for human consumption without safeguards being put in place to record veterinary medicines used. It should be noted that currently there is no known demand for horsemeat in Wales.
- **Option 2:** fully implements the Commission Decision.

Following consideration given to the feedback from both consultations, certain refinements were made to the draft regulations and Option 2 has now been agreed as the way forward by the Minister for Environment, Planning and Countryside, Carwyn Jones AM.