

REGULATORY IMPACT ASSESSMENT

1. Title of the regulatory proposal

The Zoonoses and Animal By-Products (Fees) (Amendment) Regulations (NI) 2010.

2. Purpose and intended effect

Issue

Statutory salmonella testing of poultry flocks is carried out under the Control of Salmonella in Poultry Scheme Order (NI) 2008, the Control of Salmonella (Broiler Flocks) Scheme Order (NI) 2009 and the proposed Control of Salmonella in Turkey Flocks Scheme Order (NI) 2010 which is currently out for consultation. These Regulations implement EU Regulations No 2160/2003, 1003/2005 in respect of breeding flocks, 1168/2006 in respect of laying flocks, 646/2007 in respect of broiler flocks and 584/2008 in respect of turkey flocks for the monitoring and control of salmonella in poultry.

The Regulations set out in national legislation the EU requirements for a National Control Programme (NCP). The NCP outlines steps to be taken to improve salmonella control in poultry flocks. In the north of Ireland the collection of official control samples under the scheme is overseen by the Department of Agriculture and Rural Development's (DARD) Veterinary Service and the official samples are tested by the Agri-Food Biosciences Institute (AFBI).

Annex 1 of Regulation (EC) 1237/2007 sets out three additional optional tests which may be carried out after Salmonella Enteritidis or Salmonella Typhimurium has been detected in an official sample to rule out false positive results. These tests will only take place if specifically requested by the producer.

Objective

- (i) To allow the Department to set fees at a level to achieve full cost recovery, to avoid providing either a subsidy, or a source of taxation, through the administration of this scheme. This will involve the introduction of fees to the turkey sector and amending the current fees charged to the breeding, laying and broiler sectors; and
- (ii) to provide the Department with powers to charge fees for collecting and testing of optional samples, in line with EC 1237/2007, which need to be supervised by the Department – in practice Animal Health Welfare Inspectors or Egg Marketing Inspector staff.

Background

The Zoonoses and Animal By-Products (Fees) (Amendment) Regulations (NI) 2009 came into operation on 22 October 2009. These Regulations allow DARD to recover costs associated with the Control of Salmonella in Poultry Scheme Order (NI) 2008 and the Control of Salmonella in Broiler Flocks Scheme Order (NI) 2009 from owners of **breeding, laying and broiler flocks** in line with Department of Finance and Personnel (DFP) policy on full cost recovery in 1987.

New fees regulations are now needed to amend the Zoonoses and Animal By-Products (Fees) (Amendment) Regulations (NI) 2009 so that:

- The Department is able to recover costs associated with the NCP for the **turkey** sector under the proposed Control of Salmonella in Turkey Flocks Scheme Order (NI) 2010;
- The fees for owners of **breeding, laying and broiler** flocks can be increased to reflect the current cost of collection and examination of official control samples;
- The Department can amend the schedule of fees to include fees for **optional testing** for confirmation of Salmonella Enteritidis (SE) and Salmonella Typhimurium (ST) in laying flocks at the request of the producer; and

The fees are calculated on the basis of costs for travel, staff time and laboratory equipment.

The details of the proposed fees, including information about the purpose of each fee and how each fee is derived are set out in the following pages.

Fees for the approval of laboratories under the approved laboratory scheme are no longer required in light of the requirements of EU 882/2004 which imposes the need on private laboratories to hold the recognised accreditation to ISO 17025. This accreditation is issued by the United Kingdom Accreditation Service (UKAS) and will allow the Department to approve laboratories to perform tests as required by EU 2160/2003 under the various control of salmonella schemes without the need for additional evidence.

4. Options

Four main options have been identified:

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| Option 1 | Do nothing |
| Option 2 | Produce new fees regulation to revise the fees for breeder, layer and broiler sectors set out in a schedule which would set fees for full cost recovery but do not introduce fees for turkey flocks or optional testing |
| Option 3 | Produce new fees regulations to introduce fees for turkey flocks and optional testing, in addition to breeder, layer and broiler flocks, |

but continue to charge fees at the levels outlined in the previous Fees Order.

- Option 4 Produce new fees regulations to introduce fees for turkey flocks and optional testing, with revised fees for breeder, layer and broiler sectors set out in a schedule which would set charging at full cost recovery.

Options 1, 2 and 3

It is DARD policy, in line with the 1987 agreement with DFP, that these costs should be recovered fully.

If new fees were not introduced and current fees updated then full cost recovery would not be achieved.

Option 4

In the case of turkey flocks, the introduction of fees would allow DARD to achieve full cost recovery, and in the case of breeders, layers and broilers the increase in fees would allow DARD to achieve full cost recovery, from the date the legislation comes into operation. It will also allow DARD to charge for the cost of optional tests.

This is DARD's preferred option and will be reflected in the draft statutory Rule

5. Costs to Industry

The table below sets out the costs to industry for option 4.

The activities in column one are listed as they appear in Regulation 3(2) in the proposed fees regulation. In this table "the European Regulation" means Regulation (EC) No 2160/2003 and "the Regulations" means the Animal By-Products Regulations (NI) 2003.

Activity	2009/10 fee	2010/11 fee
(a) Taking or supervising the taking of official control samples and or tests under point 4 of part D of Annex II to the European Regulations EU 2160/2003 as amended by EU 1237/2007	£41.61 for the first half hour plus £10.79 per ½ hour (or part thereof)	£64.50 for the first half hour plus £11.50 per ½ hour (or part thereof)
(b) Examining official control samples	£15.00	£18.50
(c) (i) Conducting the optional tests under point 4(b)(i) of part D of Annex II to the European Regulations EU 2160/2003 as amended by 1237/2007	No previous fee	£77.50 for the examination of 5 faecal samples and 2 dust samples

(c) (ii) Conducting the optional tests under point 4(b)(i) of part D of Annex II to the European Regulations EU 2160/2003 as amended by 1237/2007	No previous fee	£115 for the examination of 5 pairs of boot swab samples and 2 dust samples
(d) Conducting the optional tests under point 4(b)(ii) of part D of Annex II to the European Regulations EU 2160/2003 as amended by 1237/2007	No previous fee	£2,407
(e) Conducting the optional tests under point 4(b)(iii) of part D of Annex II to the European Regulations EU 2160/2003 as amended by 1237/2007	No previous fee	£2,697

Details of each charge proposed

- (a) Taking or supervising the taking of official control samples and or tests under point 4 of part D of Annex II to the European Regulations EU 2160/2003 as amended by EU 1237/2007

Purpose of fee

This fee covers duties carried out by DARD Veterinary Service in visiting and collecting or supervising the collection of official control samples from breeding flock, laying flock, broiler flock and turkey flock holdings for the purpose of verifying progress towards Salmonella reduction targets.

<i>2009/10 Fee:</i>	<i>2010/11 Fee:</i>
£41.61 for the first half hour plus £10.79 per ½ hour (or part thereof) thereafter.	£64.50 for the first half hour plus £11.50 per ½ hour (or part thereof) thereafter.

How the fee is derived:

The fee is based on two components

- i) The first component is a fixed fee that covers costs that are associated with the supervision of, or the taking of official control samples on holdings. Costs are based on an average of the actual time taken (e.g. organising visits, systems inputs, checking test results etc.).

The other costs relating to the fee are for administration costs.

The full cost has been calculated at £64.50 for 2010/11 this represents a 55% increase on the £41.60 charge for 2009/10. This increase is as a result of actual staff time and mileage cost being recorded by the relevant staff. The 2009/10 fee was set at an estimated rate before testing was undertaken.

ii) The second component of the fee is a time based charge calculated on a per test basis, and covers sampling time only. The overall charge will vary from flock to flock depending on the length of the visit. The rate for this part of the charge is based on the hourly rate of a Veterinary Service Animal Health and Welfare Inspector who would be conducting the official visit.

(b) Examining official control samples

Purpose of fee

This charge covers duties performed by the Agri-Food and Biosciences Institute (AFBI), in examining the official control samples collected by the VS under (a). This examination will determine the presence or absence of Salmonella in the sample.

<i>2009/10 Fee:</i>	<i>2010/11 Fee:</i>
£15.00	£18.50

How the charge is derived:

A single charge is applicable for the examination by AFBI of all official samples supplied to them. The cost derives from an average time to perform the test plus equipment costs.

(c) Optional testing - conducting tests under point 4(b)(i) of part D of Annex II to the European Regulations EU 2160/2003 as amended by 1237/2007.

Annex 1 of Regulation (EC) 1237/2007 sets out three additional optional tests which may be carried out after SE or ST has been detected in an official sample to rule out false positive results. These tests will take place if specifically requested by the producer. These are:

- enhanced faeces and dust sampling (5 faecal samples and 2 dust sample); or
- sampling caeca and oviducts of 300 birds; or
- sampling 4,000 eggs

The collection of these samples will be supervised by DARD staff while on the holding, the visit fees are at the same level as those included above at (a). It will be the responsibility of the operator to ensure that these samples are delivered to AFBI for testing. The overall cost to the operator for these tests will therefore have two separate parts, a fee to AFBI for carrying out the tests on the samples, and a fee to DARD for the supervision of the collection. The tests fees are:

Optional Testing for egg layer's allowed under EU Regulation 1237/2007	AFBI Costs	DARD costs
a) Enhanced environmental testing (5 faecal and 2 dust) for the presence of Salmonella	£ 77.50	at the same level as those included above at (a).
b) Enhanced environmental testing (5 boot swab and 2 dust) for the presence of Salmonella	£ 115	at the same level as those included above at (a).
c) Testing internal organs from 300 carcasses for the presence of Salmonella	£ 2,407	at the same level as those included above at (a).
d) Testing 4,000 eggs for the presence of Salmonella	£ 2,697	at the same level as those included above at (a).

5. Impact on Small Businesses

The proposed fees will apply equally across the industry, which includes small businesses, and are not considered to be discriminatory.

6. Securing Compliance

The Regulations will not introduce any new procedures or regulatory requirements with which the relevant businesses are not already complying. Fees will be levied through the existing mechanisms.

7. Monitoring and Review

Annual accounts will be produced to assess progress against the target of full cost recovery for the provision of the relevant services. It is intended that the level of fees will be reviewed annually.

8. Recommendation

Of the four options identified option four is recommended. This will introduce new fees Regulations that will allow fees to be collected from the turkey sector, increase fees to the breeding, layer and broiler sectors, and introduce fees for optional tests.