

Explanatory Memorandum to The Welfare of Animals at Time of Killing (Wales) Regulations 2014

This Explanatory Memorandum has been prepared by the Office of the Chief Veterinary Officer and is laid before the National Assembly for Wales in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1

Minister's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of The Welfare of Animals at Time of Killing (Wales) Regulations 2014.

Alun Davies AM

8 April 2014

Description

1. The Regulations make provision in Wales for the administration and enforcement of Council Regulation (EC) No 1099/2009 of 24 September 2009 on the protection of animals at the time of killing. The Regulations revoke the Welfare of Animals (Slaughter or Killing) Regulations 1995 (S.I. 1995/731) and amending instruments insofar as they apply to Wales.
2. EC Regulation 1099/2009 which came into effect on 1 January 2013, repealed Directive 93/119. Although Regulation 1099/2009 is directly applicable in every Member State action is required to give effect to the Regulation and to make provision for penalties and sanctions. Regulation 1099/2009 permits member states to retain pre-existing national rules that maintain existing welfare standards above the minimum standards set by the Regulation and to introduce higher standards in relation to religious slaughter and slaughter outside a slaughterhouse.

Legislative background

2. These Regulations are made under section 2(2) of the European Communities Act 1972. The Welsh Ministers are designated for the purpose of section 2(2) in relation to the Common Agricultural Policy by a designation order (S.I. 2010/2690).
3. The Regulations are made under the negative resolution procedure of the National Assembly for Wales.

Purpose & intended effect of the legislation

5. The Welsh Government is committed to maintaining high standards of welfare including at slaughter. By introducing enforcement provisions that give affect to EC Regulation 1099/2009 the policy objectives are to:
 - Ensure there is no overall reduction in existing welfare standards
 - Remove legislative provisions where this can be done without reducing welfare standards.
6. The Welfare of Animals at Time of Killing (Wales) Regulations 2014 maintain all national rules existing in the Welfare of Animals (Slaughter and Killing) Regulations 1995 that apply to the movement, lairage, restraint, stunning and the slaughter of animals and birds at slaughterhouses and include the derogation to disapply the stunning provisions at time of slaughter to provide for the needs of faith communities.
7. The EU Regulations became directly applicable in the United Kingdom on 1st January 2013 and place greater responsibility on the slaughterhouse (Business Operator) for animal welfare and clear instruction that relate to all animal handling operations at the slaughterhouse. These include the need for:
 - All Business Operators to plan in advance and have in place standard operating procedures for all the killing and handling related operations.
 - Slaughterhouses killing over 1,000 mammal livestock units or 150,000 birds to appointment of an Animal Welfare Officer ensure compliance with the EU Regulation.

- Introduce transitional measure for slaughter licence holders to gain a new Certificate of Competence and introduce specific training requirements for new entrants to the industry that include supervised courses and examinations by an authorised veterinarian in respect of the operation, species of animal and type of equipment used before being issued with a Certificate of Competence.
8. EC Regulation 1099/2009 provides a framework for business operators to work within to ensure that these requirements are met; these requirements are all directly applicable in every Member State. However, although there is an element of prescription, the Regulation provides a measure of flexibility for business operators to determine how these requirements are met at an individual business level through Standard Operating Procedures (SOPs).
 9. The Food Standards Agency (FSA) are responsible for the enforcement of animal welfare provisions within the Business Operator (Slaughterhouse) and local authorities and Animal Health Veterinary Laboratories Agency are responsible for the enforcement of welfare provisions outside Business Operators (slaughterhouse).
 10. A short consultation exercise was conducted by the Welsh Government between 24 September and 5 November 2012 that sought views on proposals to implement Council Regulation (EC) 1099/2009 on the Protection of Animals at the Time of Killing, in Wales.

<http://wales.gov.uk/consultations/environmentandcountryside/120924protectionofanimals/?status=closed&lang=en>

Title: Implementation of EU Regulation 1099/2009 in Wales – Welfare of Animals at Time of Killing Wales Regulations 2014 Lead department or agency: Welsh Government Other departments or agencies: Food Standards Agency; Animal Health Veterinary Laboratory Agency.	Impact Assessment (IA)		
	Date: March 2014		
	Stage: Final		
	Source of intervention: EU		
	Type of measure: Secondary legislation		
Contact for enquiries:			

Cost of Preferred (or more likely) Option

Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, One-Out?	Measure qualifies as
-£1.02m			No	NA

What is the problem under consideration? Why is government intervention necessary?

Society expects that all animals will be slaughtered and killed in a humane manner. There are public good benefits associated with the protection of animal welfare at slaughter, which provide a rationale for the Government's involvement.

EU Regulation 1099/2009, on the protection of animals at time of killing, came into effect on 1 January 2013. Government intervention is required to implement the Regulation and to make provision for penalties and sanctions. Regulation 1099/2009 allows existing national rules to be maintained by Member States that provide more extensive welfare protection than the minimum standards set by the Regulation. This extends to higher welfare standards in relation to religious slaughter and slaughter outside a slaughterhouse.

What are the policy objectives and the intended effects?

The Welsh Government is committed to improving standards of animal welfare including at slaughter. In the context of Regulation 1099/2009 the policy objectives are to:

- Ensure there is no overall reduction in existing welfare standards;
- Ensure the obligations and requirements Regulation 1099/2009 places on Member States are met.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Option 0 (Do nothing) – Regulation 1099/2009 will be directly applicable on 1st January 2013. WASK remains in place; no changes to domestic legislation to enforce Regulation 1099/2009

Option 1 - Regulation 1099/2009 will be directly applicable on 1st January 2013. WASK is repealed in its entirety; no existing national rules retained. New domestic legislation introduced to ensure obligations in Regulation 1099/2009 complied with and enforced. The costs associated with option 1 are common to all options below.

Option 2 and 3 were considered in the consultation Impact Assessment but are not considered in detail again here. As they simply represent implementation of the EU Regulation but with increased levels of additional domestic protection (although falling short of that afforded by option 4).

Option 4 – As option 1 but maintaining all existing national rules in WASK which will provide more extensive welfare protection than Regulation 1000/2009. Option 4 is the preferred option. It is the option that reflects the Government's proposed way forward on implementing Regulation 1099/2009 in Wales and is most consistent with Government policy on improving animal welfare.

Will the policy be reviewed? It will be reviewed by the UK Government. **If applicable, set review date:** By end January 2018

Does implementation go beyond minimum EU requirements?			Yes		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micros	Yes	< 20	Yes	No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded:		Non-traded:

I have read the Draft impact assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister: _____ Date: _____

Summary: Analysis & Evidence

Option 1

Description: WASK repealed; no national rules retained. Welfare of Animals at Time of Killing Regulations introduced to ensure obligations in Regulation 1099/2009 complied with and enforced.

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2013	Time Period Years 10	Net Benefit (Present Value (PV)) (£)		
			Low: Optional	High: Optional	Best Estimate: -£1,015,000

COSTS (£'000)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	Optional	2013 and 2019	Optional	Optional
High	Optional		Optional	Optional
Best Estimate	£309,800		£98,100	£1,022,600

Description and scale of key monetised costs by 'main affected groups'

Costs are borne by red meat and poultry slaughterhouses (see table 3 for detailed breakdown). The transition costs are £130,000 in 2013 and £179,800 in 2019. There are average annual costs of approximately £98,100 from 2014. These costs relate to the development and regular updating of standard operating and monitoring procedures, employing and training Animal Welfare Officers, new / modified equipment in slaughterhouses and production losses resulting from new electrical waterbath stunning requirements for poultry

Other key non-monetised costs by 'main affected groups'

This option reduces welfare protection for some animals and should be considered as a cost, as the public good benefits of animal welfare are reduced (see para 50). We have been unable to monetise these costs. The reduction in prescription will erode confidence in the effectiveness of the regulatory framework and its capacity to ensure the welfare of animals at the time of killing especially for animals killed without stunning in accordance with religious rites, and those animals killed on farm

BENEFITS (£'000)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional		Optional	Optional
High	Optional		Optional	Optional
Best Estimate	0		£1,000	£9,000

Description and scale of key monetised benefits by 'main affected groups'

Cost saving (£1,000 per annum from 2014) to persons slaughtering animals for the owner's private consumption, knackermen and on farm gas chamber operators in relation to licences (see para 53 & 54).

Other key non-monetised benefits by 'main affected groups'

Animal welfare at slaughter is a public good. Regulation 1099/2009 amplifies and extends the overarching welfare requirement at slaughter by identifying measures business operators must take to protect welfare in six specific areas (see para 51 and 52). As a result Regulation 1099/2009 requires a slightly higher overarching standard of welfare to be achieved compared with WASK, with the exception of religious slaughter and on-farm activities. Businesses benefit from greater flexibility to determine how required welfare outcomes are delivered.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

It is assumed: we can rely on the overarching welfare requirements at Article 3 of Regulation 1099/2009 to ensure there is no reduction in welfare standards when WASK is repealed and no measures beyond those in Regulation 1099/2009 are necessary to address public concerns about the welfare of animals slaughtered in accordance with religious rights.

The main risks are that this option lowers welfare standards and reduces protection for animals killed according to religious rites, also reduces protection of animals killed on farm and knackery yards (see paragraph 56) and so fails to meet Government policy objectives to improve animal welfare.

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £'000:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:		
			No	NA

Summary: Analysis & Evidence

Option 4

Description: As Option 1 plus all existing national rules, from WASK, which provide more extensive welfare protection than EU Regulation 1099/2009 are included in the Welfare of Animals at Time of Killing Regulations. This is the preferred option.

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2013	Time Period Years 10	Net Benefit (Present Value (PV)) (£)		
			Low: Optional	High: Optional	Best Estimate: -£1,022,600

COSTS (£'000)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant	Total Cost (Present Value)
Low	Optional	2013	Optional	Optional
High	Optional	and	Optional	Optional
Best Estimate	£309,800	2019	£98,100	£1,022,600

Description and scale of key monetised costs by 'main affected groups'

Costs are borne by the red meat and poultry slaughterhouses (see table 4 for detailed breakdown) and are the same as option 1. The transition costs are £130,000 in 2013 and £179,800 in 2019. There are average annual costs of approximately £98,100 from 2014. These costs relate to the development and regular updating of standard operating and monitoring procedures, employing and training Animal Welfare Officers, new / modified equipment in slaughterhouses and production losses resulting from new electrical waterbath stunning requirements for poultry

Other key non-monetised costs by 'main affected groups'

None

BENEFITS (£'000)	Total Transition (Constant Price)	Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	2012	Optional	Optional
High	Optional		Optional	Optional
Best Estimate	0		0	0

Description and scale of key monetised benefits by 'main affected groups'

None

Other key non-monetised benefits by 'main affected groups'

The non-monetised benefits under Option 1 apply to this option. In addition, this option provides higher welfare for animals at the time of killing and assurance to the public that the Government is acting to ensure welfare standards are maintained or improved. It also provides an additional element of certainty for those businesses affected with rules adopted across the UK as the Devolved Administrations also retain existing national rules.

Key assumptions/sensitivities/risks

Discount rate (%) 3.5

In addition to the assumptions that apply to Option 1 it is assumed the WASK measures proposed for retention will provide additional certainty to businesses without eroding the flexibility Regulation 1099/2009 gives businesses to determine how required welfare outcomes are delivered; and give assurances to concerned members of the public, welfare organisations and their members that the Government has appropriate measures in place to safeguard the welfare of animals at the time of killing including those animals subjected to religious slaughter, on-farm slaughter and knacker yards.

No risks are identified within this option.

BUSINESS ASSESSMENT (Option 4)

Direct impact on business (Equivalent Annual) £'000:			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:	No	NA

Evidence Base

Problem under consideration

1. The Welfare of Animals at Time of Killing Regulations, which will implement EU Regulation 1099/2009, on the protection of animals at the time of killing, are necessary to ensure animals are treated humanely. This comes within the scope of one of the structural reform priorities of the coalition government:

“Support and develop British farming and encourage sustainable food production: Help to enhance the competitiveness and resilience of the whole food chain, including farms and the fish industry, to help ensure a secure, environmentally sustainable and healthy supply of food **with improved standards of animal welfare**”

2. While improved welfare can help enhance competitiveness this is not always the case and as a result there is a potential tension in this structural reform plan priority between enhanced competitiveness and improved welfare. Our proposals for implementing Regulation 1099/2009 seek to maintain an appropriate balance between these priorities.

3. Regulation 1099/2009 on the protection of animals at killing came into effect on 1 January 2013 (some measures in relation to layout, construction and equipment in slaughterhouses do not come into effect until December 2019 for existing slaughterhouses) (the UK is not intending to introduce any provisions early). Regulation 1099/2009 applies to all animals killed for the production of meat or other products in a slaughterhouse or on-farm as well as for disease control purposes. It aims to ensure that animals (including poultry and fish, but excluding reptiles and amphibians) are spared any avoidable pain, distress or suffering at the time of killing. Animals (other than fish) must be killed by a method that leads to instant death or death after stunning. The only exception to this is emergency killing and where slaughter is carried out in accordance with religious rites (e.g. Halal or Shechita) subject to national rules introduced by individual Member States.

4. In addition to its basic provisions, Regulation 1099/2009 acknowledges that some European countries have higher welfare standards than others and, for this reason, it allows Member States to maintain national rules that offer more extensive welfare protection where this offers a higher standard of protection than those required by Regulation 1099/2009. Preserving national rules to maintain existing welfare protection imposes no additional cost on business compared with the Option 0 baseline. Regulation 1099/2009 also allows new national rules to be adopted to enhance welfare protection in relation to religious slaughter, farmed game and killing outside a slaughterhouse.

5. EU Regulation 1099/2009 replaces Directive 93/119 which had been implemented in Wales by the Welfare of Animals (Slaughter or Killing) Regulations 1995, as amended, abbreviated to WASK. In addition to implementing the previous EU Directive, WASK also contained national rules that granted greater protection of animal welfare. This Impact Assessment considers measures to implement Regulation 1099/2009 (including the retention of national rules) in Wales. Separate implementing measures will be required in England, Scotland and Northern Ireland. The Welfare of Animals at Time of Killing Regulations which will implement Regulation 1099/2009 will also repeal WASK.

Consultation

6. Formal consultation was undertaken at the negotiation stage of Regulation 1099/2009 and views obtained were used to inform the UK negotiating line. A number of changes were made to the original Commission proposal as a result. A UK stakeholder workshop was held on 9 August 2011 to discuss implementation of Regulation 1099/2009. Informal consultation with key stakeholders has continued since in relation to key aspects of the implementation arrangements including Guides to Good Practice, national rules and religious slaughter that have been undertaken by Defra, devolved administration have been party to the discussions also.

7. A second six-week written consultation took place between September and November 2012 and sought views on measures to implement Regulation 1099/2009 in Wales. A Consultation Stage Impact Assessment was published at the same time. That consultation looked at 3 options in addition to the do

nothing option. In response to the consultation, some comments were received on the costs of the EU regulation such as Certificates of Competence but there were no comments received on the overall costs and benefits in the impact assessment. In general many responses provided little or no additional cost information which was of help in updating this final IA.

8. The consultation demonstrated significant concern amongst welfare groups, veterinary interests and the public about the possibility of weakening any existing animal protection. They considered that welfare standards could fall if the industry is given primary responsibility for maintaining current welfare standards through business level procedures. The Ministers in England and Wales shared these concerns and have concluded that **all** existing national rules in WASK that provide more extensive welfare protection than Regulation 1099/2009 should be maintained.

9. This is a new option i.e. Option 4, as the previous consultation impact assessment did not look at retaining **all** existing national rules. Moreover, following last year's consultation some of the assumptions on measures introduced by the EU Regulation have been revised. Consequently, the cost of the introduction of the EU regulations is now significantly lower than estimated in the consultation Impact Assessment. Annex 3 shows the differences in costs and explains the reasons for the changes between last year's consultation IA and this year's final IA.

Rationale for intervention

10. There are public good benefits associated with the protection of animal welfare at the time of slaughter which provide a rationale for the Government's involvement. Society generally expects the Government to ensure animals are treated humanely at the time of slaughter or killing. Many members of the public are concerned about the welfare of animals slaughtered in accordance with religious rites and would as a minimum expect the Government to ensure measures are put in place to protect welfare where such slaughter methods are practised.

11. Regulation 1099 / 2009 requires Member States to lay down rules on penalties and to take all measures to ensure they are implemented. Penalties must be effective, proportionate and dissuasive. Under Article 26(1) of Regulation 1099/2009, Member States can maintain existing national rules ensuring more extensive welfare protection than the minimum standards provided under Regulation 1099/2009. Article 26(2) allows Member States to adopt new national rules in relation to religious slaughter, slaughter outside a slaughterhouse and slaughter of farmed game. To avoid duplication of statutory requirements, redundant elements of the current legislative framework must be repealed where superseded by Regulation 1099/2009.

Policy objective

12. The Welsh Government is committed to improving welfare standards including at slaughter. In the context of Regulation 1099/2009 the policy objectives are to:

- Ensure there is no overall reduction in existing welfare standards;
- Improve welfare of animals slaughtered for religious purposes
- Ensure the obligations and requirements Regulation 1099/2009 places on Member States are met.

Sectors and groups affected

13. Regulation 1099/2009 will impact on the welfare of the following approximate number of animals slaughtered annually in Wales (FSA data, 2013):

- 65 million poultry
- 3.4 million sheep
- 32,400 pigs
- 147,700 cattle
- 260 game

14. Regulation 1099/2009 will affect all Food Business Operators (FBOs) in Wales involved in slaughtering pigs, poultry, cattle, sheep and other species. In addition Regulation 1099/2009 will impact on on-farm slaughter operations licensed to undertake seasonal slaughter of poultry. It will also impact on livestock, poultry and egg producers, premises killing other than for human consumption (including animal collection centres and knackers yards) and others involved in killing animals outside a slaughterhouse. There will be an impact on companies manufacturing equipment for use in slaughterhouses. Government agencies e.g. Food Standards Agency (FSA) and Animal Health Veterinary Laboratory Agency (AHVLA) responsible for approving facilities, verification and enforcement activities and supervision of depopulation operations will have to enforce the new regulations but costs for the Agencies are expected to be the same as under Option 0. The potential improvements in some aspects of animal welfare as a result of Regulation 1099/2009 and national rules will have an impact on the satisfaction and well being of the general public, based on the value the public places on animal welfare.

Table 1 - Summary of businesses affected in Wales:

Business type	Number
Approved slaughterhouse:	
Poultry	4
Cattle/Sheep/Pigs/Farmed game	23
On farm operators licensed to slaughter poultry on a seasonal basis.	54
Holdings with cattle, sheep & pigs	28,469
Holdings with poultry	1424
Hatcheries	2
Collection centres	70

Sources: FSA; Welsh Government; Animal Health Veterinary Laboratories Agency, Local Authorities

15. Regulation 1099/2009 is directly applicable to all businesses in scope including small and medium sized businesses although, smaller businesses are exempt from the Animal Welfare Officer requirements (those killing less than 1000 livestock units of mammals or 150,000 birds each year i.e. 7 of the 26 slaughter businesses in Wales).

Religious slaughter (Articles 4(4) and 15(2))

16. Regulation 1099/2009 introduces few specific measures to protect the welfare of animals slaughtered in accordance with religious rites but does recognise that this is a matter of concern and enables Member States to introduce stricter national rules at any stage. There is currently one slaughterhouse in Wales that conducts religious slaughter without stunning. The Food Standards Agency undertook a survey of all approved slaughterhouses (Food Business Operators) covering a one week period in September 2011. This indicated that 100% of the Food Business Operators (FBOs) included in the survey in Wales were fully compliant or demonstrated only minor deficiencies in compliance with the requirements of WASK. On the basis of this information it has been assumed for the purposes of this draft Impact Assessment that all slaughterhouses in Wales are currently operating in a manner that is compliant with WASK.

Options considered

17. The consultation impact assessment considered the following options:

Option 0 (Do nothing) – Regulation 1099/2009 is directly applicable. Welfare of Animals (Slaughter or Killing) Regulations 1995 remains in place but lack powers to enforce Regulation 1099/2009.

Option 1 - Regulation 1099/2009 is directly applicable. Welfare of Animals (Slaughter or Killing) Regulations 1995 are repealed. Welfare at Time of Killing Regulations introduced to ensure obligations in Regulation 1099/2009 complied with and enforced. The costs associated with Option 1 are common to all options considered.

Option 2 – As Option 1 plus national rules which maintain welfare protection during religious slaughter, from the Welfare of Animals (Slaughter or Killing) Regulations 1995, included in the Welfare at Time of Killing Regulations.

Option 3 – As Option 1 plus a limited number of national rules which provide more extensive welfare protection than Regulation 1099/2009, including rules concerning religious slaughter, from the Welfare of Animals (Slaughter or Killing) Regulations 1995 are included in the Welfare at Time of Killing Regulations.

Following consideration of the consultation responses, the Government considered that welfare standards could weaken if all existing national rules were repealed and so decided that they wished to retain all national rules, i.e. a new option 4. This is consistent with the Government policy objective on improving animal welfare.

18. This final impact assessment considers:

Option 0 (Do nothing) – Regulation 1099/2009 is directly applicable. Welfare of Animals (Slaughter or Killing) Regulations 1995 remain in place but lack powers to enforce Regulation 1099/2009.

Although the EU Regulation is in place it is not enforced. We therefore assume for the purposes of the cost benefit analysis in this IA that it does not apply and all the costs associated with the Regulation are measured in options 1 and 4.

Option 1 - Regulation 1099/2009 is directly applicable. Welfare of Animals (Slaughter or Killing) Regulations 1995 are repealed. Welfare at Time of Killing Regulations introduced to ensure obligations in Regulation 1099/2009 complied with and enforced. The costs associated with Option 1 are common to all options considered.

Options 2 and 3 which were considered in detail in the Consultation Stage IA are not reconsidered here as they are merely intermediate options affording more animal welfare protection than Option 1 but less than Option 4.

Option 4 - As option 1 (powers for compliance and enforcement) plus all existing national rules, from the Welfare of Animals (Slaughter or Killing) Regulations 1995, which provide more extensive welfare protection than EU Regulation 1099/2009 are included in the Welfare at Time of Killing Regulations. This is the preferred option.

19. The key aspects of option 1 versus option 4 are summarised below:

	Option 1	Option 4
General welfare protection	Overarching welfare standard slightly higher than WASK. All slaughterhouses above minimum size must appoint an Animal Welfare Officer. Protection for animals slaughtered according to religious rites would be reduced.	As Option 1. Protection for animals slaughtered according to religious rites is greater than option 1. Greater protection for animals killed outside a slaughterhouse.
Overall approach to welfare protection	Outcome led with detailed prescription in some areas (less prescription than WASK).	Existing, more prescriptive approach maintained giving greater welfare protection
Training and certification	Where slaughter is for human consumption all persons undertaking activities involving live animals must be certified as competent (scope narrower than WASK slaughter licence requirements).	Licensing arrangements in relation to killing other than for human consumption (including knackermen) and use of gas on farms.
Impact on business	More flexibility than WASK for businesses to determine how outcomes will be achieved through Standard Operating Procedures.	National rules impose some constraints on flexibility but provide more certainty for businesses.
Guidance	Provides for development of industry led guidance to inform development of SoPs. Guides under development preserve much of WASK as good practice guidance.	As Option 1
Religious slaughter	Few rules – those specified concentrate on restraint of animals during slaughter. EU regulation permits inversion of bovines – assumes welfare will be protected through national rules adopted by individual Member States.	National rules maintain much of current WASK protection – inversion of bovines prohibited (no change). Equipment approval is maintained. Standstill times apply.

Option 0 (Do nothing)

**Regulation 1099/2009 is directly applicable.
Welfare of Animals (Slaughter or Killing) (WASK) Regulations 1995 remains in place but lack powers to fully enforce Regulation 1099/2009.**

Introduction

20. For comparative purposes this option assumes that WASK remains in place. This assumption is artificial to the extent that Regulation 1099/2009 is directly applicable and its provisions automatically came into effect on 1 January 2013, even in the absence of domestic enforcing measures, but for the purposes of the cost benefit analysis it is assumed that it does not apply. This is assumed to be the case so that all the costs associated with the EU Regulation are measured in options 1 and 4.

Risks

22. Regulation 1099/2009 was directly applicable in Wales from 1 January 2013. However, there is no mechanism for enforcing the Regulation in Wales and no penalties for breaches of Regulation 1099/2009. As a result the UK does not fully comply with Article 23 of Regulation 1099/2009 and infraction proceedings can be expected. It is usual to give Member States a deadline by which they have to put their affairs in order and it is only if we fail to comply with that deadline that legal proceedings and a fine may result. Whilst it is impossible to predict the amount of any fine - as fines are calculated taking account of seriousness of the breach, its duration and a deterrent factor - the minimum lump sum fine that the Commission will request for the UK is €9.299 million. The Court could decide to impose a different amount to that requested and a daily fine for each day the infraction continues.

23. As long as WASK remains in place in Wales there is an element of duplication and overlap with Regulation 1099/2009 which is confusing for Food Business Operators and makes enforcement of any welfare provisions in slaughterhouses which do not cause actual harm and suffering to animals very difficult. Maintaining inconsistent domestic legislation and allowing the consequences described above to continue indefinitely will lead to reputational damage to Welsh Government, Defra, the Food Standards Agency and the Government.

Conclusion

24. For these reasons this option is not desirable or recommended but, it is used here to provide the 'do nothing' baseline against which other options are assessed.

Option 1

Regulation 1099/2009 is directly applicable. Welfare at Time of Killing Regulations introduced to ensure obligations in Regulation 1099/2009 complied with and enforced.

Welfare of Animals (Slaughter or Killing) (WASK) Regulations 1995, as amended, is repealed.

25. Regulation 1099/2009 is directly applicable in UK law and to ensure business operators comply with the obligations of Regulation 1099/2009 it is necessary to establish an effective enforcement regime with proportionate, dissuasive and effective penalties and sanctions.

26. The Welfare of Animals at the Time of Killing Regulations 2014 will provide for an overarching criminal offence - causing an animal avoidable pain, distress or suffering at the time of killing or failing to take action to ensure an animal is not caused avoidable pain, distress or suffering at the time of killing. This will deal with the deliberate, reckless or negligent infliction of pain, suffering and distress on animals during slaughter operations which are significantly serious to warrant enforcement by a criminal offence. Administrative penalties alone would not offer the same level of deterrent that criminal sanctions offer.

27. Regulation 1099/2009 also gives the competent authority powers to address non-compliances using enforcement measures set out in Article 54 of Regulation 882/2004 on official controls performed to ensure compliance amongst other things with animal welfare rules. In particular, Article 22 of Regulation 1099/2009 empowers the competent authority to:

- require business operators to amend their standard operating procedures and, in particular, slow down or stop production;
- require business operators to increase the frequency of the checks referred to in Article 5 [*Checks on Stunning*] and amend the monitoring procedures referred to in Article 16;
- suspend or withdraw certificates of competence issued under this Regulation from a person who no longer shows sufficient competence, knowledge or awareness of his/her tasks to carry out the operations for which the certificate was issued;
- suspend or withdraw the delegation of power in relation to final examination and issue of certificates of competence;
- require the amendment of the instructions referred to in Article 8 [*Instructions for use of stunning and restraining equipment*] with due regard to the scientific opinions provided by the designated independent scientific support body.

28. We will apply the “administrative” sanctions provided for in Regulation 1099/2009 and Regulation 882/2004 as widely as possible to cover aspects of Regulation not explicitly mentioned under Article 22 and provisions introduced under the national rules arrangements provided for at Article 26 of Regulation 1099/2009. This involves the use of improvement and stop notices underpinned by an appropriate appeals mechanism. Decisions to suspend or revoke certificates of competence will be subject to an appropriate appeals mechanism. We will ensure notices have statutory force and, in common with all other existing welfare legislation we will request a criminal offence for every breach of the regulations that has caused or is likely to cause pain or suffering to an animal or failure to comply with a stop notice. Our approach to enforcement will reflect the seriousness and immediacy of the welfare threat and it is anticipated criminal sanctions will be used as a last resort and only in the most serious and wilful cases.

29. A first tier tribunal, provided for in the Welfare at Killing Regulations 2013, will hear appeals concerning refusal, suspension or revocation of certificates or licences, and appeals against enforcement notices or refusals by an inspector to issue a completion notice.

30. In addition to enforcement it is also necessary to establish the relevant competent authority in relation to the requirements set out in Regulation 1099/2009 and repeal the current Welfare of Animals (Slaughter or

Killing) legislative framework as it applies in Wales. The Welfare at Killing Regulations will also ensure arrangements are in place to implement those aspects of Regulation 1099/2009 which require Member State or Competent Authority input and these are:

- Member States must encourage development of, and assess, guides to Good Practice – *Article 13*
- Develop an action plan to ensure compliance with Regulation 1099/2009 during depopulation (i.e. disease control) activities – *Article 18*
- Ensure sufficient independent scientific support is available – *Article 20*
- Establish arrangements for issuing Certificates of Competence – *Article 21*

31. There is a risk of infraction proceedings by the European Commission if the UK fails to meet these requirements. The approach set out under this option (Option 1) represents the minimum government intervention necessary to avoid the risk of infraction. This approach has no implications for Defra, Welsh Government, AHVLA or FSA expenditure on inspection and enforcement costs.

32. Regulation 1099/2009 does confer a notional benefit to business, by allowing more flexibility to develop a business level approach to ensuring the required welfare outcomes are achieved. However business representatives have indicated they would find some element of prescription or best practice guidance helpful as it will provide clarity on the action necessary to protect welfare and help to maintain consistency across Wales.

Cost

The following paragraphs assess the costs associated with the new measures required by Regulation 1099/2009. The assumptions used (See **Annex 1**) take account of comments received following consultation. These are summarised in Table 3 at the end of this section the final column of which shows the proportional contribution of each cost heading to the total present value cost over 10 years.

Religious Slaughter

33. Regulation 1099/2009 requires all animals slaughtered in accordance with religious rites to be individually restrained. In addition all ruminants slaughtered in accordance with religious rites must be mechanically restrained. Current WASK Regulations require mechanical restraint of bovines and many slaughterhouses in the UK undertaking religious slaughter of sheep already use mechanical restraint in the form of a V-restrainer. This means the only additional costs associated with these measures relates to the slaughter of non bovine ruminants (sheep and goats) in slaughterhouses not currently using mechanical restraining methods. It is estimated that mechanical restraint for sheep will cost £15,000¹ per plant to install. The 1 premise that currently operates procedures to slaughter animals in accordance with religious rites use a V-restrainer to mechanically restrain the animals. Therefore there is no impact on the Welsh slaughterhouse industry at this time.

Standard Operating Procedures (Article 6)

34. Regulation 1099/2009 requires slaughterhouses and knackery yards to prepare Standard Operating Procedures (SOPs). Regulation 1099/2009 is broadly equivalent to existing WASK requirements in most operational aspects. The availability of Guides to Good Practice should reduce the cost of preparing Standard Operating Procedures and we are aware that both the British Meat Processors Association (BMPA) and the British Poultry Council (BPC) are preparing GGP's for red meat and poultry respectively.

35. The BMPA stated in response to the consultation that the majority of their members, i.e. larger slaughterhouses, already had SOPs and therefore there would be no additional cost. Likewise for poultry, the BPC welcomed the flexibility within Regulation 1099/2009 through the use of SOPs. BPC had one caveat and that was that smaller establishments might not have SOPs and therefore there

¹ Estimate provided by a Defra sector expert, based on conversations with industry and not raised by respondents in 2012 consultation. Discussions with FSA and industry in week beginning 10 February 2014, confirmed that £15,000 is the top end of the range for this equipment and that equipment which meets the EU regulation requirement for individual and mechanical restraint could be obtained significantly cheaper than £15,000. This does not affect Welsh industry at the present time.

would be an additional cost. In response to the public consultation, one company² estimated the cost of producing a SOP was £425 per SOP. Data is not available on how many slaughterhouses already have SOPs but Defra estimate that smaller slaughterhouses (those below the threshold for an Animal Welfare Officer) would require approximately 4 new SOPs each. On this basis, with 7 slaughterhouses in Wales below the threshold for an AWO, there would be an estimated one-off cost of approximately £12,000 in Wales.

Certificate of Competence (Articles 7, 21 & 29)

36. Under the current regulatory framework, people involved in the restraint, stunning, slaughter or killing, pithing, shackling or hoisting and bleeding of an animal must be licensed. To obtain a licence a person must be certified as competent by an Official Veterinary surgeon. Once issued, a licence lasts for life, unless revoked or suspended. Under Regulation 1099/2009 a certificate of competence is only required for persons undertaking slaughter operations (i.e. killing for human consumption) operations including the handling and care of animals before they are restrained. This extends the scope of the previous slaughter licence requirements to include staff in the lairage and poultry live hangers-on. As with current slaughter licences there will be no time-limit on the validity of a certificate of competence. During the period to 8 December 2015, the Regulation allows a simplified procedure to apply to the issue of a certificate of competence to someone who has at least 3 years previous professional experience. This has been welcomed by industry.

37. All existing slaughter licence-holders will automatically be deemed competent to receive a CoC and will not be required to undertake any new training or assessment. For CoC purposes “handling and care of animals before they are restrained” will be interpreted to commence after animals have entered the lairage and will not include third parties entering the lairage to undertake tasks not associated with the killing process e.g. shearers.

38. Current WASK licence-holders will not need to apply for a certificate of competence as the WASK licence will be treated as equivalent. However, they must by 8th December 2015 register the licence as a certificate with the FSA and pay a fee of £25. Existing lairage staff and poultry live hangers-on who are required to have a certificate of competence under Regulation 1099/2009, and who have at least three years relevant experience, will have until 8th December 2015 to apply for a certificate of competence via a simplified procedure which will require endorsement of their application by a veterinary surgeon confirming there is no reason why they should not be issued with a certificate. They would need to apply to FSA for a CoC and pay a fee of £25. As an alternative any person who has at least three years experience can opt to undergo training and assessment under the new CoC procedures. It has been assumed everyone with more than three years experience will choose to use the simplified procedure.

39. New entrants must obtain a temporary certificate of competence permitting them to work for up to three months under the supervision of a person holding a full certificate of competence for that activity. Before obtaining a temporary certificate of competence the person must register on a training course approved for the purposes of Regulation 1099/2009. The cost of the training course will be borne by the FBO. Once the person has passed their CoC assessment they would need to submit evidence of training and examination, with a fee of £25 to FSA to obtain the certificate. The regime will be lighter touch than first envisaged by many in industry, with training being conducted on the job and assessment also taking place as part of the normal work. As BMPA noted in their consultation response a flexible interpretation would in many cases mean that the cost would be zero for some aspects. The additional costs to industry involved in introducing the Regulation 1099/2009 certificate of competence arrangements on a full cost-recovery basis are estimated to be in the region of a one-off cost of approximately £14,000 and a recurring annual cost of approximately £1,500. A breakdown of the assumed unit costs and numbers of employees affected used in these calculations can be found in annex 1.

Appeals procedure

² Simply Halal

40. Although not explicitly required under the EU Regulation it will be necessary, to ensure compliance with Article 6 of the ECHR, to set up a mechanism to deal with appeals (see para 28 and 29). Historically there have been few, if any, appeals associated with the initial issuing of WASK slaughter licences and an average of 1 – 2 appeals per year in relation to suspension or revocation of WASK licences (no charge is made for this currently and appeals are dealt with by senior Government staff in Defra on our behalf of Welsh Government). The number of appeals is not expected to change materially with the introduction of Regulation 1099/2009 certificates of competence. It is proposed that appeals under the new arrangements should be dealt with by the First-tier Tribunal. Work to extend the scope of the current environmental jurisdiction is estimated by the Ministry of Justice to cost £38,000 pa assuming appeals are at low levels as is currently the case with the current licensing arrangements. An apportionment of these costs will fall on the Welsh Government based on the number of appeals presented. There have been no recent appeals so for the purpose of this Impact Assessment costs are assumed to be minimal. Regulation 1099/2009 requires the UK Competent Authority to notify the issuing Competent Authority in another Member State if a Certificate of Competence is withdrawn or suspended. The number of Certificates withdrawn in this way is expected to be very small and the cost associated with this requirement will therefore be minimal.

Guides to Good Practice (Article 13)

41. Regulation 1099/2009 requires Member States to encourage the development and dissemination of Guides to Good Practice by “organisations of business operators”. If business operators fail to develop guidance the competent authority may develop and publish its own guidance. Where Guides to Good Practice are prepared Regulation 1099/2009 requires them to be developed in consultation with NGOs, the competent authority and other interested parties. The competent authority is required to assess guidance to ensure it is consistent with Community guidelines. Once validated by the competent authority, guidance must be forwarded to the Commission.

42. The British Meat Processors Association (BMPA) and the British Poultry Council (BPC) are currently preparing Guides to Good Practice on behalf of the UK. They estimate the industry costs associated with developing guidance for the slaughter of major species (cattle, sheep, pigs and poultry) will be some £50,000. This cost is borne by the UK industry as a whole, as the Welsh slaughter industry accounts for approximately less than 10% of the UK total a value of £5,000 has been used to represent the cost to Welsh industry. Guides to Good Practice will play a role in the preparation of Standard Operating Procedures. The BMPA and BPC have indicated that it is their intention that the guides under preparation will cover both the requirements of Regulation 1099 and any provisions introduced through national rules.

Monitoring procedures (Article 16)

43. All slaughterhouse operators will need to review existing monitoring arrangements and ensure they meet the requirements of Regulation 1099/2009. CCTV could be used to provide inconspicuous monitoring in this context but should be considered by operators alongside other methods of inconspicuous monitoring in determining the optimum solution for their individual business. The costs associated with the introduction and conduct of additional monitoring requirements (excluding any costs associated with voluntary installation of additional CCTV equipment) for the industry required by Regulation 1099/2009 are expected to be approximately £1,350 to initially develop new procedures, and a recurring annual cost of £22,600 to implement and update these procedures. This assumes that all 26 slaughterhouses will need to spend 4 hours of staff time establishing the procedures, 0-2 hours annually updating them, and 65 hours annually implementing them, at a cost of £13 per hour³. This pay rate is for a junior staff member (eg line worker) appropriate to the type of work and includes a 30% overhead - see annex 1 for further details.

Animal Welfare Officer (Article 17)

44. Regulation 1099/2009 requires operators to designate an Animal Welfare Officer (AWO) for every slaughterhouse (above a minimum size) and requires the AWO to record details of action taken to

³ Assumptions used in the consultation IA for slaughterhouses and used here are: 0.5 days for preparation of procedures; monitoring and recording 0.25 hours/day; and update and review of 0.25 days. Estimate provided by Defra sector expert, based on conversations with industry and not raised by respondents in 2012 consultation.

improve welfare. This affects 3 poultry slaughterhouses and 16 red meat slaughterhouses in Wales. Every AWO needs to have a Certificate of Competence that covers those activities for which he / she is responsible but it is expected that Animal / Poultry Welfare Officers will be experienced members of staff who will hold a licence for every activity they already oversee⁴. There would be an ongoing cost of approximately £40,600 per year for AWOs carrying out their additional duties under the Regulation, assuming that a third of the 19 slaughterhouses will need to devote an additional 2 hours of staff time each day to such duties, at a cost of £26 per hour⁵ (cost relates to pay rate for middle manager appropriate to this work with 30% overhead added -annex 1 provides further details).

Changes to permitted stunning / killing methods (Annex 1 to Regulation 1099/2009)

45. Regulation 1099/2009 prohibits decapitation of poultry and neck dislocation which are currently used as a routine slaughter method. This is expected to impact primarily on those seasonal poultry slaughter operations who have no alternative stunning facilities available. No information is available on the number of businesses affected but it is likely to affect all seasonal slaughterers. Responses to the consultation stated that electrical stunning equipment would need to be purchased at a cost of between £500 and £1500⁶ per stunner. It is therefore estimated that there is a possible one-off cost of £97,600 as this change affects 76 large poultry producers (over 10,000 birds) and 54 seasonal poultry slaughterers, at a cost ranging from £400 to £1000 per premises.

Poultry stunning frequencies and currents (Annex 1, Chapter II para 6.3)

46. Regulation 1099/2009 includes a requirement to use 150ma to stun chickens at between 200 and 400hz and 200ma above 400hz. Poultry industry representatives have noted that in the UK, most existing waterbath stunning systems work on pulsed DC stunning currents operating at 40ma and 600hz. They have suggested that at the higher currents in the EU Regulation, carcass damage will increase. As a result downgrading of breast fillet and deboned products is expected to increase by some 20 – 30%. Increased production losses could be some £33,400 per annum (see **Annex 1**).

Recording devices - Note: These measures take effect from 9 December 2019 for existing businesses.

47. All electrical equipment (other than waterbath stunning equipment) will need to be fitted with a device to record key electrical parameters for each animal stunned. Most static electrical stunning equipment e.g. Jarvis box stunners for cattle will include a device to display key electrical parameters. With more modern equipment it should be possible to record electrical parameters although this might not be possible on an animal by animal basis. Recording of electrical parameters for hand held devices is very unlikely to be in routine use at present. To provide this capability all equipment would need to be fitted with a system to record electrical stunning parameters. The Commission⁷ estimate that this equipment would cost about £3200 per device in addition to tongs and a transformer. For red meat species this could be expected to involve one off costs in 2019 / 2020 of about £140,800, based on 22 businesses requiring two devices each⁸.

⁴ This is assumed to be a middle manager grade.

⁵ Assumptions used in the consultation IA. Estimate provided by Defra sector expert, based on conversations with industry and not raised by respondents in consultation. A Defra official spoke to a red meat industry representative on 17 February 2014 to discuss estimates. She explained that many of the red meat slaughterhouses would have AWOs prior to 1 January 2013 (to meet their customer needs) so estimate of numbers was probably too high but she was unable to provide more accurate estimates. It would be disproportionate to undertake a survey of slaughterhouses to obtain more accurate data.

⁶ Range of cost provided by BPC (£400 to £1500) and NFU (£500 to £1500) in consultation responses to the UK Government.

⁷ http://ec.europa.eu/food/animal/welfare/slaughter/report_parti_en.pdf

⁸ Assumption are in the in consultation IA. Estimate of 2 devices each provided by Defra sector expert, based on conversations with industry and not raised by respondents in 2012 UK Government consultation. This was discussed on 17 February with an industry representative who thought this was a reasonable assumption although it was noted that some slaughterhouses will not require these devices so the total cost could be marginally lower. It would be disproportionate to undertake a survey of slaughterhouses to obtain more accurate data particularly as this equipment is not needed until 2019.

48. Where poultry are stunned electrically using a waterbath stunning system it will be necessary to record the electrical parameters for each waterbath. It has been assumed that all slaughterhouses using such systems in Wales will need modifications to record electrical parameters. Installing recording equipment is expected to cost some £3,500 per waterbath⁹. It is assumed that 2 slaughterhouses use waterbath stunning in Wales¹⁰ and that there are on average 2 waterbaths per slaughterhouse. On this basis the cost of installing the recording equipment would be approximately £14,000 in 2019.

Constant current stunning (Annex II para 4.2) - Note: These measures take effect from 9 December 2019 for existing businesses.

49. This is likely to affect slaughterhouses using the Jarvis box for cattle and the Midas / Valhalla systems for pigs. It has been assumed that no redmeat slaughterhouses will be affected in Wales by this requirement. The proposed cost of modifications to deliver constant current stunning will be £10,000 per plant¹¹.

Live shackling (Annex II para 5.2) - Note: These measures take effect from 9 December 2019 for existing businesses.

50. Regulation 1099/2009 requires live shackling of conscious chickens to be limited to a maximum of 1 minute from 2019. It has been assumed that 1¹² (50% of the 2) slaughterhouses using waterbath stunning in Wales will need to be modified to achieve this requirement at a cost of some £25,000 per plant i.e. a total cost of £25,000.

Impact on welfare

51. In some areas the scope of Regulation 1099/2009 is more limited than WASK:
- Regulation 1099 /2009 restricts consideration of previous offences for certificate of competence purposes to the last three years. This could allow some persons to obtain a certificate of competence who would not otherwise have been considered a fit and proper person to hold a WASK slaughter licence which may impact negatively on welfare but is not expected to have any measurable financial impact.
 - In relation to religious slaughter, Regulation 1099/2009 removes the current WASK prohibition on inversion of cattle, the requirements relating to the condition of the knife and the role of the Rabbinical Commission which would all impact negatively on the welfare of the animals involved but are unlikely to lead to any measurable cost savings.
 - WASK limits the time that conscious poultry can be suspended prior to being stunned. Repealing WASK would mean that the EU requirement limiting time that conscious poultry can be suspended will only take effect for existing slaughterhouses from December 2019.
 - By allowing religious slaughter of poultry, rabbits and hares outside a slaughterhouse by their owner for private domestic consumption Regulation 1099/2009 would have a further negative impact on welfare.
 - Repeal of WASK will remove key national rules concerning killing outside a slaughterhouse, e.g. at knackers' yards and businesses slaughtering small quantities of birds, rabbits and hares for local supply.

These measures reduce welfare protection and should be considered as a cost, as the public good benefits of animal welfare are reduced. We have not been able to monetise these costs.

⁹ Estimates of the cost of the recording equipment and number of slaughterhouses requiring equipment were in the 2012 consultation IA. Estimate provided by Defra sector expert, based on conversations with industry and not raised by respondents in consultation. Estimated cost of waterbath confirmed by Defra in conversation with industry representative on 11 February 2014.

¹⁰ 2011 FSA survey showed 2 slaughterhouses in Wales used waterbath stunning.

¹¹ Estimate of the cost of modifications was stated in the consultation IA. Estimate provided by Defra sector expert, based on conversations with industry and not raised by respondents in consultation. No new information is available on this.

¹² This assumption was not challenged in the public consultation. The final report, in 2012, by FCEU for the EU Commission: Study on various methods for stunning poultry, found that in a survey of EU companies 23% envisaged major modifications would be necessary to comply with the EU regulation.

Benefits

52. The following benefits have been identified for this option compared to option 0:

- Overall, higher overarching standard of welfare in slaughterhouses but with some exceptions such as religious slaughter
- Effective enforcement of Regulation 1099/2009
- Reduction in scope of regulatory requirements
- Some reductions in costs where controls on religious slaughter are relaxed
- No risk of infraction

53. Under this option it has been assumed that no cost savings will accrue for slaughterhouses as a result of repealing WASK as the overarching welfare requirements established under WASK and Regulation 1099/2009 are broadly equivalent and there is a high level of compliance with WASK (see paragraph 16 above). The cost savings in slaughterhouses resulting from the more limited scope of Regulation 1099/2009 compared with WASK are assessed in the following paragraphs. There will be cost savings from repealing WASK for on-farm slaughter and killing in knackery yards. This has not been monetised.

Certificates of Competence

54. The certificate of competence requirements in Regulation 1099/2009 are narrower than the current licence requirements. Under this option, where there would be no national rules, the following groups will no longer be required to hold a certificate of competence or licence:

- Persons slaughtering an animal outside a slaughterhouse on behalf of the owner for the owner's private consumption;
- Persons slaughtering poultry, rabbits and hares on the farm for local or seasonal consumption;
- Knackermen killing animals other than with a free bullet;
- Persons operating a gas chamber outside a slaughterhouse.

55. In Wales it has been assumed that there were 9 assessments for licences carried out by AHVLA vets in 2012 and 2 in 2013. The cost of an assessment begins at £97 (this does not include other associated expenses). Based on 10 assessments the cost saving associated with not maintaining the current scope of licences is estimated to be approximately £1000 per year.

Religious slaughter

56. So far as religious slaughter is concerned removing the prohibition on inversion of cattle, the requirements relating to the condition of the knife and the role of the Rabbinical Commission are unlikely to lead to any measurable cost savings. Under this option there would be no requirement imposing a minimum period between neck cut and subsequent movement (the "20 second rule"). This could allow immediate cost savings as religious slaughter line speeds could increase. However, as there is still an EU requirement that these animals cannot be moved unless unconscious, a post-cut stun would be needed to allow for increased line speeds. This is expected to have most impact in relation to Halal slaughter of sheep. Only one slaughterhouse in Wales currently undertakes religious slaughter of sheep without stunning. Under Regulation 1099/2009 this slaughterhouse would have the option to increase line speeds by introducing an immediate post-cut stun on a voluntary basis, leading to cost savings. These cost savings have not been quantified as it is not possible to estimate the cost savings that could be achieved by this slaughterhouse, nor is it known whether they would choose to take up such an opportunity. Allowing religious slaughter of poultry, rabbits and hares outside a slaughterhouse by their owner for private domestic consumption would not lead to any cost savings. Removing the requirement that religious slaughter must be undertaken by a Jew or Muslim for the food of Jews or Muslims is not expected to have any specific cost implications.

Risks

57. The following risks have been identified for this option:

- Does not meet Government objective in relation to achieving improved standards of animal welfare
- Removal of protection for animals subject to religious slaughter lowers welfare standards causing public concern
- More animals may be slaughtered using a religious method
- Reduction in protection for animals killed on-farm, in knackery yards and for personal consumption; lowers welfare standards causing public concern.
- Reduction in the scope of the slaughterman licensing / certificate of competence arrangements could lower welfare standards
- Enforcement of welfare requirements becomes more difficult and subjective where the prescriptive elements of the current WASK approach are removed – this will attract criticism from welfare organisations.

Table 3: Option 1 – Summary of Costs and benefits (£thousand in 2012 constant prices)

Costs	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total	% of total PV cost
Standard Operating Procedures (for smaller producers)	12	0	0	0	0	0	0	0	0	0	12	1.01%
Certificates of Competence	14	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	27.5	2.31%
Guides to Good Practice	5	0	0	0	0	0	0	0	0	0	5	0.42%
Monitoring procedures	1.35	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	204.75	17.17%
Animal Welfare Officers	0	40.6	40.6	40.6	40.6	40.6	40.6	40.6	40.6	40.6	365.4	30.64%
Prohibition of decapitation/cervical dislocation of poultry - seasonal producers	21.6	0	0	0	0	0	0	0	0	0	21.6	1.81%
Prohibition of decapitation/cervical dislocation of poultry - larger producers	76	0	0	0	0	0	0	0	0	0	76	6.37%
Downgrade of poultry meat as a result of increased stunning currents/frequencies	0	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4	300.6	25.20%
Stunning: electrical parameter recording devices - red meat	0	0	0	0	0	0	140.8	0	0	0	140.8	11.81%
Stunning: electrical parameter recording devices - poultry	0	0	0	0	0	0	14	0	0	0	14	1.17%
Limiting live shackling of poultry to 1 minute	0	0	0	0	0	0	25	0	0	0	25	2.10%
Total costs	130	98.1	98.1	98.1	98.1	98.1	277.9	98.1	98.1	98.1	1192.7	
Present value of costs	130	94.78	91.58	88.48	85.5	82.6	226.1	77.11	74.5	71.98	1022.59	100
Benefits											0	
Certificates of Competence - slaughter outside a slaughterhouse	0	1	1	1	1	1	1	1	1	1	9	
Total benefits	0	1	1	1	1	1	1	1	1	1	9	
Present value of benefits	0	0.97	0.93	0.9	0.87	0.84	0.81	0.79	0.76	0.73	7.6	
Net Present Value[1] (benefits minus costs)	-130	-93.81	-90.7	-87.6	-84.6	-81.76	-225.3	-76.3	-73.7	-71.25	-1014.99	

[1] Discounted at 3.5% pa

Option 4

As Option 1 plus all existing national rules, from the Welfare of Animals (Slaughter or Killing) Regulations 1995, which provide more extensive welfare protection than EU Regulation 1099/2009 are included in the Welfare at Time of Killing Regulations 2013.

Existing National Rules Retained

58. All existing national rules in the Welfare of Animals (Slaughter or Killing) Regulations 1995 which provide more extensive welfare protection than the EU Regulation will be carried forward to the new Welfare of Animals at the Time of Killing Regulations. A list of the national rules are in Annex 2.

Costs

59. As these measures are all pre-existing ones included in WASK there is no additional cost compared with the baseline.

60. Option 4, like Option 1, includes implementation of Regulation 1099/2009 and it has the same costs as Option 1 with respect to this EU regulation. These costs are not described again here in this section but they are included in the cost totals and the summary table of costs below. The costs of national measures will be similar to the baseline i.e. no additional cost.

Benefits

61. Relative to the baseline (Option 0) the following benefits have been identified for this option:

- Higher overarching standard of welfare from full implementation of EU Regulation
- Meets Government objective of improving standards of animal welfare
- Effective enforcement of Regulation 1099/2009 and approach to enforcement more clear cut.
- No risk of infraction

The benefits above have not been monetised.

Risks

62. No risks identified with this option.

Table 4: Option 4 – Summary of Costs and Benefits (£million in 2012 constant prices)

63. This table summarises the costs and benefits (£million at 2012 constant prices). Compared with Option 1 this option introduces no additional one-off or recurring costs. Relative to Option 0 there are no additional costs from the maintenance of national rules from WASK.

Costs	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total	% of total PV cost
Standard Operating Procedures (for smaller producers)	12	0	0	0	0	0	0	0	0	0	12	1.01%
Certificates of Competence	14	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	27.5	2.31%
Guides to Good Practice	5	0	0	0	0	0	0	0	0	0	5	0.42%
Monitoring procedures	1.35	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	22.6	204.75	17.17%
Animal Welfare Officers	0	40.6	40.6	40.6	40.6	40.6	40.6	40.6	40.6	40.6	365.4	30.64%
Prohibition of decapitation/cervical dislocation of poultry - seasonal producers	21.6	0	0	0	0	0	0	0	0	0	21.6	1.81%
Prohibition of decapitation/cervical dislocation of poultry - larger producers	76	0	0	0	0	0	0	0	0	0	76	6.37%
Downgrade of poultry meat as a result of increased stunning currents/frequencies	0	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4	300.6	25.20%
Stunning: electrical parameter recording devices - red meat	0	0	0	0	0	0	140.8	0	0	0	140.8	11.81%
Stunning: electrical parameter recording devices - poultry	0	0	0	0	0	0	14	0	0	0	14	1.17%
Limiting live shackling of poultry to 1 minute	0	0	0	0	0	0	25	0	0	0	25	2.10%
Total costs	130	98.1	98.1	98.1	98.1	98.1	277.9	98.1	98.1	98.1	1192.7	
Present value of costs	130	94.78	91.58	88.48	85.5	82.6	226.1	77.11	74.5	71.98	1022.59	100

[1] Discounted at 3.5% pa

Level of Analysis and Evidence used in the IA

64. Regulation 1099/2009 introduces changes that have a significant impact on slaughterhouse operators and livestock producers and the welfare of over some 68 million animals slaughtered annually in Wales (FSA). A preliminary Impact Assessment was prepared at the negotiation stage and a consultation stage IA was prepared for the formal consultation in September 2012. Feedback provided during the negotiations and at the Consultation has been incorporated into this final Impact Assessment. Industry, trade associations, NGOs and welfare organisations have been involved in developing key elements of the implementation package including the certificate of competence arrangements, Guides to Good Practice and the approach to the use of national rules. Members of the Jewish and Muslim religious communities have been consulted informally about measures to protect welfare during religious slaughter. These inputs are reflected in this Impact Assessment.

65. The general public expect farm animals to be treated humanely during their lives and at the time of killing. In terms of benefits the welfare of animals at slaughter is a public good. The public do not however have a good understanding of the practices that take place during the killing process and it is felt that a stated preference study to elicit benefit values arising from the detailed changes described above would not be appropriate. The value of this benefit has not therefore been monetised.

Present Value and Equivalent Annual Net Cost to Business (EANCB)

66. The monetised costs and benefits in this analysis (shown in tables 3 and 4 and which relate entirely to business costs) are expressed in 2012 real terms and also at present values. The base year for present values is 2013¹ i.e. future monetary sums are discounted back to 2013 at 3.5% a year for comparability between the options.

Table 5: Summary of Estimates at Real Prices, Present Values and EANCB (£'000)

Option 1	At Real 2012 Prices	Present Value (2012 prices and 2013 PV base year)
Benefits	9.00	7.60
Costs (including transitional)	1,192.70	1,022.59
Net (Benefit minus costs)	-1,183.70	-1,014.99
Option 4 (Preferred)		
Benefits	0	0
Costs (including transitional)	1,192.70	1,022.59
Net (Benefit minus costs)	-1,192.70	-1,022.59

67. The Welsh Government's preferred option is Option 4, which retains UK higher pre-existing measures relating to additional safeguards for religious slaughter and the maintenance of current regulatory provisions that establish higher welfare standards than Regulation 1099/2009. There are no costs associated with the retention of UK pre-existing measures relative to the baseline option 0 as the measures also occurred in the baseline. The EU transposition principles have been applied.

68. Regulation 1099/2009 is directly applicable to all businesses in scope including small and medium sized businesses although, smaller businesses are exempt from the Animal Welfare Officer requirements (those killing less than 1000 livestock units of mammals or 150,000 birds each year i.e. 7 of the 26 slaughter businesses in Wales).

¹ The reason for 2013 base year for present value calculations is that Regulation 1099/2009, which is directly applicable, came into effect on 1.1.2013

Post implementation review

69. A review of the overall implementation package must be undertaken 5 years after implementation of the Regulation (i.e. by 1st January 2019)

Summary, preferred option and implementation plan

70. The preferred option is to implement Regulation 1099 /2009, maintain higher welfare protection for all animals at the time of killing through making national rules in the Welfare at Time of Killing Regulations and repealing WASK, as proposed at Option 4. This option ensures that Government policy objectives in relation to improving standards of animal welfare and maintaining current welfare protection for animals subject to religious slaughter are met. This option implements the directly applicable obligations in Regulation 1099/2009 and minimises infraction risks.

71. A full consultation took place between September and October 2012, the summary of consultation will be published on the Welsh Government website. WATOK will be laid before National Assembly with this final Impact assessment in April 2014 with a view to it coming into effect in May 2014. Guidance on the new regulations will be prepared and published on the Food Standards Agency, AHVLA and Welsh Government website.

Statutory equality duties

72. The preferred option – option 4 - for implementing 1099/2009 will have no impact on race, disability or gender. Similarly option 4 does not impose any restriction or requirement which a person of a particular racial background, disability or gender would find difficult to comply with, except for the provisions on religious slaughter, these conditions apply equally to all individuals and businesses involved in the activities covered. Option 4 does have age requirements such that it requires Certificate of Competence/licence holders to be 18 years and older, except for the handling and care of animals before restraint and the shackling or hoisting of live poultry before stunning. This retains an existing national rule to afford greater protection to animals.

73. The preferred option makes specific provision for slaughter of animals in accordance with religious rites and will have an impact on the Jewish and Muslim communities. Regulation 1099/2009 requires all animals to be killed instantaneously following stunning. However animals slaughtered in accordance with the Jewish and Muslim faiths may be killed by bleeding without prior stunning. This exemption allows people of the Jewish and Muslim faiths to eat meat slaughtered in accordance with their religious beliefs.

Environmental impacts

74. The preferred option has no specific environmental impact.

Social Impacts

75. The preferred option is consistent with the Human Rights Act 1998.

76. There will be an impact on Rural Communities as it is anticipated that the majority of activities associated with Regulation 1099/2009 will be carried out in Rural Communities. However the Regulation is not expected to have any impact on the scope of current activities undertaken by meat plants or other businesses affected by it. The regulation is not expected to affect employment in Rural Communities.

77. The impact on the justice system is considered to be neutral as the number of prosecutions is not expected to rise under the new arrangements. It is anticipated that the introduction of enforcement notices will ensure only the most serious offences involving actual harm to animals will come before the courts.

Sustainable Development

78. The preferred option is not expected to lead to any significant changes in the way the industry currently works or have any material impact on its sustainability.

Competition

79. The preferred option has no impact on domestic competition as other UK Administrations are introducing similar national rules. The overarching welfare requirements under Regulation 1099/2009 meet or exceed current welfare obligations under WASK (with the exception of religious slaughter and on-farm slaughter), and apply equally to all member states.

Small firms

80. The preferred option will impact on small businesses and will impose new regulatory burdens although this impact cannot be avoided without infraction risk as Regulation 1099/2009 is directly applicable (see paragraph 13).

81. Some slaughterhouses are small businesses. However there is a specific exemption from the Animal Welfare Officer requirement for slaughterhouses with low throughput levels.

ASSUMPTIONS AND DATA

Businesses affected

Slaughterhouses	Approved		Number requiring AWO	Seasonal / Licensed	
	Total Number:	Of which below AWO threshold*		Total	Of which below AWO threshold*
Poultry	4	1	3	n/a	n/a
Red meat	23	6	16		
Total	26	7	19		

Sources: FSA (2013 figures)

Slaughterhouse working hours / pay rates

Lairage / line worker	10
Supervisor	15
Middle / production manager	20
Senior Manager	25
% Uplift to cover administrative and accommodation costs	30
Days worked per year	240
Hours worked per day	8

Source: Industry information validated through earlier consultation on Regulation 1099 proposals

Pay rates used in this IA derive from the above table but include 30% addition to cover various labour overhead elements including employers NI, pension and holiday pay etc. For example rate for lairage/line worker used in IA is £13/hour, middle/production manager £26/hour etc.

Standard Operating procedures:

One off cost for smaller businesses calculated as;

One off cost per business calculated as: Unit cost (£425) x Units per business (4) = £1700

One off cost per business (£1700) x Number of businesses affected (7) = £11900

Monitoring procedures

Initial cost to develop procedure calculated as: One-off cost per business (£52) x Number of businesses affected (26) = £1,352

Recurring annual cost to implement and update procedures calculated as: Recurring cost per business (£871) x Number of businesses affected (26) = £22, 646

Changes to permitted stunning/ killing methods

Prohibition of decapitation/ cervical dislocation of poultry by seasonal producers as a routine killing/ stunning method under Regulation 1099/2009 is expected to cost £400 per producer and impact 54 seasonal producers giving a total estimated cost of £21,600

Prohibition of decapitation/ cervical dislocation of poultry by large producers as a routine killing/ stunning method under Regulation 1099/2009 is expected to cost £1000 per producer and impact 76 seasonal producers giving a total estimated cost of £76,000.

Consequently, the total estimated one-off cost to the poultry industry comes to £97,600.

Animal Welfare Officer

Number of businesses affected:

- Slaughterhouses not exempted by low throughput exemption – 19
- Proportion of slaughterhouses required to have an AWO with no AWO at present 33% (19 33%) - 6

Hourly rates:

- £26 per hour

Additional time required to undertake AWO role:

- 12.5% of a full time post

Source: Industry information validated through consultation on Regulation 1099 proposals

Recurring cost per business/ employee calculated as: Hourly rate (£26) x units per business / employee (estimated as 260 hrs per year) = £6760.

Ongoing cost of AWOs carrying out their additional duties calculated as:

Recurring cost per business/ employee (£6760) number of businesses/ employees affected (6) = £40,600

Certificates of Competence

Data for Wales is available for the number of WASK slaughterman licence holders, who would not need to apply for a certificate of competence, but no data is available on other industry workers who may or may not require a certificate of competence. However, Defra have data for England on the number of employees falling into the different requirement categories. In the absence of specific data for Wales it has been assumed that the labour structure is broadly similar to that in England and the number of employees affected by each requirement has been estimated based on the relative proportions affected in England. These numbers are approximate and used for illustrative purposes only.

- Number of active WASK slaughterman licence holders - 214

- Number of people requiring a CoC who were not required to hold a WASK licence with **more** than 3 years professional experience – 124
- Number of people requiring a CoC who were not required to hold a WASK licence with **less** than 3 years professional experience – 18
- Number of new CoCs issued each year – 17
- Number of slaughterhouses approved as training / assessment centres – 55% - 14 employing approximately 80% of all employees
- Assessment centre approval - £240
- Assessment cost / day (non-approved slaughterhouse) - £240
- Certification body charge /applicant (approved slaughterhouse) - £50

Source: Conversations with Awarding Organisations, Training Organisations and Industry

- Practical Assessment cost - Approved slaughterhouse £55 – Licensed premises £500

Source: Based on information provided by FSA and AHVLA

Estimated one-off cost of introducing CoC arrangements calculated as sum total of the following:

CoC Type	One-off cost per business/ employee	Number of employees affected	Total cost
CoC – WASK licence or 3yrs experience	£25	340	£8,500
CoC – approval as assessment centre	£240	14	£3,360
CoC less than 3 years experience (non approved centres)	£265	4	£1,060
CoC less than 3 years experience (approved centres)	£75	14	£1,050
		Total	£13,970

Estimated on-going cost of introducing CoC arrangement calculated as sum of the following:

CoC Type	Recurring cost per business per employee	Number of employees affected	Total cost
CoC – New lairage/ hangers-on (non-approved centres)	£265	1	£265
CoC – New lairage/ hangers-on (approved centres)	£75	3	£225
CoC – New Slaughtermen (non-approved centres)	£219	3	£657
CoC – New Slaughtermen (approved centres)	£29	13	£377
		Total	20 £1,520

Fees and Charges

Application types and fees to be paid to the Food Standards Agency

Type of Application	Fee (£)
Application for a certificate	25
Application to register a WASK licence as a certificate	25
Application to modify a certificate	8
Application for a licences	25
Application to modify a licence	8

Electric waterbath production losses

A recent EC report (Study on Various methods of Stunning for Poultry²) provides the assumptions behind the following calculations used to estimate the extent of downgrading losses (as a result of damaged breast meat) when changing from existing currents and frequencies to those included in Regulation 1099/2009. This would vary between individual premises depending on the key parameters used but the calculations below provide an approximate estimate of the costs in line with assumptions made by Defra:

About 1.2m birds are stunned annually using a waterbath (FSA Survey).

Some 10.3% of birds stunned in waterbath will suffer commercially significant damage to breast meat:

$$1.2m \times 0.103 = 123,600 \text{ birds}$$

Damage will result in loss of between 9p and 45p and per bird depending on the amount of breast meat that is lost through trimming and the price such trimmings can realise (say average damage of 27p per bird).

$$\text{Total annual cost: } 123,600 \times 0.27 = \text{£}33,370$$

This assumes that neither of the slaughterhouses that currently use waterbath stunning move voluntarily to using gas stunning. If they were to change methods these costs would be reduced.

² Study on various methods of stunning for poultry (EC Directorate General for Health and Consumers December 2012)

The following national rules will apply to the movement, lairaging, restraint, stunning and slaughter of animals and birds in slaughterhouses:

Certificates of Competence

- Require a person holding a CoC to be over 18 except for persons handling or caring for animals prior to restraint and persons shackling or hoisting live birds.
- Require a person applying for a CoC to declare all welfare offences, regardless of when they were committed.

Lairage facilities

- Require protection of animals from adverse weather in the lairage and the provision of adequate ventilation.
- Require animals to be placed in the lairage on arrival at the slaughterhouse
- Lay down detailed requirements for handling and feeding of animals in the lairage
- Require lairages (including field lairages) to have appropriate feeding equipment
- Ensure field lairages do not pose a physical, chemical or health hazard to animals
- Require equipment for tethering animals in lairage
- Require a loose box in lairages confining horses to minimise injury
- Require a separate room or bay for killing horses

Restraint

- Require animals to be restrained by an appropriate method before stunning or killing
- Prohibit the use of a shackle line unless each bird suspended from it is kept clear of objects, including when its wings are outstretched
- Require shackle lines to be operated at a speed that allows any act intended to be performed in relation to birds suspended from it without undue haste.

Stunning equipment - general

- Ensure stunning equipment is designed and constructed to facilitate rapid and effective stunning / killing
- Prohibit the stunning of animals unless they can be killed without delay
- Require any defect found in spare stunning equipment or instruments held for emergency use to be rectified immediately

Electrical stunning

- Require electrical stunning equipment to stun immediately
- Require good electrical contact with the animal
- Require a waterbath stunner to be of adequate size and depth for the birds being stunned
- In the case of group stunning of birds in a waterbath, require voltage sufficient to ensure stunning of every bird is maintained
- If overflow in a waterbath is unavoidable, ensure measures are taken to ensure no bird receives an electric shock before being stunned

Mechanical stunning - Captive bolts

- Require the correct strength of cartridge or other propellant in accordance with manufacturer's instructions
- Prohibit poll stunning of bovines (i.e. in the back of the head)
- Where poll stunning is used for a sheep or goat require bleeding to commence within 15 seconds
- If a captive bolt fails to retract fully require the defective equipment to be rectified before it is used again

Gas stunning

- Lay down operational procedures for gas killing in a slaughterhouse
- Limit use of high concentrations of Co₂ to killing pigs only (i.e. prohibit use as a stunning method)
- Ensure a gas chamber is designed to allow each pig to remain upright until it loses consciousness and to see each other
- Require the gas chamber (for carbon dioxide at high concentrations) to be designed to ensure exposure to maximum concentration of gas within 30 seconds pigs / 10 seconds poultry
- Ensure the gas chamber is designed to maintain required gas concentrations, provide a means of flushing with air and allow access to animals with a minimum of delay

Bleeding / pithing

- Where an animal is bled or pithed require this to be done without delay following stunning
- Require bleeding to be rapid, profuse and ensure it is completed before animal regains consciousness
- Prohibit dressing procedures or electrical stimulation until minimum bleed-out times have elapsed

The following national rules will apply to knackery yards, killing on farms, businesses slaughtering small quantities of birds, rabbits and hares for local supply and in relation to slaughter for private domestic consumption:

- Treat knackery yards, commercial killing on farms not for human consumption and businesses slaughtering small quantities of birds, rabbits and hares for local supply in the same way as approved slaughterhouses by laying down detailed requirements on moving and restraining animals, as well as prescriptive requirements on premises and stunning equipment – as a consequence the national rules for slaughterhouses set out above will apply.
- A lighter touch licensing regime should apply to animals killed for any purpose outside approved slaughterhouses (the Regulation 1099/2009 CoC arrangements are limited to killing for human consumption)
- Require a person operating a gas chamber outside a slaughterhouse to hold a licence
- Require animals to be restrained by an appropriate method before stunning or killing when killing animals outside a slaughterhouse by bleeding or pithing
- Require bridges, ramps and gangways to be fitted with means of protection to prevent animals falling off
- Require passageways to be constructed to minimise injuries and to be arranged to take account of gregarious tendencies of animals
- Require a floor which minimises the risk of slipping
- Require adequate ventilation to ensure temperature, air relative humidity and ammonia levels are within limits that are not harmful to animals
- Require adequate lighting to allow for inspection of animals
- Require condition and state of health of animals to be inspected every morning and evening by a competent person
- Require unweaned animals or those suffering pain to be slaughtered immediately
- Require animals that are not slaughtered immediately to be lairaged
- Require adequate and suitable bedding material in lairages
- Require adequate drinking water in lairages in appropriate facilities
- Prohibit the use of certain restraining and handling methods
- Prohibit the use of instruments which administer electric shocks to make animals move, subject to certain exceptions
- Require animals delivered in containers to be handled with care and not dropped, thrown or knocked over
- Require containers to be loaded and unloaded horizontally and mechanically

- Require animals in containers to be unloaded individually
- In relation to animals killed by bleeding, require at least one of the carotid arteries to be cut or the vessels from which they arise
- Require stunning, shackling, hoisting and bleeding of animals to be carried out consecutively in respect of one animal at a time
- Require stunning equipment (gas and electrical) to be fitted with devices that give clearly visible and audible warning signals if electric currents or gas levels fall below required level
- Prohibit the use of gas killing on farms other than for birds and subject to prior notification to the competent authority
- Lay down operational procedures for gas killing on farm
- Prohibit direct exposure to high concentrations of CO₂
- Prohibit the use of carbon monoxide associated with other gases e.g. exhaust gas (all other gas mixtures permitted by Regulation 1099/2009 will be allowed)
- Require a gas chamber used on farm to measure and display gas mixture volumes

The following national rules will apply for religious slaughter:

Welsh Government policy is that it would prefer to see all animals stunned before slaughter but recognises the right of members of religious communities to eat meat prepared in accordance with their religious beliefs. The Welsh Government has therefore confirmed that it does not intend to ban religious slaughter without stunning. Welsh Government has confirmed it wishes to protect the welfare of animals slaughtered in this way. Existing national rules will be retained in relation to religious slaughter. These rules limit slaughter without prior stunning to the slaughter of bovine animals, sheep, goats and birds by a Jew for the food of Jews or by a Muslim for the food of Muslims. In addition the following national rules will continue to apply:

- Require bovines to be slaughtered in an upright position in a restraining pen approved for that purpose
- Prohibit restraint of a bovine until the slaughterman is ready to make the incision
- Prohibit shackling and hoisting until the animal is unconscious and not before a specified period has elapsed
- Require a back-up captive bolt to be available for use in an emergency
- Ensure the knife is of a sufficient size and sharpness
- Recognise licences issued by the Rabbinical Commission
- Prohibit religious slaughter of poultry, rabbits and hares outside a slaughterhouse where the animals are killed for private domestic consumption

The following national rules will also apply:

Existing national rules in WASK will be retained for the following activities which fall outside the scope of Regulation 1099/2009:

- Protection from pain, suffering and distress at the time of killing for all animals kept or bred for the production of food,... or other products including reptiles and amphibians not covered by Regulation 1099/2009
- Slaughtering poultry, rabbits and hares for private domestic consumption

Following last year's consultation some of the assumptions on measures introduced by the EU Regulation have been revised. Consequently, the cost of the introduction of the EU regulations is now significantly lower than estimated in the consultation IA. The table below shows the differences in costs and explains the reasons for the changes between last year's consultation IA and this year's final IA.

Item	Change in annual costs	Change in transitional costs	Comment
SOP/ Checks on Stunning	-£26,000		Assumptions in the consultation IA were that the cost of SOPs include the cost of checks on stunning and familiarisation with the requirements of Regulation 1099/2009. Consultation responses indicated that most larger business already had SOPs. Costs for this item now reflect the costs associated with production of SOPs for small scale businesses. Furthermore Guides to Good Practice by the industry will reduce the cost of preparing the SOPs
Certificates of Competence	-£3,500	-£156,000	Training new entrants for a CoC now less onerous than envisaged at the time of consultation. New entrants will train on the job and be assessed as part of normal work. Additionally the cost of obtaining a CoC photocard from FSA has dropped from £45 during consultation to £25 per person.
Monitoring Procedures	-£1,400	-£1,650	The consultation IA included costs of monitoring procedures in slaughterhouses, knackers yards and livestock holdings. However the EU Regulation only requires the introduction of monitoring procedures in

Item	Change in annual costs	Change in transitional costs	Comment
			slaughterhouses. Costs in the final IA just includes costs of monitoring procedures in slaughterhouses.
Animal Welfare Officer	-£90,400	-£68,000	Assumption about AWOs in consultation IA were that AWOs would all need extensive training. Industry responses indicate that the AWO role will be taken up by trained individuals with considerable experience. The final IA now shows the costs for AWOs to carry out the additional duties required by the Regulation. (All costs for training of personnel is included within the CoC costs).
Recording Devices		+£154,800	One – off costs to businesses affected by the measure were not estimated in the consultation IA.
Live Shackling Time		+£25,000	One – off costs to businesses affected by the measure were not estimated in the consultation IA.
Prohibition of decapitation/cervical dislocation – seasonal producers		+£21,600	No costs were estimated in the consultation IA. Responses to the consultation estimated the cost of a portable electrical stunner as £400. Estimated cost a combination of the cost of a stunner and number of registered seasonal slaughters (54).
Prohibition of decapitation/cervical dislocation – large producers		+£76,000	No costs were estimated in the consultation IA. Costs were derived from the number of large poultry producers affected by this measure (76) and cost of each installation of an electrical stunner (£1000).
Downgrading of poultry meat as a	+£33,400		Recurring costs to

Item	Change in annual costs	Change in transitional costs	Comment
result of increased stunning currents/frequencies			businesses affected by the measure were not estimated in the consultation IA.