

## REGULATORY APPRAISAL

### 1. TITLE

#### THE PLANT HEALTH (AMENDMENT) (WALES) ORDER 2003

### 2. PURPOSE AND INTENDED EFFECT OF THE MEASURE

#### 2(i) Objective

Community measures requiring an extension to plant passporting arrangements.

#### 2(ii) Issue

These new Community measures include, amongst other things, requirements to extend plant passporting to additional species. The measures concerned are Directive 2002/36 to be implemented by 1 April 2003.

#### 2(iii) Risk Assessment

There are two main risks if the new measures are not implemented. First, there is the risk of infraction proceedings by the Commission. Such proceedings would undoubtedly be initiated if the measures were not implemented.

There is also the risk to plant health. The measures have been agreed by scientific and other experts and are being introduced at the Community level to provide additional protection against known plant health risks, based on developments in member states and elsewhere.

Directive 2002/36 requires an extension of plant passporting to additional plants found to be hosts of pests such as *Liriomyza huidobrensis* and *Liriomyza trifolii* (leaf miners) during monitoring. If the new requirements were not introduced, the additional safeguards offered through the plant passporting regime would not be available, thus increasing the risk of these pests becoming established.

#### 2(iv) Main provisions

Plant passporting involves registration and authorisation of businesses trading in specified plants and a requirement for commercial movements of such material to be accompanied by plant passports. Authorisation is granted annually on the basis of an official inspection of the plants during the growing season and a check on record keeping.

Directive 2002/36 requires an extension of plant passporting to all herbaceous plants for planting (rather than just specified herbaceous species) as well as *Ficus* and *Hibiscus* for planting.

Measures include other provisions, particularly in relation to imported material. But as the impact of such provisions will fall mainly on exporting businesses and their national authorities, they are not considered in this regulatory appraisal.

### **3. OPTIONS**

#### **3(i) Identifying the options**

Two options have been identified:

##### **Option 1 – Do Nothing**

This would avoid any additional burden on Welsh growers/traders, but the new registration and passporting provisions would not be implemented. This would place Welsh traders out of step with the rest of the Community, making it impossible to trade in relevant species. It would also increase the risk of pest establishment and result in infraction proceedings.

##### **Option 2 – Implement the new requirements**

This would require businesses which do not already trade in passportable material to register and receive an annual authorisation visit. They would also need to amend their labelling to include passport details. Businesses which are already registered would just need to amend their labels. Such an approach would ensure consistency with the rest of the Community, would provide additional protection against the plant health risks identified and would avoid infraction proceedings.

#### **3(ii) Issues of equity or fairness**

It is perceived that the measures would impact equally across the industry. The likely burden on small businesses is not considered to be any more onerous, in relation to size, than it would be for larger businesses, although it is recognised that smaller businesses would, in the main, have less administrative capacity.

### **4. BENEFITS**

The benefits of doing nothing are the savings associated with not having an annual authorisation visit and not having to adjust labelling.

The benefits of implementing the measures are:

Consistency with other member states – this would facilitate trade and ensure a co-ordinated approach to pest risk management

Enhanced plant health protection – official passporting authorisation visits provide an opportunity to monitor the plant health status of the growing crop as well as checks on record keeping. Issuing passports facilitates traceability in the event of plant health

problems being detected. These measures would reduce the risk of pest outbreaks and therefore reduce the likelihood of having to carry out eradication/containment measures.

Adopting a common approach with other UK administrations.

Avoidance of infraction proceedings.

## **5. COMPLIANCE COSTS FOR BUSINESSES, CHARITIES AND VOLUNTARY ORGANISATIONS**

### **5(i) Business sectors affected**

The new measures would not affect charities and voluntary organisations apart from those who may be involved with the commercial activities referred to.

The main businesses affected would be nurseries and other companies which trade, warehouse and arrange transportation of specified plants.

### **5(ii) Compliance costs**

There would be no compliance costs for the option of doing nothing.

There would be three compliance elements involved in implementing the new measures: registration; authorisation; labelling. The new registration requirements would be free and with no time limit. Authorisation to issue plants passports would require an annual visit by the Plant Health and Seeds Inspectorate and would be chargeable at the rate of £81 per hour on site. There would be an administrative charge associated with amendment of labels and documentation to include passport details. However, the additional costs would be negligible as most suppliers would be able to amend existing documentation to accommodate this information.

There will be no additional costs to the Assembly. The additional measures would be monitored and administered by Defra which acts on behalf of the National Assembly through the Plant Health and Seeds Inspectorate (PHSI).

### **5(iii) Total compliance costs**

Compliance costs for growers are dependent on the level of trade in the species indicated. At present there are a total of 20 growers in Wales who are registered to issue plant passports. The number of growers in Wales authorised to issue plant passports (currently 20) is not expected to more than double with the new requirements so costs are estimated up to a maximum of £1600. This estimate is based on the number of additional growers (20) X the fee (£81 on an average annual inspection of roughly one hour) = £1620 which has been approximated to £1600.

## **6. COMPETITION ASSESSMENT**

Defra consider that there is no significant risk of a negative competitive impact, therefore a detailed assessment has not been carried out. For plant passporting to work effectively, it is important that all appropriate businesses, irrespective of size, comply with the relevant requirements. This avoids any gaps in plant health assessments and traceability of material. However, the impact of such controls are proportionate to the size and efficiency of businesses, in that charges for official inspections are based on the length of time spent by inspectors on a premises, and the number of labels to be printed and issued depends on the number of plants being traded. No concerns about the impact on small businesses have been raised during Defra's consultation process.

## **7. CONSULTATION**

UK Consultation, including Welsh industry bodies, about the practical arrangements for implementing Directive 2002/36 are continuing, but the policy of extending plant passporting to the additional species covered has been supported during previous consultation exercises prior to the adoption of this Directive.

## **8. SUMMARY AND RECOMMENDATION**

These Community measures require an extension of plant passporting to additional species.

The options are to do nothing or to implement the new requirements.

The costs associated with implementing the new measures are negligible, but the risks associated with not implementing them are substantial. In particular, trade with other member states would be affected, plant health status would be jeopardised and infraction proceedings would be incurred. In view of this assessment, it is recommended that the measures are implemented as required.

## **9. MONITORING AND REVIEW**

There is a continuous programme to monitor plant health developments, carried out at Community level by the Standing Committee on Plant Health. This takes into account developments within member states, including new pest risk assessments and interceptions. This procedure will provide the opportunity, where necessary, to consider any further changes to the plant passporting regime.

Implementation of the new measures will be monitored by the Plant Health and Seeds Inspectorate, who will undertake annual authorisation visits at relevant premises.