

Competition in
Professional
Services

veterinary practitioners

The Competition Authority is undertaking a study across a range of eight professions in the construction, legal and medical sectors of the Irish economy. The specific professions being reviewed are engineers, architects, dentists, optometrists, veterinary surgeons, medical practitioners, solicitors and barristers.

June 2008



The Competition Authority
An tÚdarás Iomaíochta

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Glossary of Terms

Central Statistics Office

The Central Statistics Office (CSO) is the State body responsible for compiling official Irish statistics across a number of fields, including demography, trade, the economy, the labour market, industry sectors and the environment.

Consumer Price Index

The Consumer Price Index is a monthly survey conducted by the Central Statistics Office designed to measure the change in the level of prices of consumer goods and services.

Department of Agriculture, Fisheries and Food

The Department of Agriculture, Fisheries and Food is the Government Department responsible for promoting animal health in general and more specifically by operating eradication programmes for such diseases as bovine TB and brucellosis.

European Economic Area

The Member States of the European Economic Area (EEA) are the 27 Member States of the European Union plus Iceland, Liechtenstein and Norway.

Further Education and Training Awards Council

The Further Education and Training Awards Council (FETAC) is the national awarding body for further education and training in Ireland.

Higher Education Authority

The Higher Education Authority (HEA) is the statutory planning and development body for higher education and research in Ireland. The HEA has wide advisory powers throughout the whole of the third-level education sector. In addition, it is the funding authority for the universities and a number of designated higher education institutions.

Irish Creamery Milk Suppliers Association

The Irish Creamery Milk Suppliers Association (ICMSA) is a representative body for farmers. Originally a representative body solely for dairy farmers, the ICMSA now draws its membership from all farm sectors.

Irish Farmers' Association

The Irish Farmers' Association (IFA) is the largest farm organisation in the country and represents the interests of farmers at national and international level.

Veterinary Council of Ireland

The Veterinary Council of Ireland (VCI) is the statutory body established under the Veterinary Practice Act 2005 to regulate and manage the practice of veterinary medicine and veterinary nursing in the State in the public interest.

Veterinary Ireland

Veterinary Ireland is the representative body for all veterinary practitioners in Ireland. It was formally established in 2002 following a restructuring of veterinary practitioner representation.

Veterinary Nurse

Veterinary nurses assist vets in day-to-day operations and are mainly concentrated in companion care practices and animal hospitals. They may also carry out non-invasive procedures under the supervision of a fully qualified veterinary practitioner.

Veterinary Practitioner¹

Veterinary practitioners prevent, diagnose and treat diseases and injuries in relation to animal health as set out in the Veterinary Practice Act 2005.

Veterinary Practice Act 2005

The Veterinary Practice Act 2005 provides for the organisation and regulation of the veterinary profession in Ireland.

University College Dublin

University College Dublin (UCD) is the largest university in the State and is the only Irish institution that provides training for veterinary practitioners through its Bachelor of Veterinary Medicine (MVB) course.

¹ While the term “Veterinary Practitioner” is defined in the Veterinary Practice Act 2005, the more commonly used term ‘vet’ will be used in the text of this report.

EXECUTIVE SUMMARY

Context of the Report

1. There have been significant changes in the demand for veterinary services in Ireland in recent years. The number of food animals being produced has steadily decreased and at the same time regulatory requirements have increased, implying an increased amount of veterinary services per animal. Higher disposable incomes have contributed to a substantial rise in demand for veterinary services for companion animals (i.e. pets). Overall, it is likely that the demand for veterinary services in the foreseeable future will remain buoyant but may be shifting away from food animals towards companion animals.
2. In addition, the Veterinary Practice Act 2005 brought welcome reforms to the regulatory system. These include: a process for recognising non-EU/EEA vets, broader representation on the Veterinary Council of Ireland (including consumers) and increased transparency regarding complaints about vets and their fitness to practise.
3. The Competition Authority examined the veterinary profession in this context and found a number of unnecessary restrictions on competition between vets. The Competition Authority also examined ways of ensuring an adequate supply of veterinary services now and in the future. This is particularly important for the agricultural sector.²

Restrictions on Competition and Recommendations

4. Competition between vets is actively discouraged by the Veterinary Council of Ireland's *Code of Professional Conduct*. The restrictions placed on vets go beyond what is necessary to protect animals and the public from unethical conduct. For example, it is forbidden to advertise prices, to offer discounts, or to tout for business. These restrictions have the following effects:
 - Vets are prevented from competing through normal methods of competition such as advertising prices and offering discounts;
 - Vets are severely restricted in how they advertise and promote their business and this denies consumers access to basic information about the availability, terms and prices of veterinary services in their area;
 - Vets are unable to promote awareness of their practices and their services and this discourages them from innovating;
 - Lack of transparency in prices reduces competitive pressure on vets and this can push up the price of veterinary services;
 - New vets are hindered from competing with established vets.

Truthful, informative advertising and price discounts typically drive competition. Relaxing these unnecessary restrictions would encourage vets to compete on price, to offer new services and to deliver their services in new customer focused ways.

² The Competition Authority has in the past addressed competition issues in the veterinary profession. On October 19th 1998, the Competition Authority agreed settlement terms with the Irish Veterinary Union in a court action taken by the Competition Authority under Section 6 of the Competition Act 1991, as amended.

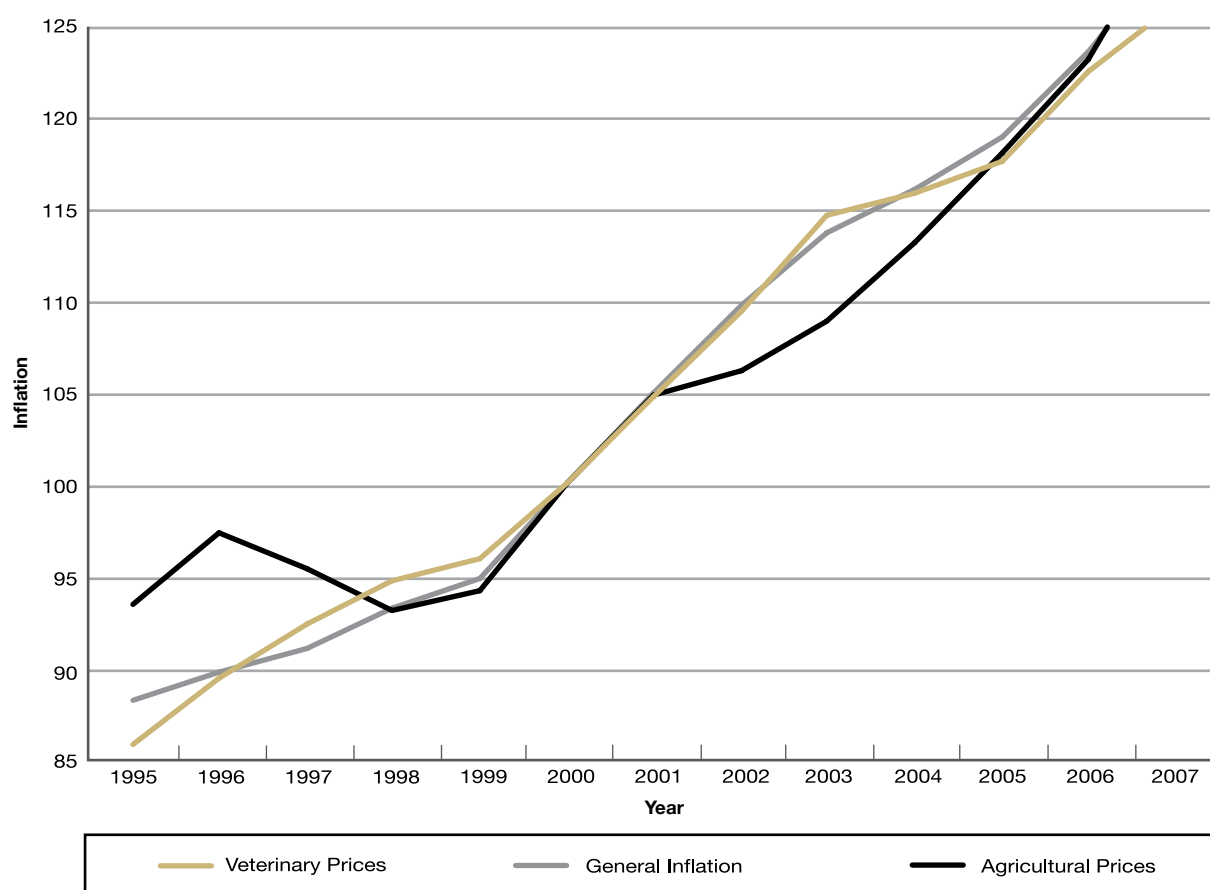
5. Another problem is that the Veterinary Practice Act 2005 appears to prohibit vets from incorporating. Vets traditionally work in partnership with other vets, with three vets being the average practice size. Competition between corporate bodies of vets would have many benefits for vets and consumers by improving access to capital and non-vet business skills. These benefits include: cost savings, ability to provide locations and opening hours that are more convenient for many consumers of companion animal services, flexible working arrangements and checks and balances on the quality of each vet's services (put in place to maintain the corporate body's reputation). The Veterinary Practice Act 2005 needs to be amended to allow incorporated veterinary practices.
6. The number of vets in Ireland is being supplemented by a large influx of foreign-trained vets. Between 2001 and 2007, nearly 40% of new vets registered with the Veterinary Council of Ireland qualified outside Ireland. The Competition Authority is concerned that Ireland should not be reliant on other countries to train vets for its own needs. The number of training places for vets in Ireland should continue to be closely monitored, in the context of the changing market circumstances, to ensure no shortage in the future. Additionally, the Department of Agriculture, Fisheries and Food should monitor the number of vets providing food animal veterinary services, especially in remote areas, with a view to ensuring that shortages in the provision of essential veterinary services will be avoided.
7. Training non-vets to an appropriate standard to provide certain routine work, such as TB testing services, could have benefits in terms of freeing vets to focus on the more complex tasks that only they could provide. The Department of Agriculture, Fisheries and Food should consider introducing a new para-profession of TB testers, in the wider context of overall animal health, increasing regulatory demands for testing, and Ireland's competitiveness in high quality food-production.
8. In this report, the Competition Authority makes five recommendations that aim to:
 - Encourage vets to be more innovative in the delivery of services;
 - Ensure an adequate supply of veterinary services in Ireland in the long term; and
 - Ensure value for money in veterinary services.

Regulatory and Commercial Environment

9. The veterinary profession is regulated by the Veterinary Council of Ireland (VCI) under the Veterinary Practice Act 2005. It is unlawful for a person to use titles such as "veterinary practitioner" or "veterinarian" or otherwise give the impression they are a vet or provide veterinary services without being registered by the VCI. The VCI regulates the conduct and standards of both vets and veterinary nurses.
10. Demand from consumers for veterinary services for companion animals (pets) is increasing as a result of rising incomes in Ireland and scientific developments in the field of animal healthcare.
11. Demand from farmers and the State for veterinary services for food animals is also changing though it is not yet clear whether it will decline in the future or stabilise at current levels. There has been a marked decline in livestock numbers in Ireland that is likely to continue as the number of farms decrease and the emphasis on food production switches from high volume to higher quality produce. However, the emphasis on quality also means that rigorous testing of food animals is required if Ireland is to retain its status as a producer of high quality disease-free meat, and vets are the recognised professionals for a number of disease-eradication and meat inspection schemes. In addition, as a result of EU Directives, an increasing number of animal medicines and remedies have been designated as "Prescription Only Medicines", meaning that many animal remedy prescriptions should only be issued by a vet, and under specific conditions.

12. Overall, it is likely that the demand for veterinary services in the foreseeable future will remain buoyant but may shift away from food animals and towards companion animals.
13. The majority of the 2,446 vets working in Ireland practise in the private sector, offering their services direct to the public.³ However, the State also employs the services of vets under a variety of schemes covering inspection of meat and rendering plants, disease-eradication schemes, and contagious disease outbreaks. In 2007, the State spent €58.8 million on veterinary services supplied by vets who participated in the Department's animal disease-eradication programmes.
14. According to data from the Central Statistics Office, the price of veterinary services in the agricultural sector, paid for privately by farmers (not the State), has been in line with the general rate of inflation and the rate of inflation for agricultural inputs over the last eleven years. There is no data available for the prices of companion animal veterinary services paid by consumers.

Inflation in Food Animal Veterinary Prices, Agricultural Inputs and General Inflation 1995-2007



Source: CSO.

³ There were 2,446 registered vets at the start of 2008, although some 270 of these are likely to retire but remain on the register.

Recommendations

Recommendation 1: Monitor the number of vets providing food animal services.

Details of Recommendation	Action By
The Department of Agriculture, Fisheries and Food should monitor the number of vets providing food animal services, especially in remote areas.	The Department of Agriculture, Fisheries and Food

Recommendation 2: Consider the introduction of lay TB testing.

Details of Recommendation	Action By
The Department of Agriculture, Fisheries and Food should consider the introduction of lay testers for bovine TB, following the completion of the Herd Health Initiative.	The Department of Agriculture, Fisheries and Food December 2008.

Recommendation 3: Remove unnecessary restrictions on advertising.

Details of Recommendation	Action By
The VCI should limit its restrictions on advertising to prohibit advertising that is false or misleading.	The Veterinary Council of Ireland December 2008.

Recommendation 4: Remove restriction on touting.

Details of Recommendation	Action By
The VCI should remove its prohibition on touting.	The Veterinary Council of Ireland December 2008.

Recommendation 5: Allow corporate bodies to supply veterinary services.

Details of Recommendation	Action By
The Minister for Agriculture, Fisheries and Food should bring forward legislation amending the Veterinary Practice Act 2005 to allow incorporated veterinary practices.	The Minister for Agriculture, Fisheries and Food June 2009.



section 1

1. INTRODUCTION

- 1.1 The regulatory and commercial environment in which the veterinary profession operates has undergone substantial change in recent years, including the enactment of a new Veterinary Practice Act 2005. As demand for veterinary services evolves, it is extremely important that the regulatory framework is flexible enough to adapt to a changing market. The Competition Authority makes five recommendations in this report to address problems identified in the veterinary profession. The recommendations are aimed at ensuring an adequate supply of veterinary services and that vets have appropriate freedom to advertise, to tout for business and to choose their business model.
- 1.2 This report is not the only context in which the Competition Authority has addressed competition issues in the veterinary profession. On the 19th of October 1998, the Competition Authority agreed settlement terms with the Irish Veterinary Union⁴ (IVU) in a court action taken by the Competition Authority under Section 6 of the Competition Act 1991, as amended. The IVU proceedings were settled after the IVU gave undertakings to the court that it would not recommend minimum fees to be charged by its members for carrying out annual testing for TB and brucellosis and/or for providing clinical veterinary services. It further undertook to inform its members that:
- Any agreement regarding the charging of such minimum fees;
 - The operation of any recommended minimum fee system; and
 - The refusal to provide clinical services to farmers who refuse to pay such recommended fees was contrary to Section 4 of the Competition Act 1991.

Background to the Report

- 1.3 Section 30(1)(a) of the Competition Act 2002 provides the Competition Authority with the power to “*study and analyse any practice or method of competition affecting the supply and distribution of goods or the provision of services or any other matter relating to competition*”.
- 1.4 Following the OECD Report on Regulatory Reform 2001, which suggested that competition in the professional services sector in Ireland could be stronger, the Competition Authority commenced a study of selected professions. The professions chosen were: engineers, architects, dentists, optometrists, vets, medical practitioners, solicitors and barristers.
- 1.5 The purpose of the study is threefold; to identify any regulations or practices that may restrict competition within these professions; to evaluate any consumer benefits claimed to exist from any such restrictions and to consider whether the restrictions are proportionate to any benefits.
- 1.6 The initial process of the study involved the selection of Indecon International Economic Consultants to conduct the primary research phase. Indecon’s report titled “*Assessment of Restrictions in the Supply of Professional Services*” was published in March 2003.
- 1.7 The Competition Authority has published final reports on engineers (December 2004), architects (March 2006), optometrists (June 2006), solicitors and barristers (December 2006), and dentists (October 2007).

⁴ The IVU was subsumed into Veterinary Ireland in 2002 following a restructuring of the profession’s representative bodies as recommended by the Delany Report 1995.

Consultation Process

- 1.8 In contrast to the process followed in the preparation of the Competition Authority's reports on other professions - where preliminary findings and recommendations were published before proceeding to a final report - it was decided in the case of the veterinary profession to proceed directly to a final report as a number of competition issues identified in the Indecon report were addressed in the Veterinary Practice Act 2005.
- 1.9 Instead, the Competition Authority sought submissions directly from a wide variety of groups. These included the profession itself, veterinary nurses, those involved in regulating veterinary services and users of veterinary services. Respondents were asked to comment on the demand and supply of veterinary services in Ireland and to identify and comment on any obstacles to competition in veterinary services.
- 1.10 Ten parties provided responses and were further consulted by the Competition Authority in the preparation of this report. A list of respondents is provided in Appendix 1 of this report. In addition, the Competition Authority collected a large amount of data from a variety of sources and visited a veterinary practice.

Structure of the Report

- 1.11 The report contains a general overview of the veterinary profession, followed by a detailed examination of the restrictions that limit competition in veterinary services and the features of the regulatory system that discourage competition. The remainder of the report is structured as follows:
 - Section 2 describes the veterinary profession in Ireland, including a description of the work of vets and other veterinary healthcare professionals, the regulatory environment in which they operate, how veterinary services are supplied, who pays for them and how much they pay.
 - Section 3 analyses potential restrictions on offering veterinary services. The specific issues examined are the number of training places on the State's only undergraduate veterinary course in UCD and who can perform tests on food animals for diseases such as bovine TB and brucellosis.
 - Section 4 deals with rules or practices which reduce competition and rivalry between vets and which are disproportionate or inappropriate to protecting animal welfare.
 - Section 5 provides an overall conclusion on competition in veterinary services.



section 2

2. AN OVERVIEW OF THE VETERINARY PROFESSION

Summary

- 2.1 This chapter outlines the services provided by vets and related veterinary care professionals and describes the regulatory and commercial environment in which they operate.
- 2.2 Vets provide healthcare services to a range of animals from food-producing farm animals and horses in the bloodstock industry to domestic pets, also referred to as companion animals. Vets also undertake public sector work in the form of testing of food animals prior to slaughter and participate in disease-eradication programmes on behalf of the Department of Agriculture, Fisheries and Food.
- 2.3 Vets often employ other veterinary care professionals known as veterinary nurses to assist them in their day-to-day activities.
- 2.4 Vets and veterinary nurses are regulated by the Veterinary Council of Ireland (VCI). It is unlawful for a person to use titles such as “*veterinary practitioner*” or “*veterinary surgeon*”, or to practise veterinary medicine without being registered by the VCI.
- 2.5 As of February 2008, there were 2,446 vets on the Veterinary Register, an increase of 20% in a decade. The majority of vets operate in private practice. Private practices are typically small-sized operations with an average of three vets per practice.
- 2.6 The overall role of vets is important for the Irish economy, both in terms of their direct contribution and the role they have in ensuring that large-scale problems related to the agricultural sector do not seriously affect public health. Approximately 70% of total veterinary income is estimated to come from providing services and 30% from the sale of animal medicines. In 2007, the Department of Agriculture, Fisheries and Food paid €58.8 million for veterinary services supplied by vets who participated in the Department’s animal disease-eradication programmes. These services, which mainly consist of testing for highly infectious diseases such as bovine TB and brucellosis, are provided on an ongoing basis by a combination of vets directly employed by the Department and by vets in private practice who are employed on temporary contracts.
- 2.7 The practice of veterinary medicine in Ireland has historically been farm-based in areas such as beef, dairy and poultry, reflecting the importance of agriculture to the economy. However, as the number of farms shrinks an increasing number of vets are concentrating on companion animal care in animal clinics located in towns and cities.

The Role and Functions of Veterinary Practitioners

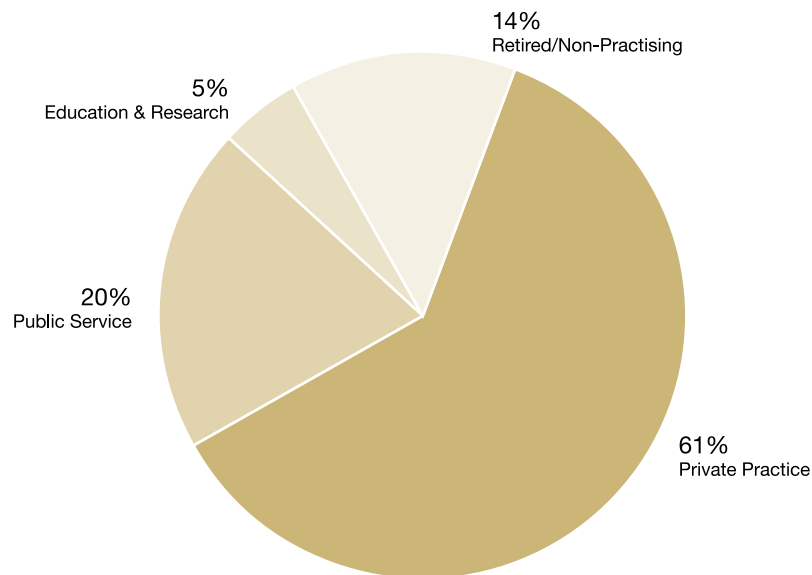
- 2.8 The role of a vet is to prevent, diagnose and treat diseases and injuries in relation to animal health as set out in the Veterinary Practice Act 2005.⁵ The most common areas of work carried out include:
 - Diagnosis and treatment of food animals, including dairy and dry stock cattle, sheep, pigs and poultry;
 - Diagnosis and treatment of companion animals, mainly cats and dogs;
 - Diagnosis and treatment of equine animals – i.e. sports/leisure horses;

5 Section 53(1) Veterinary Practice Act 2005.

- TB and brucellosis testing;
- Meat factory inspections; and
- Education and research, both in universities and in animal health companies.

- 2.9 The Veterinary Practice Act 2005 allows a person who is not a vet to engage in veterinary medicine in limited circumstances. These circumstances are in the case of an emergency or where a vet is not available within a reasonable period of time. The legislation also permits farmers to carry out treatments or procedures, or to administer animal remedies that are “*incidental to the usual care and management*”⁶ of an animal.
- 2.10 In providing animal healthcare services,⁷ vets serve an important public interest in providing for the welfare of animals, and indirectly, the health and well-being of the human population due to the impact of animal health on human health.
- 2.11 Approximately 61% of vets operate in private practice.⁸ Private practices are typically small-sized operations with an average of three vets per practice. There are approximately 650 private veterinary practices in Ireland registered under the VCI’s Premises Accreditation Scheme, with the highest number of vets in a practice being 25. There were 2,446 registered vets at the start of 2008, although some 270 of these are likely to retire but remain on the Register.

Graph 1: Practice of Veterinary Medicine by Area of Activity 2007



Source: VCI

⁶ Section 55(3).

⁷ Vets are the only professionals permitted to practise veterinary medicine as defined by the Veterinary Practice Act 2005. However, pharmacies and licensed merchant sellers may dispense Prescription Only Medicines provided the prescription has been written by a vet.

⁸ VCI’s response to request for information from the Competition Authority, December 14th, 2007.

- 2.12 The majority of private practices dealing with food animals also participate in State-funded schemes for the eradication of diseases such as bovine TB and brucellosis. Approximately 20% of practising vets are directly employed by the State Veterinary Service with the remainder working in education, research and industry.
- 2.13 The overall trend in veterinary practices appears to be moving towards an increased focus on companion animal care. Many practices in rural areas that were once exclusively focused on food animal care now also offer companion animal care in an animal hospital. Vets who operate this mixed practice of food and companion animal care, increasingly offer ancillary services such as dog grooming and the sale of pet-related products.

Related and Overlapping Service Providers

- 2.14 **Veterinary specialists** are vets who have a higher degree of skill and/or knowledge than that of a vet in general practice and are registered with the VCI as specialists. Veterinary specialists must have successfully completed advanced supervised training in their chosen discipline and have successfully completed examinations from an academic institution approved by the VCI. The area of specialisation must be a branch of veterinary medicine that has sufficient breadth and depth to allow a veterinary specialist to practise solely in that field, for example, veterinary cardiology.⁹ While the establishment of a specialist register is provided for in the legislation, no such specialist register has been established yet due to the small number of vets in Ireland with specialist qualifications in any recognised specialist category.
- 2.15 **Veterinary nurses** assist vets in the day-to-day operation of a veterinary practice and are mainly concentrated in companion care practices or animal hospitals. As with vets, the role and functions of veterinary nurses are set out in the Veterinary Practice Act 2005.

Veterinary nurses may carry out three broad categories of procedure:¹⁰

- Procedures carried out while assisting and in the presence of a vet;
 - Procedures carried out under the direction, but not necessarily in the presence of a vet; and
 - Procedures which may subsequently be prescribed by the Minister for Agriculture, Fisheries and Food following consultation with the VCI and the Veterinary Nurses Board.
- 2.16 A number of other service providers are engaged in the provision of care to animals. These include dog groomers, veterinary homeopaths, pet microchip providers and veterinary dentists. A number of these services are now provided by veterinary clinics as ancillary services to veterinary care. This is part of an increasing trend for veterinary clinics to offer a multi-disciplinary approach to animal healthcare.
- 2.17 Under the VCI's *Code of Professional Conduct*, ancillary services such as grooming parlours owned or operated by lay persons, may not be located on the same premises as a veterinary practice. There is no restriction on the co-location of such ancillary services at veterinary clinics, provided that such services and facilities are owned by the vets themselves.

⁹ A full list of specialisms recognised by the European Board of Veterinary Specialisation is listed in Appendix 3 of this report.
¹⁰ Section 91(2).

Regulation of Veterinary Practitioners and Veterinary Nurses

- 2.18 Vets are regulated by the Veterinary Council of Ireland (VCI), a body corporate established under the Veterinary Practice Act 2005.¹¹
- 2.19 Under the Veterinary Practice Act 2005, it is unlawful for an individual to falsely represent himself/herself as registered on the Register of Veterinary Practitioners, or use titles which would give that impression, such as “*veterinary surgeon*”, “*veterinary specialist*”, “*veterinary practitioner*” or “*veterinarian*”.¹² It is also an offence for an individual other than a vet to engage in the practice of veterinary medicine.¹³
- 2.20 The VCI is made up of 19 members. It’s composition is dictated by the Veterinary Practice Act 2005 and is set out in Table 1 below.

Table 1: Composition of the Veterinary Council of Ireland

Number of members	Nominating Party	Occupation
9	Elected by registered Veterinary Practitioners	Veterinary Practitioners
1	The Veterinary Council of Ireland ¹⁴	Veterinary Nurse
4	Minister for Agriculture, Fisheries and Food	1 Veterinary Practitioner or Veterinary Nurse 2 None specified ¹⁵ 1 Non-vet who performs functions relating to animal welfare
1	Minister for Education and Science	Individual nominated who is engaged in the provision of higher education
2	Relevant body ¹⁶ to be specified by Minister for Agriculture, Fisheries and Food	1 Veterinary Practitioner or Veterinary Nurse 1 Non-vet
1	National Consumer Agency	None specified
1	Food Safety Authority of Ireland	None specified

Source: Section 16 of the Veterinary Practice Act 2005

¹¹ The VCI replaced the previous council.

¹² Section 54.

¹³ Section 54.

¹⁴ The VCI can nominate a veterinary nurse until the Register of Veterinary Nurses is established and rules of election for appointment to the Council are in place. Rules of election must be in place not later than three months after the establishment of the Register. The Register of Veterinary Nurses will not be put on a statutory footing until July 2008.

¹⁵ Two persons who are not eligible to be registered as veterinary practitioners, but one at least of whom avails of veterinary services in the course of a business, trade or profession.

¹⁶ “Relevant body” means a body that provides programmes of education and includes the National University of Ireland (NUI) but does not include the VCI or the Veterinary Nurses Board of Ireland. If no relevant body is specified, appointments can be made by NUI.

2.21 The key functions of the VCI are to:

- Establish and maintain the Register of Veterinary Practitioners, the Register of Veterinary Specialists and the Register of Veterinary Nurses;
- Establish procedures and criteria for registration, including the issue of certificates of registration and renewal of registration;
- Specify and review standards and approve programmes of education and further education necessary for the purposes of registration and continued registration;
- Establish, publish, maintain and review codes of professional conduct;
- Conduct inquiries into and, where appropriate, impose sanctions in relation to fitness to practise;
- Act as the competent authority for the purposes of mutual recognition of veterinary qualifications obtained in or recognised by EU Member States;
- Enter into agreements with authorised bodies in other States regarding reciprocal recognition of formal qualifications to practise veterinary medicine awarded in each State. For example, the VCI has such an arrangement with its counterparts in New Zealand and Australia.

2.22 The Veterinary Practice Act 2005 allows for the establishment of the Veterinary Nurses Board of Ireland (VNBI). This Board is to be established where the Minister for Agriculture, Fisheries and Food is satisfied that there are enough veterinary nurses practising in the State to justify its establishment, and where its establishment would contribute to the regulation of veterinary nursing in the State. There are currently no plans to establish the VNBI in the immediate future.

Registration of Veterinary Practitioners

2.23 A vet must, by law, be entered on the Register of Veterinary Practitioners maintained by the VCI. It is illegal for individuals to practise veterinary medicine unless they have been entered on the Register or for individuals to misleadingly represent themselves as registered on the Register.

2.24 The VCI shall enter on the Register of Veterinary Practitioners:

- Individuals registered under the previous Register established under the Veterinary Surgeons Act 1931;
- Individuals who have completed a programme of training in Ireland recognised by the VCI. Currently, the only such programme in Ireland is the Bachelor of Veterinary Medicine taught at UCD;
- EU, EEA or Swiss nationals who hold qualifications in veterinary medicine which are recognised pursuant to EU veterinary education mutual recognition Directives;¹⁷
- The Veterinary Practice Act 2005 also allows for “limited registration” for individuals participating in a disease-eradication programme or in a VCI-approved course of education. Individuals who have limited registration may be required to abide by conditions concerning:
 - The duration of their registration;
 - The location where they may practise;
 - The procedures they may carry out;
 - Attendance at courses of training or education; or
 - Supervision by a registered vet.

¹⁷ Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications. In its own publication, *The Register*, available at www.vci.ie/index.cfm/loc/4, the VCI details the requirements for vets wishing to practise in Ireland.

2.25 The VCI may consider entering on the Register of Veterinary Practitioners:

- EU, EEA or Swiss nationals who hold qualifications in veterinary medicine from third countries which are recognised by Switzerland or an EU or an EEA Member State;¹⁸
- Any individual who does not meet the previous requirements, but who has sufficient linguistic skills and who has obtained qualifications in a third country which, in the opinion of the VCI, are sufficient for the practice of veterinary medicine in Ireland. In this regard, the VCI may require the individual to sit and pass an examination. Registration may be conditional on the individual being supervised by a registered vet for a period of time.

2.26 A particular issue of relevance in border areas concerns vets residing on one side of the border who have clients on the other side. Under these circumstances, vets residing in Northern Ireland who wish to practise in the Republic by means of short professional visits rather than permanent residency must complete the following formalities:

- Provide the VCI with a declaration of their intention to provide services in the Republic of Ireland;
- Arrange for the Royal College of Veterinary Surgeons in the UK to send the VCI a certificate stating that they are lawfully practising in the UK; and
- Arrange for the Royal College of Veterinary Surgeons to send the VCI a certificate stating that they possess a qualification recognised under EU Directive 2005/36.

2.27 Between 2001 and 2007, nearly 40% of the 837 new registrants on the Veterinary Register obtained their qualifications outside Ireland. This indicates that foreign-qualified individuals have contributed significantly to the growth in the number of vets in the State. Table 2 provides a breakdown by country of training for the 837 new registrations during this period.

Table 2: Additions to the Register of Veterinary Practitioners 2001-2007

Where trained	2001	2002	2003	2004	2005	2006	2007	Total
UCD	72	67	73	82	68	60	74	496
UK	8	15	15	9	17	12	14	90
EEA ex IRL /UK	30	20	18	30	37	56	49	240
Rest of World	4	0	1	1	0	2	3	11
Total	114	102	107	122	122	130	140	837

Source: VCI

2.28 The Veterinary Practice Act 2005 provides for the mutual recognition of qualifications in veterinary medicine within the EU.¹⁹ The Veterinary Practice Act 2005 also provides for mutual recognition agreements between the VCI and relevant bodies in non-EU States. A mutual recognition agreement between Ireland and the relevant bodies in New Zealand and Australia is in place while all other third country vets are assessed on an individual basis. The Veterinary Practice Act 2005 also provides for the registration of “third country” candidates who in the opinion of the VCI are of the requisite standard to practise in Ireland. For this purpose the VCI provides a registration examination for vets whose qualifications are not recognised under EU legislation or mutual recognition procedures.

¹⁸ EU Directive 2005/36 on the Recognition of Professional Qualifications; <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2005:255:0022:0142:EN:PDF>

¹⁹ These provisions reflect Directive 2005/36/EC which consolidates and modernises the rules currently regulating the recognition of professional qualifications, as amended by Statutory Instrument No. 745 of 2007.

Registration of Specialists

- 2.29 The VCI must allow for the registration of veterinary specialists in each veterinary medicine specialism which the VCI, at its discretion, recognises. As well as recognising a specialism, the VCI must indicate which training body it recognises for the education of such specialists. Registered specialists, such as clinical pathologists, may advertise this fact in their signage and literature.
- 2.30 Registration of veterinary specialists is still at an embryonic stage in Ireland and recognition by a European academic institution is the *de facto* route to specialisation. UCD provides a number of specialist courses recognised by the European Board of Veterinary Specialisation. The lack of registered veterinary specialists in Ireland is partly explained by the limited availability of staff and clinical resources at UCD to oversee specialist training programmes, but more so by the generalist nature of much veterinary work. Specialist training in Ireland takes place at the UCD Veterinary Hospital (UVH) and usually takes place by means of specialist residential training lasting three years. These salaried residential positions often require candidates to successfully complete professional examinations in their chosen specialisation. For example, a position for a resident in Small Animal Internal Medicine at the UVH advertised in September 2007 required the successful candidate to enrol for the Diploma of the European College of Veterinary Internal Medicine – Companion Animal (ECVIM-CA).²⁰

Registration of Veterinary Nurses

- 2.31 The Veterinary Practice Act 2005 allows for the establishment of a Register of Veterinary Nurses for the first time;²¹ thus veterinary nursing became a regulated profession in Ireland on 1 January 2008. The Act provides for a period of grace up until 1 July 2008 to allow veterinary nurses to complete the registration process. However, after that date the title “*veterinary nurse*” can only be used by those registered with the VCI.
- 2.32 The Act provides for two forms of registration:
- Registration as a veterinary nurse where the registrant has undergone education and training validated by the VCI; and
 - Provisional registration as a veterinary nurse, where the registrant has professional experience but no academic qualifications, as long as he or she commits to participate in a VCI-approved programme of education and training.
- 2.33 There are currently three providers of veterinary nursing courses in Ireland. UCD offers a diploma course with approximately 33 places, Athlone Institute of Technology has 35 places on its degree course while St. John’s Central College Cork offers up to 72 places on its FETAC Certificate course. UCD’s course has been accredited by the VCI.
- 2.34 Despite the requirement for registration, many veterinary nurses appear to be unaware of the impact that statutory recognition will have on the profession.²² If this proves to be the case, significant efforts will be required to raise awareness among veterinary nurses of the requirement for them to meet prescribed educational standards, should they wish to continue as members of the profession.

²⁰ www.ucd.ie/hr/html/vacancies/2007/academic/003082.htm. ECVIM-CA is a veterinary specialty organisation which was established in June 1994 by the European Society of Veterinary Internal Medicine. It was formed in response to a growing demand for specialised veterinary care for companion animals and a need to harmonise the certification of specialists within Europe. It was granted full recognition by the European Board of Veterinary Specialisation in 2002.

²¹ Section 93.

²² E-mail from Irish Veterinary Nurses Association to the Competition Authority, August 20th, 2007.

Fitness to Practise and Complaints

- 2.35 The VCI's Fitness to Practise Committee has the power to impose sanctions on vets who violate rules contained in the VCI's code of professional conduct up to and including removal from the register. Where the VCI decides to attach conditions to the continuing registration of a vet, or to suspend or remove a vet from the Register, he or she has the right to appeal the decision to the High Court.
- 2.36 A complaint against a registered vet must be made in writing and is considered in the first instance by the Council's Preliminary Investigation Committee which assesses the allegation, the evidence to support it and any comments or observations which the vet may have. The Preliminary Investigation Committee is composed of two vets and two non-vets. The VCI receives a report from the Committee on each complaint and if it decides that there is a case to answer, will refer the complaint to the Fitness to Practise Committee. The Fitness to Practise Committee hears evidence from both sides and if it finds the vet guilty it reports this to the board of the VCI. The Fitness to Practise Committee is composed of three vets, three non-vets and one lawyer. A person who is a member of the Preliminary Investigation Committee cannot be a member of the Fitness to Practise Committee at the same time.

Representative Bodies

- 2.37 **Veterinary Ireland**²³ is the representative body for all vets in Ireland. It was formally established in 2002 following a restructuring of the veterinary representative bodies.
- 2.38 The membership of Veterinary Ireland is divided into six interest groups who mirror, to some degree, the representation of the old representative bodies: food animal, equine, companion animal, state sector employees, local authority employees and education research and industry. Veterinary Ireland is registered as a trade union with the Registry of Friendly Societies and is affiliated to Irish Congress of Trade Unions.
- 2.39 The **British Small Animal Veterinary Association**²⁴ (BSAVA) maintains an Irish branch, although it is unclear how many members there are in Ireland.
- 2.40 The **Irish Veterinary Nurses Association**²⁵ (IVNA), established in September 2002, is the representative body for veterinary nurses in Ireland.

Categories of Veterinary Services

- 2.41 Four broad categories of veterinary services are provided in Ireland:

- Food animal services;
- Companion animal services;
- Equine care; and
- Inspection and certification services.

23 Veterinary Ireland was formed following the publication of the 1995 Delany Report which had been commissioned by the VCI. At that time, a number of bodies represented veterinary practitioners in Ireland. The Delany Report found that this fragmentation and lack of co-operation was damaging the profession.

Accordingly, it was decided to establish a single representative body following the amalgamation of the following bodies; the Irish Veterinary Association; the Irish Veterinary Union; the Irish Companion Animal Veterinary Association; the Veterinary Officers Association and the Local Authority Veterinary Officers Association.

24 www.bsava.com/aboutus/regions/republicofireland/

25 www.irishvna.com/ivnapres.htm

Demand for Veterinary Services

- 2.42 Demand for veterinary services for companion animals is increasing as a result of rising incomes in Ireland and scientific developments in the field of animal healthcare.
- 2.43 There has been a marked decline in the number of food animals which is likely to continue as the number of farms decrease and the emphasis on food production switches from high volume to higher quality produce. Rigorous testing of food animals will therefore be required if Ireland is to retain its status as a producer of high quality disease-free meat.
- 2.44 As a result of an EU Directive²⁶ an increasing number of animal medicines and remedies have been designated as 'Prescription Only Medicines', meaning that animal remedy prescriptions should only be issued by a vet and under specific conditions.
- 2.45 Overall, it is likely that the demand for veterinary services in the foreseeable future will remain buoyant but with an increasing emphasis on companion animal care.

Demand for Veterinary Services for Food Animals

- 2.46 Demand for veterinary services for food animals comes from farmers. Reputation is particularly important within the agriculture sector and, as a result, farmers tend to use the same vet over time, particularly given the often unsocial hours and inclement conditions in which vets must work. Direct advertising to farmers appears to be rare. Most vets attempt to build up a reputation by word of mouth and through activities such as writing articles for farming journals or holding group seminars with farmers.
- 2.47 Within the food animal category, there are further divisions between the diagnosis and treatment of animals, and services supplied due to regulatory requirements, such as testing for bovine TB and brucellosis under the Department of Agriculture, Fisheries and Food's Disease Eradication Schemes, and other veterinary inspection services. These schemes require cattle to undergo annual bovine TB and brucellosis testing. The farmer is responsible for arranging testing and payment directly with the vet. The Department of Agriculture, Fisheries and Food will only pay for testing in the following circumstances:
- Contiguous testing (i.e. testing of a herd where a neighbouring herd has been found to be infected) or in a black-spot area;
 - Compulsory repeat testing in the case of a herd owner whose herd has been found to be infected. Two further 'clear' tests are required after a test shows a herd to be infected.
- 2.48 As Table 3 shows, numbers for primary food animals - cattle, sheep and pigs - have all declined in recent years. Pig numbers have declined by 6% and cattle numbers by 5% since 2000. However, a significant drop in the order of 18-25% has been recorded in sheep numbers over the past six years. It is therefore reasonable to conclude that this would have contributed to a decline in demand for services in relation to the diagnosis and treatment of food animals over the period 2000-2006.

26 EU Directive 2004/28/EC governing the control and distribution of veterinary medicines.

Table 3: Livestock Numbers 2000-2007 (thousands)

Type of livestock	June '01	June '02	June '03	June '04	June '05	June '06	June '07
Cattle	7050	6992	6967	7016	6888	6916	6710
Sheep	7330	7210	6849	6777	6204	5973	5471
Pigs	1741	1770	1713	1653	1681	1643	1588

Source: CSO

2.49 The recent reforms of the Common Agricultural Policy (CAP) may further reduce the demand for veterinary services for food animals. Under CAP reforms introduced in January 2005, farmers receive an annual single payment which is decoupled from the number of animals they keep. Accordingly, any incentive which farmers previously had to maintain high livestock numbers in order to maintain EU subsidy payments has now been removed. As a result of concerns regarding BSE, foot and mouth disease and other contagious food animal diseases, food animals are likely to be subject to continuous rigorous inspections in the future. This will maintain demand for veterinary services relating to testing of food animals.

2.50 Research undertaken by the Agri Vision 2015 Committee²⁷ suggests that the number of operating farms will continue to decline with farming becoming an increasingly part-time activity.

Table 4: Baseline Projections of Farm Population 2002-2015

Farm Group	2002	2010	2015
Viable farms	38,700	35,000	30,000
Non-viable; part-time	37,000	50,000	37,000
Transitional	60,400	35,000	38,000
Total	136,100	120,000	105,000

Source: Section 16 of the Veterinary Practice Act 2005

2.51 The number of Irish farms is expected to decline by 23%, from 136,100 in 2002 to 105,000 in 2015. By 2015, one third of the farm population will be classed as 'economically viable', another third of farms will be 'economically unviable' with the farm owners working primarily off the farm to supplement their income and the remaining third will be 'transitional farms' characterised as having an elderly farmer with no identified heir.

27 Report of the Agri Vision 2015 Committee available at www.agri-vision2015.ie/AgriVision2015_PublishedReport.pdf

- 2.52 However, new threats to animal health, such as Johne's Disease²⁸, Infectious Bovine Rhinotracheitis²⁹ (IBR) and bovine mastitis³⁰ will become increasingly important as a result of the globalisation of food markets and animal products. In response, Ireland may need to broaden the scope of its disease-eradication programmes which could increase the demand for veterinary services.

Table 5: Average Annual Household Veterinary Expenditure 2004-2005

	Urban Areas	Rural Areas			State
		Farm Households	Other Households	All Rural Households	
Pet medicine	€3.12	€8.32	€3.12	€3.64	€3.12
Veterinary services	€33.80	€4.68	€17.16	€15.08	€26.52

Source: CSO³¹

- 2.53 The 2002 census recorded 1,287,958 households in the country. This implies a total spend of €20.7 million on veterinary services by all households in the State for veterinary services for companion animals. The 2006 census recorded 1,469,521 households in the country implying a total spend of €38.9 million on veterinary services for companion animals, an increase of 88% in 4 years. By the same token, the total amount spent on medicines for companion animals in 2004-5 was €4.5 million; a 71% increase from the 2000 figure of €2.7 million.³²
- 2.54 These figures show that annual household expenditure on companion animals has increased significantly in the past six years, both for veterinary services and for pet medicines. This indicates that demand for companion animal care has increased in recent years.
- 2.55 Market enquiries confirm that companion animal care has been an area of rapid growth in recent years, mainly fuelled by increasing disposable income. This trend is showing no signs of abating.³³

Demand for Specialist Veterinary Services

- 2.56 Two more specific sources of demand are for:
- Specialist referral services for extremely sick animals - both companion animals and food animals; and,
 - Skilled specialist services in the bloodstock industry, i.e. for thoroughbred racehorses.
- 2.57 Demand for equestrian and specialist services is expected to remain relatively constant.³⁴ UCD's University Veterinary Hospital acts both as an academic teaching and research resource for the veterinary profession and also as a referral centre for vets for all species in Ireland. The University Veterinary Hospital is the only such referral resource in the State³⁵, and provides an extensive suite of services, ranging from diagnostic imaging through to a canine blood donation service.

28 Johne's Disease is a contagious bacterial disease of the intestinal tract most commonly seen in dairy cattle.

29 Infectious Bovine Rhinotracheitis (commonly called IBR or red nose) is an acute, contagious virus disease of cattle. This infection usually occurs in the air passages of the head and the wind pipe.

30 Bovine mastitis is a significant disease in Ireland that affects all dairy herds. The disease may induce changes in the appearance of milk (clotting, discoloration etc.) and inflammation in the affected udder quarter but most infections are subclinical (hidden) with no alteration in the appearance of either milk or udder tissue.

31 Companion animals only. CSO (2007), *Household Budget Survey 2004 - 2005*, CSO, Dublin.

32 This data was compiled by reference to the Household Budget Survey Final Results 1999-2000 and 2004-2005 and the 2002 and 2006 censuses.

33 Based on market enquiries by the Competition Authority.

34 Based on market enquiries by the Competition Authority.

35 http://www.ucd.ie/vthweb/director_letter_to_vets.html

- 2.58 Equine vets are distributed throughout the country, although geographic clusters occur in the centres of the bloodstock industry, most notably around the Curragh and the Golden Vale. The number of racehorses in training in Ireland has increased from 5,470 in 2002 to 6,585 by the end of 2006, an increase of over 20%.³⁶ Ownership of racehorses - including syndicates - increased from 4,174 to 5,207 over the same period. These statistics suggest that demand for veterinary services in the bloodstock industry has been buoyant in recent years.
- 2.59 The Irish sport horse population numbers approximately 110,000,³⁷ making Ireland the most densely populated equine country in Europe. Some 40% of the national sport horse herd is involved in equestrian activities such as hunting, trekking, show jumping, leisure riding, carriage and driving, while 55% of all animals are classified as breeding stock and/or young stock. The sport horse population increased by 9% between the last two agricultural censuses and interim figures indicate a continuing upward trend.
- 2.60 Approximately 23,000 greyhounds are named in Ireland each year of which approximately 8,000 are exported mainly to the UK. While there are no specialists in the area of greyhound veterinary care, a small number of vets have established reputations within the sport.

Public Sector Demand for Veterinary Services

- 2.61 There is extensive public sector demand for veterinary services for food animals. This demand falls into a number of categories, such as inspection of meat and rendering plants, disease-eradication schemes, and contagious disease outbreaks.
- 2.62 There are approximately 300 vets employed on a permanent basis by the State Veterinary Service.³⁸ These vets engage in veterinary work required by statute or regulation, such as meat plant inspection, certification of milk products for export, disease eradication, residue control, preventing and addressing localised outbreaks of infectious animal diseases and engaging in specialised laboratory and research work through the Veterinary Research Laboratory Service (VRLS).
- 2.63 The Department of Agriculture, Fisheries and Food also employs private practice vets on a temporary basis to carry out inspections at meat processing plants. These are known as Temporary Veterinary Inspectors (TVIs). Approximately 700 private practice vets undertake TVI work and fees for these services are set by the Department of Agriculture, Fisheries and Food. The total cost to the Department of Agriculture, Fisheries and Food of employing permanent and temporary veterinary inspectors in 2007 was €58.8 million.³⁹
- 2.64 Separately, the State Veterinary Service may employ vets on a part-time basis to oversee disease control and eradication schemes which may be put in place from time to time, for example to address the threat posed by foot and mouth disease, blue tongue disease, equine infectious anaemia and classic swine fever, among others.
- 2.65 The State Veterinary Service also provides specialised analysis through the VRLS, which is composed of the Central Veterinary Research Laboratory (CVRL) in Castleknock, Co. Dublin and the Regional Veterinary Laboratories in Sligo, Cork, Kilkenny, Athlone and Limerick. The VRLS employs 37 vets and 63 technical staff.⁴⁰

³⁶ Horse Racing Ireland Factbook 2006.

³⁷ Irish Horse Directory; www.irishhorsesdirectory.com

³⁸ E-mail from the Department of Agriculture, Fisheries and Food, 21st November, 2007.

³⁹ Figures compiled by the Department of Agriculture, Fisheries and Food.

⁴⁰ Egan, J. Veterinary Laboratory Service & the TB programme. Conference presentation available online at http://www.agriculture.gov.ie/animal_health/TB_Strategy/speakers/j_egan.pps#354.1.Veterinary

Inspection of Meat Plants

- 2.66 Section 35 of the Abattoirs Act 1988 requires local authorities to employ vets as “*whole-time veterinary inspectors*” of abattoirs. Accordingly, approximately 30 vets⁴¹ are employed as veterinary inspectors on both a full-time and a part-time basis by local authorities. Local authority veterinary inspectors have a range of statutory responsibilities extending to the inspection of abattoirs, rendering plants, dairies and retail outlets. The Food Safety Authority of Ireland (FSAI) contracts with local authorities to provide inspection services for abattoirs and meat processing plants. The part-time veterinary inspectors perform a similar role to TVIs, and carry out *ante* and *post-mortem* meat inspection and certification duties.
- 2.67 Meat inspections are carried out by vets. These vets are either full-time veterinary inspectors employed by the State Veterinary Service, or TVIs, who are vets working in private practice temporarily contracted to provide statutory inspection services at meat plants or as part of disease eradication schemes. The State Veterinary Service employs approximately 300 vets on a full-time basis, while approximately another 700 vets are employed as TVIs, half of whom are employed on a regular basis, and half of whom are employed on an ad hoc basis. TVIs must be on the VCI Register and have undergone a two-week training course at a slaughter plant. This training consists of both theoretical training from the official veterinarian at the establishment and also practical training on the slaughter line in the duties and skills of a meat inspector.

Disease Eradication Schemes

- 2.68 The Department of Agriculture, Fisheries and Food operates a number of long-term schemes which involve the participation of vets for testing and diagnosis purposes. For example, the eradication scheme for Aujeszky's disease, which affects pigs, was launched in 2002. However, a bovine tuberculosis eradication scheme has been in existence in one form or another since 1950⁴² while a brucellosis eradication scheme has been in existence since at least 1966.⁴³ The TB eradication scheme was rendered compulsory in 1959.⁴⁴ The main aspect of the TB and brucellosis disease eradication schemes is annual testing of the national herd by vets both from the state veterinary service and TVIs, and monthly milk testing in the case of brucellosis. While TB testing must be carried out by vets, under the brucellosis in Cattle (General Provisions) Order, 1991, as amended, brucellosis testing may also be carried out by authorised officers.⁴⁵ However, in practice bovine TB and brucellosis tests are normally conducted at the same time.
- 2.69 Private vets carrying out TB testing under the disease eradication schemes must be included in the VCI Register, be authorised by the Minister for Agriculture, Fisheries and Food and be approved to carry out TB testing by the Department having attended formal training and displayed competence under supervision. Annual checks on private vets engaged in TB testing are also carried out by personnel from the District Veterinary Office of the Department of Agriculture, Fisheries and Food.⁴⁶
- 2.70 Farmers are responsible for arranging annual herd tests with their vet. Generally, except where a test proves positive, the farmer pays the vet for carrying out both the TB and brucellosis tests. A survey carried out by the *Farmers' Journal* in January 2005 found that vet call-out charges for private TB and brucellosis testing ranged from €32 to €57. Any second or subsequent herd level TB test within the 12 month period is ordinarily paid for by the Department of Agriculture, Fisheries and Food.⁴⁷ Fees for private TB and brucellosis testing are a matter for the vet and the client. However, fees for testing carried out under the Department of Agriculture, Fisheries and Food schemes were set in October 2002.

41 <http://www.irishjobs.ie/ForumWWW/IndividualArticle.aspx?ForumTypeID=2571>

42 Good, Margaret, “Ireland's TB Eradication Policy”. Conference Presentation available online at www.agriculture.gov.ie/animal_health/TB_Strategy/speakers/m_goodpps#308.3.Recap

43 Veterinary Ireland (2002), *Bovine Brucellosis Eradication Programme*, September 2002. Available online at www.veterinaryireland.ie/policies/POLICY%20DOC%20-%20BRUCELOSIS.doc

44 O'Keeffe, J.J., (2007). “Description of a medium term strategy toward eradication of tuberculosis in cattle in Ireland”.

45 Brucellosis in Cattle (General Provisions) (Amendment) Order 2003.

46 Duignan, Anthony, “Quality Control of TB Programme”. Conference Presentation available online at [www.agriculture.gov.ie/animal_health/TB_Strategy/speakers/a_duignan.pps#301.1.Quality control of TB Programme](http://www.agriculture.gov.ie/animal_health/TB_Strategy/speakers/a_duignan.pps#301.1.Quality%20control%20of%20TB%20Programme)

47 Schedule of terms and conditions of the disease eradication compensation schemes available to herdowners whose holdings are restricted with TB and/or brucellosis. Available online at www.agriculture.gov.ie/animal_health/ERAD/ERAD_comp_scheme07.doc

- 2.71 Payments by the Department of Agriculture, Fisheries and Food to vets for TB testing are made on a fee-per-test basis. There has not been any increase in the fees since 2002. However, since 2004 the fees have been topped-up by lump sum payments based on increases in the Social Partnership Agreements in return for the participation by individual vets in the modernisation process. This mainly involves engagement with the Department of Agriculture, Fisheries and Food via a new computer system known as the Animal Health Computer System. Vets who participate in the computer system have received increases, on average, of 30% between 2004 and 2007. The 3% of vets who have stayed with the manual system have not received any increase.
- 2.72 Approximately 22%, the largest share of the cost of the tuberculosis eradication scheme, was accounted for by vet fees during 2006.⁴⁸

Supply of Veterinary Services

- 2.73 The majority of vets are engaged in private practice and supply their service directly to clients – mainly farmers, pet-owners and the State.
- 2.74 Veterinary practices may range in size from sole practitioners to large partnerships with a number of qualified vets, often offering semi-specialised and ancillary treatments and services.
- 2.75 Many rural areas are served by a single veterinary practice which tends to specialise in food animal care. A number of submissions to the Competition Authority noted the increasing difficulty in accessing out-of-hours veterinary services.
- 2.76 Companion animal practices supply veterinary services primarily for smaller household pets. Many companion animal practices offer a 'one-stop-shop' service similar to a hospital, providing a wide variety of services including diagnostics, vaccinations, surgical procedures, dental care, behavioural advice and in-patient care. The majority of small animal work involves routine procedures rather than emergencies.
- 2.77 A small number of practices offer services to the equestrian sector, supplying veterinary services directly to racehorse trainers and stud farms. These practices generally focus almost exclusively on such services, and are usually located near the centres of the Irish bloodstock sector around the Curragh and the Golden Vale.
- 2.78 Overall market trends indicate that an increasing number of vets are choosing to pursue a career in companion animal care in preference to food animal practice. Data provided by Veterinary Ireland indicates a growing interest among its members in equine and companion animal care. Membership of Veterinary Ireland's companion animal sub-group has risen by 64% since 2001 while membership of the food animal sub-group has risen by only 6% over the same period.
- 2.79 The overall supply of vets has risen in the last twelve years. In 1996, there were 1,944 vets on the Register, but that had risen to 2,376 by the end of 2007. While fewer than 25% of vets currently in practice are women, at least 70% of Irish vets in training are women.⁴⁹

Table 6: Number of Veterinary Practitioners on the Veterinary Register 1997-2008

Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Registered Vets	1,991	2,024	2,078	2,140	2,205	2,228	2,282	2,322	2,370	2,418	2,376	2,446

Source: VCI

48 €8.59m out of a total spend of €38.3m. Data sourced from presentation by Angela Robinson, "TB Eradication Expenditure", available online at www.agriculture.gov.ie/animal_health/TB_Strategy/speakers/a_robinson.pps#297.1 TB Eradication Expenditure

49 www.irishjobs.ie/ForumWW/WWIndividualArticle.aspx?ForumTypeID=2571

- 2.80 The Register is not a perfect measure of the supply of vets, as some registrants may be retired. However, it is a very good measure of the rate at which the supply of veterinary services is increasing. Over the last twelve years, even allowing for a high proportion of retired vets, the supply has increased by just over one fifth.
- 2.81 Of the 837 new registrants on the Register from 2001 to 2007, 59% graduated from UCD, a further 11% graduated from universities in the UK while the vast majority of the remaining 30% graduated from universities in other EEA Member States. Very few (1.3%) registrants graduated from universities in non-EEA Member States. Less than two-thirds of Ireland's requirement for vets is being met in Ireland.

Supply of Specialist Veterinary Services

- 2.82 According to UCD, there is a growing trend towards specialisation in the veterinary profession; and thus rapid expansion in UCD's specialist training programmes, although the numbers it can accept for specialist training are limited by available staff and clinical resources.
- 2.83 UCD, as well as being the only undergraduate degree provider, runs the University Veterinary Hospital. The hospital provides an environment for students to obtain practical clinical experience, and also operates as a veterinary surgery for the local community mainly specialising in companion animal care. Since many of its staff have specialised qualifications and experience, it also accepts referrals from vets all over Ireland. In addition to services such as general medicine, radiology, anaesthesia and surgery, the University Veterinary Hospital provides several special techniques for diagnosing disease and treating some conditions that do not require other, more invasive measures. Its ultrasound and endoscopy facilities are examples of services available at the hospital that are not routinely offered elsewhere.
- 2.84 Generally, the only other hospitals providing specialist care and procedures specialise in equestrian medicine and are typically located in the Curragh and the Golden Vale.

Veterinary Practitioners' Incomes

- 2.85 The main sources of income for vets are:
- Fees for emergency call-outs, consultations and dispensing;
 - Surgery work;
 - Sale of animal medicines and food;
 - Part-time appointments held (e.g. meat inspection); and
 - TB and brucellosis testing.⁵⁰
- 2.86 Statistics provided by the Revenue Commissioners indicate that vets earn incomes significantly above the average industrial wage. The most recent data available, for 2002, indicate that 65% of all vets earned more than twice the average industrial wage. While just under half of newly qualified vets earned €30,000 or less in 2002, over 60% of vets with ten years experience or more earned €60,000 to €150,000 per annum. Thus, vets' incomes vary widely according to degree of experience.⁵¹ Table 7 illustrates vet earnings in 2002.

⁵⁰ Revenue Commissioners (2001). *Audit Instructions – Trade Profiles: Veterinary Surgeons*.

⁵¹ Income figures used in this report were provided by the Revenue Commissioners. The Revenue Commissioners matched a large random sample from the Veterinary Register to the corresponding Revenue records for vets declared income from providing veterinary services and provided the Competition Authority with an anonymised version of the results. The income figures refer to individual vets' gross earnings from veterinary services (whether as a PAYE employee or a self-employed sole trader) before tax, net of business expenses.

Table 7: Veterinary Practitioners Income by Years in Practice 2002

Experience (years)	Average Income	Median Income	Over €54k ⁵²	Over €100k
0-3	€37,750	€33,642	18%	2%
4 to 6	€56,317	€56,317	36%	8%
7 to 9	€65,969	€65,969	37%	15%
10 to 12	€75,593	€72,035	47%	25%
13 to 42	€91,788	€83,044	46%	35%
Over 42	€44,506	€40,725	35%	0%
All	€76,685	€68,980	65%	24%

Source: Revenue Commissioners

2.87 Owners of veterinary clinics may also earn profits in addition to salary income. The key factors which influence the profitability of veterinary clinics are:

- Location and size of practice;
- Seasonality of work;
- Drug costs;
- Payment patterns;
- Debtors;
- Mark-up;
- Practice efficiency;
- Competition; and
- Facilities.⁵³

2.88 The income of veterinary nurses is considerably lower than the income of vets. In late 2004, the IVNA carried out a national wage survey of veterinary nurses.⁵⁴ The results indicated that in 2004, veterinary nurses tended to earn in the region of €10,000 to €24,000 gross per annum as depicted in Table 8. The average industrial wage in 2004 was €29,160 and the average industrial wage for females was €21,115 (most veterinary nurses tend to be female).⁵⁵

⁵² €54,000 was twice the average industrial wage in 2002.

⁵³ Ibid.

⁵⁴ IVNA National Wage Survey Report, IVNA Newsletter, Issue 2, December 2004.

⁵⁵ CSO (2007), *Industrial Earnings and Hours Worked*, CSO, Dublin, June 2007.

Table 8: Basic Gross Annual Earnings for Veterinary Nurses 2004⁵⁶

Type	Per Annum
All nurses	€15,858
Qualified	€23,512
Unqualified	€13,090
Full time	€16,644
Part time	€9,178
Practice Managers ⁵⁷	€17,355
Head nurse ⁵⁸	€22,207

Source: IVNA National Wage Survey

Price of Veterinary Services

- 2.89 There are wide variations in fees charged by vets and in charging methodologies.⁵⁹ Some practices charge a consultation fee and a charge to cover the cost of the medicines used, while in other cases the consultation fee includes the cost of routine drugs. Generally, a vet will charge a standard call-out fee, with variations for daytime, evening and night-time calls. There may also be higher charges for mileage outside a specific area. Prices also vary for surgery work. Where drugs are sold without consultation, a dispensing fee may be added to the price of the drugs sold.
- 2.90 According to data from the CSO, the price of private veterinary services in the agricultural sector has generally increased in line with the general rate of inflation and the rate of inflation for agricultural inputs over the last twelve years.

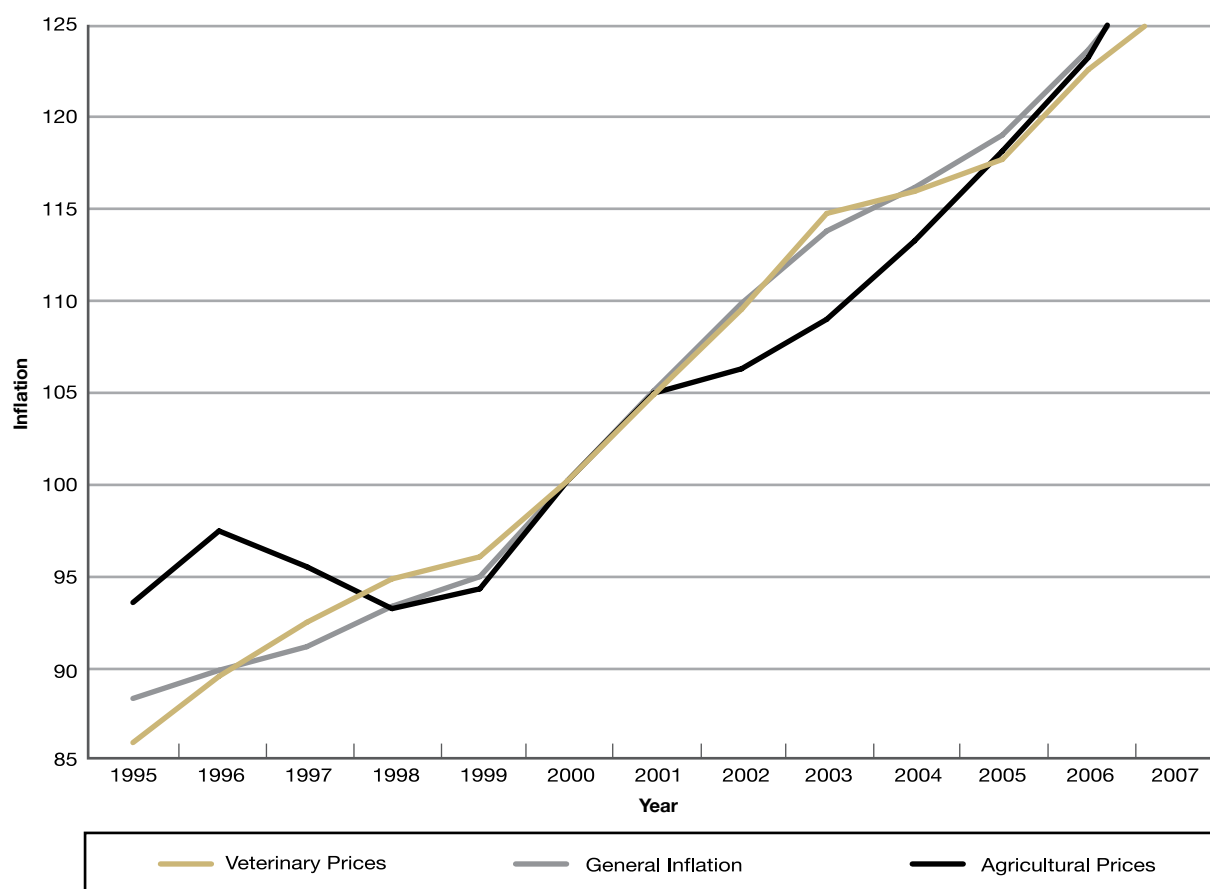
⁵⁶ IVNA National Wage Survey Report, IVNA Newsletter, Issue 2, December 2004, p.3.

⁵⁷ Both qualified and unqualified.

⁵⁸ Both qualified and unqualified.

⁵⁹ Revenue Commissioners (2001), op cit.

Graph 2: Inflation in Food Animal Veterinary Prices, Agricultural Inputs and General Inflation 1995-2007



Source: CSO

- 2.91 The CSO is the most reliable and consistent source of accurate and unbiased data on agricultural veterinary prices. The information compiled by the CSO in relation to veterinary fees covers 15 specific treatments on which information is collected from up to 40 vets around the country every quarter.⁶⁰ While the CSO does not collect data from vets on the price of every treatment, the 15 treatments it collects data on provide the most reliable guide to changes in the price of all agricultural veterinary prices paid by farmers.

⁶⁰ These treatments are: 1. 30 Day Pre-movement Test - (i) T.B. Testing, (ii) Brucellosis testing, and (iii) T.B. and Brucellosis testing; 2. Drystock - (i) Pneumonia and (ii) Red water; 3. Dairying - (i) Calving, (ii) Mastitis, (iii) Milk fever and (iv) Tetany; 4. Sheep - Lambing; 5. Pigs (i) Farrowing, and (ii) Scours; and 6. Horses - (i) Foaling, (ii) Castration, and (iii) Worming.

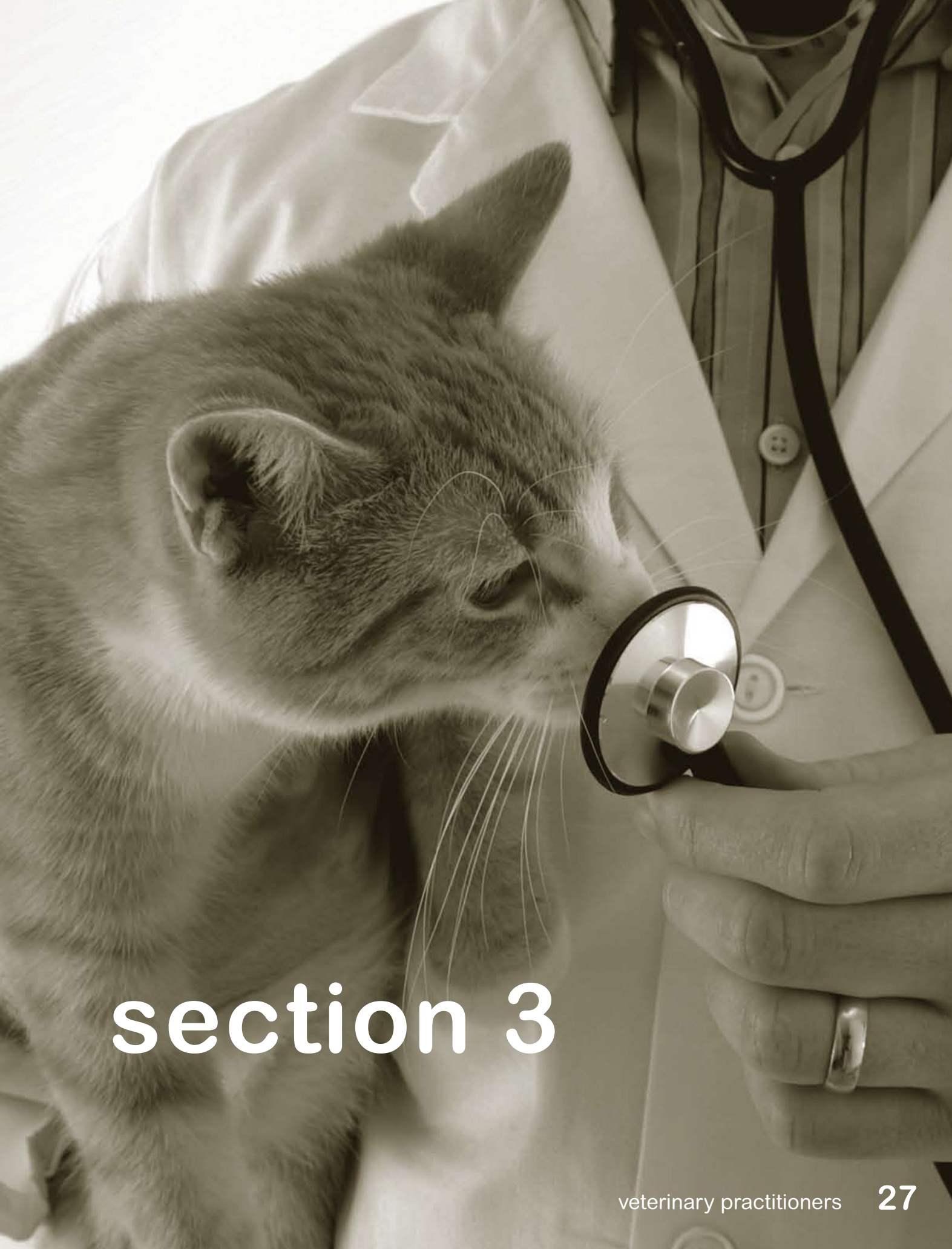
2.92 Data from the CSO indicate that veterinary prices have increased broadly in line with other agricultural input costs over the past decade.

Table 9: Agricultural Price Index 1995-2006

Agricultural Input Price Indices (Base 2000=100) by Agricultural Product and Year												
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Index	93.4	97.3	95.3	93.0	94.1	100	104.8	106.1	108.8	113.1	118.0	123.1
Feeding Stuffs	103.4	107.9	103.5	98.6	97.4	100	105.0	106.5	106.5	110.8	109.0	111.1
Fertilisers	96.4	101.0	94.8	91.3	93.3	100	113.4	110.5	113.0	115.1	124.5	133.1
Energy	71.7	76.6	78.2	75.9	80.2	100	97.08	97.1	102.9	112.6	131.7	143.1
Other Products	90.3	91.2	92.7	93.6	95.9	100	105.9	110.3	114.1	116.9	121.0	124.0
Seeds	98.0	103.4	100.5	102.0	102.1	100	103.7	107.4	115.1	116.1	115.7	120.1
Plant Protection	97.5	100.8	100.4	100.8	100.6	100	100.8	101.6	101.6	103.2	102.7	101.7
Vet Prices	85.8	89.3	92.3	94.7	95.9	100	104.7	109.4	114.7	115.8	117.6	122.4

Source: CSO

2.93 The Agricultural Price Index monitors trends in prices paid to farmers for their produce and paid by farmers for purchases of goods and services. The index prices used are before deduction of levies and exclude value added tax. Standardised prices are used for milk and cereals to ensure that products of identical quality are priced in successive periods. The index is compiled from a wide variety of sources, including direct CSO surveys and administrative data from the Department of Agriculture, Fisheries and Food. The methodology is harmonised throughout the EU. There is no data available on the price of companion animal services.



section 3

3. RESTRICTIONS ON OFFERING VETERINARY SERVICES

Summary

- 3.1 While there do not appear to be any pressing restrictions on those wishing to provide veterinary services, new methods of delivery of veterinary services should be considered in the wider context of overall food animal health, the increasing regulatory demands for testing, and securing Ireland's competitive advantage as a high quality food producer. Training non-vets to appropriate standards to provide certain routine work, such as TB testing services, could have benefits in terms of freeing vets to focus on the more complex tasks that only they can provide.
- 3.2 The number of training places on the State's only Veterinary Science course in UCD, has remained static in recent years. The inflow of qualified vets from overseas has limited a perceived skills shortage in food animal practices, the limited number of training places available in UCD could lead to a shortage of vets in the future if the number of foreign-trained vets working in Ireland declines. Any reversal of recent trends has the potential to create upward pressure on the prices of veterinary care. This situation should be monitored closely by the Expert Group on Future Skills Needs (EGFSN) and the Higher Education Authority (HEA). Additionally, the number of veterinary practices providing food animal veterinary services should be monitored by the Department of Agriculture, Fisheries and Food.
- 3.3 Given the lack of alternatives to vets in some rural areas for the performance of routine testing for diseases such as bovine TB and brucellosis, the Competition Authority explored the possibility that para-professionals could be permitted to provide certain veterinary treatments that they are suitably qualified to provide. A para-professional is a trained worker who is not a member of a recognised profession but who assists or complements professionals in the fulfilment of their role. In particular, it may be possible for suitably qualified para-professionals to conduct TB testing. International evidence indicates that appropriately trained non-vets can conduct TB tests to the same level as vets. This could have benefits in terms of freeing vets to focus on more complex tasks. The Department of Agriculture, Fisheries and Food should consider introducing a new para-profession of TB testers, in the wider context of overall animal health, increasing regulatory demands for testing, and Ireland's competitiveness in high quality food production.

Restrictions on the Number of Veterinary Training Places

Nature of Restraint

- 3.4 Since 1977, the UCD Faculty of Veterinary Medicine has been the only third-level training institution for vets in Ireland that is recognised by the VCI.⁶¹
- 3.5 The HEA currently funds 65 places in the Bachelor of Veterinary Medicine (MVB) course at UCD. Fee paying non-EU students, most of whom are from the United States, take up another 10-12 places and graduates entrants from other courses take up between five and seven places. A total of around 85 places is available each year.⁶²
- 3.6 There is no restriction on other institutions or private entities offering undergraduate courses in veterinary training, although such courses would have to meet the standards for recognition set by the VCI in order for their graduates to be eligible for registration as vets in Ireland.⁶³

61 www.ucd.ie/icrm2003/page4.htm. Formal veterinary education in Ireland commenced with the foundation of the Royal Veterinary College of Ireland (RCVI) in 1900. Veterinary practitioners educated at the college were examined and registered by the RCVS in London. From 1914 until 1946, responsibility for veterinary education at the college lay with the Department of Agriculture, after which responsibilities were shared between the Department and UCD. Teaching personnel were recruited from the Department of Agriculture. The RCVI retained a separate identity from both UCD and TCD until 1960, when the Department ceased providing teaching staff to the college. Trinity College Dublin established a Faculty of Veterinary Medicine in 1954; however this faculty was subsequently merged with the UCD faculty in 1977.

62 UCD's Bachelor of Veterinary Medicine programme was granted full accreditation by the American Veterinary Medical Association (AVMA) in 2008 and is one of only five veterinary schools currently accredited by the AVMA in Europe. AVMA accreditation means UCD veterinary graduates can apply directly for a licence to practise in the US and Canada without the need to pass a foreign graduates exam.

63 Section 64 (1), Veterinary Practice Act 2005.

Effects of the Restraint

- 3.7 Ireland is relying on foreign-trained vets, Irish or otherwise, to meet demand for veterinary services. The limit on training places here could lead to a shortage of vets in the future.

Rationale offered for the Restraint

- 3.8 The number of places for the Bachelor of Veterinary Medicine course is, to a large extent, determined by the amount of funding available.⁶⁴ Veterinary medicine is the second most expensive undergraduate training course after dentistry, costing around €26,000 per annum per student.⁶⁵ Training for veterinary students is expensive due to the high degree of practical training in small groups which requires a high level of supervision. According to the HEA, the cost of educating a veterinary student is 2.3 times greater than the unit cost of a medical student and 3.3 times the unit cost of a business studies student.
- 3.9 Apart from funding, the other main restraint on the provision of additional places is the availability of clinical cases for students to develop and hone their skills.

Views of Interested Parties

- 3.10 The HEA and UCD, in their submissions, acknowledged that veterinary medicine is a course long associated with high demand for places. In its submission, the HEA stated:

“The HEA has not been approached by the Department of Agriculture, Fisheries and Food, or any other organisation, concerning a shortage in the supply of veterinary surgeons in Ireland and is not aware of any such labour shortage. Any attempt to provide additional training places in the absence of this labour market demand would require that serious questions would need to be answered regarding the longer term employment opportunities of additional graduates.”

- 3.11 UCD’s submission draws attention to the high cost incurred in training professional vets:

“The education programme required for a veterinarian, as defined by Irish and European standards, is a broad one ranging from basic biological sciences through a study of disease processes, to applied clinical studies. Students must gain practical experience with farm and companion animals as well as horses and exotics. They must also have the opportunity to gain practical experience in public health and food safety assurance, as well as acquire the ability to communicate effectively, to understand professional ethics and to have a working knowledge of relevant legislation. This requires significant resource inputs both in terms of appropriately qualified staff and facilities. There are, therefore, significant economies of scale.”

- 3.12 The HEA does not specify a cap on the number of places provided – these decisions are made by the institutions themselves. The institutions make decisions regarding course provision on the basis of student demand and the economic demand for particular skills needs. The HEA notes that there are risks involved in increasing the number of places for a course (e.g. graduates may be unable to find employment, there is a cost to the State in providing courses) and these need to be considered.

64 Submission by Dr Grace Mulcahy, Dean of Veterinary Medicine, University College Dublin.

65 Higher Education Authority.

- 3.13 UCD has indicated to the Competition Authority that more places could be made available if the level of HEA funding was increased to cover the cost of more veterinary training places. The new facility at UCD means that physical constraints are no longer an issue.
- 3.14 The majority of submissions favoured a review of the number of veterinary training places in Ireland. The Irish Farmers Association (IFA) and the Irish Creamery Milk Suppliers Association (ICMSA) claim a growing unavailability of vets in parts of rural Ireland, especially for emergency or non-working hours procedures. Both organisations therefore recommend that the number of training places for vets be increased.
- 3.15 The ICMSA submission states:
- “In many remote parts of rural Ireland, the unavailability of vets has now become an issue with the local vet in some extreme cases over 80 kilometres from farms. Measures need to be taken to encourage veterinary practices to set up in these areas again. An increase in the number of places at veterinary college would be an important measure in this regard.”*
- 3.16 These concerns are echoed in the IFA submission which states:
- “It is the IFA’s contention that the low number of veterinary places in Ireland, combined with the major shift towards small animal practice of those qualifying is contributing to the lack of service and competition available to farmers.”*

Analysis of the Competition Authority

- 3.17 The UCD Bachelor of Veterinary Medicine (MVB) course is administered through the CAO; accordingly, places are allocated on the basis of points scored in the Leaving Certificate examination. There are about 85 places and demand for this course is extremely high. In 2006 UCD had 638 applications from Ireland and 99 overseas applications.⁶⁶
- 3.18 Students who are not accepted by UCD may consider the option of studying veterinary medicine abroad. Seven universities in the UK offer degree courses in veterinary medicine.⁶⁷
- 3.19 Data provided by the UK Higher Education Statistics Agency (HESA) and UCAS indicate that a relatively small number of Irish-domiciled students study in UK universities, with up to five Irish Students graduating each year.

Table 10: Irish Applications to UK Universities

Year	Applications	Accepted
2002/3	130	7
2003/4	164	4
2004/5	184	12
2005/6	167	10
2006/7	147	16
2007/8	132	14

Source: HESA and UCAS.

⁶⁶ Submission from Dr. Grace Mulcahy, Dean of the Faculty of Veterinary Medicine, UCD.

⁶⁷ Glasgow, Edinburgh, Cambridge, Bristol, Nottingham, Liverpool and the Royal Veterinary College.

- 3.20 The Faculty of Veterinary Science of Szent István University, Budapest, offers veterinary medicine degree courses through English and maintains a representative in Ireland.⁶⁸ Graduates of Szent István University's veterinary medicine degree course are qualified to be registered as vets in Ireland. There are approximately 100-120 places in the English language curriculum,⁶⁹ and the first Irish students enrolled in 1999.⁷⁰ In 2006, student numbers from Ireland attending Szent István were as follows:

Table 11: Irish Students at Szent István University, Budapest, 2006

Year	Irish Students
First	36
Second	11
Third	25
Fourth	9
Fifth	8

- 3.21 So far, two Irish students have graduated from the course.⁷¹
- 3.22 The University of Veterinary Medicine in Košice in the Slovak Republic also offers an English language degree course in veterinary medicine which is recognised for registration purposes by the VCI.
- 3.23 An excess of demand over supply does not of itself indicate that competition is necessarily being hindered. What is of concern is not whether every student who wishes to, can pursue a degree in veterinary medicine, but whether the training infrastructure allows for enough qualified graduates to satisfy the demand for veterinary services from consumers, be that the State, businesses, farmers or pet owners.
- 3.24 It is extremely expensive to train a veterinary medicine student due to the necessity to provide hands-on clinical training in small group environments. The HEA uses a model based on that of the Higher Education Funding Council in the UK for determining the costs of educating students during the clinical phase of their curriculum. Under this model, veterinary medicine ranks second only to dentistry in terms of the cost of training.⁷²

68 www.univet.hu/english/education/representatives.pdf The fees for the 5-year course are €10,980 per annum.

69 www.galwayfirst.ie/index.php?option=com_content&task=view&id=827&Itemid=416

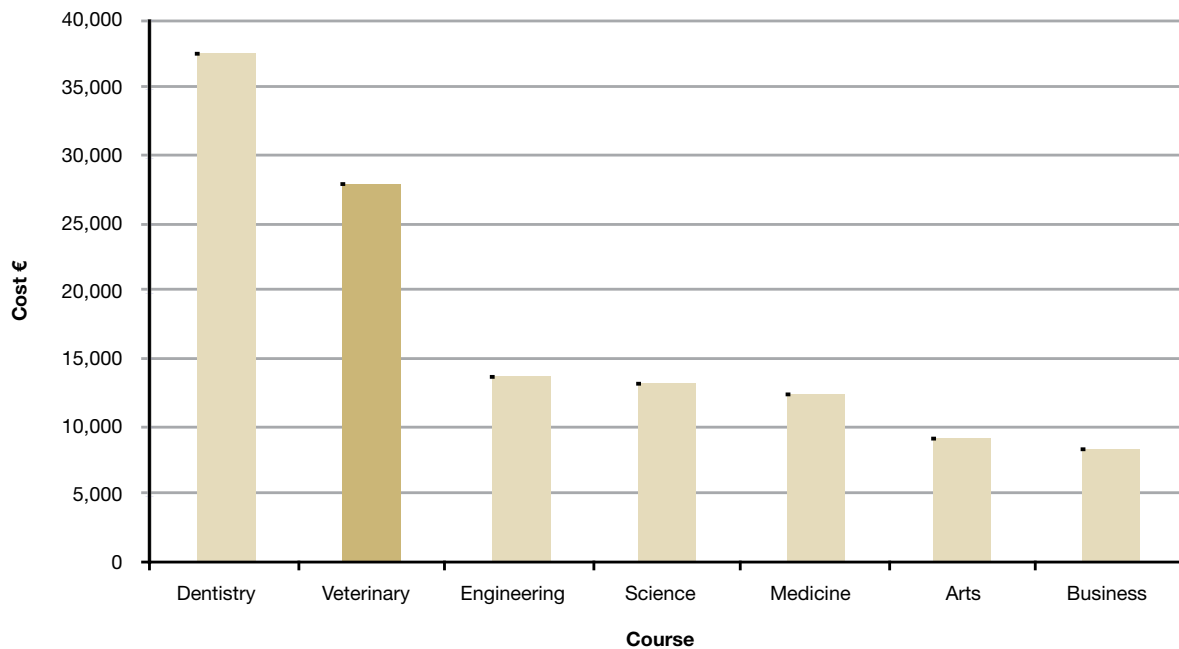
69 www.univet.hu/english/education/0708/vetengl0708.pdf

70 www.farmersjournal.ie/2004/0501/ruraliving/countrylifestyle/careerprofiles.shtml

71 Data provided by Dr. T.J. O'Leary, the Irish representative for Szent István University. Some currently inactive Irish students are expected to return to their coursework this year.

72 Submission from Dr. Grace Mulcathy, Dean of the Faculty of Veterinary Medicine, UCD.

Graph 3: Unit Cost of the Provision of Undergraduate Degree Programmes 2007/2008⁷³



Source: HEA

- 3.25 By EU standards, Ireland does not suffer from a comparative lack of veterinary education facilities. As the table in Appendix B indicates, of the 25 European states with populations between one million and eleven million, only five (Belarus, Portugal, Belgium, Switzerland and Bulgaria) have two veterinary training institutes while the rest have only one such facility.
- 3.26 The costs incurred in the provision of veterinary training are considerable. As well as the recurrent funding provided by the State for each veterinary student, capital expenditure is required to provide clinical training in laboratories, a veterinary hospital and a teaching farm for practical training. Nevertheless, it should be noted that the Veterinary Practice Act 2005⁷⁴ provides for other institutions to apply for recognition by the VCI should they choose to offer a veterinary training course in competition with UCD. While two institutions have applied for recognition of their veterinary nursing courses, the Competition Authority is not aware of any institution that has applied to the VCI for recognition of a degree level course in veterinary medicine.
- 3.27 Irish universities are autonomous institutions which have the freedom to develop programme provision in anticipation of, *inter alia*, the economic, social and cultural needs of society and student demand. The HEA, although not directly involved in course determination, has a role to play in state investment and grants in higher education and in managing issues that have been identified by the Government.⁷⁵

⁷³ Unit cost data is submitted to the HEA by the seven universities. The data is summarised into 'groupings' and the above represents the full-time undergraduate groupings. The latest complete set of data is for 2002/03 and this has been inflated using annual fee increases. This is considered the best indicator of pay and non-pay inflation for the university sector.

⁷⁴ Section 64(1).

⁷⁵ HEA submission: www.heai.ie

- 3.28 Given the high cost of training veterinary medicine students, and the role of the State in funding higher education, expectations regarding future demand for veterinary medicine graduates take on added significance. In this regard, the HEA works closely with the EGFSN, a cross-sectoral group established in 1997 tasked with developing an overall strategy for enterprise training in Ireland.⁷⁶ To date, neither the HEA nor the EGFSN has perceived any shortage in the supply of vets in Ireland.
- 3.29 Data collated by the FÁS Skills and Labour Market Research Unit, and published jointly with the EGFSN in the annual *National Skills Bulletin*, is used to predict likely future demand patterns for particular skills. The following data, collected over the past two years, gives an indicator of the demand and shortage characteristics of the veterinary profession.

Table 12: Demand and Shortage Indicators for Veterinary Practitioners

Indicator	2006	2007
Numbers employed	1,700	1,900
% Female	23.7%	20%
% Part-time	5.4%	7.2%
% over 55	14.7%	14.7%
% Non-Irish National	2.2%	6.1%
Annual average growth rate (over 5 years)	5%	5.8%
Work permits	5	3
Difficult to fill vacancies ⁷⁷	0	0
Replacement rate ⁷⁸	2.8%	2.8%
Shortage Indicator	No shortage	No shortage

Source: National Skills Bulletin 2007

- 3.30 The *National Skills Bulletin* estimates the replacement demand for an occupation by combining the percentage over-55 indicator with the replacement rate indicator. Using a combination of eleven indicators, the *National Skills Bulletin* determines whether a shortage exists, and whether this is a skills or labour shortage. In the past two years, no shortage has been found to exist in the veterinary profession.

⁷⁶ The EGFSN is a body appointed by the Government to advise it on aspects of education and training related to the future skills requirements of the enterprise sector of the Irish economy. The Group is composed of representatives from business, employees, education, Government Departments and State Agencies. The Group reports to both the Minister for Enterprise, Trade and Employment and the Minister for Education and Science.

⁷⁷ Number of responses from employers indicating difficulty filling vacancies.

⁷⁸ Defined as "the share of employment in an occupation which is expected to be lost each year as a result of workers moving to other occupations, retirement, illness, emigration or death". In other words, the replacement rate reflects the minimum number of persons required annually to preserve the existing employment stock in each occupation. The default replacement rate for all professions is 2.8%.

- 3.31 Registration figures compiled by the VCI show that between 2001 and 2007, 837 vets joined the veterinary register of which 375, or 45%, achieved their qualifications outside the State. The large proportion of foreign-trained vets on the register is worrying, however, as this inflow in additions to the register cannot necessarily be relied on in the longer term. Forfás - the national advisory body on enterprise and trade issues - and the EGFSN considered this issue in their submission to the Minister for Enterprise, Trade and Employment *“Skills Needs in the Irish Economy: The Role of Migration”* and listed a number of reasons why an exclusive reliance on immigration is not an ideal long-term solution to skills shortages in the healthcare professions. In relation to vets, the submission concludes:
“There is no evidence of shortages with ...veterinarians, though the age profile of veterinarians is a cause for concern.”
- 3.32 As the following table shows, the percentage of vets over 55 years of age is high compared to other professions with only doctors having a higher percentage of over-55's still in practice.

Table 13: Age Profile of Professions 2007

Occupation	Over 55 Years of Age
Doctor	16.2%
Vet	14.7%
Architect	9.8%
Solicitor	9.5%
Dentist	9.5%
Engineer	7.4%
Accountant	6.4%

Source: National Skills Bulletin 2007

Table 14: Membership of Veterinary Ireland Interest Groups⁷⁹

Group	2001	2002	2003	2004	2005	2006	2007	Growth 2001-2007
Food Animal	616	651	677	677	648	657	652	6%
Companion Animal	236	276	323	355	360	395	386	64%
Equine	135	170	202	215	220	235	247	83%
Education Research & Industry	23	23	19	44	45	28	32	39%
Total Membership	1,010	1,120	1,221	1,291	1,273	1,315	1,317	30%

Source: Veterinary Ireland

3.33 One aspect of the supply of vets that is not captured by the *National Skills Bulletin* is the overall market trend that demand for companion animal care will continue to rise, providing opportunities for vets in the future. Figures provided by Veterinary Ireland, and set out in Table 14, indicate an increasing interest among the profession in areas of veterinary medicine other than food animal care. It is difficult to predict how the growth in companion animal care will affect the availability of services in food animal care. However, the growth in the number of companion animal clinics in what were once mainly food animal practices suggests that the veterinary profession is adapting to this change in demand. It is therefore difficult to predict whether the shortage of vets reported anecdotally in rural areas is the start of a long-term trend not captured by the *National Skills Bulletin*.

3.34 However, if the supply of veterinary services for food animals was being overly restricted, we would expect to see prices for these services rising and this is not borne out by the data (see Graph 2 in Section 2).

Solution

3.35 While the entry of foreign-trained vets has increased the number on the Veterinary Register, it would be desirable, for the reasons set out in the report of the EGFSN, for Ireland to have sufficient training places to meet its own needs.

3.36 The HEA and the EGFSN should continue to monitor closely the number of vets and veterinary nurses to determine whether the number of places for veterinary training needs to be increased and, if so, to what level.

⁷⁹ Vets may be members of more than one interest group at any one time.

- 3.37 If the rise in demand for companion animal veterinary services is reducing the supply of vets providing food animal services, then this trend deserves closer scrutiny. The threat to Irish agriculture, and indeed to public health, from bovine TB and brucellosis is of such magnitude that State intervention is deemed necessary to contain and eventually eradicate these diseases. These state-run disease eradication programmes are underpinned by a testing system in which all cattle are tested annually. Any reduction in the number of vets willing to undertake such work in any geographical area has the potential to compromise the entire disease eradication programme. The best solution to such a problem may not necessarily be to train more vets, as this involves considerable expense, with no guarantee that the additional vets will not go into companion animal practice or go abroad. Other potential solutions include incentivising vets to work in rural areas or allowing para-professionals to provide certain veterinary services.
- 3.38 In the event of a decision to increase the number of training places available, expanding UCD's provision of training places should be considered, as well as inviting tenders from other institutions to provide similar courses.

Recommendation 1: Monitor the number of vets providing food animal services.

Details of Recommendation	Action By
The Department of Agriculture, Fisheries and Food should monitor the number of vets providing food animal services, especially in remote areas.	The Department of Agriculture, Fisheries and Food.

Restrictions on the Development of Para-professionals

Nature of the Restraint

- 3.39 The Veterinary Practice Act 2005 defines for the first time in Irish legislation the practice of veterinary medicine. One of the outcomes of this definition is that testing for diseases such as bovine TB is reserved for vets.⁸⁰ There is no provision for para-professionals other than veterinary nurses in the Act.
- 3.40 While the bovine TB test, which involves injecting tuberculin into the animal, can only be conducted by a vet, the test for brucellosis may be carried out by non-vets. However, in practice, brucellosis testing tends to be carried out by vets as both tests are normally conducted at the same time.

Effects of the Restraint

- 3.41 Farmers have no choice other than to use a vet for TB and brucellosis tests. This prevents the emergence of new ways of delivering a service (e.g. a standalone testing service which could visit farms to conduct tests). This restraint also prevents the emergence of competition between vets and other types of para-professionals.
- 3.42 The State also directly employs vets to carry out TB tests. If non-vets were trained to carry out TB tests, these vets could be freed up to provide other services that only they are qualified to do.

⁸⁰ Section 54(1)(a) Veterinary Practice Act 2005. Subject to Sections 55 and 59, a person, other than a veterinary practitioner, shall not do or perform any act, matter or thing the doing or performance of which forms part of the practice of veterinary medicine.

Rationale for the Restraint

- 3.43 It is unlawful under the Veterinary Practice Act 2005 for a person to use the title “veterinary practitioner” or to practise veterinary medicine without being registered by the VCI. This restriction on the supply of veterinary services is designed to protect the health and welfare of the animal population.

Views of Interested Parties

- 3.44 All parties who commented on this issue agreed that the possibility of allowing suitably qualified professionals other than vets to perform a routine procedure such as a bovine TB test should be further explored.
- 3.45 The IFA contends that, since the veterinary services market is local in scope, this contributes to a difficulty in the maintenance of competition:

“There may not be adequate work in an area to sustain a large number of vets and it is for this reason the IFA feel other suitably qualified people should be allowed to carry out a lot of routine work on farms to at least provide competition in these areas”.⁸¹

It adds that:

“The failure to recognise qualifications other than those held by veterinarians to carry out farm work such as testing under the ERAD schemes is a major contributor to a lack of competition in this field.”

- 3.46 The ICMSA has also expressed concerns about the cost of TB testing to farmers:

“The ICMSA is concerned that the cost of TB testing is very similar throughout Ireland and that no real competition exists. The annual TB/Brucellosis test now represents a significant cost on farms.”⁸²

International Experience

The UK

- 3.47 The UK Government consulted publicly in 2003 on proposals to introduce legislation that would permit TB testing by technical staff of Animal Health, the State Veterinary Service, and other non-vets (i.e. veterinary nurses) employed by Local Veterinary Inspector practices. That is, to train State employees in areas where there were few food animal practices, so that the introduction of qualified State employees as testers would ensure sufficient flexibility to meet the expected increased demand for testing and to help cope with present testing demands. There would be no obligation for private veterinary practices to employ lay testers.
- 3.48 Section 19 of the UK *Veterinary Surgeons Act 1966* allows Ministers, after consultation with the Royal College of Veterinary Surgeons (RCVS), to permit a minor treatment, test or operation to be carried out by people who are not veterinary surgeons. Accordingly, the UK *Veterinary Surgery (Testing for Tuberculosis in Bovines) Order 2005* specifies tuberculin testing of bovines as a test for the purposes of Section 19(4)(e) of the 1966 Act. The Order enables Animal Health, the State agency responsible for food animal disease eradication schemes, to carry out pilots designed to evaluate the possibility of allowing any suitably trained lay person to administer a TB test.⁸³

⁸¹ IFA submission to the Competition Authority.

⁸² ICMSA submission to the Competition Authority.

⁸³ The UK has been classified by the EU as officially brucellosis-free since 1985. Routine testing of herds for brucellosis continued until April 2007. However, due to successful eradication there have been moves towards a risk-based assessment scheme.
www.defra.gov.uk/animalh/diseases/notifiable/Brucellosis/surveillance.htm

- 3.49 In 2004, following discussions with the British Veterinary Association (BVA) and the RCVS, Animal Health piloted a programme allowing for suitably-trained senior animal health inspectors who were not vets to carry out TB and Brucellosis tests.⁸⁴
- 3.50 In March 2005, the UK Department of Environmental, Food and Rural Affairs DEFRA published a *Strategic Framework for the sustainable control of Bovine Tuberculosis (bTB) in Great Britain*⁸⁵ where it announced that:
- “Although the (veterinary) profession is opposed to lay testing, the Government is of the view that legal recognition of lay testers may provide a more flexible and larger pool of testing personnel. It is therefore working with BVA and RCVS to develop an Action Plan to address concerns about large animal practices and the provision of services to livestock farmers.”*
- The European Commission also recognises the benefit to the UK of the use of lay testers.⁸⁶
- 3.51 Final decisions on the possible introduction of lay TB testing will depend on the results of the pilot.⁸⁷ As of June 2007, following the pilot study:
- “DEFRA are considering how to introduce lay testing for bovine tuberculosis. However, final decisions have still to be taken on whether to proceed.*
- Details of the Animal Health pilot study have been circulated and discussed with interested parties. The pilot has demonstrated that lay staff can successfully be trained to carry out this work under veterinary supervision. However, we recognise that extending the principle of lay testing raises some important issues. These need to be fully explored with the veterinary profession and other interested parties before firm proposals can be developed.”*⁸⁸
- 3.52 As of April 2008, 22 Animal Health employees have completed the pilot programme and are authorised to conduct TB tests on cattle destined for the domestic market. According to Animal Health, the results of the pilot programme demonstrate that in principle, suitably trained lay testers can identify symptoms and conduct TB tests to the same level of competence as qualified vets.
- 3.53 However in discussions with the Competition Authority, Animal Health pointed out that the trained testers are public sector authorised officers who are trained to perform a range of tasks relating to animal health. It was not the intention of the pilot project to determine whether para-professionals could compete against vets in the provision of private TB testing services. Additionally, some regions of the UK have Official Tuberculosis Free (OTF) status which means that testing is only required at two or three-year intervals rather than annually. Testing is therefore focused on particular regions of the UK where there is a high incidence of TB and where private vets are not available for testing. As a result, State-employed vets play a more active role in preliminary testing than their counterparts in Ireland.

84 An ‘approved tester’ is defined as someone who has successfully completed an approved course and whose name appears on a register of approved tuberculin testers.

85 Available online at www.defra.gov.uk/animalh/tb/pdf/tb-strategicframework.pdf

86 House of Lords Hansard Written Answers for November 29th 2005. www.publications.parliament.uk/cgi-bin/newhtml_hl?DB=semukparl&STEMMER=en&WORDS=lay%20testers&ALL=&ANY=&PHRASE=%22lay%20testers%20%22&CATEGORIES=&SIMPLE=&SPEAKER=&COLOUR=red&STYLE=s&ANCHOR=51129w01_spnew5&URL=/pa/Id199697/ldhansrd/pdvn/lds05/text/51129w01.htm#51129w01_spnew5

87 www.defra.gov.uk/animalh/ahws/vservices/lay-tb/index.htm

88 House of Commons Hansard Written Answers for 14 June 2007. www.publications.parliament.uk/cgi-bin/newhtml_hl?DB=semukparl&STEMMER=en&WORDS=lay%20testers&ALL=&ANY=&PHRASE=%22lay%20testers%20%22&CATEGORIES=&SIMPLE=&SPEAKER=&COLOUR=red&STYLE=s&ANCHOR=70614w0007.htm_wqn1&URL=/pa/cm200607/cmhansrd/cm070614/text/70614w0007.htm#70614w0007.htm_wqn1

New Zealand

- 3.54 The New Zealand Animal Health Board (AHB), whose sole mission is to eradicate bovine TB in New Zealand, allows for lay testing for TB of both farmed cattle and deer. According to the AHB's *National Bovine Tuberculosis Pest Management Strategy*,⁸⁹ approved TB tests may only be applied by inspectors, authorised persons or accredited persons who are appointed under the Biosecurity Act 1993.
- 3.55 In 2003, the AHB tendered out its TB testing programme involving about 5 to 5.5 million cattle tests per year. For a tender to be compliant, the organisations wishing to tender had to have a tester quality assurance programme approved by the AHB and all testers had to have been assessed to a defined level of competence and were accredited to undertake TB testing by MAF's Chief Veterinary Officer (now Chief Technical Officer). AHB undertakes some auditing of testers, but this is largely undertaken by the organisations that tendered for testing.
- 3.56 Currently AHB contracts its cattle testing to three tester organisations. The largest share of cattle TB testing is undertaken by accredited lay testers from a tester organisation,ASURE Quality, that has no vets involved in testing. The other two testing organisations were set up by vets, but even in these organisations, testing is undertaken by a combination of accredited lay staff and vets.

Northern Ireland

- 3.57 In Northern Ireland, the Department of Agriculture and Rural Development has commissioned Deloitte⁹⁰ to review its TB testing arrangements. The terms of reference of the review include an evaluation of alternatives to the existing testing arrangements such as the possibility of lay testing. Views were sought from external stakeholders in relation to lay testing. A summary of responses included:
- TB testing may offer the only opportunity for a vet to visit a farm and this visit can be used as a platform to inspect the general health of all animals on the farm;
 - A decision to allow lay testing would have serious detrimental impacts on the wider rural economy – given that lay testing would remove significant revenue from veterinary practices in Northern Ireland;
 - The current TB testing regime should not be compromised, and given the level of judgement involved and the need for clinical examination where TB infected cattle are identified, it may not be appropriate to have lay testers for TB;
 - There would be an immense level of training and administration involved with the introduction of lay testers and this is likely to be very expensive;
 - The introduction of lay testers would result in a reduction in the number of food animal vets with a subsequent loss of skills and food animal expertise. This could result in significant risks and vulnerability for Northern Ireland in the event of a disease outbreak.
- 3.58 The Competition Authority understands that the Department of Agriculture and Rural Development will not be making any proposals for future arrangements for TB testing until after the publication of the Northern Ireland Audit Office report on the control of TB, which is expected later in 2008.

⁸⁹ Available online at: www.ahb.org.nz/NR/rdonlyres/ACED1B11-F535-4C89-848A-7E4CD635949E/241/NTOPv1.pdf

⁹⁰ Deloitte (2005), "Review of Testing Arrangements", prepared by Deloitte on behalf of the Department of Agriculture and Rural Development. Available at: www.dardni.gov.uk/index/publications/pubs-dard-strategies-reports-and-accounts/tbdeloitte.htm

Analysis of the Competition Authority

- 3.59 Experience from New Zealand and the UK indicates that TB testing may satisfactorily be carried out by trained personnel who are not qualified vets. Specifically, strict training requirements and professional criteria would have to be established, in order that testing was only undertaken by suitably qualified personnel. These personnel could include departmental staff, authorised private sector providers or veterinary nurses. Indeed, under Section 92 of the Veterinary Practice Act 2005, the Minister for Agriculture, Fisheries and Food could permit veterinary nurses to carry out TB and brucellosis testing.
- 3.60 Bovine TB testing has traditionally involved the use of a tuberculin skin test. This test involves injecting a small amount of tuberculin⁹¹ into the skin of the animal. In most cattle, this will cause the animal's immune system to react and cause a localised swelling of the skin a few days after the injection. Usually, a standard interpretation of the skin test results is applied, which involves precisely measuring the swelling with a callipers. If the swelling exceeds certain parameters, the animal is considered to be infected with bovine TB.⁹² The tuberculin skin test is acknowledged as the most reliable test but interpretation of its results requires a relatively high degree of knowledge. Increasing use is also being made of the laboratory-based gamma interferon blood test as an adjunct to the tuberculin test in problem herds where the level or duration of infection indicates that this is necessary.⁹³ The gamma interferon test is easier to administer but its results are less reliable and so it is mainly used as an ancillary test to the tuberculin skin test.
- 3.61 The application of bovine TB tests is routine and highly standardised; where concerns arise, cross checks can be performed by using both the tuberculin skin test and the gamma interferon blood test. To the trained eye, test results are readily comprehensible. In practice, brucellosis testing also tends to be carried out by vets as both tests are normally conducted at the same time.
- 3.62 Market enquiries indicated broad agreement among farming groups in Ireland that the possibility of permitting suitably qualified para-professionals to conduct routine testing should be explored.

Conclusion

- 3.63 International evidence clearly indicates that non-vets can be trained to conduct TB tests of the same technical standard as vets.
- 3.64 As a result of the new threats to animal health from Johne's Disease, Infectious Bovine Rhinotracheitis (IBR) and bovine mastitis, food animal testing is likely to become a growing area. Ireland may wish to broaden the scope of its disease eradication programmes thus increasing demand for food animal testing services.
- 3.65 It is far from clear that introducing lay testers at a time of increasing demand for food animal testing would pose a competitive threat to the veterinary profession of such a scale as to force vets to withdraw entirely from food animal veterinary practice. Rather, introducing lay testers would free vets to perform veterinary tasks that only they are qualified to do.
- 3.66 Any move towards lay testing needs to be evaluated in the context of the overall review of Ireland's animal health strategy that is currently under way. While the Herd Health Initiative is aimed specifically at non-regulatory animal health issues, all aspects of animal health including TB and brucellosis should be assessed to ensure that these programmes continue to meet international best practice.

91 A sterile antigenic extract obtained from a culture of *M. Bovis* or other organisms of the same family of bacteria.

92 "Bovine TB: The Tuberculin Skin Test". Available online at: www.defra.gov.uk/animalh/tb/control/tuberculin.htm

93 www.historical-debates.oireachtas.ie/D/0628/D.0628.200611290099.html

3.67 Animal health is a complex area but it is an essential prerequisite for Ireland to retain its international competitive advantage as a quality food producer. Given the level of expertise required and the range of issues involved, many of which are outside the scope of this Report, the Department of Agriculture, Fisheries and Food is best placed to examine the possibility of introducing lay testing.

Recommendation 2: Consider the introduction of lay TB testing.	
Details of Recommendation	Action By
The Department of Agriculture, Fisheries and Food should consider the introduction of lay testers for bovine TB, following the completion of the Herd Health Initiative.	The Department of Agriculture, Fisheries and Food December 2008.



section 4

4. RIVALRY AND COMPETITION AMONG VETERINARY PRACTITIONERS

Summary

- 4.1 Competition between vets is restricted by unnecessary rules of the Veterinary Council of Ireland (VCI) and certain provisions of the Veterinary Practice Act 2005. The VCI's restrictions on advertising and touting discourage vets from competing on price and deny consumers the opportunity to make an informed choice about the veterinary services available to them. Vets should also be allowed to form corporate bodies and the legislation needs to be amended in this regard.
- 4.2 Vets are forbidden from advertising their fees to potential customers. This makes it difficult to make price comparisons and shop around for the best value, thus restricting competition between vets. The VCI's advertising restrictions also act as a barrier to entry, as new practices are restricted in how they can raise awareness of their practices and establish themselves.
- 4.3 Vets are also prohibited from soliciting or directly approaching potential clients, a practice known as touting. The VCI's ban on touting reduces competition and limits the ability of a new practice to establish itself. Consumers are thus adversely affected, as they may not be aware of new vets who may offer different services or superior value for money.
- 4.4 The Competition Authority understands that the VCI's Code of Professional Conduct is currently under review. The restrictions on advertising and touting harm competition and should be removed. The functions of the VCI are to uphold professional ethics and to ensure that the clinical practice of veterinary medicine operates in the public interest. Restrictions on the commercial aspects of veterinary practice such as truthful advertising and incorporation are inappropriate and disproportionate.
- 4.5 The ability of veterinary practices to expand and gain from the benefits of modern business practices is restricted by Section 54(2) of the Veterinary Practice Act 2005 which prohibits vets from establishing a company structure to operate their business. The Act needs to be amended to allow incorporated veterinary practices.

Restrictions on Advertising

Nature of the Restraint

- 4.6 The VCI's Code of Professional Conduct⁹⁴ sets out the "rules and principles" that relate to the promotion of veterinary practices and publicity material. In general, advertisements must conform to the General Rules laid down by the Advertising Standards Authority of Ireland.
- 4.7 In particular, these rules state that:
 - Veterinary practice identification signs are limited to the following information:
 - The names of all registered persons along with their qualifications and/or specialities, if they are included on the Specialist Register
 - Telephone numbers
 - The registered title authorised under the VCI Premises Accreditation Scheme

94 Available online at www.vci.ie

- Hours of attendance/consultation times
- A logo
- These restrictions also extend to signage on vehicles, directory listings, professional stationery and newspaper advertisements.
- Regarding fees, *“it is considered unprofessional conduct in any general advertising to make reference to specific fees, ‘special offer’ or ‘free offers’.”* Exceptions are made in the case of client-directed advertising and newsletters sent to bona fide clients.⁹⁵
- Advertisements must be *“factual, accurate, honest, verifiable, readily comprehensible, dignified, lawful, in good taste, containing no testimonials or comparative statements and [is] not false, misleading or deceptive by inclusion or omission.”*
- The content or medium used *“is not of such a nature as to lower the status of the profession in the eyes of the public”.*
- Information provided *“must not exploit lack of experience or knowledge of veterinary matters by anyone or abuse the trust of the public”.*

Effects of the Restraint

- 4.8 Advertising provides buyers with information on both the availability and quality of services and, therefore, helps to reduce the costs incurred by buyers in the process of selecting the appropriate provider. Any increase in search costs can lead buyers to reduce the extent to which they shop around, reducing the intensity of competition in the market place. Consumers may find it difficult to get useful information on the range and price of treatments provided by different vets, and so are less informed about the options available to them and hindered in their efforts to choose the best option for them. So long as it is truthful and not designed to deceive, advertising plays an important role in facilitating the competitive process and benefiting buyers.
- 4.9 Advertising restrictions can also work as barriers to entry. New vets can be prevented from pursuing new customers. Limits to the effectiveness of new entrants promotional efforts can serve the interests of established vets, who have already built up a body of goodwill and consumer recognition. Thus, restricting advertising by new entrants can solidify entrenched market positions and limit innovation. As such, any restrictions on advertising, except those preventing false or misleading advertisements, are likely to limit competition.

Rationale for the Restraint

- 4.10 The VCI, while not against advertising *per se*, is opposed to advertising on the basis of price:

“The Council considers this type of advertising is not in the best interests of consumers or animal welfare and not conducive to good working relations between practitioners.”⁹⁶

- 4.11 The VCI does not recommend price advertising in general, maintaining that prices often cannot be set until a vet has seen the patient. Pricing information is permitted only for routine procedures such as spaying. In meetings with the Competition Authority the VCI also pointed out that the time taken on a call-out can vary significantly. For example, calving may take five minutes or several hours.

⁹⁵ According to the Code of Professional Conduct; *“Veterinary practices are encouraged to provide (existing) clients with information concerning the nature and scope of services provided by the practice and to use the opportunity of communication with bona fide clients to inform them about current animal welfare and disease problems.”*

⁹⁶ VCI's response to request for information from the Competition Authority, 14th December 2007.

Views of Interested Parties

- 4.12 Veterinary Ireland is opposed to further changes in advertising restrictions other than those contained in the most recent draft of the Code of Professional Conduct. In its submission, Veterinary Ireland states:

“Accordingly, we would suggest that no further changes should be proposed in these regards on the basis of purely ‘competition’ considerations, given the importance of the other ‘protections’ which are required in the interests of public health and welfare.”

International Experience

- 4.13 International experience has shown that truthful advertising of professional healthcare services does not have a negative impact on the quality of care provided. Furthermore, informative advertising of the services provided by healthcare professionals lowers prices. Evidence in support of the pro-competitive effects of advertising in markets for professional healthcare services dates back to studies in the 1970s.⁹⁷
- 4.14 A study by the US Federal Trade Commission examined optometry services in different cities in the USA, classified in terms of their restrictions on advertising, and found that restrictions on advertising raised price without affecting quality.⁹⁸ The study provided compelling evidence that advertising posed no danger to the quality of healthcare services provided. Eye examinations were just as accurate and thorough, while the workmanship of glasses was of the same quality whether advertising restrictions were in place or not. The findings of this study have been corroborated in later work.⁹⁹
- 4.15 In the UK vets are free to advertise once all advertisements are in compliance with the rules of the UK’s Advertising Standards Authority.
- 4.16 In the United States and New Zealand vets are less constrained in how they may advertise their services. According to the Veterinary Council of New Zealand’s *Code of Professional Conduct*:
- “Veterinarians have the right to inform the public of services offered, however, no veterinarian is obliged to advertise. In promoting their services, veterinarians must act fairly, responsibly, accurately, and in such a way as not to risk the interests of the animal or the owner or jeopardise the reputation of the profession.”*
- 4.17 The American Veterinary Medical Association’s *Principles of Professional Ethics* states:
- “Advertising by veterinarians is ethical when there are no false, deceptive, or misleading statements or claims. A false, deceptive, or misleading statement or claim is one which communicates false information or is intended, through a material omission, to leave a false impression.”*

97 Benham, Lee (1972), “The Effects of Advertising on the Price of Eyeglasses”, *Journal of Law and Economics*, Vol.15, No. 2, Benham, Lee and Benham (1975), “Regulating through the Professions: A Perspective on Information Control”, *Journal of Law and Economics*, Vol. 18, No. 2.

Both studies examined optometry which was at the time one of the few professions in the USA with significant State to State variation in permissible advertising. Using data from a national survey of consumers it was found that advertising resulted in significantly lower prices. Other studies of the time reported similar findings.

98 Bond, Ronald S., et al, (1980), “Staff Report on Effects of Restrictions on Advertising and Commercial Practice in the Professions: The Case of Optometry”, *Federal Trade Commission Bureau of Economics*.

99 Love, James H. and Frank H. Stephens (1996), “Advertising, Price and Quality in Self-regulating Professions: A Survey”, *International Journal of the Economics of Business*, Vol. 3.

Analysis of the Competition Authority

- 4.18 Many aspects of the advertising guidelines set out what information should be included in advertising to ensure that the public receives adequate information as to veterinary services. To the extent that this provides consumers with the information they need to make informed decisions, this is beneficial. Similarly, requiring advertising to be “accurate”, “honest” and “verifiable”, and not “false” or “misleading”, benefits consumers by ensuring that they can trust the advertisement or information they are given.
- 4.19 However, restrictions on advertisements, other than those that prevent false or misleading advertising, can be detrimental to consumers. This is because advertising that is factual and truthful is the best means of enabling consumers to shop around in a way that facilitates competition in the marketplace. For advertising to be effective, it must be noticed by those that may wish to use veterinary services. Moreover, advertising can also play an important part in reducing information gaps between clients and vets. It can also make more people aware of the benefits of these services.
- 4.20 In relation to the specific advertising restrictions applicable to vets, the ambiguity surrounding terms such as “*dignified*”, “*in good taste*” and “*lower the status of the profession*” is of concern. These terms are open to abuse and could potentially be defined or interpreted in an anti-competitive manner and be used to reduce the ability of vets to compete by restricting their ability to advertise. For this reason, advertising restrictions should be narrow and should be limited to preventing misleading and untrue advertising.
- 4.21 Restrictions on advertising of fees, including the restriction on advertising offers of free services, are particularly anti-competitive. Provided that advertising is not misleading,¹⁰⁰ then vets should be free to structure their pricing strategies - including their communication to the public – as they see fit. Restricting this type of price advertising implicitly influences pricing strategies in a manner that may lead to higher prices of veterinary services, to the detriment of consumers. The fact that a treatment or consultation can vary in length of time and complexity is not a valid reason for banning fee advertisements.
- 4.22 Many other professions, such as lawyers and dentists, give up-front quotes and price ranges for services offered and this gives the consumer an indication of the likely cost of the service. Indeed, in some cases, (e.g. solicitors), this is required by legislation. The Bar Council has indicated recently that it will expect the same of barristers.
- 4.23 While it may well be the case that farmers are well informed consumers who have a long-term relationship with their vet, pet owners are not as well positioned and require more information through advertising of available services to be able to make informed decisions.
- 4.24 The Dental Council previously imposed very similar advertising restrictions on dentists but these have recently been removed, in response to a recommendation from the Competition Authority.

¹⁰⁰ It should be noted that consumers, including consumers of veterinary services, are statutorily protected from false and misleading advertising under the Consumer Protection Act 2007.

Solution

- 4.25 The VCI should abolish the current anti-competitive restrictions on advertising by vets. Truthful and accurate advertising of veterinary services is a useful means of providing important information to consumers.
- 4.26 Permitting informative truthful advertising by vets will bring many important benefits:
- Consumers will be empowered to make better informed decisions about their animal's health;
 - Consumers will be able to shop around for veterinary services and this will encourage price competition among vets;
 - It will encourage vets to offer new and innovative ways of delivering veterinary services; and
 - It will make it easier for vets who wish to promote their new practice and inform potential customers of their arrival.
- 4.27 The ban on vets offering discounts for their services to new customers should be removed. This would allow vets the flexibility to offer more innovation in the services they provide.
- 4.28 It is vital that competition between vets and the availability of consumer information is encouraged by the regulatory system.
- 4.29 The restrictions on advertising and price discounts by vets are contained in the *Code of Professional Conduct* of the VCI and not in the Veterinary Practice Act 2005. They could, therefore, be removed by a decision of the VCI.

Recommendation 3: Remove unnecessary restrictions on advertising.

Details of Recommendation	Action By
The VCI should limit its restrictions on advertising to prohibiting advertising that is false or misleading.	The Veterinary Council of Ireland December 2008.

Restriction on Touting

Nature of the Restraint

- 4.30 The practice of making unsolicited approaches to the public with a view to obtaining business, a practice known as touting, is prohibited under the VCI's *Code of Professional Conduct*:

"It is not ethical for a veterinary practitioner to engage in touting, whether personally or otherwise, i.e. to make or instigate an unsolicited direct approach by any means to a person or persons or an organisation, with a view to obtaining business."

Effects of the Restraint

- 4.31 The VCI's ban on touting constrains the ability of new practices to publicise their existence and reduces the likelihood that consumers will be aware of a new vet in their area. This protects the position of established vets in the locality and hinders entry into specific markets or geographic areas. Creating a profile and advertising their presence is an important method for new vets to become known in the market. Consumers can be adversely affected, as they may not be aware of new entrants who may offer more services and/or superior value for money.

Rationale for Restraint

- 4.32 In written correspondence to the Competition Authority, the VCI states:

*"The Council considers that touting is not in the best interests of consumers or animal welfare and not conducive to good working relations between practitioners."*¹⁰¹

- 4.33 In a meeting with the Competition Authority the VCI explained that, in a profession where animal care is the utmost priority, vets must be given the comfort of boundaries without being distracted by commercial considerations. Young vets seeking to establish themselves may be under pressure to concentrate on the commercial demand of running a business rather than developing their clinical skills.

Views of Interested Parties

- 4.34 Veterinary Ireland takes the view that restrictions on advertising and touting are necessary to ensure that animal welfare is not compromised by commercial imperatives. In its submission to this study, Veterinary Ireland states;

"We fully acknowledge that there are restrictions in place which can be termed as such when viewed from a solely 'competition' viewpoint. When other overriding considerations such as public health and animal health and welfare are taken into account however it becomes clear that such 'restrictions' are in fact vital 'protections' imposed by legislative and ethical requirements with which the profession has to comply. These 'protections' are imposed mainly by Irish and EU legislation for the benefit of veterinary clients and their animals and in the best interest of the population as a whole. They are not designed for the competitive benefit of the veterinary profession."

International Experience

- 4.35 Touting is not prohibited under the *Code of Professional Conduct* of the Veterinary Council of New Zealand¹⁰² and without any apparent negative effects on the quality of veterinary care.¹⁰³
- 4.36 In the UK the Royal College of Veterinary Surgeons prohibits only certain kinds of touting such as cold-calling. Its *Guide to Professional Conduct*¹⁰⁴ states:

"Publicity must not be of a character likely to bring the profession into disrepute, e.g. unsolicited approach by telephone or visit; nor must it compromise the clinical care of animals."

Analysis of the Competition Authority

- 4.37 New entrants often need to inform the public of their presence in the market. Touting, or canvassing of clients, is a legitimate practice for promoting a new business. The arrival of new entrants stimulates competition and leads to downward pressure on prices and better services for consumers.

¹⁰¹ Written response by the VCI to Competition Authority questionnaire, 14th December, 2007.

¹⁰² Veterinary Council of New Zealand, (2006). "Code of Professional Conduct for Veterinarians", Section 5.7

¹⁰³ www.vsbbsa.org.au/Code_of_Conduct_side_link_18_Code_of_Conduct.html

¹⁰⁴ Available online at: <http://www.rcvs.org.uk/Templates/Internal.asp?NodeID=89642>.

- 4.38 If the VCI is concerned that touting could lower standards within the profession, it could target this issue directly to ensure, as far as possible, that all vets offer continuing high standards of service. Indeed, it already does so by providing for a comprehensive and ongoing programme of Continuing Veterinary Education (CVE). The CVE system operated by the VCI is overseen by the Council's Veterinary Education and Training Committee (VETC).¹⁰⁵ Ongoing educational requirements may be particularly beneficial for consumers in professions like veterinary medicine where changing technology can improve the quality of services and value for money provided to consumers.
- 4.39 There is no evidence to support the proposition of the VCI and Veterinary Ireland that animal welfare would be compromised by allowing vets to engage in the kind of activity that is widely accepted as normal business practice in other sectors. The assertion that the vets must be given the “*comfort of boundaries*” in case they are “*distracted by commercial considerations*” is from a bygone era. Vets offer their services to the public for a commercial fee and no more deserve protection from competition than any other commercial entity. A ban on touting cannot be in an animal's best interest if it withholds information on available treatments from animal owners who make decisions on the animal's behalf. The ban also acts as a disincentive to vets who wish to offer new treatments and services to potential clients as they cannot publicise these services as is the case in other businesses.
- 4.40 The ban on touting is also unnecessary from a consumer protection perspective as consumers are already protected from aggressive sales techniques and misleading commercial practices by the extensive range of provisions contained in the Consumer Protection Act 2007.¹⁰⁶

Conclusion

- 4.41 The VCI ensures that all vets are appropriately trained, and instances of substandard service are prevented or addressed by existing regulations, or by disciplinary proceedings in extreme instances. As such, touting would not negatively affect quality.

Recommendation 4: Remove restriction on touting.

Details of Recommendation	Action By
The VCI should remove its prohibition on touting.	The Veterinary Council of Ireland December 2008.

Restrictions on Business Organisation

Nature of the Restraint

- 4.42 Section 54(2) of the Veterinary Practice Act 2005 provides that:

“A body corporate shall not —

(a) do or perform any act, matter or thing the doing or performance of which forms part of the practice of veterinary medicine,

(b) represent itself as registered on the Register, or

(c) represent itself as prepared to do or perform any act, matter or thing the doing or performance of which constitutes part of the practice of veterinary medicine.”

¹⁰⁵ Until such time as Section 65 of the Veterinary Practice Act comes into effect, participation in CVE schemes remains voluntary. The VCI's CVE Regulations are available online at: www.vci.ie

¹⁰⁶ www.oireachtas.ie/documents/bills28/acts/2007/a1907.pdf

Effect of the Restraint

- 4.43 While the Veterinary Practice Act 2005 prohibits a body corporate from engaging in anything which “*forms part of the practice of veterinary medicine*”, it is not clear whether this prohibition extends to a body corporate actually owning a veterinary practice. Corporate practice ownership is allowed for other allied medical professionals such as optometrists and pharmacists, without apparent difficulty. However, the situation regarding vets is unclear and the Competition Authority is aware of differing legal interpretations of the relevant section of the Veterinary Practice Act 2005. The practical effect of this legal provision is that vets do not operate in incorporated practices.

Views of Interested Parties

- 4.44 In its submission, Veterinary Ireland welcomed the fact that the prohibition on incorporation was retained in the Veterinary Practice Act 2005. In Veterinary Ireland’s opinion, limited liability practices could compromise the independence of vets and could result in conflicts of interest between the commercial interests and legal positions of limited liability practices and the professional and ethical requirements of the profession. Its submission states:

“In other words as the veterinary practitioners must take final responsibility for the care of their clients’ animals, the operation of limited liability would contravene this requirement and would mean that the interests of the animal and the owner might not be fully protected.”

International Experience

- 4.45 There is no obstacle to vets in the UK practising within corporate entities nor are there any restrictions on lay ownership of veterinary groups. According to an estimate¹⁰⁷ by the Royal College of Veterinary Surgeons (RCVS) around 20% of practice premises in the UK are owned by companies¹⁰⁸ or charities.

Analysis of the Competition Authority

- 4.46 The tension between the quality of service to a client and the commercial interests of a vet will exist whether a veterinary practice is owned by a corporation or a group of vets in partnership. There is no difference between the commercial interests of a practice owned by vets in partnership and a practice owned by an investor; both are interested in commercial return.
- 4.47 However, a restriction on incorporation significantly impedes competitive rivalry between veterinary practices. These restrictions constrain the development of new, innovative or more efficient practices, as well as limiting the growth of individual veterinary practices, by limiting access to equity capital.
- 4.48 The main attraction of incorporation for potential investors lies in limited liability where, in the event of a business failure, investors’ losses are limited to the amount they invested. Limited liability therefore encourages investment as it mitigates some of the inherent risk involved in establishing a new venture.
- 4.49 Incorporated veterinary practices can benefit from the economies and efficiencies deriving from shared costs and greater buying power. Similarly, corporate practices will be in a better position than sole traders to deal directly with insurance companies who may wish to provide liability or indemnity insurance.
- 4.50 Overall, consumers would benefit from the emergence of corporate veterinary groups through enhanced competition. Giving vets the option to incorporate can yield cost savings from more efficient practices which can be passed on to consumers in the form of lower prices and greater choice of service.

¹⁰⁷ Estimate is based on entries to the RCVS’s Voluntary Directory of Practices. The RCVS has no statutory remit in relation to practices as distinct from individual practitioners.

¹⁰⁸ Examples of corporate veterinary groups include, Companion Care Veterinary Surgery, the Goddard Veterinary Group, the Medivet Veterinary Group and Vets Now.

- 4.51 Concerns regarding lay ownership - such as a potential conflict between commercial considerations regarding the cost of care and the vet's professional obligation to provide the highest level of care to all animals under the practice's care - can be overcome by clearly separating the commercial operations of the practice from the diagnosis and treatment of animals.
- 4.52 Any concerns about the quality of service that corporate bodies (rather than individuals) would provide can be addressed by mechanisms already in place such as the VCI's Fitness to Practise provisions, premises accreditation and regulatory oversight. Concerns regarding redress for malpractice by vets could be addressed by requiring incorporated veterinary practices (and indeed non-incorporated practices) to have professional indemnity insurance to an appropriate level.¹⁰⁹
- 4.53 Consumer protection is not diminished by incorporated practices once appropriate rules are in place. Consumers will still be protected in the case of incorporated practices as the vet would still be personally registered on the Register and would therefore still be subject to the oversight, discipline and sanction of the VCI. For instance, the threat of temporary or permanent de-registration for substandard or negligent service will help ensure that appropriate service standards are met throughout the profession.
- 4.54 The provision of services by professional employees of a corporate body has not been an issue in other healthcare professions where corporate bodies are permitted, such as optometry and pharmacy.
- 4.55 Allowing vets in the UK to incorporate does not appear to have led to difficulties. There appears to be no reason why circumstances should be different in Ireland.

Solution

- 4.56 The Veterinary Practice Act 2005 should be amended to allow incorporated veterinary practices.

Recommendation 5: Allow corporate bodies to supply veterinary services.

Details of Recommendation

The Minister for Agriculture, Fisheries and Food should bring forward legislation amending the Veterinary Practice Act 2005 to allow incorporated veterinary practices.

Action By

The Minister for Agriculture, Fisheries and Food
June 2009.

¹⁰⁹ In its *Code of Professional Conduct*, the VCI "strongly recommends that veterinary practitioners exercise high standards of professional performance, ensure continuing professional development, and invest in public liability and professional indemnity insurance." While not a requirement, practically all vets, whether they are sole traders or in partnerships, take out professional indemnity insurance. The main provider of professional indemnity insurance is the Veterinary Defence Society.

section 5



5. CONCLUSION

- 5.1 The regulatory and commercial environment in which the veterinary profession operates has undergone substantial change in recent years, including the enactment of a new Veterinary Practice Act 2005. While many of the reforms contained in the new legislation are welcome, there remain a few unnecessary restrictions on competition in veterinary services, such as restrictions on advertising, outright prohibition of touting, and restrictions on incorporation. As demand for veterinary services changes to cover both increasing demand for companion animal care and increasing demand for testing, it is important that the regulatory framework is flexible enough to adapt to this changing market.
- 5.2 The restrictions on advertising deny consumers access to information about the availability of veterinary services in their area which would help them to make informed decisions about their animal's health. Vets, especially new entrants, are unable to promote awareness of their practices. This discourages them from providing innovative services and means they are at a competitive disadvantage to established vets who are free to advertise prices and services to their existing clients.
- 5.3 The ban on touting acts as a barrier to entry as it makes it extremely difficult for a vet to set up a new business which would be in direct competition with existing vets.
- 5.4 Vets have traditionally worked as sole practitioners or as partnerships. Competition between corporate bodies of vets would have many benefits for both vets and consumers, by improving access to capital and business skills. These benefits include cost savings, and the ability to operate from locations that are more convenient for many consumers. There is no evidence from any profession or any other economic sector to suggest that incorporation leads to a diminution in quality of service. In fact, the requirement for collective accountability that is implicit in a firm of highly qualified professionals acts as a guarantee of professional behaviour.
- 5.4 All appropriately qualified persons are allowed to register as vets in Ireland, regardless of their nationality or where they were trained. This has ensured an expanding supply of vets in Ireland while the number of training places available on the only veterinary science training course in UCD has remained the same. Although the numbers on the Veterinary Register have increased, the limited number of training places in Ireland could lead to a future shortage if the number of foreign trained vets working in Ireland declines. This situation needs to be monitored closely, especially the number of vets offering food animal services in Ireland.
- 5.5 New methods of delivery of veterinary services should be considered in the wider context of overall animal health, the increasing regulatory demands for testing and securing Ireland's competitive advantage as a high quality food producer. Training non-vets to an appropriate standard to provide certain routine work, such as TB testing services, could have benefits in terms of freeing vets to focus on the more complex tasks that only they could provide.
- 5.6 The Competition Authority is making five recommendations to address the problems identified in the veterinary profession. Implementing these recommendations will help to ensure a modern regulatory system that protects the health of animals and the general public, while at the same time delivering value for money to consumers.



appendices

Appendix 1 : Submissions Received

Aoife Joyce, outgoing Chair of the Irish Veterinary Nurses Association
Department of Agriculture, Fisheries and Food
Grace Mulcahy, Dean of UCD School of Veterinary Medicine
Higher Education Authority
Irish Creamery and Milk Suppliers Association
Irish Farmers Association
Irish Racehorse Trainers Association
Irish Society for the Prevention of Cruelty to Animals
Veterinary Council of Ireland
Veterinary Ireland

Appendix 2: European State Populations and Veterinary Schools

Country	Population (millions)	Veterinary Schools ¹¹⁰
Russia	142.1	31
Germany	82.5	6
Turkey	72.5	7
France	60.9	4
UK	60.4	7
Italy	58.8	12
Ukraine	47.1	8
Spain	43.8	10
Poland	38.1	4
Romania	21.6	5
Netherlands	16.3	1
Greece	11.1	2
Portugal	10.6	2
Belgium	10.5	2
Czech Republic	10.3	1
Hungary	10.1	1
Serbia	10.1	1
Belarus	9.8	2
Sweden	9	1
Austria	8.3	1
Bulgaria	7.7	2
Switzerland	7.3	2
Denmark	5.4	1
Slovakia	5.4	1
Finland	5.3	1
Norway	4.4	1
Croatia	4.4	1
Georgia	4.3	1
Ireland	4.2	1
Bosnia and Herzegovina	3.8	1
Albania	3.5	1
Lithuania	3.4	1
Moldova	3.3	1
Latvia	2.3	1
Macedonia	2.05	1
Slovenia	2	1
Estonia	1.3	1
Cyprus	0.8	0
Montenegro	0.6	0
Luxembourg	0.5	0
Malta	0.4	0
Iceland	0.3	0
Andorra	0.07	0
Liechtenstein	0.03	0
San Marino	0.02	0

¹¹⁰ AVMA-Listed Veterinary Colleges of the World. Available online at: www.avma.org/education/ecfvg/ecfvg12.pdf

Appendix 3: Colleges Recognised by the European Board of Veterinary Specialisation

Full Name	Provisional Recognition	Full Recognition
European College of Avian Medicine and Surgery	1993	2005
European College of Animal Reproduction	1998	2004
European College of Bovine Health Management	2003	Not yet received
European College of Equine Internal Medicine	2002	Not yet received
European College of Laboratory Animal Medicine	2000	Not yet received
European College of Porcine Health Management	2004	Not yet received
European College of Poultry Veterinary Science	2008	Not yet received
European College of Small Ruminant Health Management	2008	Not yet received
European College of Veterinary Anaesthesia and Analgesia	1994	2003
European College of Veterinary Behavioural Medicine - Companion Animals	2002	Not yet received
European College of Veterinary Comparative Nutrition	1999	Not yet received
European College of Veterinary Clinical Pathology	2002	2007
European College of Veterinary Dermatology	1992	2006
European College of Veterinary Diagnostic Imaging	1994	2002
European College of Veterinary Neurology	1993	2002
European College of Veterinary Ophthalmology	1992	2003
European College of Veterinary Pathology	1995	2007
European College of Veterinary Public Health	2000	Not yet received
European College of Veterinary Pharmacology and Toxicology	1997	Not yet received
European College of Veterinary Surgery	1991	2000
European Veterinary Dentistry College	1998	Not yet received
European Veterinary Parasitology College	2003	Not yet received

