

Alkaloid poppy production in NSW - Fees and Audits

December 2016

Growers and processors of alkaloid poppies in NSW will be required to pay fees and charges relating to licences, inspection and audits. These are specified in the Poppy Industry Regulation 2016 and are consistent with NSW cost recovery guidelines.

Table 1 . Licence fees and inspection charges for a poppy cultivation and processor

Fee Type	Cost (including GST)	
	Grower Fees (cultivation licence)	Processor fees
Fee for Application / Renewal	\$ 900	\$1,300
Annual Licence Fee	\$1,300	\$ 10,300
Site Assessment (per hr)		\$ 150
Audit Fee (per hr)		\$ 150
Application for Permit		\$ 550

Schedule of fees

Licence fees

- Application for a licence must include payment for processing of application
- The application for renewal of a licence must include appropriate payment

Audits

Application audit

The Department of Primary Industries (DPI) regulates activities under the *Poppy Industry Act 2016*. This includes:

- setting the standards that the poppy industry must meet;
- applying those standards by assessing licence applications for:
 - alkaloid poppy cultivation in NSW; and
 - alkaloid poppy processing in NSW; and

The NSW DPI will conduct an initial desktop audit on all new licence applications. The licence application will not proceed to the next phase of approval until all legislative requirements are met.

The application audit (desktop) must return an acceptable audit result to proceed.

Compliance Audits

Every licenced business has regular audits. These audits will be conducted on a yearly basis at specific stages of growing or production.

Audit frequency will depend upon the audit rating that was received at the last audit.

Rating	Frequency	Total number allocated points
Acceptable	Minimum 3 audits per year	0 - 31
Unacceptable	Minimum 4 audits per year, follow up audits will be undertaken for unacceptable results	32 and above

Correction Action Request Scoring

CAR Category	Numerical value
Minor	2
Major	8
Critical	32

What happens when a licensee is rated unacceptable?

An unacceptable audit means that you have failed to implement your risk management plan (RMP) and take corrective action. An audit failure indicates that the systems and controls in place at your business are not effectively managing risk or maintaining compliance with required legislation.

The licensee that achieves an unacceptable result will need additional audits that must be acceptable before returning to the original schedule of audits

Rating	Follow up audit (s)	Unacceptable follow up audit	Acceptable follow up audit
UNACCEPTABLE	1 month	Remain on 1 monthly audits and additional enforcement action	Return to original audit schedule

Additional enforcement action for licensees that rated unacceptable at a follow up audit

The business must rectify the problem(s) identified in the audit process.

If the rating is unacceptable in the follow up or additional audits, the officer may issue a penalty notice (PN), 'show cause notice', or licence suspension or cancellation.

Unscheduled Audits

Random audits are unscheduled and unannounced compliance audits. other than follow-up audits, shall be carried out throughout the year on selected businesses. The audits will be full audits of the requirements of licence. These may also be in response to complaints or other matters requiring investigation.

For updates go to www.dpi.nsw.gov.au/factsheets

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