Australian Government
Department of Agriculture, Fisheries and Forestry

Notice to Industry 12

Pre-Export Quarantine Facility Audit and Recovery of Costs Policy

Introduction:

The purpose of this document is to communicate the Department of Agriculture, Fisheries and Forestry's (the department) policy for audit and recovery of costs of overseas pre-export quarantine (PEQ) facilities that prepare horses for export to Australia.

Background:

Following the equine influenza (EI) outbreak in 2007 and subsequent inquiry and Callinan report of 2008, the department implemented new arrangements to improve oversight and compliance of overseas PEQ facilities preparing horses for export to Australia.

Since 2010, PEQ facilities that pass a desk and site audit are approved for two years.

The number of audits completed by the department each year is dependent on industry requests to establish new PEQ facilities or renew existing facilities. Australia's regular auditing regime has highlighted to exporting countries how rigorously Australia implements our equine import conditions aimed at preventing entry of exotic equine diseases to Australia, including EI, a disease for which many countries have no particular concerns.

Audit frequency policy:

The department aims to reduce regulatory burden on industry and promote clarity and consistency across all facilities, countries, and industry members.

All new facilities require the department's assessment and approval of its Standard Operating Procedures (SOP) manual. Once approved, the department will arrange a site audit of the PEQ facility. This site audit involves a physical assessment of the facility, assessment of horse training facilities and procedures (if applicable) and interview of key staff and personnel. Following successful desk audit of the SOP manual and site audit of the new facility, all initial approvals will be valid for two years.

If the PEQ facility is used to prepare consignments of horses within the two-year validity period, the facility will require a site audit at the two-year expiry date, which will include assessment of the records produced during preparation of consignments at the facility. If it passes this audit, the facility will move to the four-year audit schedule.

If a newly approved facility is not used to prepare consignments of horses for export within the two-year validity period, the facility can remain approved for use without further site inspections until after the first use. In these cases, importers must notify the department as soon as possible when the PEQ facility is intended for use and demonstrate that the approved SOP manual, site set-up and management structure have not deviated from the original approval. Photographic evidence must be provided that shows the new facility in accordance with the approved SOP manual and original inspection. Once the facility has been used, it will require inspection and audit of consignment records within the 12 months following the facility's use. If successful at this audit, the facility will move to the four-year cycle.

Please note that in addition to the above, the department will review the individual circumstances of each facility based on biosecurity risk when considering whether a four-year audit cycle is appropriate. Audit frequency may be increased in some circumstances, for example where there has been a history of poor compliance, management changes, control issues, structural changes to the facility, or changes in the disease status of the exporting country. In some cases, an additional audit within an approval validity period may be deemed necessary and the basis for the decision would be communicated with the relevant parties at the time and on a case-by-case basis.

The department maintains the right to cancel a facility's approval or decline extension to an approval if concerns or issues are identified with a PEQ facility.

Guidelines for offshore charging of PEQ facility audits:

The department's biosecurity functions operate on a cost recovery basis. This also applies to offshore auditing activities. For horse PEQ facilities, a range of pre-deployment, offshore, post-deployment, and administrative services are cost recovered and will be invoiced to the Australian importer responsible for the PEQ facility being audited.

Audits will be carried out separately between each importer to audit their affiliated PEQ facilities, unless by exception from the department and agreement between importers.

If the department approves a request for audits to be shared between importers, the costs associated with international travel will be divided equally among the number of importers, irrespective of how many PEQ facilities are inspected/audited per importer. All other costs not associated with international travel will be allocated toward the importer responsible for each facility.

All offshore auditing activity charges will be confirmed by use of a commercial *'Offshore Pre-Export Audit Services Agreement*' contract negotiated prior to any work being completed or travel arrangements being made. This agreement will include a detailed breakdown of what and how activities will be charged and the associated costs in Australian dollars.

A sample *'Offshore Pre-Export Audit Services Agreement*' contract is available. Please forward request for a sample document to horses@aff.gov.au.

This document is provided for information only. To the extent that this document is inconsistent with the negotiated '*Offshore Pre-Export Audit Services Agreement*', the terms and conditions of the '*Offshore Pre-Export Audit Services Agreement*' take precedence and will apply.