



Department of
Primary Industries

Poppy Production in New South Wales

Licence Manual



Published by the NSW Department of Primary Industries

Poppy Production in New South Wales

First published May 2019

ISBN number – get this by filling in a request to <http://intranet.dpi.nsw.gov.au/library/help/isbn>

More information

www.dpi.nsw.gov.au

Acknowledgments

© State of New South Wales through the Department of Industry, Skills and Regional Development, 2019. You may copy, distribute and otherwise freely deal with this publication for any purpose, provided that you attribute the NSW Department of Primary Industries as the owner.

Disclaimer: The information contained in this publication is based on knowledge and understanding at the time of writing (May 2019). However, because of advances in knowledge, users are reminded of the need to ensure that information upon which they rely is up to date and to check currency of the information with the appropriate officer of the Department of Primary Industries or the user's independent adviser.

Table of Contents

Introduction	2
Licences Application Process	2
Licence application assessment	2
Risk Management Plan (RMP)	2
Notification of Neighbours	3
Licence Conditions	3
Standard operating procedures for employees under a cultivation or processing licence	4
Notification	4
The Audit	6
What is in the Audit?	6
Poppy Crop Activity Record	6
How is the audit outcome determined?	6
Unacceptable audit result	7
Corrective Action Request rating system	7
Minor CAR	7
Major CAR	8
Critical CAR	8
CAR Escalation Policy	8
Unannounced Audits	8
Poppy production fees and charges	9
Licence fees	9
Administration fees	9
Cultivation licence for research	9
Permits	10
Appendix 1 – Risk Management Plan (Template)	11
Appendix 2 – Risk Management Plan – Document History	15
Appendix 3 – Risk Management Plan – Alkaloid Poppy Crop Activity Record	16
Appendix 4 – Risk Management Plan – Poppy Cultivation Training Record	17
Appendix 5 – Risk Management Plan – Neighbour Notification Record	18
Appendix 6 – Risk Management Plan – Poppy Cultivation Neighbour Notification Template	19

Introduction

Cultivation of alkaloid poppies for therapeutic purposes in New South Wales is a highly regulated activity.

The NSW Department of Primary Industries (DPI) regulates the cultivation, processing and movement of alkaloid poppy material in NSW under the *Poppy Industry Act 2016* (the Act).

Alkaloid poppy growers must establish and maintain ongoing contracting with their licensed poppy processor and maintain a valid licence with the Department of Primary Industries. Processors seeking to be licenced by DPI must have evidence of the arrangements for the use of all alkaloid poppy material, including appropriate licences for research, export or manufacture. There are strict licence conditions that cultivators and processors must comply with to protect the community and maintain the integrity of the industry.

Any participant in alkaloid poppy production who does not comply, is risking the future of the poppy industry in both New South Wales and Australia. There are high penalties for non-compliance, including fines of up to \$11,000 for individuals or \$55,000 for corporations, and imprisonment of up to 1 year.

Licences Application Process

Alkaloid poppies cannot be cultivated by growers until they have been issued with a licence. Processors cannot receive alkaloid poppy material until they have been issued with a licence.

Licence applications are available from the Department of Primary Industries. An application must be made on the approved application form, be accompanied by the appropriate licence application fee and include all material requested by the department.

Licence application assessment

Risk Management Plan (RMP)

To ensure poppies are safely and securely cultivated and processed in NSW, both growers and processors must develop a risk management plan (plan) outlining how they propose to deal with the risks relating to poppy production and the conditions imposed by the licence.

A template of the risk management plan is included in Appendix 1 (Risk Management Plan for Cultivators).

A clear, legible plan must be submitted as part of a licence application or renewal. DPI will be review the plan during the approval process. The plan needs to cover the full range of licenced activities and account for local factors such as proximity to main roads or community facilities. Growers should liaise with their processor to complete their plan.

Risk management plans must remain current. The licenced grower or processor may amend their plans at any time, but must resubmit the revised plan to NSW DPI within 7 days of making any changes.

NSW DPI will not charge a fee for reviewing an amended risk management plan

A risk management plan must specify items such as:

- ensuring the business is only conducting activities specified under the Act
- ensuring reasonable steps are taken to regularly inspect for, and destroy, any alkaloid poppies that grow from unintended seeding or cultivation
- who will inform NSW DPI (in writing) of any person employed, engaged, or ceased employment or engagement in alkaloid poppy cultivation or processing
- ensuring employees are eligible for employment as referred to in Section 8 of the Act (Checks and requirements for persons employed or engaged) of the regulation
- who will ensure the risk management plan stays relevant and reflects current and emerging risks
- what steps will be taken to ensure neighbour notification
- how the entry of unauthorised persons will be managed (trades, utilities)
- how disqualified persons will be excluded from employment
- how to prevent offences being committed by employees under the Act
- how theft and/or interference to the crop will be monitored and reported to NSW Police
- what security measures will the licenced processor employ during transit of poppy straw, and what plans will be in place to manage spillages and accidents
- how each employee will be supplied with appropriate information to enable them to operate according to licence conditions
- types of identification employees will carry while engaged in alkaloid poppy cultivation or processing

Notification of Neighbours

It is the responsibility of the licence holder to ensure that all neighbouring properties bordering the poppy cultivation area receive written notification at least one week (7 days) prior to sowing. The following information must be supplied to neighbouring properties:

- illegal use of the crop can cause death
- unauthorised persons cannot enter the cultivation site unless accompanied by the licence holder or an employee authorised to undertake activities under the licence
- livestock must be excluded from cultivation sites as consumption can cause residues in the meat.

A copy of a template for alerting neighbours can be found in Appendix 6.

Licence Conditions

Risk management plans must take account of the licence conditions as specified in *Poppy Industry Act 2016* and Regulation. These practical measures must be taken to address security and safety issues for the growing and processing of poppies. Failure to comply with any of these conditions is an offence.

- the preparation or treatment of alkaloid poppy material must be done in accordance with the licence conditions
- the storage and treatment of alkaloid poppy material must meet conditions of the licence
- gates providing entry to the cultivation site must be securely locked unless a licensed grower or employee is present
- warning signs must be displayed at all gates and along the fence or boundary of the cultivation site and must:

- display the words “danger”, “prohibited area”, “keep out”, “trespassers prosecuted” and “illegal use of crop may cause death”
 - be at least A3 size
 - be weather resistant
 - be legible
 - be placed not more than 250 metres apart along a fence or boundary adjacent to a public road.
- fencing around the poppy cultivation area must be capable of keeping livestock out of the area.
- crop residues must be destroyed within seven days of harvest.
- any alkaloid poppy plants growing on the cultivation site after harvest must be eradicated prior to flowering.

A licenced grower must notify the Department within 7 days of any changes to the list of current employees or changes to the risk management plan.

Standard operating procedures for employees under a cultivation or processing licence

It is recommended that all applicants for a licence prepare documented standard operating procedures (SOPs) and maintain a register of SOPs. SOPs should be:

- clear, concise, comprehensible and readily available to personnel needing them
- numbered, dated and have a title and identity of the position (or role) of the person responsible for the SOP
- include detailed instruction on the subject and a date for the next review of the SOP.

SOPs are intended for internal use by the licensee’s employees and will not be subject to approval or registration by NSW DPI as part of the licence application process.

However, where a grower or processor relies on their SOPs in addressing a proposed risk management plan, these aspects of the SOPs may be subject to audit by NSW DPI in its monitoring of compliance with the Act.

Notification

As part of the conditions of licence, every alkaloid poppy licensee must notify the NSW DPI at specific stages of the production. These stages have been identified due to their high risk nature and potential for non-compliance. The table below shows the significant stages of alkaloid poppy production and the stages that **MUST** be notified to the DPI. At key stages of the operation, an authorised officer will conduct a compliance audit to ensure conditions are being upheld.

Table 1. Notification chart

Stage of production	No. days' notice	Notification to NSW DPI	Audit to be conducted	Method of notification
Sowing seed	14	YES	YES	Email
Harvesting	14	YES	YES	Email
Post-harvest	-	NO	NO	-
Transporting harvested material (permit)	7	YES	YES	Email (inc: permit application form)
Processing	14	YES	YES	Email
Administrative				
Variations to the RMP	7	Yes	No	Email
Variation of licence holder's name, address or contact details	7	Yes	No	Email
Variation of corporation details including change in Director, or Director details	7	Yes	No	Email
Variations ¹ of employees	7	Yes	No	Email
Changes to arrangements for use of cultivated plants	3	Yes	No	Email
Changes to arrangements for use of alkaloid material received	3	Yes	No	Email

Email address: poppies@dpi.nsw.gov.au

¹ A person employed or engaged in activities under the licence, or a person who ceases to be employed or engaged in activities under the licence.

The Audit

What is in the Audit?

During an audit, the authorised officer will check that:

- there is an approved Risk Management Plan
- the risk management plan is current and correctly filled out
- the business is complying with their risk management plan and any relevant legislative requirements
- all critical processing steps have been analysed to identify any critical non-conformance that could contravene the conditions of licence.
- alkaloid Poppy Crop Activity Record is being filled out accurately and correctly
- employees are carrying their identification cards
- training records are current and correctly filled out
- there are monitoring forms and they are up-to-date
- neighbours are informed within the notification period before sowing of seed commences

Poppy Crop Activity Record

The poppy crop activity record must be used by all licensees to record the following types of activities:

- movements of all alkaloid poppy material
- destruction of any alkaloid poppy material
- entry of ad-hoc persons into restricted areas on the site
- identification of any unauthorised activity
- other activities related to ensuring the risk management plan is being effectively implemented

How is the audit outcome determined?

At the conclusion of the audit, the allocated points are added to give a total rating for the business, from an ACCEPTABLE to UNACCEPTABLE (shown in Table 1).

Table 2. Audit score outcome

Audit Rating	Total number allocated points	Audit results
ACCEPTABLE	0 - 31	ACCEPTABLE
UNACCEPTABLE	32 and above	UNACCEPTABLE

Unacceptable audit result

If any licencing conditions are not met and depending on the reasons for this, one or more enforcement actions may occur:

- remedial action may be required
- immediate corrective action may be required with specific timeframes for compliance
- conditions may be imposed that restrict or prohibit certain activities by the licensee or permit holder under Section 21 (7)
- the licence may be suspended, cancelled or not renewed or not granted
- individuals or companies may receive penalty notices or be prosecuted

The results of the audit will be forwarded to the processor and DPI within 24 hours of completion of the audit. If a grower or processor is found to be unacceptable at an audit, the officer may issue a penalty notice (PN) or suspend the licensee and may be asked to show cause why their licence should not be cancelled.

Table 3. Unacceptable audit frequency

Rating	Maximum period for 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

Corrective Action Request rating system

The NSW DPI uses a rating system to rank audit performance. The Corrective Action Requests (CARs) identified during audits are rated as Minor, Major or Critical, depending on their severity. Each CAR attracts a numerical value, the total of which determines the audit rating.

Table 4. Corrective Action Request Scoring

CAR Category	Numeral value
Minor	2
Major	8
Critical	32

Minor CAR

A minor CAR is a non-conformance, which threatens neither the effectiveness nor the assurance provided by the audit program.

Minor non-conformances are essentially administrative or technical in nature, and are low risk to the licence condition.

The following are examples of minor CAR:

- failure to sign off an inspection record
- missing 1-2 dates from record sheets

Major CAR

A major CAR is a non-conformance where there is a breach in the systems of the treatment, inspection or other activity which threatens the assurance provided by the business operation procedures.

The following are example is of major CAR:

- failure to keep records of inspections of regulated entities
- failure to carry out analysis of product
- permitting unauthorised personnel into low risk areas of the production
- not alerting neighbours that sowing will commence

Critical CAR

A critical CAR is a non-conformance which, in the opinion of the authorising authority, seriously threatens the effectiveness of the alkaloid poppy arrangement and has or will mean regulated articles do not comply with the legislation.

The following are examples of critical defects:

- operating outside the scope permitted in the licence
- planting in areas outside those approved in the licence
- planting or receiving more than approved under the licence
- allowing unauthorised access into high risk areas
- failing to take appropriate actions to prevent the spread of volunteer poppies
- limited production records
- not notifying the DPI and NSW Police of any authorised activities
- failing to update DPI on staff changes within 7 days
- failing to immediately notify loss of licence approvals or contracts

CAR Escalation Policy

A failure of a licenced business to rectify any CAR or defect identified during an audit by the required timeframe is to result in the re-issuing of the original CAR. In addition, a further CAR or defect is to be considered for inadequate Corrective Action as the business has failed to implement effective corrective actions to rectify the original issue.

Unannounced Audits

Random audits are unscheduled and unannounced compliance audits other than follow-up audits that shall be carried out throughout the year on selected businesses. The audits will be full audits of the requirements of licence. Unannounced audits will be charged at an hourly rate in accordance with the NSW Alkaloid Poppy program.

These audits can be in response to complaints or other matters requiring investigation or to monitor compliance.

Poppy production fees and charges

Growers of alkaloid poppies in NSW are required to pay fees and charges relating to licences and audits.

These are specified in Schedule 2 of the Poppy Industry Regulations 2016 and are consistent with NSW Government cost recovery guidelines.

Table 5. Licence and audit fees

Fee Type	Cost (including GST)	
	Grower fees (cultivation licence)	Processor fees
Application / renewal fee	\$ 900	\$1,300
Annual licence fee	\$1300	\$10,300
Late application fee for renewal	\$65	\$65
Site assessment (per hr)		\$ 150
Audit fee (per hr)		\$ 150
Application for permit		\$ 550

Licence fees

- An application for a licence must include payment for processing the application
- An application for renewal or amendment for the licence must include the appropriate payment

Administration fees

An invoice for the annual administration fee will be issued on the granting of a cultivation licence.

An invoice will be issued for the site assessment as part of assessing the licence application.

An invoice will be issues at the completion of each audit. Audits conducted will be conducted after sowing (once plants have matured) and at (or just after) harvest.

Cultivation licence for research

NSW DPI fees apply for monitoring compliance with cultivation licence conditions for research purposes. An annual administration fee will also apply.

Permits

Any alkaloid poppy business licenced under the NSW DPI can apply for a permit. A poppy permit, permits the following:

- transport of alkaloid poppies or alkaloid poppy material in New South Wales
- to carry out activities of a kind specified in the regulations involving alkaloid poppies or alkaloid poppy material.

A licenced business must apply through the NSW DPI for a permit to be granted. A person or business who contravenes the conditions of an alkaloid poppy permit can be found guilty of an offence and can face imprisonment and financial penalties.

Appendix 1 – Risk Management Plan (Template)

Please complete **ALL SECTIONS** and write **CLEARLY** and **LEGIBLY**.

The proposed risk management plan must be submitted in conjunction with an application for a licence to cultivate / process alkaloid poppies.

It is a condition of all licences that the licence holder complies with the risk management plan.

Risk management plans must remain current. The licensed grower may amend their plan at any time, but must resubmit the revised plan to the NSW Department of Industry for approval. No NSW DPI fee for service will be charged for updating the risk management plan.

Records must be maintained to demonstrate compliance with the activities outlined in this plan and must be made available to authorised inspectors upon request.

Please note that, in this document, 'the Act' refers to the *Poppy Industry Act 2016*.

Applicant details			
If you currently hold or have held an LCAP, state the licence number			
Date Risk Management Plan (RMP) completed			
Applicant name			
Business name (i.e. trading as:)			
Name of company		ACN	

Risk Management Plan	
Expand response boxes as necessary and/or attach additional pages and/or documents.	
(1) Who within the business or organisation will be responsible for monitoring and acting on identified risks?	
(2) What measures are in place to ensure the risk management plan stays relevant and reflects current and emerging risks to operations?	

(3) What steps will be taken to ensure that occupiers/owners of neighbouring properties will be notified that alkaloid poppies will be grown on the premises? This needs to occur after the licence has been granted, at least one week prior to sowing.
(4) What measures are in place to ensure that non-authorized person/s and all livestock are prevented from entering the cultivation area?
(5) What measures are in place to ensure the eradication of volunteer poppy plants on cultivation sites and adjoining land and roadsides? (these plants must be eradicated before flowering)

(6) What crop monitoring measures will be taken between sowing and harvest to mitigate the risk of interference with the crop and determine if there has been any interference with the crop?

(7) What measures are in place for managing tradespersons and other contractors / service providers who need to gain occasional or one-off access to enter the licenced property and/or cultivation area?

(8) What measures are in place to ensure that a disqualified person is not employed by the licence holder?

(9) What measures are in place to mitigate the risk of employees committing offences under the Act?

(10) What measures are in place to ensure that any incidents of theft, suspected theft and / or interference/suspected interference with the poppy crop or poppy materials are immediately reported to NSW Police?

(11) What systems are in place to ensure each employee is supplied with sufficient and appropriate information, instruction, training and supervision to be able to carry our activities in accordance with the licence?

Appendix 2 – Risk Management Plan – Document History

VERSION	DATE	AUTHOR	COMMENTS
<i>Example: Version 1.1</i>	<i>12.12.2016</i>	<i>J. Citizen</i>	<i>Two employees have ceased employment with ABC PTY LTD</i>

Appendix 3 – Risk Management Plan – Alkaloid Poppy Crop Activity Record

LICENCE NO.	LICENCE HOLDER	SOWING START DATE
-------------	----------------	-------------------

DATE	NAME OF PERSON UNDERTAKING ACTIVITY	LOCATION OF ACTIVITY	DESCRIPTION OF ACTIVITY	NOTES / COMMENTS
<i>Example: 12.12.2016</i>	<i>J. Citizen</i>	<i>156 Kite Street, Orange NSW 2800</i>	<i>Destruction of volunteer poppies near north entry</i>	

Appendix 4 – Risk Management Plan – Poppy Cultivation Training Record

NAME OF PEROSN TRAINED	DATE OF TRAINING	TRAINED ON	SIGNATURE PERSON TARINAED	NAME AND SIGNATURE OF TRAINER
<i>Example: J. Citizen</i>	<i>14.11.2016</i>	<i>Identification and eradication of volunteer poppies</i>		

Appendix 5 – Risk Management Plan – Neighbour Notification Record

LICENCE NO.		LICENCE HOLDER		SOWING START DATE	
NEIGHBOURS NAME	NEIGHBOUR PROPERTY ADDRESS	NEIGHBOUR CONTACT ADDRESS	NOTIFICATION METHOD	NOTIFICATION DATE	NOTE /COMMENT
<i>Example: S. Smith</i>	<i>158 Kite St, Orange NSW 2800</i>	<i>mail address or email address</i>	<i>letter/ email</i>	<i>03.12.2016</i>	

Appendix 6 – Risk Management Plan – Poppy Cultivation Neighbour Notification Template

Poppy cultivation neighbour notification

I, _____

am writing to notify you, _____, that I am a licensed grower under the

Poppy Industry Act 2016 and I intend to plant an alkaloid poppy crop

at _____ (address) on _____
(date).

Please be advised:

- Unauthorised persons and livestock must be excluded from the cultivation area for their own safety.
- Illegal use of the crop may cause death.
- Trespassers into the cultivation area will be prosecuted.

If you have any questions about this activity, please contact me on _____.

Note that this notification is to be provided after the licence has been granted, at least one week prior to sowing.