

Schedule 3 – APIQ[®] Compliance Audit Fees & Charges¹

Different fee structures apply to single-site organisations and multi-site organisations as per below. In addition in both cases additional charges are payable as per section 3 below.

1 Single Site Organisations

A base rate by number of sows and or growers/ finishers (Table 1) is applied to the Audit of a single site organisation/ piggery.

Table 1: Single Site Base Rate

Tier	Herd Size	Base Rate
1	1 – 150 sows or 1 – 1500 growers	\$ 620
2	151 – 1,000 sows or 1,501 – 10,000 growers	\$ 820
3	1,001 or more sows or 10,001 or more growers	\$ 1020

The following scenarios provide further guidance:

- (1) Scenario 1 - The site is a breeder or breeder to weaner with sows and suckers/weaners only – The pricing is based on the number of sows.
- (2) Scenario 2 - The site is a grower only i.e. gilts, weaners, growers and finishers – The pricing is based on the grower number.
- (3) Scenario 3 - The site is a farrow to finish i.e. has sow's, gilts, suckers, weaners, growers and finishers – The pricing is based on what is the higher number growers or sows.

The base rate covers four (4) hours including time taken to draft and provide the Compliance Audit Report, including the close out of CARs provided such closure occurs within the timeframes agreed between the Producer and the Auditor and in accordance with the APIQ[®] Administrative Policies and APIQ[®] Certification Policies – otherwise additional fees will be payable as per Section 3.2 below.

Where the Audit takes more than four (4) hours² additional charges will be applied at the hourly rate specified in Table 2.

Table 2: Additional Time Charges for Single-site Organisations

Additional Charges for single-site organisations	Rate	Unit
Additional Time on farm (more than 4 hours)	\$ 205	Per Hour

¹ Australian Pork Service Agreement - Management and Conducting of External Auditing Services for the Australian Pork Industry Quality Assurance Program APIQ[®], between Australian Pork Limited and AUS-MEAT Limited, executed 3 October 2017

² An audit may take more than 4 hours for several reasons including but not limited to: where a producers systems and or piggery are found to be un-organised and difficult to audit, where manuals are not correctly in place, where non-compliances are found requiring the auditor to look at more of the piggery than would otherwise be necessary.

2. Multisite Organisations or Joint certifications

A daily, half daily or hourly rate is applied to Audits conducted for multi-site joint certifications where a Joint Certification Application has been approved³ by APIQM at the rates specified in Table 3.

Table 3: Multi-site Audit Rates

Time	Rate
Day	\$ 1,640
Half Day	\$ 820
Hour	\$ 205

It is expected that:

- (1) Multiple Audits may be conducted in a single day for some organisations.
- (2) Up to 90 minutes (1 ½ half hours) may be charged for completion of the head office or overall system desk audit⁴ at the hourly rate.
- (3) Up to 30 minutes (1/2 an hour per site) may be charged for report writing at the hourly rate.
- (4) Time will be charged in increments of 15 minutes at the hourly rate, pro-rata (i.e. \$52.50 per 15 minutes).
- (5) The above charges and time period include the time taken to draft and provide the Compliance Audit Report, including the close out of CARs provided such closure occurs within the timeframes agreed between the Producer and the Auditor and in accordance with the APIQ✓[®] Administrative Policies and APIQ✓[®] Certification Policies – otherwise additional fees will be payable as per Section 3.2 below.

³ CP 17 requires a Joint Certification Application to be completed and presented to APIQM annually, prior to site selection.

⁴ Additional time may be charged where an organisations manuals and systems are not in place, are un-organised or are difficult requiring more time than would otherwise have been necessary.

3. Additional Charges:

- 3.1 Associated travel and accommodation charges as set out in Table 4 will be applied to single and multi-site organisations, and are additional to the charges in Sections 1 and 2.

Table 4: Travel and Accommodation Charges

Travel and Accommodation	Rate	Unit
Travel Time per hour, with the first one (1) hour and last one (1) hour free	\$ 148	Per Hour
Travel Kilometres per kilometre, with the first and last one hundred (100) kilometres free	\$ 0.66	Per Km
The reasonable cost of accommodation including Meals at cost when required	up to \$250	Per Night

- 3.2 Closing Corrective Action Requests (CARs) and follow up activities.

- (1) If the close out of CARs does not occur within the timeframes agreed between the Producer and the Auditor and in accordance with the APIQ[✓]® Administrative Policies and APIQ[✓]® Certification Policies the Company may charge Producers for additional time and costs incurred to close and verify CARs, at the hourly rates specified in Tables 2 or 3, whichever applies.
- (2) Where an additional visit/Audit is deemed necessary to verify CARs are closed or to address other issues identified during an Audit, additional fees and charges may apply at the hourly rate as specified in Tables 2 and 3, whichever applies.

- 3.3 Fees and charges listed in items 1 will be applied to random or ad hoc Audits when required by APIQM, the APIQ Panel and or the APL Board QAAW committee to address a Critical CAR or for any other purpose they deem is in the best interest of industry to protect the integrity and credibility of the program.

- 3.4 As per APIQ Certification Policy 2 (CP2), Current APIQ[✓]® Certification requires all Audit Fees to be paid. Failure to pay Audit Fees will result in APIQ[✓]® Certification being refused, cancelled or suspended (CP9).

4. Fee Review

The Reference Group⁵ will review the Audit Fees on the 1st July each year, commencing on 1 July 2019, and on the anniversary of this date thereafter. Any fee review will be negotiated by the parties in good faith.

Revised fees will be presented by APIQM to the Panel and Board QAAW Committee, and to the APL Board for approval once agreed.

Processes outlined in clause 23 ⁶ will apply where agreement is not achieved independently.

⁵ Clause 9 of the Service Agreement, "A reference group will be established consisting of two members from the Company [AUS-MEAT], two from APIQM and an APIQ Panel representative (**Reference Group**) to review the overall outcomes from Audits and the operation of this Agreement and to make recommendations on changes or improvements to the Agreement, 12 months after the Commencement Date and thereafter at a frequency determined by the parties, but at least every 12 months." ; "Reference Group members will report the outcomes of Reference Group activities to their respective organisations, however no party is bound to agree to changes to this Agreement." Terms of reference for the Reference Group are included in Certification Policy 4 (CP4)

⁶ Clause 23 of the Service Agreement, regarding Dispute Resolution.