NAIT levy consultation response 2026

Executive summary

OSPRI has consulted on proposed increases to National Animal Identification and Tracing (NAIT) scheme levies to support the ongoing delivery and modernisation of the NAIT Scheme. Consultation took place from 25 June to 23 July 2026, during which 69 submissions were received.

Responses raised concerns about confidence in delivery, governance, funding fairness, affordability and the previous attempt to replace the NAIT information system. At the same time, they showed broad recognition of the importance of traceability, biosecurity preparedness, disease response capability, food safety assurance, market access, and the need to improve the current NAIT information system.

OSPRI's Board considered the consultation feedback alongside OSPRI's statutory responsibilities, the purpose of the NAIT Scheme, the NAIT Triennial Business Case (Business Case), long-term scheme funding requirements, and the risks of delaying investment.

In making its decision, the Board also considered the breadth of representation reflected in the submissions received. While most individual submitters opposed the levy increases, the industry organisations representing the dairy and beef sectors supported the increases - subject to stronger governance, accountability, delivery assurance, and transparent reporting outlined in the Business Case.

Consequently, a decision was made to proceed with the levy changes. The NAIT tag levy will increase from $0.97 to $1.35, and the NAIT slaughter levy will increase from $1.49 to $1.91 on 1 September 2026.

Our Board acknowledged the concerns raised through the consultation. It concluded that, while the increases will affect levy payers, delaying investment would increase risks to Scheme performance, biosecurity readiness, traceability, user confidence, and the ability of the NAIT Scheme to meet future industry and regulatory needs.

It is also certain that the levy-funded work will be supported by strengthened governance, independent assurance, transparent progress reporting, clear funder oversight, annual reviews, and ongoing engagement with levy payers and industry representatives.

Purpose and scope

The purpose of the levy changes is to ensure the ongoing sustainability and effectiveness of the NAIT Scheme.

The changes relate to the NAIT tag levy and slaughter levy paid by the beef and dairy industries. Revenue generated through the levy increases will be used to:

- Fund the ongoing operation and delivery of the NAIT Scheme.
- Support implementation of the NAIT Scheme Strategy, including replacing the existing NAIT information system
- Address an estimated funding shortfall associated with scheme delivery and future investment requirements over the next three years
- Recover approximately $1.38 million in historic under-collection of beef and dairy levies to restore the intended funding contribution split between industry and government
- Enable corresponding increases in Crown and deer industry contributions in line with existing funding arrangements.

Consultation overview and approach

Consultation took place from 25 June to 23 July 2026. The consultation was focused on those most directly affected by the proposed changes, including farmers, meat processors, tag manufacturers, and saleyards, while still allowing for wider stakeholder participation.

To support informed feedback, OSPRI made consultation materials publicly available through its website. These materials included a consultation information document outlining the proposed levy changes, their rationale, and potential impacts, as well as the NAIT Business Case, which provides detailed information on the strategic, operational, financial, and investment case supporting the proposal.

The following activities were undertaken to promote the consultation:

- OSPRI newsletters issued on 29 June and 20 July
- Posts across OSPRI's social media channels
- Outreach through stakeholder networks
- A media release was provided to Farmers Weekly, with an associated article published 3 July (online) and 13 July (print)
- OSPRI's Chief Executive, Sam McIvor, participated in interviews with Farmers Weekly on 3 July and CountryWide Media on 6 July.

The consultation was also featured in the Beef + Lamb New Zealand newsletter on 3 July and shared through DairyNZ's regional partner networks.

Respondent summary

A total of **69 submissions** were received. Responses were received from individual farmers, industry organisations, and other interested stakeholders.

The breakdown of responses by production type is as follows:

WHO	TOTAL	%
Beef farmers and representatives	28	41%
Dairy farmers and representatives	23	33%
Multiple selected	14	20%
Other	4	6%
Total	**69**	**100%**

Summary of consultation responses

The table below summarises overall sentiment in the responses:

POSITION	NUMBER	%
Supportive	18	26%
Opposed	43	63%
Neutral (did not express a clear position)	7	10%
N/A (did not address the levy increase)	1	1%
Total	**69**	

Submissions were received from Dairy New Zealand and Beef + Lamb New Zealand, both of which supported the proposed levy increases while emphasising governance, reporting and delivery assurance.

Key themes identified

Strong support for NAIT scheme outcomes

The consultation responses demonstrated broad recognition of the importance of traceability, biosecurity preparedness, disease response capability, and market assurance. While views differed on the proposed levy increase and funding approach, relatively few submissions challenged the purpose of the NAIT scheme itself. This was highlighted by responses to the question of "Which benefits of the NAIT scheme are most important to you?".

"B+LNZ recognises the critical role that accurate and timely NAIT information plays in supporting effective biosecurity readiness and response, underpinning market access, and enabling better decision-making at farm and industry level." – Beef + Lamb New Zealand

The NAIT information system is not fit-for-purpose

Across the consultation responses there was widespread acknowledgement that the current NAIT information system is no longer meeting user expectations and that improvements are needed. Regardless of their position on the levy proposal, many respondents identified opportunities to improve usability, simplify interactions, and better support compliance with NAIT obligations.

"The current system can't process large numbers accurately" and *"needs a complete reset."* – Beef farmer

Previous attempt to replace the NAIT system and confidence in delivery

The responses highlighted that views on the proposed levy increases were influenced by more than the cost of the levy itself. Responses indicated that confidence in successful delivery of future improvements, particularly the replacement of the NAIT information system, was an important consideration for many submitters.

"How are farmers guaranteed that this increase... will result in a completion of the project to specification?" – Dairy farmer

Support for raising levies

Those who expressed support for raising levies generally acknowledged the importance of the NAIT Scheme in supporting New Zealand's biosecurity, disease response capability, food safety assurance, and market access. They viewed the levy increase as a necessary investment to maintain and modernise the Scheme.

Several supporters outlined expectations associated with their support including:

- Strong governance and oversight of levy expenditure
- Clear reporting on progress and outcomes
- Delivery of measurable improvements for users
- Greater accountability for system replacement activities
- Improved compliance across the sector.

While supporters represented a minority of submitters overall, they included both industry organisations with a direct interest in the long-term performance of the scheme.

Opposition to raising levies

Opposition was driven by several recurring concerns.

Trust and organisational performance - some respondents referenced the earlier NAIT system replacement project and questioned whether additional funding should be provided before confidence in delivery capability is restored.

Affordability and cost pressures - some respondents highlighted increasing farm operating costs and stated that additional levies would place further pressure on already constrained farm businesses.

Fairness of funding arrangements - some respondents questioned whether the current levy arrangements distribute costs equitably across participants in the livestock supply chain.

Tag quality and replacement costs - some respondents expressed frustration with lost or damaged ear tags, resulting in producers effectively paying levies more than once.

Lack of perceived value - a smaller group of respondents questioned the overall value of the NAIT scheme and indicated they did not believe the benefits justified additional investment.

NAIT Information system improvements are required - despite opposing the proposed levy increases, several respondents acknowledged that the current NAIT information system requires improvement.

Responding to key concerns

Many of the themes raised through consultation were consistent with risks, constraints, and delivery considerations already identified through the Business Case process.

The table below summarises the key themes identified and how these will be addressed:

WHAT WE HEARD	HOW THIS WILL BE ADDRESSED	RELATED BUSINESS CASE SECTIONS
Confidence in delivery	The delivery approach incorporates lessons learned from the ISSP. The Business Case includes strengthened governance, independent assurance, stage-gated delivery, annual reviews, enhanced funder oversight, and formal reporting arrangements to improve transparency and accountability.	**Purpose**: 3.2 Review and Performance Monitoring, 3.3 Funder Assurance, **The Management case** 11.2 Governance and Accountability, 11.5 Monitoring and Evaluation, 11.9 Assurance and Quality Control
The current system is difficult to use.	Replacement of the NAIT information system is a core part of the proposed investment and will focus on improved user experience, integration with farm management software and self-service capability.	**The Strategic Case** 7.2 Rationale for Change, 7.3.1 A Future-Ready Information System,
Affordability and cost pressures	The funding approach represents the minimum increase required to support ongoing Scheme delivery and system replacement within current funding constraints.	**The Financial Case** 10.1 Financial Summary, 10.1.5 Funding Constraints, 10.1.6 Funding Approach
Current levy arrangements are perceived as unfair.	Feedback on funding equity has been noted and will help inform future consideration of levy settings and funding arrangements. Significant changes would require regulatory change and were out of scope of this consultation.	**N/A**
Tag quality and replacement	Feedback relating to tag quality has been recorded and will inform future work on tag performance, device standards, and	**The Strategic Case** 7.3.2 Other Key Elements of the NAIT Scheme Strategy, Investment Objective 4: Lifetime Traceability

costs are frustrating.	investigation of identification technologies identified within the NAIT Scheme Strategy.	Supported by the Best Available Technologies
Alternative funding approaches were suggested	Alternative funding approaches were considered in the Business Case. However, funding options are constrained by existing legislative settings, levy caps, agreed funding proportions, and the requirement to maintain scheme delivery.	**The Economic Case** 8.2 Scenarios considered and assessed in this business case **The Financial Case** 10.1.5 Funding Constraints, 10.1.6 Funding Approach,

The Board decision

The Board analysed all responses in alignment with OSPRIs strategic priorities, maintaining its commitment to placing farmers at the centre of decision-making.

Based on this, the Board:

- approved an increase in the NAIT tag levy from $0.97 to $1.35 and an increase in the NAIT slaughter levy from $1.49 to $1.91; and
- directed OSPRI management to implement the levy changes and complete the required communications and notification activities.

Reason for decision

The Board acknowledges that most submissions opposed the proposed levy increases. However, it noted that opposition was primarily driven by concerns regarding confidence in organisational performance, affordability and perceptions of funding fairness rather than opposition to the objectives of the NAIT Scheme itself.

The Board concluded that investment remains necessary because:

- The current NAIT information system is ageing and increasingly difficult to maintain
- Maintaining current funding levels would not support future Scheme requirements for the next three years
- Delaying investment would increase operational and biosecurity risks
- A modern traceability system is essential to support biosecurity, food safety and market access.

While recognising the financial impact on levy payers, the Board concluded that the long-term benefits of maintaining a fit-for-purpose national traceability Scheme outweigh the concerns raised.

New NAIT levies

From 1 September 2026 the NAIT levies will be:

LEVY	OLD RATE	NEW RATE	LEVY CEILING
Tag	$0.97	**$1.35**	$1.35
Slaughter	$1.49	**$1.91**	$2.25