

# NAIT Levy Consultation 2026 Discussion Document

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## Purpose

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This document explains the proposed increase to NAIT levies to fund the NAIT scheme and requests feedback from the people most affected by them. OSPRI is required to consult on any proposed levy changes before new rates are set. To provide a submission on the proposed changes, please visit the NAIT consultation page on the OSPRI website: [Consultations | OSPRI](#)

### Summary

- Cattle tag and slaughter levies are proposed to increase to fund the NAIT scheme. This includes replacing the existing NAIT information system with one that is easy to use,
- There is an historic shortfall in beef and dairy levy collection that needs to be recovered,
- Funding levels for the NAIT scheme have remained unchanged since 2022, while delivery and operating costs have continued to rise,
- The changes are intended to help strengthen the delivery of the NAIT scheme, while improving how NAIT supports day-to-day farm operations and biosecurity responses.

## About the NAIT Scheme

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The NAIT Scheme is New Zealand's national system for identifying and tracing cattle and deer. Introduced under the NAIT Act in 2012, it is designed to record where animals are, where they have been, who is/was in charge of them, and how they move throughout their lives. This creates a reliable record that supports traceability from birth through to death or export, giving confidence in the location and history of animals across the system.

The scheme plays a critical role in protecting the livestock industry and the wider economy. Accurate and up-to-date NAIT information allows for faster, more effective responses to disease outbreaks (like FMD), helps manage biosecurity risks, and supports managing food safety risks. It also underpins market access by providing assurance to trading partners, while enabling better decision-making and productivity outcomes at farm and industry levels.

### Current funding arrangements

The NAIT scheme is funded jointly by farmers and the government, with the costs shared across the dairy and beef cattle and deer livestock industry. MPI contribute 35%, Deer Industry New Zealand 2%, and the remaining 63% is split between Dairy (54.59%), Beef (45.41%). This shared approach means the scheme is joint industry-government led.

Dairy and Beef industry contributions are collected via farmer levies set under the National Animal Identification and Tracing (Levies) Regulations 2012 on:

- the purchase of NAIT tags (**tag levy**),
- animal slaughter (**slaughter levy**), and
- animals that can't be tagged (**unsafe to tag levy**)

### Rectifying historic under-collection

Over the past 4 years, beef and dairy levy revenue has been \$1.38 million lower than required. The proposed levy changes would address the shortfall and help restore the intended funding split over the next 3 years, while ensuring contributions remain aligned with Crown and Deer Industry funding already committed for this period.

### NAIT Scheme Strategy 2025-2031

As part of a legislated requirement to review NAIT funding, OSPRI worked with its funders to develop a NAIT Scheme Strategy. This strategy is intended to ensure the NAIT Scheme protects and enhances industry value, remains fit for purpose and reflects how farmers will operate into the future.

The strategy focuses on delivering a replacement NAIT information system that is simpler and easier for farmers and other users to use. This will make it easier to meet NAIT obligations, improve data quality, and lift overall Scheme compliance. A better system also creates more opportunities to deliver value to those who rely on NAIT data for their day-to-day business. Alongside this, the strategy includes work to strengthen partnerships across the industry and ensure the technologies and devices used in the NAIT Scheme are fit for purpose and up to date.

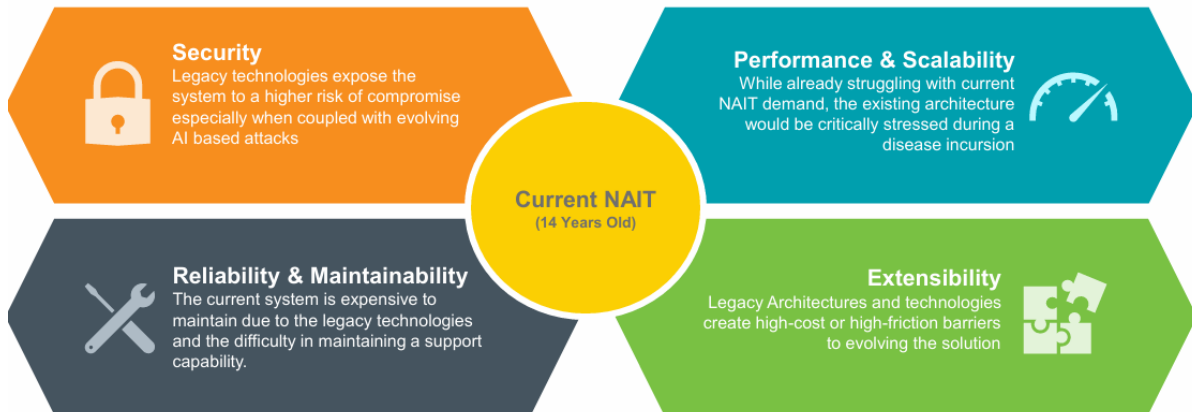
A summary of the strategy is shown below.

Figure 1 – The NAIT Scheme Strategy 2025-2031 summary



Replacing the NAIT information system is a key priority. The current system is built on ageing technology that is increasingly difficult and costly to maintain and can be frustrating for farmers and other industry participants to use. This is illustrated in Figure 2 below. Without investment in the NAIT information system replacement, these issues will continue to grow.

Figure 2 – Core issues with the current NAIT information system

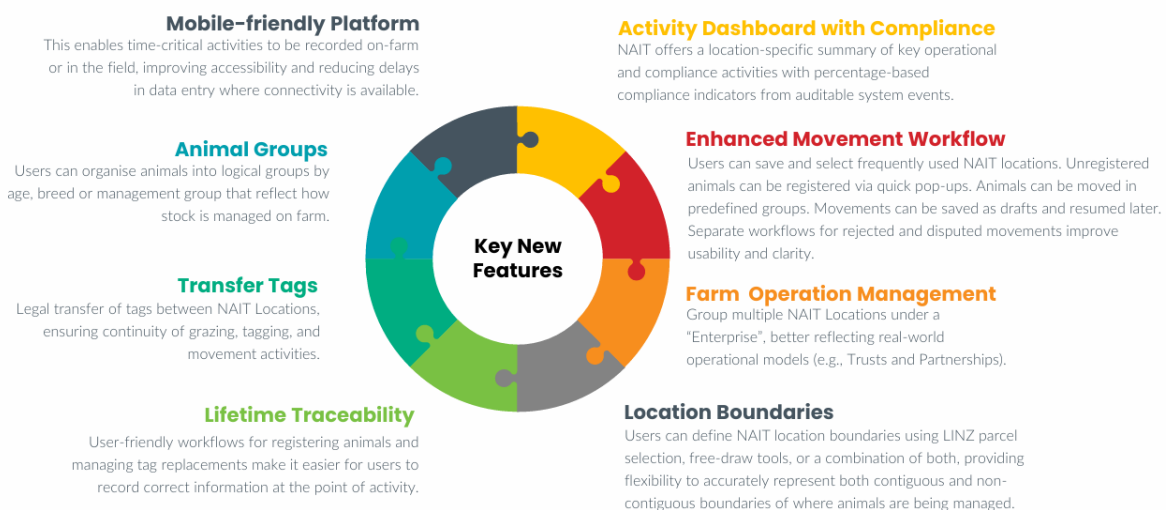


## Benefits of replacing the NAIT information system

The new NAIT information system addresses longstanding structural constraints and modernises the platform that underpins the NAIT Scheme. The new system establishes a fully integrated, modern technology foundation that strengthens traceability confidence, supports effective biosecurity response, and helps safeguard New Zealand’s market access and sector productivity.

The NAIT Replacement System (NRS) updates core architecture, user experience, integration capability, and data visibility to better support scheme objectives. It will deliver a secure, fast, and reliable national traceability system designed around modern farming realities. The platform will be mobile-first, intuitive, and tailored to different operational contexts, guiding users step-by-step through key tasks while proactively supporting increased compliance and disease management. These capabilities will also support disease response agencies by enabling access to high-quality, up-to-date traceability data, improving the speed and precision of tracing during biosecurity events.

Figure 3 – The NAIT replacement system key features:



## What will the levies pay for?

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The proposed levy changes are intended to fund the ongoing operation of the NAIT scheme and the replacement of the NAIT information system. As a result, Crown and deer industry contributions will also increase in line with the agreed funding split. The additional revenue will also recover the \$1.38 million that has been under-collected from beef and dairy farmers over the past four years to maintain the agreed funding split between industry and the Crown

Since funding settings were last updated in 2022, the cost of operating the scheme has increased, placing pressure on maintaining services and investing in improvements. The proposed changes address this pressure while positioning the Scheme to remain fit for purpose.

## Proposed levy changes

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Following engagement with industry bodies, the OSPRI board is proposing increases to tag and slaughter levies to address an approximate projected funding shortfall of \$1.5 million per year for the NAIT Scheme (including replacing the NAIT information system) over the next three years. Of this, \$2.8 million would be recovered from beef and dairy industry levies, with the remaining increase of \$1.55 million funded by the Crown and \$0.09 million by deer industry contributions through DINZ, over the next three years.

Under this option the slaughter and tag levies would need to increase to:

Levy	Current	New rate	Levy ceiling
Tag	\$0.97	\$1.35	\$1.35
Slaughter	\$1.49	\$1.91	\$2.25

## Impacts of the proposed levy changes

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The table below gives an example of what the proposed levy changes could mean at farm level, using average herd sizes for beef and dairy farms. These figures are intended as a guide only, meaning actual costs will vary depending on the number of animals on each farm and how many tags are used and animals are slaughtered each year.

	Beef	Dairy
Average herd size	175 head	451 head
Current cost (per farm/year)	\$268	\$354
Potential cost (per farm/year)	\$358	\$466
Difference	\$90	\$112

Based on these average herd sizes, the proposed changes would increase annual NAIT levy costs by around \$90 for a typical beef farm and \$112 for a typical dairy farm.

## Background and decision to replace the NAIT information system

Previous investment in the NAIT information system did not deliver the intended outcome, with an independent review finding the approach overly complex and unsustainable. This led to a reset and a simpler, more focused approach based on clearer requirements and stronger governance.

The decision to replace the system has been informed by a robust process, including independent reviews, stakeholder engagement, full business case process, and formal cost–benefit modelling. This process tested multiple options and confirmed that replacement is the most effective investment option.

The new system will be designed to be practical, user-friendly, and aligned with how farmers operate. It is expected to reduce compliance effort, improve data quality, and support faster, more effective biosecurity responses - while protecting market access and delivering better long-term value than continuing to invest in the current system.

## Alternative scenarios considered

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A number of alternative scenarios were considered to deliver the NAIT Scheme strategy, including continuing with the current NAIT information system. Each option was assessed against its ability to meet the Scheme's objectives, deliver value for money, and remain sustainable over time.

These alternatives highlighted the trade-offs involved and reinforced that maintaining the status quo was not a viable option and posed too much risk to the Scheme.

## Implementation and timing

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The consultation will run for four weeks, providing stakeholders with an opportunity to review the proposal and submit feedback. During this period, we will undertake targeted engagement with directly affected stakeholders to ensure their views are clearly understood and considered.

Following the close of the consultation, all submissions will be carefully analysed. This analysis will inform the development of a recommendation for consideration by the OSPRI Board.

Once the Board has made its decision, we will publish a formal response outlining the feedback received, the analysis undertaken, and the final decision. The levy rates will then be confirmed and set.

## How to make a submission

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Submissions can be made using the online webform on OSPRI's NAIT levy consultation webpage.

[Consultations | OSPRI](#)

If you need help with making your submission, please contact the OSPRI Support Centre via the [contact us page on our website](#).