



## NAIT Act amendments: background Q&A

### Changes to NAIT law and regulations

#### 1. What is the amendment to the National Animal Identification and Tracing Amendment Act all about?

It's the law changes to deal with issues identified with the NAIT scheme that came to light in the OSPRI industry-led NAIT Review and during the *Mycoplasma bovis* response.

#### 2. What is changing?

The amendments being made in December 2019 mostly target the following areas.

- Traceability and tagging.
- Compliance incentives.
- Better access to, and use of, NAIT data.
- Making sure that NAIT is fit for the future.

There are also some technical amendments.

#### 3. Why are changes being made to NAIT?

The NAIT scheme is a vital part of New Zealand's biosecurity system. The government and the cattle and deer industries are committed to ensuring NAIT works well for everyone to create the animal tracing scheme we need. The law changes are needed to make that happen.

#### 4. Who has been involved in the changes?

MPI and industry consulted a wide range of interested groups on the proposed changes, including animal industries, the NAIT Board, NAIT Stakeholder Council, NAIT shareholders, and other government agencies. There was also a public consultation period.

MPI's Māori biosecurity network and iwi contacts were notified of the proposals and the consultation.

Shareholders, Treaty partners and other stakeholders also had the opportunity to have their say on the amendments during the Select Committee stage.

### Better traceability

#### 5. What are the tagging changes?

##### **Tags**

A Person in Charge of an Animal (PICA) must now use only the tags issued to specific locations. This is because effective tracing needs a tag to be related to the birthplace of the animal.

If a PICA works at more than one NAIT location, they'll need different tags for each place.

Stockpiled tags can be used for the next 12 months, but it's a good idea for farmers to start changing over now.



### ***Unsafe to tag***

The exemption for animals going directly to slaughter was previously called ITT ('impractical to tag'). It is now called 'unsafe to tag', which better reflects the reason for the exemption.

As now, animals that are unsafe to tag will have to be registered before they are moved. This can be done any time before the movement occurs – it previously had to be done 48 hours beforehand.

The unsafe animal will also have to be visibly identified (such as with a ruddle/spray).

This exemption will be reviewed in five years to check if it's still necessary.

## **Encouraging compliance**

### **6. What are the benefits to NAIT farmers?**

One of the direct benefits of NAIT for farmers has been strengthened.

A prospective buyer can now ask the seller to provide the *location* history of a NAIT animal. And for the seller, it will be easier to access that information.

It is expected that location history reports will become a normal part of animal sales and purchase agreements.

To address concerns raised by some PICAs, animal *location* histories have no Privacy Act implications.

### **7. Why have the penalties been increased?**

The maximum penalties that the courts could impose for NAIT offences have been quite low.

Serious offending has a high potential impact on New Zealand's ability to respond to a biosecurity incursion or food safety issue. Penalties for offences under the NAIT Act are now more in line with penalties under the Biosecurity Act and the Animal Products Act.

### **8. What are the new court penalties?**

Only the most serious cases that have major biosecurity implications ever get to court. The increased penalty a judge can consider is up to a maximum \$100,000 for an individual and \$200,000 for a body corporate. This is the same maximum as is in the Biosecurity Act and the Animal Products Act.

### **9. Why have infringement fees increased?**

It is clear that some farmers are not obeying the law and previous penalties have not created enough of a disincentive. PICAs need to play their part so the tracing system works for everyone.

### **10. What are the new infringement fees?**

The current \$150 fee for most offences has been raised to \$400, and the \$300 fee for failing to register as a PICA has increased to \$800.

### **11. What is the new offence for people transporting NAIT stock?**

It is now an offence for anyone to move an untagged NAIT animal, unless it has an exemption.

This offence will not apply to transport operators carrying a declaration from the PICA that says the animal is 'NAIT compliant' (in other words, it is identified and registered in accordance with the NAIT Act).



This new provision makes it clear that people have responsibilities when they are moving NAIT animals. For accurate tracing, good information about animal movements needs to be collected.

There is a six-month transition to make sure everyone gets to grips with the change before any enforcement action is taken.

**12. What is happening to people who aren't complying with their NAIT obligations?**

Both MPI and NAIT Limited have stepped up their compliance activity, and will continue to use education and enforcement to help people meet their responsibilities.

**Access to NAIT data**

**13. What has changed with access to, and use of, NAIT data?**

There are some changes to who can access the NAIT database and why.

Data can now be accessed by relevant services such as Police or territorial authorities to respond to stock theft, wandering stock, or NAIT animals found dead in a public place.

The Director-General of MPI can now authorise MPI staff to access NAIT data for the purposes of the NAIT Act. MPI will also be able to help emergency services to access NAIT data when necessary, in particular when the NAIT call centre is closed.

The public sector organisations that can now access data for purposes set in the NAIT Act have now been clearly defined.

**Future-proofing**

**14. What are main changes to ensure the scheme is fit for the future?**

The obligation to declare non-NAIT animals at NAIT locations every year has stepped up from voluntary to mandatory. It is also clearer which animals must be declared – feral animals are excluded.

The NAIT organisation will have to provide the core data to the government, if requested. This change makes sure that the government can get the full dataset, if it's needed. The change protects the core data for everyone in the system, including PICAs, other farmers, the wider industry, and the general public.

NAIT Limited must also have a contingency plan to ensure continuity of access to the information system, just in case a different NAIT organisation had to be appointed in the future.

**15. How is the monitoring of NAIT Limited changing?**

There is now more clarity on the tools available to address any performance issues and at what point the Minister can act.

Some additional reporting and monitoring provisions have been put in place. These include the organisation reporting to the responsible Minister, especially on spending of appropriations, the Minister being able to appoint someone (without voting rights) to help the Board, and the Minister being able to notify the Board about the priorities and expectations related to its functions and duties.

Altogether, the changes mean that if any intervention is needed, appropriate actions can be taken earlier to help the NAIT organisation stay on track.



## Implementation

### 16. When do the changes come into force?

Most changes take effect from 14 December 2019. Two changes have transition periods.

1. The requirement that a PICA must not use a tag issued for one location on an animal at another location **will not be enforced until 12 months after the legislation is passed** (14 December 2019). This gives farmers a chance to use up any existing stocks of tags related to their property.
2. The PICA declaration for transport operators **won't come into effect until six months after the legislation is passed** (14 December 2019). This time will be used to: discuss with transport operators and industry how they want the declaration to work; to educate people about the obligation; and to allow people to 'dry run' the system before enforcement starts.

### 17. What do stock agents and traders need to know?

NAIT Limited has tightened the rules around what third party information providers must do to meet their obligations, and will carry out audits to check that standards are being met. This will help to get a more consistent approach across stock agents and traders as well as others who act on behalf of PICAs.

NAIT Limited will also be developing a new standard that people trading in NAIT animals will have to meet.

## The NAIT scheme

### 18. Is NAIT fixed yet?

The NAIT scheme is fundamentally sound. However, actions are being taken on a number of fronts to improve NAIT and ensure it is fit for the future as it evolves. This legislation package is one of the actions that are being taken to improve the scheme.

Good progress is being made on improving NAIT. Everyone, including farmers, must play their part in getting the scheme to work better.

### 19. How do the 2019 changes fit in with the 2018 changes?

A few small technical corrections were urgently made to the NAIT Act in August 2018 to ensure MPI could undertake compliance activity. The 2019 changes are essential to ensure the scheme is fit for the future, but were not so urgent.

### 20. What will the changes cost farmers?

Most of the changes bring the scheme into line with the original intention of the NAIT Act. Farmers who are meeting their obligations will see very little impact; those who are not complying may see the impact of the rules being enforced.

A set of reports called regulatory impact assessments were prepared as part of considering the law changes. These showed that, overall, the changes would benefit New Zealand.

[Regulatory impact assessments can be downloaded from MPI's website.](#)

## Will the NAIT levy be changed?

NAIT Limited sets the levies, and at this stage it has not indicated a need for a levy adjustment.



**21. What other activity is under way to improve the NAIT scheme?**

Both MPI and NAIT Limited have stepped up compliance activity and will continue to focus on education through to enforcement. MPI and NAIT Limited will conduct an education campaign in early 2020 to make sure everyone is aware of, and acting on, their responsibilities.

**22. Will the scheme will be expanded to include other animal species?**

The Minister for Biosecurity has signalled that other animal species will be brought into the scheme in the future, but that the key priority right now is getting NAIT working properly.

Beef+Lamb NZ is working with NZ Pork to develop a business case for bringing other species such as sheep and pigs. MPI will also be involved. That work is just starting.

**23. What is NAIT?**

The NAIT scheme, or NAIT, is our National Animal Identification and Tracing system, which currently applies to cattle and deer.

NAIT records the location and movement of individual animals and the contact details for the person in charge of an animal (PICA).

Anyone in charge of cattle or deer must comply with the NAIT Act and regulations. The rules apply whether you have one animal or 1,000.

**24. What is the NAIT Act?**

It is the National Animal Identification and Tracing Act. It established the NAIT scheme in 2012.

**25. Why do we have NAIT?**

Animal traceability is important for tracking animal movements in the event of a biosecurity response. It is also important for farmers to understand the history of cattle when they are looking to purchase new stock.

NAIT helps MPI to respond quickly when there is a biosecurity outbreak, especially when it is an animal disease or a natural disaster.

**26. Who runs and funds NAIT?**

The NAIT scheme is run by a private company on behalf of the government and cattle and deer industries. NAIT Limited is a subsidiary of OSPRI Limited.

NAIT is funded by ear tag and slaughter levies, and also receives some government funding.

**27. Is NAIT part of MPI?**

No. NAIT is run by a private company called NAIT Limited, on behalf of the government and the cattle and deer industries.