

# Regulatory Impact Statement

## Draft Meat Industry (Meat Industry Levy) Regulation 2025

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#### **More information**

NSW Food Authority [foodauthority.nsw.gov.au](https://foodauthority.nsw.gov.au)

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## Executive Summary

The Meat Industry (Meat Industry Levy) Regulation 2016 (the MIL Regulation) is due for automatic repeal on 1 September 2025 under the *Subordinate Legislation Act 1989*.

The MIL Regulation supports the *Meat Industry Act 1978* (the Act), which requires every occupier of NSW land who is liable to pay an animal health rate to also pay a Meat Industry Levy (MIL) annually to the Food Authority to fund meat industry food safety activities.

The NSW Food Authority, a statutory body within the Department of Primary Industries and Regional Development, is responsible for regulating and monitoring food safety across the entire food industry supply chain.

The food sector is a major part of the NSW economy:

- Gross value of production for NSW primary industries was just over \$20 billion in 2023-24, with NSW primary industry exports 37% above the 10-year average due in part to strong export demand supported by NSW's reputation for high quality product<sup>1</sup>.
- Gross value of production (GVP) for NSW livestock industries was \$7.9 billion in 2023-24, with red meat production making up 54% of the NSW livestock GVP<sup>2</sup>
- Food primary industry exports from NSW were \$11 billion in 2023-24 with beef exports contributing \$2.2 billion and sheepmeat exports contributing \$1.2 billion.<sup>3</sup>

This Regulatory Impact Statement (RIS) assesses two options against the base case. Option 1, the base case is to remake the MIL Regulation as is, without amendments on 1 September 2025. The two alternative options are:

- Option 2: Make the draft Meat Industry (Meat Industry Levy) Regulation 2025
- Option 3: Take no action (allow the Meat Industry (Meat Industry Levy) Regulation 2016 to lapse).

Option 2 is the preferred option, as making the draft Regulation generates the greatest net benefit to businesses, consumers, government, and the community. This option provides a sufficient contribution from producers to food safety activities that benefit the meat industry, while also improving clarity and efficiency for government and removing red tape for producers.

Option 3, allowing the MIL Regulation to lapse would reduce regulatory certainty, increase costs for the Food Authority, increase costs for most producers and reduce economic efficiency.

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## 1. About this Regulatory Impact Statement

### Why is the Meat Industry (Meat Industry Levy) Regulation 2016 being remade?

The MIL Regulation is due for staged repeal on 1 September 2025. Routine review of regulations ensures regulations remain contemporary, fit for purpose, and result in the greatest net benefit for NSW industry, community and the government. A regulation that is due for repeal may be:

- allowed to lapse
- maintained and the staged repeal process postponed
- remade with or without amendments.

The staged repeal of MIL Regulation has been postponed on four occasions.

### Why has this RIS been prepared?

The *Subordinate Legislation Act 1989* (SL Act), Section 5 requires that before a regulation is made, a Regulatory Impact Statement (RIS) is prepared to cover substantive matters dealt with by the regulation and public consultation.

### What will this RIS consider?

Under the SL Act, Schedule 2, a RIS must contain:

- a statement of the **objectives** sought to be achieved and the reasons for them
- an identification of the **alternative options** by which those objectives can be achieved (whether wholly or substantially)
- an assessment of the **costs and benefits of the proposed statutory rule**, including the costs and benefits relating to resource allocation, administration, and compliance
- an assessment of the **costs and benefits of each alternative option** to the making of the statutory rule (including the option of not proceeding with any action), including the costs and benefits relating to resource allocation, administration, and compliance
- an assessment as to which of the alternative options involves the **greatest net benefit or the least net cost** to the community
- a statement of the **consultation program** to be undertaken.

The NSW Government Guide to Better Regulation ([TPP19-01](#)) principles are also applied when designing and developing a regulatory proposal.

### Will the public have a say on the draft MIL Regulation 2025 and RIS?

Yes. The draft MIL Regulation 2025 and RIS will be open for consultation from Monday 5 May until Sunday 1 June 2025.

The draft MIL Regulation 2025 and RIS are available at:

- The Food Authority website: [www.foodauthority.nsw.gov.au/MILreg2025](http://www.foodauthority.nsw.gov.au/MILreg2025)
- The NSW Have your say website: [www.nsw.gov.au/have-your-say/MILreg2025](http://www.nsw.gov.au/have-your-say/MILreg2025)

We want to know what you think about any matter relevant to the draft MIL Regulation. Submissions can be provided by email or mail.

Email: [food.legislation@dpird.nsw.gov.au](mailto:food.legislation@dpird.nsw.gov.au)

Mail: Meat Industry Levy submissions - NSW Food Authority

The closing date for submissions is Sunday 1 June 2025 at 11:59 pm.

## What will the government do with your submission?

The Food Authority will review and consider all submissions received by the closing date. The Minister for Agriculture is required to consider submissions and actions arising from the submissions. The Food Authority may amend the draft MIL Regulation after consideration of comments made in submissions. The Food Authority will provide a copy of all submissions to the Legislation Review Committee of the NSW Parliament with the final MIL Regulation 2025. The Committee will also be provided with a report on the outcomes of consultation, matters raised in submissions and how these have been addressed.

## Is it possible to make a confidential submission?

The Food Authority may place submissions, or summaries of submissions, on its website. Please let us know if you do not want your submission published or if you want part of it to be kept confidential, for example your name. The Food Authority will respect your request, unless required by law to disclose this information, for example under the provisions of the *Government Information (Public Access) Act 2009*.

## Who will be consulted on the draft MIL Regulation 2025 and RIS?

We are seeking input from landowners, land occupiers, the meat industry, community, and government agencies.

The Food Authority will advise these stakeholders of the consultation by email:

- NSW Meat Industry Consultative Council, including representation from
  - NSW Farmers' Association
  - Australian Chicken Meat Federation
  - Australian Meat Industry Council
  - Australian Meat Processors Corporation
  - Australian Pork Limited
  - Poultry producers and processors
  - Meat processors
- Local Land Services
- SAFEMEAT

## How has the draft MIL Regulation 2025 and RIS been advertised?

The Food Authority will publish a notice of the draft MIL Regulation and RIS in the NSW Government Gazette and in the following NSW newspapers and websites:

- Sydney Morning Herald
- The Daily Telegraph
- The Land
- Food Authority [www.foodauthority.nsw.gov.au/MILreg2025](http://www.foodauthority.nsw.gov.au/MILreg2025)
- Have your say [www.nsw.gov.au/have-your-say/MILreg2025](http://www.nsw.gov.au/have-your-say/MILreg2025)

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## 2. Key terms

Term	Definition/description
Act	<i>Meat Industry Act 1978</i>
Draft MIL Regulation 2025	Draft Meat Industry (Meat Industry Levy) Regulation 2025
Foodborne illness	Any illness resulting from the consumption of contaminated food, pathogenic bacteria, viruses, or parasites that contaminate food.
Food Standards Code	<p>The Australia New Zealand Food Standards Code as defined in the <i>Food Standards Australia New Zealand Act 1991</i> of the Commonwealth.</p> <p>The Food Standards Code provides authoritative standards for food labelling, composition, safety standards, maximum residue limits, primary production and processing and a range of other policies.</p>
FSANZ	Food Standards Australia New Zealand
LLS	Local Land Services
LLS Act	<i>Local Land Services Act 2013</i>
LLS Regulation	Local Land Services Regulation 2014
MIL	Meat industry levy
MIL Regulation	Meat Industry (Meat Industry Levy) Regulation 2016
NLIS	National Livestock Identification System – for recording livestock movements.
Pathogen	A disease-producing organism
RIS	Regulatory Impact Statement
Salmonella	In the natural environment, <i>Salmonella</i> is transmitted through domestic and wild animals, birds, rodents, and humans and is spread easily through water and soil. <i>Salmonella</i> can be found in various environments that have been exposed to faecal contamination. Well-known strains include <i>S. Typhimurium</i> and <i>S. Enteritidis</i> . Gastroenteritis is the most common form of salmonellosis linked to contaminated foods.
SL Act	<i>Subordinate Legislation Act 1989</i>

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## 3. The need for government intervention

### About food safety

#### The meat industry supply chain

The meat supply chain begins with meat producers, who have a responsibility to raise animals and maintain farm processes that ensure food safety for the end consumer. The processing part of the meat supply chain involves abattoirs, meat processors, wholesalers, transporters and retail butchers who all have a responsibility to ensure safe and hygienic meat. Throughout the meat supply chain, food safety is important to minimise the risks of foodborne illnesses for consumers as well as ensuring the integrity of the meat from the farm and feedlot to the saleyard, during transportation, and through to processing and distribution<sup>4</sup>. Collectively, food safety throughout the meat supply chain helps maintain the reputation of meat in Australia's domestic and export markets.

The meat industry makes a significant contribution to the NSW and Australian economy. In 2024, the gross value of NSW production was \$3.05 billion for beef, followed by sheep and goatmeat with \$1.24 billion and pigs with \$234 million<sup>5</sup>. The Australian meat industry is also a major exporter, exporting around \$18.9 billion of meat and live animals in 2023-24, including \$13.1 billion of beef and live cattle and \$4.8 billion of sheepmeat and live sheep<sup>6</sup>. NSW beef exports were \$2.2 billion in 2023-24<sup>7</sup>.

#### Cost of foodborne illness

Foodborne illnesses result from consumption of contaminated food, pathogenic bacteria, viruses, or parasites that contaminate food. There are around 4.67 million cases of foodborne illness per year<sup>8</sup> in Australia, with some cases developing longer-term health effects such as irritable bowel syndrome and reactive arthritis. While for most people foodborne illness is not serious, collectively it costs Australia \$2.81 billion per year, with an estimated 47,900 hospitalisations and 38 deaths due to foodborne illness per year<sup>9</sup>. Pathogens commonly associated with the red meat industry are *Salmonella*, *E. coli* and *Clostridium* with *Salmonella* and *E. coli* often found in the intestinal tract of animals. Salmonellosis is the second most reported foodborne illness in Australia<sup>10</sup>, however risk is reduced through hygienic slaughtering practices and thorough cooking and refrigeration of meat.

Based on population data<sup>11</sup>, the Food Authority estimates that NSW and its public health system bear \$675 million of the foodborne illness costs. Between 2014-2019 there were an average of 52 foodborne illness outbreaks in NSW each year<sup>12</sup>. The costs to industry and government due to foodborne illness outbreaks are in addition to these cost estimates.

The annual \$2.81 billion cost of foodborne illness in Australia is primarily due to lost productivity of workers, followed by direct healthcare costs, premature mortality, and reduced quality of life<sup>13 14</sup>. After the initial gastroenteritis experienced by most people, some foodborne illness causes ongoing health issues. These people experience lower quality of life, with reactive arthritis resulting in lost productivity and irritable bowel syndrome resulting in pain and suffering<sup>15</sup>. The largely preventable costs of foodborne illness highlight the need for continued improvements in food safety.

Costs to industry from pathogen contaminated food are significant and in addition to the social costs. Industry costs include product tracing costs to find contaminated food, product recalls, packing facility closure and cleaning, product liability, reduced consumer demand, lost markets, litigation, company closures and prolonged market effects due to reputational damage<sup>16</sup>. Food recalls are often



precautionary to remove potentially harmful products from the market rapidly to protect consumers from health impacts. Product recall costs to industry may be large<sup>17</sup>.

## Identification of the problem

### The need for government intervention

Consumers expect that food sold in Australia is safe to consume. Negative externalities impact consumers and society where poor or insufficient food safety practices by food businesses causes illness or other health issues. Furthermore, the businesses that cause the problems do not bear the associated health costs,<sup>18</sup> and these costs are instead borne privately by consumers and by the government via the public health system.

Negative externalities also impact the meat industry. The meat industry benefits both domestically and in export markets from the good reputation of NSW meat safety. Poor food safety by individual producers or processors can cause significant negative externalities for the NSW meat industry through damaged reputation. The whole meat industry suffers the reputational and financial impacts while the individual business that caused the problem bears only a tiny portion of the total cost.

Implementing food safety management strategies with adequate control measures at all stages of the meat supply chain is essential to prevent foodborne illness outbreaks attributed to meat<sup>19</sup>.

### Objective of government action

Government intervention to maintain ongoing food safety oversight is required to protect consumer health and the NSW meat industry's reputation for high quality safe meat. Government intervention in the meat industry focuses on oversight of high-risk food activities through risk-based food safety programs, as well as livestock and meat traceability, pathogen testing, accurate labelling and prosecution of illegal meat businesses.

The Food Authority is responsible for ensuring the NSW food industry produce and sell food that is safe for consumers to eat. The Food Authority applies a risk-based through chain approach to food safety in the NSW food supply chain, known as 'paddock to plate'. Key commodities regulated are the dairy, meat (including poultry), seafood, shellfish, plant products and egg industries.

The paddock to plate approach shares the responsibility of food safety between all participants in the supply chain. Abattoirs and meat processing businesses contribute to meat industry food safety through compliance with food safety programs under the Food Regulation 2015 and by paying an annual licence fee. Risk-based food safety programs require food businesses to systematically analyse their food handling activities and take all reasonable steps to reduce food safety hazards.

The Food Authority does not require livestock producers to be licensed or operate their production activities under an audited food safety program. However, producers benefit from broader food safety actions in the meat supply chain. Therefore, it is reasonable for producers to make an appropriate contribution to the food safety work undertaken by the NSW Food Authority that benefits the NSW meat industry sector. This contribution is the meat industry levy.

The objective of remaking the MIL Regulation is to maintain the meat industry levy to support meat food safety activities in NSW. The Independent Pricing and Regulatory Tribunal (IPART) stated in its 2013 draft report for a Review of a funding framework for Local Land Services<sup>20</sup> that the MIL is targeted and efficient, seeking to cost recover part of the Food Authority's costs from the industry that impacts/benefits from its activities. The MIL funds Food Authority activities that collectively work

together to minimise the risk of foodborne illness and directly benefit NSW meat producers. These activities include:

- Compliance, enforcement and food sampling programs around safe and suitable food provisions and prevention of misleading conduct provisions in the *Food Act 2003* such as:
  - Investigation of foodborne illness outbreaks (e.g. *Salmonella* contaminated air-dried buffalo meat from unlicensed meat processors).
  - Red meat abattoir, meat processor and rendering plant audit project – to ensure food safety program requirements are met and facilities were suitable and hygienic
  - Meat retail audit project for businesses producing fresh ready to eat meat products (higher risk as the product does not need further cooking before consumption) – to ensure products and premises are suitable.
  - Illegal chemical use – testing of fresh mince at retail butchers for the prohibited use of sulphur dioxide preservatives, with a sizeable number of penalty notices issued.
  - Illegal slaughter – in 2023-24, the Food Authority seized 1019kg of raw meat (lamb, sheep offal and beef) from unlicensed abattoirs, and another 475kg of meat (horse, pig and beef) from an unlicensed knackery.
  - Illegal meat processors – over the last 3 years, the Food Authority seized 1353kg of ready to eat meat and 338kg of packaged meat as it was produced without a licence and without required food safety measures in place.
  - Enforcing the branding and labelling of meat.
  - National Livestock Identification System (NLIS) producer to producer animal movement compliance.
- Reviewing food safety programs and product ingredient and processing steps of uncooked comminuted fermented meat (UCFM) products – these uncooked products are high-risk as any harmful microorganisms present in the raw materials or the processing environment could survive and grow to cause illness.
- Reviewing and providing submissions to Food Standards Australia New Zealand (FSANZ) proposals to amend the Food Standards Code, including Maximum Residue Limit amendments and Plain English Allergen Labelling.
- Supporting the meat industry find alternative waste disposal options due to the closure of the Sydney rendering plant.
- Assisting businesses producing processed meat products with Plain English Allergen Labelling.
- Contribution to NLIS sheep and goat standards (national standards), and a NLIS tag free pathway for harvested rangeland goats.
- Participation in state and national committees and working groups:
  - Australian Meat Regulators Group – this group facilitated amendments to Australian Standard 4696 to update procedures for post-mortem inspection of carcasses and carcass disposition of cattle, sheep, goats, and pigs with expected labour savings and increased returns for meat processors.
  - Food Export Regulators Steering Committee.
  - National Food Safety Incidence Response Group.
  - National Imported Foods Labelling Compliance Working Group.
  - SAFEMEAT advisory group, SAFEMEAT jurisdictional traceability group, SAFEMEAT risk register working group and SAFEMEAT Systems X transfers working group – industry government partnership.

- Co-ordination of the NSW Meat Industry Consultative Council – to engage with the meat industry.
  - Providing industry and consumer resources such as:
    - A free telephone consumer and industry helpline.
    - Information and guidance for the NSW meat industry on the Food Authority website.
    - Quarterly Foodwise industry-focused newsletter.
    - Factsheets (e.g. slaughter of animals sold for human consumption, requirements for meat vans that transport meat carcasses and meat products).
    - Guidance material (e.g. meat food safety scheme risk assessment; construction plans for red meat abattoirs and small meat processing premises).
    - Free food safety program templates (e.g. game meat harvester).
- 

## 4. Legislative framework

This chapter outlines the role of the MIL Regulation within the existing legislative framework. A summary of the draft MIL Regulation 2025 is in Table 1 in Chapter 5.

### Meat Industry Act 1978

The *Meat Industry Act 1978* (the Act) provides the legislative framework for a Meat Industry Levy (MIL) to be paid annually to the Food Authority by every occupier of NSW land who is liable to pay an animal health rate in respect of that year. The Act is supported by the MIL Regulation.

The animal health rate is charged on land that is considered rateable under the *Local Land Services Act 2013* (LLS Act). Rateable land is exempt from the animal health rate if the amount of stock on that land in the preceding year was less than 50 stock units, calculated using the stock units for various types of stock set out in clause 3(2) of the Local Land Services Regulation 2014 (LLS Regulation).

Section 59A of the Act sets out the MIL amount payable by the land occupier. The MIL has a base amount of \$5 plus 0.9 cents for each stock unit of the notional carrying capacity of the land, or \$100, whichever is the lesser amount. When determining the notional carrying capacity of land, a stock unit is a 40-kilogram wether sheep of any breed, and a 400-kilogram steer of any breed represents 10 stock units (see clause 17(2) of the LLS Regulation).

The notional carrying capacity is the number of stock units that could be maintained on the land in an average season under management practices that are usual for the district. The notional carrying capacity is determined by LLS (see clause 17 of the LLS Regulation). Stock includes cattle, horses, sheep, goats, camels, alpacas, llamas, pigs, deer, ostriches, and emus.

### Meat Industry (Meat Industry Levy) Regulation 2016

The MIL Regulation varies the MIL rate to \$5 + 0.6 cents for each stock unit or \$130, whichever is the lesser amount. It also simplifies collection of the MIL by exempting some administrative requirements when a levy collection agency agreement is in place and sets the District Court as the court where a land occupier can object to the validity of their MIL.

LLS collect the MIL under an agreement and charge the Food Authority a commission of 7.6% (plus 10% GST) to calculate and collect the MIL on their behalf.

## 5. The draft MIL Regulation 2025

The draft MIL Regulation 2025 has been prepared by the Parliamentary Counsel's Office and informed by internal review of the existing MIL Regulation. The review found that the existing regulatory provisions are required for continued management of the meat industry in NSW. The review identified minor improvements to modernise and simplify existing provisions as well as increase consistency with other legislation.

A summary of provisions in the existing MIL Regulation and the proposed amendments is in Table 1. The table states whether a regulatory provision represents the:

- transition of an existing regulatory arrangement, or
- repeal of existing regulatory arrangements (deleted).

Table 1 Provisions for the draft MIL Regulation 2025

Provisions of the MIL Regulation	Transition of existing provisions to the draft MIL Regulation 2025 with amendments	Deleted
Clause 1 Name of regulation	Updated name.	
Clause 2 Commencement	Updated commencement.	
Clause 3 Definitions	Minor style changes.	
Clause 4 Calculation of levy Sets the levy amount for each stock unit and the maximum levy payable.	Minor style changes.	
Clause 5 Notice of levy amount payable Sets the date in each year when written notice of the levy must be given to the land occupier.	Amended date to 31 March to be consistent with the LLS Regulation.	
Clause 6 Changes in occupancy or ownership of land Prescribes a written notice for a land occupier to notify the Food Authority of a change in owner or occupier details and gives alternate methods of notifying.	Minor style changes.	Delete references to the <i>Real Property Act 1900</i> and the <i>Conveyancing Act 1919</i> as these requirements are duplicated in the retained LLS Regulation.
Clause 7 Applications for certificates of levies due and payable Sets the fees and application form for a person to obtain information about a levy due and payable on a piece of land and provides an alternate application process for a person to seek this information from LLS directly.	Minor style changes.	Deleted the additional \$5 fee from cl 7(3)(b) and cl 7(4) when the application is part of an application to LLS.
Clause 8 Certificates of levies due and payable Sets the certificate form for a person who applies for information about any levy due and payable. Permits the Food	Amended to clarify it is the certificate that is exempt from being in the prescribed form, not the Food Authority, when LLS issues the certificate.	

Provisions of the MIL Regulation	Transition of existing provisions to the draft MIL Regulation 2025 with amendments	Deleted
Authority to not use the prescribed certificate if LLS issue the certificate.		
<b>Clause 9</b> Objection to validity of levy Sets the District Court for a landowner or occupier to object to the validity of a meat industry levy.	Amended to the Local Court for objections to the validity of a meat industry levy.	
<b>Clause 10</b> Overdue levies Sets the interest rate payable on overdue meat industry levies.	Amended to clarify the interest rate on overdue levies consistent with interest on overdue LLS rates and levies.	Deleted reference in cl 10(2)(a) to the LLS Act, s 184 as that section did not contain an interest rate for overdue rates.
<b>Clause 11</b> Levy books Sets the form of the levy book and information that must be kept in the levy book. Permits LLS to keep information differently.	Amended to modernise the way a levy book is kept.	Deleted cl 11(3) and (4) permission for LLS to keep the levy book differently.
<b>Clause 12</b> Savings Any actions taken under the previous version of the Regulation continue to have effect.	Updated Regulation name.	
<b>Schedule 1</b> Forms Contains forms for: <ul style="list-style-type: none"> <li>• Notice of sale or transfer of land</li> <li>• Application for certificate of levies due</li> <li>• Certificate of levies due</li> </ul>	Moved to Schedules 1, 2 and 3 respectively.	Deleted unnecessary land description details.  Deleted unnecessary personal details of the purchaser.

## 6. Identification of options

In accordance with the SL Act and the NSW Government Guide to Better Regulation, this assessment:

- considers a range of viable options
- identifies and assesses the impacts of government action for each option relative to a base case
- considers the costs and benefits of each option relative to the base case
- identifies a preferred option that provides the greatest benefit to stakeholders and the community.

### Options to be assessed

The MIL Regulation contains the current regulatory provisions. Under the base case (Option 1) these provisions would be remade with no change.

Two options will be assessed against the base case (Option 1):

- Option 2: Make the draft MIL Regulation 2025
- Option 3: Take no action (allow the MIL Regulation to lapse).

These are the only options considered feasible in this RIS.

This RIS does not consider self-regulation as the Act creates the MIL. Allowing the MIL Regulation to lapse does not remove the requirement for land occupiers to pay a MIL to the Food Authority or its agent.

Details of the draft MIL Regulation 2025 (Option 2) are provided in Table 1 and would replace existing measures on 1 September 2025.

If the NSW Government takes no further action, the MIL Regulation will lapse on 1 September 2025 and no new regulation would replace it (Option 3).

## Machinery provisions

The draft MIL Regulation 2025 includes some regulatory provisions of a machinery nature. These are provisions broadly about 'process' rather than a substantive policy matter.

Sections of a machinery nature in the draft MIL Regulation 2025 include:

- Section 1 – Name of regulation
- Section 2 – Commencement
- Section 3 – Definitions
- Section 5 – Notice of levy amount payable (date when notice must be given)
- Section 11 – Levy books
- Section 12 – Savings

Matters of a machinery nature do not require assessment in the RIS. That is, remaking these provisions will result in no substantial policy change.

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## 7. Assessment of impacts

In this assessment the impacts, benefits, and costs of Options 2 and 3 are compared with those from the base case (Option 1). The direct and indirect impacts of each option have been considered. Direct impacts are the immediate impacts on stakeholders, whereas indirect impacts affect a third party.

### Base case (Option 1): Remake the MIL Regulation without amendments

Under the base case the existing MIL Regulation provisions would be remade, as is, with no amendments, on 1 September 2025. A summary of the provisions under the base case are in Table 1 of Chapter 5.

#### Impacts under the base case (Option 1)

Under Option 1, the existing powers of the MIL Regulation would continue to require meat producers to contribute to partially fund food safety activities and other meat industry supply chain activities that benefit NSW meat producers and the entire meat industry.

Option 1 maintains the producers levy contribution at \$5 plus 0.6 cents per stock unit up to a maximum of \$130. Under the existing MIL Regulation, MIL payments range from the base \$5 to the maximum \$130, with land capable of carrying over 20,000 stock units incurring the maximum levy.

In 2024, there were 92,311 ratepayers with a total notional carrying capacity of 103,390,907 stock units. Using 2024 figures, the total amount collected from the MIL was \$1,052,956 with an average MIL payment from each ratepayer of \$11.41. Property data shows that 247 ratepayers paid the



maximum levy, with 99.7% of ratepayers paying less than the \$130 maximum. LLS received \$80,025 as a commission fee to collect the MIL, with the remaining \$972,931 transferred to the Food Authority. Option 1, remaking the MIL Regulation without amendments means ratepayers pay a similar MIL in future years and the Food Authority receives a similar amount each year.

A list of the provisions and the impacted party — businesses, consumers, community, or government — is in Table 2. Environmental impacts have not been included as the MIL Regulation does not provide protection to the environment or cause any adverse impacts to the environment.

Table 2 Impact of the MIL Regulation under the base case (Option 1)

Impact: Under the base case (Option 1)	Who is impacted?			
	Business	Consumers	Community	Government
Levy is \$5 + 0.6 per stock unit with maximum levy \$130	✓	✓	✓	✓
Ways to notify changes in occupancy or ownership of land	✓			✓
Applications to find out levies due and payable	✓			✓
Form of the certificate to advise of levies due and payable				✓
Location to object to validity of levy	✓			✓
Interest rate for overdue levies	✓			✓
Information that must be kept in the levy book				✓
Form 1 Notice of sale or transfer of land	✓			✓
Form 2 Application for information on amount of levy due	✓			✓
Form 3 Certificate showing amount of levy due				✓

## Option 2: Make the draft MIL Regulation 2025

Under Option 2, the draft MIL Regulation 2025 would be made under the *Meat Industry Act 1978*.

The Food Authority reviewed the MIL Regulation and found the current MIL amount and maximum is still appropriate. The levy is the producer's contribution to allow government to manage the safety and labelling of meat produced and sold in NSW. The Food Authority review identified some administrative amendments to reduce costs for land occupiers and government, as well as improve clarity, efficiency, and consistency.

Under the draft MIL Regulation 2025, all provisions of the MIL Regulation would continue with amendments to improve clarity, efficiency, consistency and adhere to current plain English drafting guidelines. A summary of the proposed amendments is in Table 1 of Chapter 5.

### Impacts, benefits, and costs under Option 2

Option 2, making the draft MIL Regulation 2025 will maintain the producers MIL contribution at \$5 plus 0.6 cents per stock unit with a maximum levy of \$130. This means that MIL payments per ratepayer and MIL received by the Food Authority will remain similar to previous years and identical to Option 1 (remaking the MIL Regulation without amendment). Therefore, based on 2024 data, the total MIL amount collected under Option 2 (making the draft MIL Regulation 2025) would remain at approximately \$1.05 million with an average MIL payment from each ratepayer of \$11.41.

A summary of the impacts, costs and benefits from the amended provisions provided below in Table 3 show that relative to the base case, **Option 2** provides **operational improvements** and small **reductions in costs** for producers and government by:

- Improving administrative consistency between LLS and the Food Authority
- Removing an unnecessary fee
- Reducing costs associated with disputing the validity of a MIL
- Clarifying the interest payable on overdue levies
- Reducing the quantity and sensitivity of information required from businesses when notifying changes in landowner/occupier details or requesting information on unpaid levies.

The operational improvements along with maintaining producer levies to enable the Food Authority to minimise food safety risks in the meat supply chain mean **Option 2 — the draft MIL Regulation 2025 — is preferred** over remaking the MIL Regulation (base case).

Table 3 Impact, benefits, and costs of the provisions under Option 2 (the draft MIL Regulation 2025) relative to the base case

Proposed amendment	Impact	Benefits	Costs
Section 5 Amend date to 31 March for notifying land occupiers of levy payable.	Minimal impact on businesses – this aligns with the date that LLS send out rates notices to land occupiers.	Improved clarity for <b>business and government</b> .	Nil or minimal.
Section 6 Remove duplicative provisions for notifying a change in occupancy or ownership of land.	Minimal impact – this aligns with current processes for notifying a change of occupancy or ownership of land under the LLS Regulation.	Small benefit to <b>businesses</b> by removing administrative burden.  Small benefit to <b>government</b> by removing duplication.	Nil or minimal.
Section 7 Remove additional \$5 fee by a person applying for a certificate of levies due and payable.	LLS has not been charging this fee as the MIL Regulation was unclear to which agency the fee was to be paid, and the administrative burden of charging and transferring such a small fee made the fee unviable. Therefore, there is no financial impact of removing this fee.	Improved clarity for <b>business and government</b> .	Nil or minimal.
Section 8 Clarify the form of a certificate issued under the Act, section 59F(3).	No impact – LLS has been issuing these certificates and will continue to do so. The amendment clarifies that the LLS certificate is suitable.	Improved clarity for <b>business and government</b> .	Nil or minimal.
Section 9 Amend the prescribed court to the Local Court for objections to the validity of the Act.	Fees for filing in the Local Court are significantly lower than in the District Court, so reduced costs to a landowner or occupier disputing the validity of a meat industry levy and to the Department in responding.	Reduced costs for <b>businesses</b> to dispute the validity of the levy.	Potential increase in filings, with increased court costs for government.



Proposed amendment	Impact	Benefits	Costs
Section 10 Set the interest rate for overdue levies as 2% more than the Commonwealth Bank's overdraft business index rate on 1 January of the relevant year.	Minimal impact – this aligns with the current method used by LLS to calculate interest on overdue rates under the LLS Act and LLS Regulation.	Improved clarity for <b>business and government</b> .	Nil or minimal.
Section 11 Modernise how government may keep the levy book, removing outdated paper-based recording systems.	No impact – the existing MIL Regulation permits the records in levy book to be kept on paper or in computerised records. LLS already records land details and owner/occupier details in electronic computer systems.	Nil or minimal.	Nil or minimal.
Schedules 1 and 2 Remove requirement to provide unnecessary property and personal details.	Reduced red tape for people to notify changes in ownership of land, and request information about unpaid levies.	Benefit (lower administrative burden) to <b>individuals and government</b> .	Nil or minimal.

### Option 3: Take no action (allow the MIL Regulation to lapse)

Under Option 3, the MIL Regulation would lapse on 1 September 2025. The regulatory provisions detailed in the base case (Option 1) would cease to exist and no new regulation would be made.

The Act would stay in place under Option 3 and would continue to require land occupiers to pay the meat industry levy to the Food Authority or its agent.

#### Impacts, benefits, and costs under Option 3

Lapse of the MIL Regulation would have a range of impacts, costs and benefits for NSW businesses and government. Table 4 provides a qualitative assessment of the impacts, benefits, and costs of Option 3 – the MIL Regulation lapses – relative to the base case.

Allowing the MIL Regulation to lapse changes the amount of MIL paid by producers – most producers would pay more, while large producers would pay less. Under Option 3, the MIL rate would revert to the values in the Act, so producers would pay \$5 plus 0.09 cents per stock unit up to a maximum levy of \$100. Using 2024 property data, the Food Authority estimates this would increase the average MIL payment from \$11.41 to \$14.12, while the largest 670 producers would pay a lower MIL amount. This moves marginally away from economic efficiency, as the largest beneficiaries would pay relatively less towards activities that improve the meat food safety management system.

Allowing the MIL Regulation to lapse would also increase regulatory complexity and burden for producers, decrease transparency and reduce access to natural justice. There would no longer be a way to object to the validity of a levy, notify changes in occupancy or ownership of land, or obtain information about levies due and payable on a piece of land. Government administrative costs would also increase due to incorrect ownership or occupancy details, inability to charge interest on overdue levies, and lack of clarity on details to be kept in the levy book.

**Option 3 – allowing the MIL Regulation to lapse – is not preferred** to either remaking the MIL Regulation as is (base case) or Option 2 (making the draft MIL Regulation 2025) as allowing the MIL

Regulation to lapse reduces regulatory certainty, increases costs for the Food Authority, increases costs for most producers and reduces economic efficiency and equity.

Table 4 Impact, benefits and costs of the provisions under Option 3 – allow the MIL Regulation to lapse relative to the base case

Impact	Benefits	Costs
MIL amounts revert to the values in the Act.	<p>The largest <b>producers</b> will pay a lower amount as the maximum MIL under the Act is \$100. For around 250 producers, this is a saving of \$30, and for around another 420 large producers this will be a saving of between \$1 and \$30.</p> <p><b>Government</b> would receive approximately \$250,000 additional revenue, which after the LLS commission would mean the Food Authority would have around \$230,000 additional funds for meat industry food safety activities.</p>	Over 91,000 <b>producers</b> will pay a larger amount. The average MIL payment would increase from \$11.41 to \$14.12.
There would be no prescribed notice for a person to notify of a change in occupancy or ownership of land.	Nil or minimal.	Reduced clarity for <b>producers</b> and <b>government</b> .
There would be no prescribed court for a producer to object to the validity of a levy.	Reduced court costs for <b>government</b> .	<b>Producers</b> would lose access to a way to dispute the validity of a levy.
There would be no prescribed interest rate for overdue meat levies, so the extra charge for overdue levies would revert to a maximum of 10 cents under the Act, section 59H(4).	<b>Producers</b> who are late paying their MIL will have a saving, as there will be no prescribed interest rate, so they will incur a maximum extra charge of 10 cents.	<b>Government</b> costs of following up unpaid MIL amounts will not be offset by an interest rate for overdue levies.
There would no longer be a prescribed levy book for the purposes of the Act, section 59L.	Nil or minimal.	Additional costs to <b>government</b> as there would be no prescribed levy book as evidence to be used in proceedings for the recovery of a levy.

## Summary Case for the preferred option

In conclusion, **Option 2** - making the draft MIL Regulation 2025 under the *Meat Industry Act 1978* is the preferred option. It generates the greatest net benefit to businesses, consumers, government, and the community. Option 2 provides the same contribution from producers as the base case (Option 1) to food safety activities that protect consumers from foodborne illness and benefit the meat industry, while also improving clarity and efficiency for government and removing red tape for producers.

**Option 3** is not preferred to either the base case or the draft MIL Regulation 2025, as the lapse of the MIL Regulation reduces regulatory certainty, increases costs for the Food Authority, increases costs for most producers and reduces economic efficiency.

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## References

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