

SHEEP AND CATTLE INDUSTRY FUNDS REGULATIONS REVIEW



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1. Purpose

To consult South Australian sheep and cattle producers and the broader industry on the scheduled review and remaking of the Sheep Industry Fund (SIF) Regulations 2014 and Cattle Industry Fund (CIF) Regulations 2015, and to seek feedback on proposed reforms that aim to ensure the funds remain viable, fair, contemporary and deliver against the SA Red Meat & Wool Blueprint 2030 (Blueprint) – the industry’s strategic plan.

This consultation will directly inform final recommendations to the Minister for Primary Industries and Regional Development in May 2026.

2. Background and context

Why the regulations must be remade

The SIF and CIF are established under the *Primary Industry Funding Schemes Act 1998* and operate via subordinate regulations.

The current regulations will be reviewed and remade by 1 September 2026. Livestock SA negotiated a one-year extension due to much of the state experiencing severe drought conditions.

The scheduled review provides an opportunity to ensure the funds remain contemporary, financially sustainable and aligned to producer and supply chain expectations.

Ministerial approval is required for any changes that demonstrate industry support.

What the funds do

Contributions collected on sheep transactions for SIF and cattle NLIS devices for CIF are reinvested in industry-good priorities including:

- animal health and biosecurity
- traceability and market access
- predator control
- skills and capability
- advocacy, strategy and governance
- industry development.

These investments address state-based issues, market failures, technology uptake and sustainable economic development.

Livestock SA is recognised by the government as the body that represents the state’s sheep and beef cattle producers, and since 2020–21 has managed the governance, contracting, acquittal and reporting obligations for both funds. All processes and expenditure are externally audited annually.

Livestock SA also provides whole-of-industry coordination through the Blueprint, which aligns investments and strategic effort across producers and supply chain stakeholders.

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Further information on SIF and CIF expenditure, including a report on FY2025 completed projects and current year projects (FY2026), is available here: <https://livestocksa.com.au/industry-funds>.

What has been reviewed

Consistent with the plan submitted to and approved by the government on 30 September 2025, Livestock SA has undertaken internal and independent reviews to:

- evaluate returns against the Blueprint (the industry's strategic plan)
- test whether revenue levels are sufficient
- identify funding gaps in priority areas
- improve collection consistency, efficiency and equity
- propose any agreed changes to the funds for consideration by government.

3. Why reform is needed now

Revenue has not kept pace with industry needs

Contribution rates have not changed since 2016–17:

- SIF general contribution: \$0.35 → \$0.55.
- CIF Permanent Identification Device (NLIS tag) contribution: \$1.10 → \$1.50.

If contribution rates had been indexed to inflation since the last increase in 2016–17, the 2026 equivalents would be approximately:

- SIF: \$0.74 per head.
- CIF: \$2.03 per device.

Additionally, the \$0.12 Dog Fence contribution ceased on 30 June 2025, removing a further revenue stream in SIF.

Demand now exceeds available funds

Both funds continue to experience unprecedented demand. Current SIF applications exceed available funds by approximately 2:1, CIF applications exceed revenue by 3:1, and applications for various other good initiatives are not put forward.

Without reform, fewer investment areas will absorb a larger share of limited funds at a time when climate risk, animal welfare, emissions reporting, land use competition, biosecurity risks, biodiversity targets and market access requirements are increasing in complexity and cost.

The table below highlights the increasing costs of long-standing animal health and welfare programs against flat revenue streams:

	2016–17	2025–26	Increase
Total SIF & CIF Expenditure	\$4,591,027	\$4,630,869	0.9%
Footrot Management Program	\$674,152	\$1,103,749	63.7%
Dog Fence Maintenance	\$219,400	\$380,896	73.6%

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4. Independent review findings: strong returns, looming funding shortfalls

In September 2025, Livestock SA commissioned Episode 3 to independently assess the value delivered by SIF and CIF investments over the past 5 years and determine how well these investments align with the industry’s strategic priorities, examine whether the current collection mechanisms and rates are adequate, and provide recommendations to inform future investments and contributions required. The review found:

Strong value for producers

- Animal health, predator control and traceability deliver the highest returns (3:1 to >10:1), protecting productivity and market access.
- Advocacy and industry development are hard to express in strict ratio terms but deliver positive returns.

Return on Investment Summary by Category FY2021 – FY2025

Category	Spend (A\$ million)	Nature of Benefit	Indicative Benefit-Cost Ratio (BCR)
SIF – Animal Health	8.5	Disease control, productivity gains, market compliance	3:1–5:1
SIF – Predator Control	7.4	Avoided lamb/calf losses via Dog Fence & wild dog programs	>5:1
SIF – Traceability	1.4	NLIS compliance, residue monitoring, EID transition	>10:1
SIF – Advocacy / Industry Dev. / Governance	3.6	Policy wins, governance, co-funding leverage	Qualitative (positive)
SIF – Industry Dev. (People)	3.6	Training, extension, business resilience	Qualitative (positive)
CIF – Sustainable Production	0.8	Cattle biosecurity, productivity improvement	3:1–5:1
CIF – Traceability	1.0	NLIS compliance, processor compliance	>10:1
CIF – Business Management	0.2	Youth and workforce programs	Qualitative (positive)
CIF – Advocacy / Industry Dev. / Governance	1.55	Policy wins, regulatory engagement, governance	Qualitative (positive)

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Good alignment with industry strategic plan – with gaps

- Most investment supports animal health & welfare and market access.
- Current underfunding in environment and people.

Sheep Industry Fund FY2021 – FY2025:

- \$15.9 million invested in footrot and lice control programs, OJD surveillance, Dog Fence rebuild and maintenance, wild dog control, biosecurity, reproductive efficiency and pain mitigation R&D.
- \$1.4 million invested in traceability integrity and market compliance programs.

Cattle Industry Fund FY2021 – FY2025:

- Over \$1 million invested in traceability integrity and market compliance programs.
- \$0.8 million invested in BJD control, biosecurity, pastures and rapid veterinary diagnostic R&D.

Funding under pressure

- Current contribution rates are not indexed and do not track industry value.
- Structural under-funding is projected by 2027 without adjustment.

Recommendations

- Immediate contribution adjustments.¹
- Stronger transparency and evaluation.
- Increased funding streams for environment and workforce.
- Enhanced governance, and exploration of contribution reform options (including value-based collection models).

5. Leverage for industry priorities

The funds enable greater investment in the South Australian livestock industry. In the current financial year (2025–26):

- \$9 million in co-funding increased the total SIF investment in industry priorities to \$12.5 million = 3:1 leverage.
- \$878,640 in co-funding increased the total CIF investment in industry priorities to \$1.4 million = >2:1 leverage.

¹ Episode 3 analysis recommended a rate change from \$0.55 to \$0.79 per head for the SIF and from \$1.50 to \$2.62 per tag for the CIF. These rates informed discussions but are not the options being progressed for consultation.

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6. What is on the table for consultation

6A. SIF – contribution settings and triggers

The Board and Livestock Advisory Committee (LAC) support a staged increase to the SIF contribution to restore purchasing power and sustainability, with indexation considered thereafter.

For consultation

- **Staged increase to \$0.75 per head over three years (from October 2026):**
 - Year 1: +\$0.05 → \$0.60
 - Year 2: +\$0.07 → \$0.67
 - Year 3: +\$0.08 → \$0.75
- **Trigger price for collection to rise from \$5 to \$10 per head (when five or more sheep are sold), to better reflect current market conditions.**

The Board also committed to a review in 2028 to:

- assess the sustainability of the SIF under the increased contribution rate (\$0.75 per transaction) including the potential need for indexation
- consider any amendments that are made to the Sheep Transaction Levy following the national review process which should be completed by then
- assess an ad valorem (capped value-based) model once accurate movement data is available.

6B. CIF – modernising and standardising the collection mechanism

The Board and LAC support structural changes to the CIF collection mechanism to restore purchasing power and sustainability, with indexation thereafter.

For consultation

- **Shift CIF from a per-device to a per-transaction contribution to be set at \$1.50 per head, with the rate reviewed in Year 3.**

Why change to a transaction model?

Consistency: CIF is currently the only state-based levy or contribution collected per NLIS device. A transaction model aligns with SIF and national transaction levies.

Equity: Under the current model, breeders alone fund whole-of-industry benefits (traceability integrity, biosecurity preparedness, compliance uplift, policy development, industry response to state government legislative and regulatory processes). A transaction model ensures all beneficiaries contribute.

Alignment and efficiency: Harmonised collection enables system upgrades, reduces administrative friction, and improves reporting and integration.

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Fair share: In FY2025–26, 88% of total investment was delivered through SIF and only 12% through CIF, despite cattle representing ~40% of sector value. Underfunding constrains beef sector productivity, capability and market assurance.

The Board also committed to a review in 2028 to:

- assess the sustainability of the CIF under the new collection approach (\$1.50 per transaction) including the potential need for indexation
- consider any amendments that are made to the Cattle Transaction Levy following the national review process which should be completed by then
- assess an ad valorem (capped value-based) model once accurate movement data is available.

Note: The Minister for Primary Industries and Regional Development is the Administrator of all Primary Industry Funding Schemes. The State Government holds the reserve funds for all schemes and maintains a policy that one year's expenditure is held in reserve.

7. What is negotiable and what is not through this process

Negotiable (through consultation):

- Contribution amounts and structure
- Collection mechanisms
- Compliance policy settings.

Not negotiable:

- Regulations must be remade by September 2026
- Legislative and legal compliance
- Integrity of collection and accountability.

8. Consultation and next steps

February – March 2026

- Producer and broader industry public consultation through regional meetings and online sessions.

April 2026

- Online voting and compile feedback summary.

May 2026

- Livestock SA to submit report and recommendations to the Minister for Primary Industries and Regional Development.



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9. Summary

Modernising the SIF and CIF is essential to maintaining a competitive, compliant and market-ready South Australian livestock industry.

Independent analysis confirms strong returns from past investments but warns of structural underfunding without reform. Reform will strengthen supply chain resilience, improve risk management capability, and support higher value investment in industry priorities.

This consultation is industry led. Your feedback will determine the final settings that carry the industry to 2030 and beyond.