

Policy brief – national traceability



Position Statement

Sheep Producers Australia (SPA) recognises the critical importance of Australia's livestock traceability system, which underpins biosecurity, animal health, food safety, quality assurance and global market access for the sheepmeat industry.

SPA supports a national traceability system that is fit for purpose, adopts advancements in technology and delivers benefits at an enterprise and whole of industry level through an integrated and harmonised National Livestock Identification System (NLIS) that meets the National Livestock Traceability Performance Standards.

SPA led national efforts to deliver a consistent national traceability system underpinned by the mandating of individual electronic identification (eID) for sheep and goats from 1 January 2025. Combined with the transition to electronic National Vendor Declarations, individual eID will support accurate and efficient traceability of sheep through the supply chain from birth to processing and will facilitate rapid response to an emergency animal disease or food safety incident.

SPA policy principles

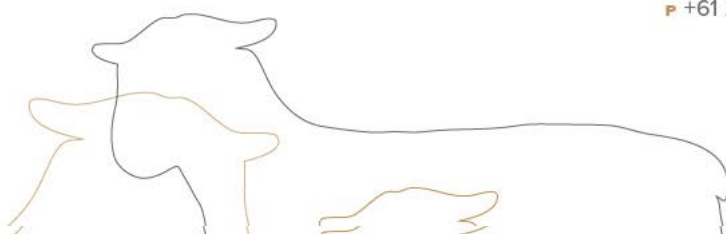
SPA is committed to a robust National Livestock Identification System that meets regulatory and market requirements. SPA is also committed to helping producers understand their regulatory responsibilities and realise the broad range of benefits a strong traceability system provides. To deliver on these commitments, SPA endorses the following principles and priorities:

- **National Livestock Identification System (NLIS).** SPA supports NLIS programs that:
 - Meet the National Livestock Traceability Performance Standards – supporting rapid response in the event of a food safety or animal disease incident.
 - Adopt nationally consistent standards, systems and regulations – to create efficiencies for crisis response, producer compliance and the operation of domestic and international trade.
 - Prioritise education and training and system usability – to help producers understand and comply with requirements.
 - Are supported by risk-based, outcomes-focused and proportionate compliance and enforcement activities.
 - Are continuously improved, with shared industry-government oversight.
- **NLIS Sheep and Goat Traceability Standards.** SPA recognises the Sheep and Goat Traceability Standards (the Standards) as the minimum mandatory requirements needed to ensure compliance with the National Livestock Traceability Performance Standards. SPA encourages regular review and refinement of the Standards, and their consistent, timely national adoption.
- **Mandatory individual eID for sheep.** SPA supports adoption of mandatory individual eID for sheep from 1 January 2025 as a critical step towards accurate and efficient tracking of sheep through the supply chain, to facilitate rapid response to biosecurity or food safety incidents and meet market access requirements.

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- **Ongoing support for producers to adopt mandatory eID for sheep.** The national transition to mandatory individual eID for sheep must be supported by:
 - sustained industry engagement and a clear, consistent communications campaign
 - education and training activities to help producers understand their regulatory obligations, support their transition to full use of eID and maximise the potential benefits of this technology
 - co-funding mechanisms that are sustainable, comprehensive and equitable across the supply chain.
- **Electronic National Vendor Declarations (eNVDs).** SPA supports the transition to mandatory use of eNVDs, subject to appropriate and fair implementation, to improve the accuracy of sheep and goat movement records and provide a central repository for more streamlined and efficient jurisdictional access to traceability information during an emergency response.
- **New technology, processes and systems.** SPA recognises the potential for new technologies, processes and systems to enhance the performance of the NLIS and add value for producers and supply chain participants. SPA support for specific traceability technologies will be informed by assessment against the Sheep Industry Integrity Systems Principles¹, which provide a structured and objective framework for decision making regarding new technology.
- **Livestock Production Assurance Program (LPA).** SPA recognises the important role LPA accreditation plays in driving awareness of and demonstrating producer compliance with traceability requirements related to livestock transactions and movements.

SPA's role

SPA is committed to working with governments, producers and across industry to ensure the national livestock traceability system is fit for purpose and continually improved. As the peak body representing Australia's sheep meat industry, SPA's role is to:

- Deliver policy and advocacy that supports:
 - industry leadership in traceability reform and implementation
 - a consistent national approach to traceability systems and regulation
 - producer awareness of and compliance with traceability requirements
 - traceability systems that enable rapid and effective response to a biosecurity emergency or food safety incident
 - continuous improvement in national traceability systems capability.
- Consult effectively with key stakeholders including Meat and Livestock Australia (MLA), Integrity Systems Company (ISC), relevant Australian, state and federal government agencies, livestock supply chain participants and their representative bodies.
- Contribute to traceability programs and projects, including through collaboration with ISC, MLA, SAFEMEAT, Australian, state and territory governments, and industry partners. This collaboration ensures that effective compliance and enforcement activities and targeted research and development is implemented to improve national traceability for sheep.

¹ Sheep Industry Integrity Systems Principles and supporting Decision Matrix tool endorsed by Policy Council in June 2024.

- Represent sheep meat industry interests and priorities in national forums that have oversight of key aspects of national traceability policy, technology and regulation, including the MLA Supply Chain Taskforce, NLIS Standards Committee, Sheep and Goat Traceability Taskforce, SAFEMEAT Partners and the NLIS Database Uplift Project Industry Reference Group.

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Sheep Industry Integrity System Principles and Supporting Decision Matrix

1. Purpose

The purpose of developing and implementing the Sheep Industry Integrity System Principles and supporting Decision Matrix is to provide a structured and objective framework to assist the Sheep Producers Australia (SPA) Policy Council and other industry stakeholders make informed decisions about whether to implement new technology, systems or processes into sheep industry integrity systems.

2. Objectives

The objectives of Sheep Industry Integrity System Principles and supporting Decision Matrix include:

1. Enhance strategic planning by ensuring that decisions regarding new technology or process implementations are aligned with SPA long-term strategic objectives and policies, along with other industry guidance document (e.g. RMAC Red Meat 2030).
2. Facilitate objective decision-making through the quantification of the evaluation criteria in the Decision Matrix.
3. Optimise resource allocation by identifying the most beneficial and feasible options.
4. Improve risk management through the assessment and mitigation of potential risks associated with implementing new technology, systems or processes.
5. Improve stakeholder communication via provision of a clear and transparent decision-making framework that can be easily communicated and understood by all stakeholders.

3. Integrity System Principles

The Sheep Industry Integrity System Principles are as follows.

The proposed technology, system or process change must:

1. Be supported by a clearly defined problem statement which identifies critical issues and how the new technology or process aims to address these issues.
2. Align to SPA strategic objectives and policies, along with broader red meat industry guidance documents (e.g. RMAC Red Meat 2030).
3. Meet domestic and export market demands, as identified by current marketing and market access research and analysis.
4. Add demonstrated value for Australian sheep producers, and other supply chain stakeholders where relevant.
5. Be scalable with the industry's growth and can adapt to future needs.
6. Integrate with current industry technology, systems, processes and production methods, taking into consideration variations in connectivity across the supply chain.
7. Be supported by a thorough cost-benefit analysis to evaluate the financial implications and potential returns, including implications for industry budgets and forecast held by service providers (e.g. MLA, NRS and AHA).
8. Identify risks associated with the implementation of new technology and present associated risk mitigation strategies.
9. Inclusion of implementing organisations change management process which supports timely implementation of proposed changes, including clear KPIs and monitoring, evaluation and reporting to SPA.
10. Provide adequate training and support to ensure successful adoption and utilisation of new technology by producers and across the supply chain.

4. Integrity Systems Decision Matrix

The following Sheep Industry Integrity System Decision Matrix has been developed as a practical tool to apply the Sheep Industry Integrity System Principles identified in Section 3. above. It does not need to be applied in all decisions but may be useful where a decision is complex or contentious and requires clear communication of criteria evaluated to support a decision be made by SPA.

Sections 4.1 – 4.4 outline the process for developing the decision matrix, which can be tailored to individual requests. Section 4.5 provides a worked example of how the decision matrix can be applied, including an analysis and conclusion.

Criteria and Weights

Relevant criteria must be identified to assist the decision-making process. Initial input from the SPA Policy Council related to due consideration of technical capacity and capability of the system to implement proposed changes, along with the existence of change management processes to support implementation. Additionally, identification of a clear problem statement or issue to be addressed, producer value add and market requirements were also identified as important criteria.

Equal weighting has been giving to all criteria, but this can be amended based on the issue to be considered, as can the criteria applied, making the matrix flexible and adaptable.

#	Criteria	Weighting
1	Problem Statement and Critical Issues Identification	10
2	Industry Strategic Alignment	10
3	Customer requirements and impact (markets)	10
4	Customer requirements and impact (producers)	10
5	Scalable and adaptable to future needs	10
6	Compatibility with Existing Systems/ Technical capability and capacity of system	10
7	Cost-benefit analysis and budgetary implications	10
8	Risk identification and mitigation strategies (inc. change management process)	10
9	Change management processes	10
10	Extension, training and adoption requirements	10

Decision options

The decision matrix can be tailored for individual decisions, but possible options considered may include:

1. Implement New Technology A
2. Improve Existing Processes
3. Do Nothing

Rating Scale

For user ease, a simple risk rating is applied to support quantification. This may include the following:

Rating scale 1: Decision based on outcome

Outcome	Score
Very poor	1
Poor	2
Fair	3
Good	4
Excellent	5

Rating scale 2: Decision based on risk

Risk	Score
High	1
Medium	2
Low	3

Decision Matrix

Using the information outlined in 4.1 – 4.3 above, the risk matrix would be set up as follows:

Criteria	Weighting	Option 1 (new tech)	Option 2 (upgrade)	Option 3 (no change)
Problem Statement and Critical Issues Identification	10			
Industry Strategic Alignment	10			
Customer requirements and impact (markets)	10			

Customer requirements and impact (producers)	10			
Scalable and adaptable to future needs	10			
Compatibility with Existing Systems/ Technical capability and capacity of system	10			
Cost-benefit analysis and budgetary implications	10			
Risk identification and mitigation strategies (inc. change management process)	10			
Change management processes	10			
Extension, training and adoption requirements	10			
Option Score				

Example

SPA is approached by a service provider to apply a new sheep ID technology by 2030.

SPA applied the outcome rating scale to assess the options of adopt the new technology (Option 1), update old technology (Option 2) or do nothing (Option 3).

The following scoring was applied to the risk matrix below based on the following:

- Analysis of proposal provided
- Subsequent review of relevant supporting information (guidance documents, current R&D on sheep ID, market access research reports and analysis)
- Discussion with a representative group on integrity systems from the SPA Policy Council and relevant SPA staff members

(Please note: this example is fictional and does not depict previous proposals received or analysis or discussion undertaken by SPA. It has been developed only to illustrate how the Decision Matrix can support the application and quantification of the guiding Principles.)

Criteria	Weighting	Option 1 (new tech)	Option 2 (upgrade)	Option 3 (no change)
Problem Statement and Critical Issues Identification	10	3 (30)	4 (40)	5 (50)
Industry Strategic Alignment	10	3 (30)	4 (40)	2 (20)
Customer requirements and impact (markets)	10	4 (40)	3 (30)	2 (20)
Customer requirements and impact (producers)	10	2 (20)	3 (30)	2 (20)
Scalable and adaptable to future needs	10	3 (30)	3 (30)	3 (30)
Compatibility with Existing Systems/ Technical capability and capacity of system	10	2 (20)	4 (40)	4 (40)
Cost-benefit analysis and budgetary implications	10	2 (20)	3 (30)	4 (40)
Risk identification and mitigation strategies	10	4 (40)	4 (40)	2 (20)
Change management processes	10	3 (30)	5 (50)	5 (50)
Extension, training and adoption requirements	10	4 (40)	5 (50)	5 (50)
Option Score		300	380	340

Interpretation

1. **Option 1: Implement new technology:** Lowest score – indicating this option has been assessed to have a less positive outcome, particularly regarding customer requirements and impact (producers), Compatibility with Existing Systems/ Technical capability and capacity of system and Cost-benefit analysis and budgetary implications.
2. **Option 2: Upgrade current technology:** Highest score – indicating this option has been assessed to have a higher positive outcome, particularly regarding Problem Statement and Critical Issues Identification, Industry Strategic Alignment, Compatibility with Existing Systems/ Technical capability and capacity of system and Risk identification and mitigation strategies, Change management processes and Extension, training and adoption requirements.
3. **Option 3: No change:** middle/ second highest score – indicating this option has been assessed to have a medium positive outcome, but it should be noted that that while this option scores high on some criteria, it scores very low on others.

Conclusion

Based on the decision matrix, **Option 2: Upgrade current technology** is the best choice due to it clear problem statement and critical issues identification, alignment to sheep industry strategies, compatibility with existing systems and the current technical capability and capacity of system, risk mitigation strategies, change management processes and extension, training and adoption requirements for producers.