



Australian Government

Phase out of live sheep exports by sea

Australian Government response to the independent panel report



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Acknowledgement of Country

We acknowledge the Traditional Custodians of Australia and their continuing connection to land and sea, waters, environment and community. We pay our respects to the Traditional Custodians of the lands we live and work on, their culture, and their Elders past and present.

Foreword

The Australian Government committed to phase out live sheep exports by sea at the 2019 and 2022 Federal elections. This commitment reflected the concerns—held by many Australians—for the welfare of sheep on long journeys to overseas markets. In March 2023, I appointed an independent panel (the panel) to consult on how and when to fulfil this commitment and what initiatives may be needed to support the transition. Following extensive consultation, consideration of existing research and commissioned advice, the panel made 28 recommendations to inform the pathway forward. Here we outline the Australian Government’s response to the panel’s recommendations.

The government acknowledges this is a significant change for many individuals, businesses and communities in the live sheep supply chain, particularly in Western Australia (WA). Our response and investment in transition support will enable these stakeholders to plan, implement transition actions and be ready for the phase out in ways that suit their circumstances and position them for the future. I acknowledge this is hard news for some right now. We are committed to the sheep industry in Australia and remain confident that there is a strong future for the sheep industry and those associated with the sector.

Certainty for when the trade will end is critical. Sheep producers and supply chain businesses affected by the phase out need to plan and act with a definitive timeframe in mind. A clear end date for the trade is also important for our trading partners to plan for their food security needs.

The Australian Government considers that a firm ending to the trade enacted through legislation will provide the certainty needed and time for adjustments to be made. Live sheep exports by sea will be prohibited from 1 May 2028.

Over the last two decades the Australian sheep industry has been moving away from live exports while sheepmeat exports have risen significantly, including to the Middle East. Australia exported approximately 652,000 sheep by sea valued at \$76.9 million in 2022–23, compared to 5.92 million head worth \$411 million exported in 2002–03 (ABARES 2024). In contrast, Australia’s sheepmeat exports to the Middle East region in 2022–23 were approximately \$630 million, roughly eight times the value of live sheep exports by sea to the region. In 2022–23 Australia exported around 500,000 metric tonnes of sheepmeat, worth \$4.5 billion (ABARES 2024). There is every reason to feel optimistic about the future of Australia’s sheep industry and those associated with the sector.

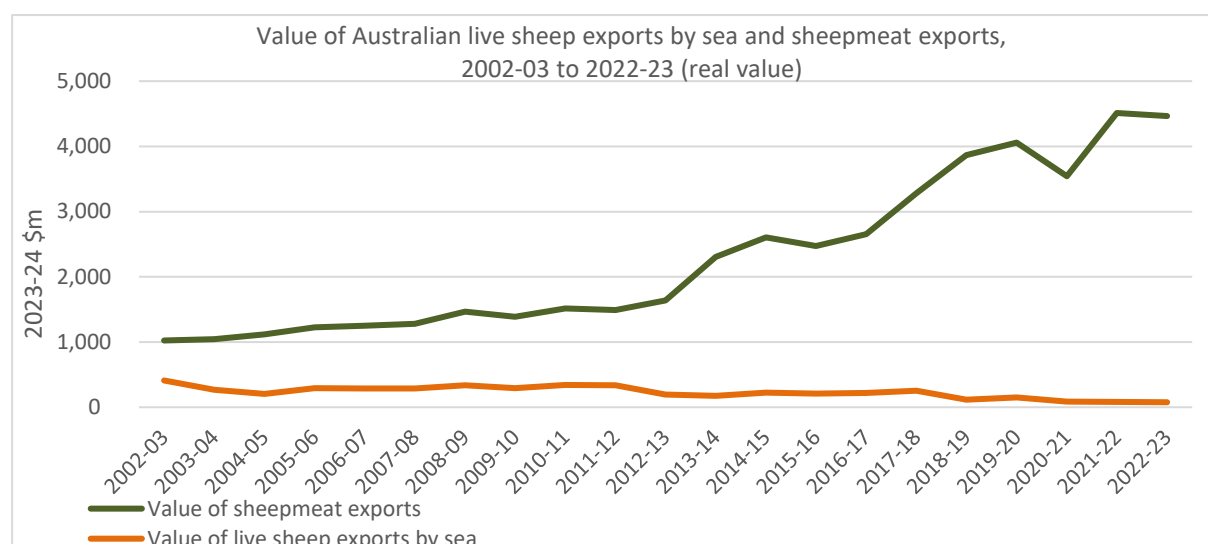


Figure 1. Change in the value of sheepmeat exports and live sheep exports by sea between 2002-03 to 2022-23 (2023-24 real value)

Note: Values account for inflation and are expressed in 2023-24 \$ figures.

Source: ABARES 2024, Trade dashboard

The government acknowledges that there is work to do to support the sheep industry supply chain to continue its adjustment towards a future without live sheep exports by sea as a turn-off and market avenue. It is expected that this announcement will give structure to the transition, continuing the shift away from live sheep exports that has been occurring for many years.

From the outset, our focus has been to encourage a planned and orderly transition, and we realise this takes time. Industry needs time to grow markets and expand onshore sheep processing. Individuals and businesses may need to adjust their employment or enterprises to shift away from the live sheep by sea trade. Importantly, the timeframe balances the transition steps required with our commitment to uphold improved sheep welfare outcomes.

We are committed to helping affected individuals, businesses and communities to adjust away from live sheep exports by sea. The Australian Government will provide \$107 million over five years to support sheep producers, supply chain businesses and communities impacted by the change and position the industry for the future. We want to ensure those affected by the phase out are ready when the trade ends in 2028. Our transition plan on [page vi](#) supports those involved in the sheep supply chain through:

- advice: the independent panel appointed to ensure our implementation of the phase out was guided by advice and consultation
- certainty: legislating the phase out date provides certainty
- time: there is time to plan and adapt
- transition support: \$107 million over five years available from 2024–25 to assist those impacted
- transition oversight: appointment of a Transition Advocate.

A coordinated suite of market development and trade relationship actions will ensure Australian and international consumers are aware of the world class sheepmeat products we have on offer.

Assistance will be available for producers and supply chain businesses to capitalise on existing and emerging opportunities to ensure they are well positioned when the trade ends, as well as support for community wellbeing and access to rural financial counsellors. We are also investing in actions that build on our reputation as a global leader in animal welfare.

Our response is not the end of our commitment to the phase out. We will appoint a Transition Advocate to facilitate two-way communication between industry and government, provide information to industry about the transition plan and support, and provide advice to government on how the transition is progressing. We will also undertake a stocktake of progress in 2026–27 to provide an assessment of the transition progress. The stocktake will not reconsider the end date or the timeline for the transition. It is important for stakeholders to be able to make changes with certainty. The Transition Advocate and the stocktake will monitor and evaluate change over time.

I thank the independent panel for its work to consult, consider the potential impact of the phase out and make recommendations. The government's response to the panel's report continues our commitment to phase out live sheep exports by sea. I commend it to you.

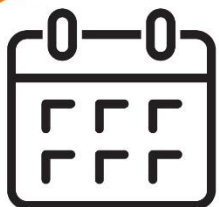


Senator the Hon Murray Watt

Minister for Agriculture, Fisheries and Forestry

11 May 2024

Phase out of live sheep exports by sea — transition plan



Live sheep exports by sea will end on 1 May 2028



\$107 million
over 5 years in transition
support committed



Legislation to be introduced in this term of government

Commitment



- Election commitment made to sufficiently meet Australian community expectations for sheep welfare

Certainty



- The government provides certainty by announcing:
 - the phase out date for Australia's live sheep exports by sea
 - the phase out will be legislated
 - the release of the panel report and government response
 - trade may continue without caps or quotas until the trade ceases

Time



- The government has taken time to get the right balance
- For those impacted, there is time to plan and adapt
- Early action will support resilience and position individuals, businesses and communities to:
 - plan and alter on-farm practices
 - develop markets for sheep products
 - increase onshore processing
 - secure and train workers
 - access support and funding

Transition Support



- \$107 million over 5 years available from 2024-25 to assist those impacted:
 - \$64.6 million to support sheep producers and the supply chain, particularly in WA
 - \$27 million to enhance demand within Australia and internationally for sheep products
 - \$2.6 million to continue improving sheep welfare standards
 - \$1.7 million to appoint a Transition Advocate
 - \$11.1 million for implementation and engagement
- Leverage existing whole of government initiatives:
 - ACCC reviews
 - employment programs, including for First Nations people
 - programs to re-skill and up-skill
 - migration, and labour conditions
 - mental health support

Transition Oversight



- Appointment of a Transition Advocate
- Monitoring of the transition will occur via a stocktake in 2026-27

Advice



- Appointment of an independent panel and public consultation
- The panel undertook an extensive national consultation process:
 - more than 2,000 people attended WA forums
 - more than 330 people attended virtual forums
 - almost 100 stakeholder meetings were held
 - 800+ written submissions and 3300+ unique survey responses were received
- The panel made – in its report to the government – 28 recommendations focused on individuals, businesses, communities, trade and animal welfare

Animal Welfare



Continued regulation of live sheep exports



Funding for reviewing the standards and guidelines for land transport of sheep



Enhanced engagement in the World Organisation for Animal Health



\$77m

ABS value of live sheep exports by sea from Australia in 2022-23



\$4.5b

ABS value of Australian sheep meat exports in 2022-23



\$3.5b

MLA estimate of value of domestic retail markets of sheep meat 2022

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Background – Independent panel

The Australian Government committed to phase out live sheep exports by sea at the 2019 and 2022 federal elections. Senator the Hon. Murray Watt, the Australian Minister for Agriculture, Fisheries and Forestry, appointed a four-person independent panel (the panel) on 3 March 2023 to consult with stakeholders on how and when the government should implement the phase out of live sheep exports by sea. This included considering potential ways to support the transition away from the trade. The panel was not to consider the merits or otherwise of the government's policy to phase out live sheep exports by sea.

The panel members were selected for their diverse and relevant skills and experience and comprised:

- Mr Phillip Glyde (Chair)
- Ms Sue Middleton
- Ms Heather Neil
- The Hon. Warren Snowdon.

The panel consulted a wide range of stakeholders to ensure the varied points of view on the policy were heard and considered in preparing its recommendations to government. The level of engagement was strong. A variety of channels to engage with stakeholders included meeting over 2,000 individuals, 96 meetings, 14 public forums and 8 virtual forums. This was in addition to over 800 written submissions and over 3,300 survey responses.

The panel also drew on existing data and reviews of the live sheep export trade. To ensure the potential effects of the phase out were explored in the context of the current state of the trade and industry, the panel also commissioned consultancies to explore economic and agronomic advice, as well as the potential effects of the phase out on regional communities in WA.

The panel submitted its report to the Minister for Agriculture, Fisheries and Forestry on 25 October 2023. Since then, the Minister and the Australian Government have considered the panel's recommendations and developed this government response.

The panel's report is available at agriculture.gov.au/live-sheep-phase-out

Submissions made to the panel, for which permission was granted for them to be published, and analysis commissioned by the panel are available at haveyoursay.agriculture.gov.au/live-sheep-phase-out.

Summary – Panel recommendations and Australian Government response

Farm and other supply chain businesses

- 1) The Australian Government should provide funding to enable businesses in the WA sheep supply chain to prepare a business plan for their adjustment away from live sheep exports by sea. This could be via existing initiatives and should also be available to cattle producers who may be affected by the end of live sheep exports by sea.

Supported

- 2) The Australian Government should establish transition funding arrangements accessible to businesses in the supply chain to prepare for and adjust to the absence of live sheep exports by sea. Funds should be contingent on businesses preparing a plan, perhaps drawing on the opportunity provided by Recommendation 1. Consideration should also be given to the needs of non-supply-chain businesses affected by the cessation.

Supported

- 3) The Australian Government should consider what support is needed for supply chain businesses with a high reliance on live sheep exports by sea to exit the industry if they are unable to transition by the cessation date. Support should follow businesses completing a business planning process.

Noted

Infrastructure and logistics

- 4) Governments should provide access to funds or concessional loans to improve the capacity and efficiency of the WA sheep supply chain. Ideally, any government funding should be accompanied by private investment. Possible projects could include, among others, the expansion of processing facilities, installation of feedlots, addition of cold storage, improvements to transport or logistics infrastructure that support sheep product exports, or the supply of worker accommodation.

Supported

- 5) All levels of government should streamline planning and approval processes to facilitate infrastructure improvements in the WA sheep supply chain.

Supported in principle

- 6) Governments should look for ways to increase air freight capacity for sheep products from WA, including consideration of time-limited assistance for air freight costs.

Noted

Competition

- 7) Market integrity and competition should be strengthened through the entire WA sheep supply chain. This could include close monitoring by the Australian Competition and Consumer Commission, WA Department of Mines, Industry Regulation and Safety and WA Meat Industry

Authority, and promotion of existing price transparency tools.

Supported in principle (where it is an Australian Government responsibility)

Labour and training

- 8) The Australian Government should allocate a high priority to the meat processing industry to accelerate processing of skilled visa applications.

Supported

- 9) The Australian Government should consider increasing WA's allocation through the skilled migration program to supply additional workers to the sheep processing industry in regional WA.

Noted

- 10) The Australian Government should work with the affected regions to establish Designated Area Migration Agreements (DAMAs) if not already in place or expand existing DAMAs to include sheep industry workers.

Supported

- 11) The Australian Government should ensure workers who need to change their skill set or employment due to the end of live sheep exports by sea are aware of and have access to appropriate training and support to aid their transition.

Supported

- 12) Governments should ensure initiatives are available to businesses in the WA sheep industry to attract, train and retain First Nations workers.

Supported

Individuals and communities

- 13) The Australian and WA governments should assess the demand on existing mental health and other support and advisory services and ensure they are appropriate to the needs of communities. These services should:

- a) be adequately resourced to conduct outreach and manage any increase in demand due to the end of live sheep exports by sea
- b) be promoted in the regions affected by the end of live sheep exports by sea
- c) include funding for community events and activities in the affected regions to foster mental wellness, build connections and strengthen communities.

Supported

Trade and international relations

- 14) The Australian Government should provide access to additional funding for:

- a) industry-linked organisations to grow new and deepen existing markets for Australian sheep products, particularly from WA
- b) the Department of Agriculture, Fisheries and Forestry to support market access and growth for Australian sheep products, particularly from WA.

Supported

- 15) The Australian Government should continue to engage with trading partners on the development of the sheepmeat trade in the Middle East during the transition away from live sheep exports by sea.

Supported

Research, development, extension and adoption

- 16) The Australian Government should support the transition away from live sheep exports by sea, including by:

- a) encouraging the rural research and development corporations to accelerate their activities that support the WA industry to transition away from live sheep exports by sea
- b) making funds available for extension and adoption to assist producers to create a value chain without live sheep exports by sea.

Supported in part

- 17) The Australian Government should consider the role and financial position of the affected rural research and development corporations during and following the transition away from live sheep exports by sea.

Supported

Animal welfare

- 18) The Australian Government should ensure that the Department of Agriculture, Fisheries and Forestry and the Australian Maritime Safety Authority have the funds needed to fulfil their regulatory obligations and assurance requirements for live sheep exports by sea.

Supported

- 19) The Australian, state and territory governments should work together to review and enforce the Australian Animal Welfare Standards and Guidelines – Land Transport of Livestock.

Supported

- 20) Australia should maintain its strong engagement in the World Organisation for Animal Health's international standard setting processes, through technical input and ongoing consultation with Australian experts. Australia should look for opportunities to influence improved global animal welfare standards through bilateral forums and agreements.

Supported

- 21) The Australian sheep industry should be encouraged and supported to:

- a) establish a national accreditation scheme for sheep feedlots, to include standalone and on farm intensive feeding systems
- b) develop a complementary national sheepmeat quality assurance scheme (similar to AUS-MEAT) for meat produced from sheep finished in feedlots.

Noted

Managing the transition

- 22) The Australian Government should make an announcement in 2023 stating when the end of live sheep exports by sea will occur.

Noted

- 23) A review should be conducted in 2026 to ensure farm businesses, the WA sheep supply chain and market development are on track to achieve the onshore processing of the WA sheep turn-off expected by the cessation date for live sheep exports by sea. This review should include recommendations about any adjustments needed, any change to the timeline and further actions to support a smooth transition by individuals, businesses and communities.

Supported in part

- 24) The Australian Government should fund and commence implementation of early actions as soon as practicable to restore confidence in the WA sheep industry and drive a quick and strong adaptation to the end of live sheep exports by sea. The priorities for early action by the first half of 2024 are:
- a) farm business planning (Recommendation 1)
 - b) processing and cold storage infrastructure (Recommendation 4)
 - c) market opportunities (Recommendation 14).

Supported

- 25) The Australian and WA governments should establish a group to co-design the development and delivery of transition activities including projects in the affected regions to stimulate regional economies and support local communities. This would not include the early actions (Recommendation 24). This group should include members with experience in the WA sheep supply chain, regional development and the WA grower group network. Where possible, priority should be given to using WA agencies and organisations for delivery of initiatives arising from this report to enhance uptake and place-based solutions.

Supported

- 26) The position of Transition Advocate should be created and funded to monitor transition initiatives and provide advice on progress to the Australian Minister for Agriculture, Fisheries and Forestry and the WA Minister for Agriculture and Food.

Supported

Timing and mechanism

- 27) The end of live sheep exports by sea from Australia should occur at the beginning of the Northern Hemisphere Summer Prohibition in 2028.

Supported

- 28) The end of live sheep exports by sea should be legislated during this term of the Australian Parliament (47th Parliament). Legislation should describe the date from when live sheep exports by sea will be prohibited and should not apply additional restrictions such as quotas or caps during the transition period.

Supported

Farm and other supply chain businesses

Live sheep exports by sea has a long history in Australia, with many businesses utilising the trade as an effective turn-off option. Since 2019-20 WA has been the only source of live sheep exports by sea. Participants in the WA sheep supply chain will face change due to the phase out. Planning and investing in different practices will help those affected to effectively respond to market signals once live sheep exports by sea ends. \$64.6 million of the Australian Government's \$107 million transition support package will assist sheep producers and the supply chain to be positioned for the end of the trade.

Recommendation 1

The Australian Government should provide funding to enable businesses in the WA sheep supply chain to prepare a business plan for their adjustment away from live sheep exports by sea. This could be via existing initiatives and should also be available to cattle producers who may be affected by the end of live sheep exports by sea.

Supported

The certainty of the phase out date enables those involved in live sheep exports by sea to plan their adjustment and act well in advance of the end of the trade. Planning is the first step towards adjustment. The Australian Government will provide \$64.6 million to assist sheep producers and supply chain businesses, particularly in WA, to capitalise on existing and emerging opportunities so that they are well positioned when the trade ends. Funding will support businesses to plan and implement transition actions and to expand domestic sheep processing capacity.

It is important that business owners are familiar with their financial position as they begin to make decisions. As part of the Australian Government's transition support package, additional rural financial counsellors will be available in WA. Eligible sheep producers and small related businesses experiencing, or at risk of, financial hardship will be able to access case management and tailored support, at no cost to them. Rural financial counsellors can help people understand their financial position and develop an action plan to better position them to be financially self-reliant and more prepared to deal with risks, important aspects of preparing for and responding to the phase out.

The Future Drought Fund's Farm Business Resilience Program is supporting farmers to prepare for and manage risk and improve their long-term resilience. As part of the program, farmers have access to subsidised learning and development opportunities in strategic business management, farm risk management and decision-making, natural resource management, and personal and social resilience. It also provides support to develop or update farm business plans, tailored to the farm business. In WA, the program includes targeted support for broadacre, pastoral and First Nations farmers, amongst others. The Farm Business Resilience Program is delivered in partnership with state and territory governments.

Recommendation 2

The Australian Government should establish transition funding arrangements accessible to businesses in the supply chain to prepare for and adjust to the absence of live sheep exports by sea. Funds should be contingent on businesses preparing a plan, perhaps drawing on the opportunity provided by Recommendation 1. Consideration should also be given to the needs of non-supply-chain businesses affected by the cessation.

Supported

Many parts of the WA sheep supply chain will need to adapt ahead of the phase out. Support through the supply chain will help to manage potential impacts of the phase out and promote a quicker adaptation in the face of change. The Australian Government investment of \$64.6 million will include assistance for sheep producers and supply chain businesses to capitalise on existing and emerging opportunities to ensure they are well positioned when the trade ends. Possible avenues for action could include seeking necessary advice, training staff and making physical and financial changes to business operations or infrastructure.

Recommendation 3

The Australian Government should consider what support is needed for supply chain businesses with a high reliance on live sheep exports by sea to exit the industry if they are unable to transition by the cessation date. Support should follow businesses completing a business planning process.

Noted

The Australian Government's investment in the phase out aims to enable impacted individuals, supply chain businesses and communities to confidently manage the transition according to their own circumstances. The government is taking early action to provide transition support to incentivise investment in the sheep production supply chain and ensure a successful and robust industry following the phase out. Funding for business planning (Recommendation 1) and transition plan implementation (Recommendation 2) will be made available to businesses to prepare, make decisions and implement transition plans in a way that suits their financial and personal needs.

Infrastructure and logistics

The phase out of live sheep exports by sea will require industry adjustment, particularly to increase onshore processing of sheep in WA. The whole supply chain, including farm businesses, transporters, processors and cold storage facilities, will need to alter its approach to more onshore processing of sheep products. The Australian Government will work with the supply chain to increase its capacity and encourage efficiencies so sheep turn-off into onshore processing can be accommodated and market opportunities realised.

Recommendation 4

Governments should provide access to funds or concessional loans to improve the capacity and efficiency of the WA sheep supply chain. Ideally, any government funding should be accompanied by private investment. Possible projects could include, among others, the expansion of processing facilities, installation of feedlots, addition of cold storage, improvements to transport or logistics infrastructure that support sheep product exports, or the supply of worker accommodation.

Supported

Over the last two decades the Australian sheep industry has been moving away from live exports while sheepmeat exports have significantly risen, including to the Middle East. Australia exported approximately 652,000 sheep by sea valued at \$76.9 million in 2022–23, compared to 5.92 million head worth \$411 million exported in 2002–03 (ABARES 2024). In 2022–23 Australia exported around 500,000 metric tonnes of sheepmeat, worth \$4.5 billion (ABARES 2023), with WA exporting around 73,400 tonnes of sheepmeat, worth \$643 million. Since 2018–19, the volume of WA’s sheepmeat exports has grown by approximately 10.2% (ABARES 2024). When it comes to Australia’s sheepmeat exports to the Middle East region, in 2022–23 Australia exported approximately \$630 million of sheepmeat, roughly 8 times the value of live sheep exports by sea to the region.

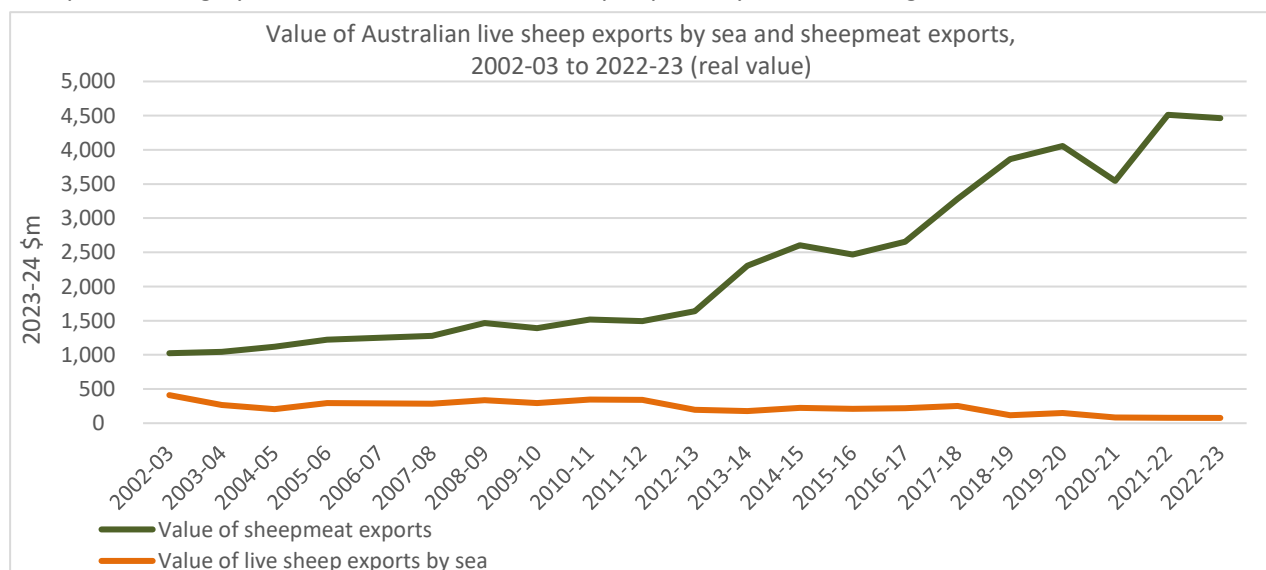


Figure 2. Change in the value of sheepmeat exports and live sheep exports by sea between 2002-03 to 2022-23 (2023-24 real value)

Note: Values account for inflation and are expressed in 2023-24 \$ figures.

Source: ABARES 2024, Trade dashboard

As sheep producers move away from live export by sea, there will be increased demand for sheep processing capacity in Australia. The WA sheep processing supply chain—from farm to market—will need to be able to accommodate the additional stock. Abattoir or cold storage capacity can be limiting, especially at peak points in the year when many producers are turning off stock.

It is important that expansion or enterprise adjustment occur in the lead up to the phase out so that capacity is in place when live sheep exports by sea ends. The Australian Government transition support includes \$64.6 million to assist sheep producers and the supply chain to implement transition plans as well as response actions. This funding is intended to build supply chain confidence in the future of the industry and accelerate investment rather than waiting for businesses to build the necessary capital.

Recommendation 5

All levels of government should streamline planning and approval processes to facilitate infrastructure improvements in the WA sheep supply chain.

Supported in principle

Increasing onshore processing is expected to require infrastructure improvements and expansion. Such changes need to meet local, state and federal regulations.

Many of the planning and approval processes associated with infrastructure projects are the responsibility of the states and territories. The Australian Government welcomes any efforts by the WA Government to streamline approvals of infrastructure improvements in the WA sheep supply chain, including for ways to make requirements clear to applicants and to avoid excessive wait times for approvals to be completed.

For businesses looking to export processed sheep products, the Australian Government will continue to provide export regulatory services and, as part of business as usual activities.

Recommendation 6

Governments should look for ways to increase air freight capacity for sheep products from WA, including consideration of time-limited assistance for air freight costs.

Noted

Access to air, land and sea freight options is important for Australian exporters. The Australian Government recognises Australian meat exporters have mature air freight arrangements in place and encourages industry to continue to take advantage of more aircraft belly hold capacity as the number of international flights increase.

The Australian Government's aviation policy will continue to help businesses have the connections they need to grow our markets, grow the visitor economy, enhance international air freight and trade, facilitate skilled migration and travel by international students, and increase opportunities for Australians to travel abroad.

The Australian Government continues to work with Australia's trading partners of the Gulf Cooperation Council to achieve commercially attractive arrangements for exports of red meat. For example, in 2022 the Standardisation Organisation of the Gulf Cooperation Council—comprising Bahrain, Kuwait, Oman, Saudi Arabia, the United Arab Emirates and Qatar, released an amendment to GSO150-1:2013 to recognise an extended shelf life of 90 days for Australian vacuum-packed chilled sheepmeat and meat products, and 120 days for beef. This acceptance means export by sea of red meat is a more commercially viable option.

In addition to international freight improvements, it is important that all parts of the supply chain work together efficiently and effectively. The Australian Government will continue to work closely with the WA Government on land transport initiatives that will improve efficiencies for businesses and communities.

Competition

A primary principle of the Australian Government's competition policy is the promotion of competitive and efficient markets that enhance the welfare of Australians. Agri-food supply chains link farmers to consumers. While supply chain length varies depending on the commodity, end product and market, agri-food supply chains often have many participants and can include producers, processors, storage, transport, wholesalers, retailers and more. Imbalances of power along the supply chain can occur. Successful competition in the agriculture sector is often seen through the lens of fair and transparent prices along the supply chain. Ensuring price transparency while improving general business conduct and information flow among participants can enhance trust and market integrity within agri-food supply chains.

Recommendation 7

Market integrity and competition should be strengthened through the entire WA sheep supply chain. This could include close monitoring by the Australian Competition and Consumer Commission, WA Department of Mines, Industry Regulation and Safety and WA Meat Industry Authority, and promotion of existing price transparency tools.

Supported in principle (where it is an Australian Government responsibility)

Price transparency across the supply chain is an important element of market integrity. Australian producers rely on effective laws and policies including the *Competition and Consumer Act 2010* (CCA). Australian consumer law offers legal protection for consumers and businesses against unconscionable conduct and unfair contract terms and a range of provisions under the CCA protect against anti-competitive conduct.

Multiple reviews are underway that explore market transparency from the farm gate to consumers. The outcomes of these reviews will be monitored for applicability to competition in the red meat industry, including the WA sheep supply chain.

- In January 2024, the Australian Government directed the Australian Competition and Consumer Commission (ACCC) to undertake an inquiry into Australia's supermarket sector. The inquiry is examining the pricing practices of the supermarkets and the relationships between wholesale, including farmgate, and retail prices (ACCC 2024). It would be within the scope of the inquiry to consider factors currently affecting competition issues in the WA sheep supply chain. The inquiry is examining the structure and competitiveness of markets for the supply of groceries, pricing practices of the supermarkets and the relationships along the supply chain between wholesale, including farmgate, and retail prices. The ACCC also has ongoing responsibility for the enforcement of Australia's competition laws. If competition issues emerge over time, the ACCC has a range of tools to encourage compliance and investigate alleged breaches of Australia's competition law (ACCC 2024).
- The Hon. Dr Craig Emerson was appointed by Government to lead the 2023–24 review of the Food and Grocery Code of Conduct. The review will assess the effectiveness of the Code's provisions to improve the commercial relationship between retailers, wholesalers and suppliers

in the grocery sector, and also consider whether the Code's provisions should be extended to other retailers or wholesalers. Dr Emerson will also consider whether the Code should be made mandatory with the introduction of civil penalties. Dr Emerson's final report will be finalised by 30 June 2024 (Treasury 2023a).

- On 23 August 2023, the Treasurer announced a Competition Review that will be conducted over two years and will provide advice to the government on how to improve competition across the economy. The review will undertake rolling policy projects to prompt reform and increase productivity (Treasury 2023b).

The Australian Government Department of Agriculture, Fisheries and Forestry (DAFF) will continue to engage with the ACCC through the Agriculture Working Group to represent issues for the agriculture portfolio.

Price transparency has also been a focus for Meat & Livestock Australia (MLA). MLA provides access to price and sale information via its website. Market reports can help producers understand trends and prices being paid around the country. This information can help producers to better target premium prices, including at times of higher demand.

The Australian Government also welcomes efforts by the WA Government, including the WA Meat Industry Authority and the WA Department of Mines, Industry Regulation and Safety, to ensure competition and fair pricing in sheep markets, including consideration of additional licensing and training requirements for livestock agents. The Australian Government will continue to look for opportunities to work with the WA Government to monitor competition issues throughout the transition.

Labour and training

The Australian Government seeks to provide an inclusive labour market in which everyone has the opportunity for safe, secure and fairly paid work. The government's Migration Strategy will deliver a migration system that provides skilled workers where they are needed. The phase out of live sheep exports by sea will require an expansion of sheepmeat processing in WA that will rely on access to a sustainable workforce. While not unique to this industry, sector or region, labour remains an existing constraint to increase processing capacity. A range of existing visa options and migration policies can assist regional communities to access overseas labour such as skilled visas, Meat Industry Labour Agreements and Designated Area Migration Agreements (DAMAs).

Recommendation 8

The Australian Government should allocate a high priority to the meat processing industry to accelerate processing of skilled visa applications.

Supported

The Australian Government recognises the importance of efficient visa processing to deal with workforce shortages. On 15 December 2023, Ministerial Direction 105 came into effect to ensure prioritisation of skilled visa applications in regional Australia. Designated regional areas, which are classified as most locations outside of major cities, are now given the highest priority for processing which will directly benefit those businesses seeking to access overseas labour in regional WA. Businesses that sponsor a skilled visa applicant in regional areas, such as in regional WA, can expect to receive the highest priority in processing applications to streamline the timeframes for getting the right people into jobs.

Recommendation 9

The Australian Government should consider increasing WA's allocation through the skilled migration program to supply additional workers to the sheep processing industry in regional WA.

Noted

As part of its Migration Strategy released in December 2023, the Australian Government has committed to evaluating regional migration settings to better support community and workforce needs in regional Australia. It will be informed by further consideration of a potential essential skills pathway.

Importantly, the government will undertake further consultation in 2024, including with key regional stakeholders and states and territories, to simplify existing visa programs and improve access to Australian permanent residency to drive long-term prosperity. This will allow our migration system to support identified development objectives in regional Australia while also valuing worker welfare and reducing worker exploitation. The Migration Strategy includes a commitment to evidence-based evaluation and monitoring to ensure the new system delivers the intended outcomes to measure success over time.

Industry labour agreements are another existing mechanism for businesses to access as they seek to manage labour shortages. Under the existing Meat Industry Labour Agreement, businesses can sponsor skilled meat workers from overseas for a temporary period of up to four years and/or for permanent residency. The government will evaluate existing labour agreements to ensure appropriate worker protections and explore opportunities for clearer guidelines in future agreements.

Recommendation 10

The Australian Government should work with the affected regions to establish Designated Area Migration Agreements (DAMAs) if not already in place or expand existing DAMAs to include sheep industry workers.

Supported

DAMAs are an effective means to enable regions to respond to the unique economic and labour market needs in a particular area. By using a DAMA, businesses can access a broader range of skilled or semi-skilled occupations to address workforce shortages. WA has four DAMAs in place, which already cover many sheep-producing and processing areas. Local businesses covered by these existing DAMAs are able to apply to relevant Designated Area Representatives to sponsor migrant workers. Regional areas are empowered to assess the terms and conditions of DAMAs, such as available occupations, and can request that they be varied to address regional workforce shortages. The Migration Strategy's evaluation of regional migration settings will include exploring the role, processing and establishment of DAMAs.

Recommendation 11

The Australian Government should ensure workers who need to change their skill set or employment due to the end of live sheep exports by sea are aware of and have access to appropriate training and support to aid their transition.

Supported

The transition away from live sheep exports by sea may increase the need for workers along the supply chain to be skilled in different ways. The Australian Government's \$107 million transition support includes \$64.6 million for Australian sheep producers and supply chain businesses to implement transition plans and could provide an opportunity to invest in training or upskilling, as part of adapting their businesses ahead of the phase out.

The Australian and state and territory governments are committed to supporting Australians to gain the skills and capabilities they need for well-paid and secure jobs. There are existing programs to support workers who need to re-skill or up-skill for new employment opportunities.

- Fee-free TAFE – supports training across priority industries experiencing skills shortages and areas of emerging growth, including in agriculture. From 2024 a further 300,000 fee-free TAFE places have been made available, including over 22,000 places in WA.
- Your Career – provides information on industries and occupations for individuals to find a career that may work for them and the path to employment.

- Workforce Australia – informs individuals about how to search and apply for jobs and explore training options.

The Australian Government also provides a range of employment programs that may assist employers to find workers. Employment facilitators bring together local employment and skills services, employers and community organisations to connect people to training, support and jobs. A network of Employer Liaison Officers also connects business and industry with people seeking work by navigating government services and designing solutions for local needs. This may help individuals to explore training or employment options leading up to and after the phase out of live sheep exports by sea.

To ensure Australia's vocational education and training sector delivers better outcomes for learners and employers, the Australian Government established 10 Jobs and Skills Councils (JSCs) to provide industry with a stronger voice. The Skills Insight JSC provides support specifically for the agriculture, animal production, animal welfare and meat processing sectors. Skills Insight has commenced three meat processing projects for 2023-24 which explore training materials, packages and a meat safety pilot. As the transition away from live sheep exports by sea progresses, there are options to explore other training and skills needs through the existing network of JSCs.

For individuals in financial hardship receiving payments under the Farm Household Allowance program, an Activity Supplement payment of up to \$10,000 is available for skill development, training and/or professional advice. The training portion is not farm-specific and can be used on any activity that is likely to generate income. Equally, it could be used to obtain professional advice or technical training in a different commodity, enabling the farmer to diversify their operation. Additionally, the reasonable costs of travel and accommodation to undertake training can be covered.

As part of the Migration Strategy, a formal role will be established for Jobs and Skills Australia (JSA) to help define evidence-based skills needs, and to guide the migration system to the areas of most need. In addition, the Australian Government has commissioned JSA to undertake a study on the workforce needs of Australia's food supply chain to develop a workforce monitoring plan to identify opportunities to grow a targeted workforce. JSA is due to deliver its final report in June 2024.

The Australian Government notes the WA Government and several rural research and development corporations operate initiatives that could also provide opportunities for individuals to re-skill or up-skill during and beyond the phase out. The government welcomes any additional efforts by state and territory governments, industry and community organisations to equip people for the transition away from live sheep exports by sea, and to promote training and support available.

Recommendation 12

Governments should ensure initiatives are available to businesses in the WA sheep industry to attract, train and retain First Nations workers.

Supported

The Australian Government is committed to supporting greater economic participation of First Nations people with a focus on helping individuals become qualified and able to connect with

the right employment opportunities to match personal aspirations. This commitment is set out in *Working Future: The Australian Government's White Paper on Jobs and Opportunities* and is central to Outcome 8 of the National Partnership Agreement on Closing the Gap: the strong economic participation and development of Aboriginal and Torres Strait Islander people and communities.

Programs implemented under the government's transition plan for the phase out of live sheep exports by sea will, where applicable, encourage activities that attract, train and retain First Nations workers in the sheep supply chain.

A range of programs assists employers to attract a diverse and inclusive workforce such as the additional 300,000 fee-free TAFE places made available from January 2024, with First Nations people identified as a priority group for accessing places. Existing state, territory and Commonwealth skills and training programs will further support workforce development within First Nations communities and facilitate the creation of employment and career pathways.

Employers will be able to draw on existing government support to attract, retain and skill (where needed) First Nations workers. In remote areas, the Community Development Program (CDP) can be utilised to support First Nations people build skills and address barriers to employment. Local CDP providers act as the single point of contact for First Nations people, employers and host organisations in each community. In non-remote areas, Workforce Australia provides personalised support for individuals seeking employment and is complemented by a network of Local Jobs Program Employment Facilitators who can partner with community and employers to create customised training and employment projects in response to local recruitment needs.

Individuals and communities

Strong and resilient individuals and communities are key to managing the transition away from live sheep exports by sea. The farming sector faces mental health and wellbeing challenges for reasons including isolation, natural disasters and financial stress. The end of live sheep exports by sea may add to existing stressors for some people. The Australian Government is committed to ensuring all Australians have access to affordable mental health care when and where they need it. The government is also investing in regional development that can provide a foundation for communities facing change due to the phase out.

Recommendation 13

The Australian and WA governments should assess the demand on existing mental health and other support and advisory services and ensure they are appropriate to the needs of communities. These services should:

- a) be adequately resourced to conduct outreach and manage any increase in demand due to the end of live sheep exports by sea
- b) be promoted in the regions affected by the end of live sheep exports by sea
- c) include funding for community events and activities in the affected regions to foster mental wellness, build connections and strengthen communities.

Supported

The phase out of live sheep exports by sea may affect the mental wellbeing of people associated with the trade, particularly in the WA sheep supply chain, as they transition to new income sources or ways of managing their employment or business. The government's \$107 million transition support package includes \$64.6 million to assist sheep producers and supply chain businesses as well as for funding community wellbeing activities.

The Australian Government recognises the importance of supporting individuals and communities through the transition away from live sheep exports by sea and has a range of services available.

- The Better Access Initiative gives Medicare rebates to eligible people so they can access the mental health services they need. Support is available from eligible general practitioners (GPs) and other medical practitioners, psychologists, social workers and occupational therapists. Eligible people can receive up to 10 individual and up to 10 group allied mental health services each year.
- Head to Health centres and phone lines provide access to free mental health information, services and supports over extended hours and without needing a prior appointment or GP referral. When individuals call Head to Health they are connected to a local intake team that can provide advice and referral if needed.
- The Country WA Primary Health Network provides regionally-appropriate mental health services including face-to-face and digital services, and psychological therapies for rural and remote, under-serviced or hard-to-reach populations.

- There are a range of digital mental health services nationally available to all Australians, including crisis support, helplines, webchat, online therapy, self-directed programs, and peer support forums. These services are free or low cost and do not require a GP referral.
- Additional services are listed in [Appendix A](#).

The Australian Government is working in partnership with the states and territories under the *National Mental Health and Suicide Prevention Agreement* to improve mental health outcomes for all Australians. People living in regional, rural and remote areas of Australia are defined as a priority population group under the agreement. Governments have agreed to improve data collection and sharing of population mental health status and mental health service data. These actions include developing key performance indicators for regional, rural and remote areas which will help inform future mental health policies and services.

The strength and resilience of local communities will play a part in individuals successfully navigating changes brought by the phase out. The Australian Government has a range of programs to help support individuals and communities in fostering leadership and building resilience.

The Australian Government's Regional Development Australia (RDA) program could assist with community resilience during the phase out. The RDA program is made up of committees of local leaders who work across government, businesses and community groups to support their local region. Nine RDA Committees operate in WA, many of which are located in sheep-producing areas. These committees are well-placed to help community members as they build confidence and develop strategies for adjusting to the phase out. This could include facilitating peer-to-peer learning opportunities, planning towards alternative income sources, supporting workforce development or attracting investment to a region.

Trade and international relations

Agricultural trade underpins livelihoods for Australian farmers and food security for many importing countries. Growing demand for sheepmeat and other sheep products domestically and in international markets will be part of positioning the WA sheep industry for the phase out. The Organisation for Economic Co-operation and Development and the Food and Agriculture Organization of the United Nations forecast that global sheepmeat consumption will increase to 18.7 million tonnes over the 10-year period to 2032 (OECD-FAO 2023). Ongoing engagement and cooperative relationships with our trading partners, particularly in the Middle East, will continue to be a focus through the phase out.

Recommendation 14

The Australian Government should provide access to additional funding for:

- a) industry-linked organisations to grow new and deepen existing markets for Australian sheep products, particularly from WA
- b) the Department of Agriculture, Fisheries and Forestry to support market access and growth for Australian sheep products, particularly from WA.

Supported

Removing live sheep exports by sea as a turn-off option will require increased numbers of sheep to be processed onshore, increasing the production of sheepmeat and co-products. Australians compared to the world are already large consumers of lamb (on a per head basis) consuming 7.2 kg of sheepmeat in 2023. This consumption is expected to increase in the coming years with MLA projecting Australia's domestic sheepmeat consumption to rise by 7% by 2026 from the 2023 amount (MLA Industry Projections 2024).

The Australian Government will invest \$27 million as part of the transition support package to enhance demand within Australia and internationally to maintain and develop market opportunities for Australian sheep products. With a range of delivery partners, including Austrade, this funding will enable activities like market analysis, consumer studies, product promotion and business relationship building. Agricultural counsellors and Austrade will also work to support diverse trade to the Middle East and North Africa (MENA) region. These concerted efforts are intended to grow the profile of Australian sheep products and boost confidence in the domestic sheep industry.

Australia's free trade agreements (FTAs) support global trade opportunities and enhance the international competitiveness of Australian exports. The Australian Government will continue to negotiate FTAs, act to remove non-tariff barriers, maintain and improve trade conditions and support agri-food trade and investment. In December 2023, it was announced that Australia would commence negotiations for an FTA with the United Arab Emirates, further deepening our trade relationship with the Middle East region and providing enhanced opportunities for agricultural exports.

Australia enjoys market access into many importing countries but improved access will provide additional opportunities for exports of sheep products. DAFF and its network of agriculture counsellors engage regionally and bilaterally with trading partners to negotiate market access for agricultural and food products and support businesses when facing consignment difficulties at the border. DAFF will continue to work with trading partners to improve and maintain market access for Australian agricultural exports. DAFF will also continue its work as the export regulator to assess and approve sheepmeat facilities to Australian export standards and importing country requirements whilst supporting importing country audits and approvals of the Australian system.

Recommendation 15

The Australian Government should continue to engage with trading partners on the development of the sheepmeat trade in the Middle East during the transition away from live sheep exports by sea.

Supported

Australia's relationship with middle eastern trading partners is underpinned by our strong trade and investment ties and people-to-people links in agriculture and in other parts of the economy such as education, science and research. We have historical and newer links with the region—in 2024 Australia and Kuwait are celebrating 50 years of diplomatic relations, and in January 2024 Oman opened an embassy in Canberra for the first time.

Australia is a trusted and reliable agri-food supplier to the Middle East, particularly in grains, red meat and horticulture products. This trade has continued to occur as live sheep export volumes decreased. Sheepmeat exports in the Middle East region in 2022-23 was approximately \$630 million which is roughly 8 times the value of live sheep exports by sea. Nearly all countries in the region have higher sheepmeat imports than live sheep imports. The Australian Government in-country representatives, through the Department of Foreign Affairs and Trade, DAFF and Austrade, play an important role in supporting and expanding trade throughout the region and attracting investment in Australian agriculture. Table 1 demonstrates the current value of live sheep exports by sea and total sheepmeat exports by country.

Table 1 Value of sheepmeat and live sheep by sea exports in 2022-23

Trading partner	Live sheep trade by sea 2022-23	Sheepmeat exports 2022-23
Bahrain	\$0	\$15.84m
Israel	\$23.87m	\$5.83m
Jordan	\$1.98m	\$64.91m
Kuwait	\$35.00m	\$65.90m
Oman	\$5.51m	\$33.18m
Qatar	\$3.40m	\$74.51m
Saudi Arabia	\$0	\$108.12m
UAE	\$7.16m	\$254.23m

Source: ABS

The Australian Government will prioritise engagement with the MENA region in the lead up to, and beyond, the phase out to emphasise our commitment to ongoing agri-food trade and bilateral and regional connections.

The Australian Government is committed to contributing to food security of trading partners, and working in partnership with Middle East trading partners to support food security (including through continuing to build our agricultural trade and investment relationships within the region). Foreign investment in the Australian agriculture sector is also adding to trade opportunities and strengthening supply chains.

The \$27 million in transition support for market development will aid the diversification of markets for sheep products. Agricultural trade counsellors and Austrade will partner with industry to support diverse trade to the MENA region by exploring opportunities to diversify markets for Australian agri-food products.

Research, development, extension and adoption

The Australian Government invests close to \$400 million each year in the rural research and development corporations (RDCs) to improve the profitability, productivity, competitiveness and long-term sustainability of the agriculture, fisheries and forestry sector. These funds are coupled with industry levies in a government–industry partnership that has been operating successfully for over 30 years. The Australian Bureau of Agricultural and Resource Economics and Sciences has estimated that each additional \$1 invested in agricultural R&D has delivered a return of \$7.82 (DAFF 2023).

Recommendation 16

The Australian Government should support the transition away from live sheep exports by sea, including by:

- a) encouraging the rural research and development corporations to accelerate their activities that support the WA industry to transition away from live sheep exports by sea
- b) making funds available for extension and adoption to assist producers to create a value chain without live sheep exports by sea.

Supported in part

The livestock RDCs—MLA, Australian Wool Innovation, Australian Meat Processor Corporation and the Australian Livestock Export Corporation (LiveCorp) and the Grains RDC, are well-placed to support sheep producers, processors, exporters and suppliers as they prepare for the phase out of live sheep exports by sea. These RDCs are active in their industries, including in WA, and already fund activities that help individuals and businesses identify and access profitable methods for their enterprises. The confirmation of the phase out date will be a prompt for the RDCs to incorporate extension and adoption activities focused on the phase out into their annual and five-yearly plans. The Australian Government will encourage the RDCs to target levy-payers' needs in the lead up to and beyond the phase out.

The transition away from live sheep exports by sea presents an opportunity for the WA sheep supply chain to move towards a value chain. This would involve greater integration and collaboration along the chain creating increased value at every point for the benefit of all involved. The Australian Government welcome industry effort that seeks to move from a supply chain towards a value chain. MLA's publication of saleyard and meat prices and market analyses is an existing example of data being shared and informing decision making. The Australian Government will also work with the RDCs and industry representative bodies to identify ways to facilitate discussions between different parts of the supply chain on how the industry as a whole can work more effectively as a value chain.

Recommendation 17

The Australian Government should consider the role and financial position of the affected rural research and development corporations during and following the transition away from live sheep exports by sea.

Supported

It will be important for the livestock and grains RDCs to understand the impact of the phase out on their levy base, both in the lead up to and beyond the phase out. The Australian Government will continue to engage with affected RDCs on the effects of the phase out on their levy revenue.

Animal welfare

The Australian community expects government to uphold strong animal welfare standards in domestic and export animal industries. The Australian Government is committed to upholding, strengthening and promoting animal welfare standards in Australia and globally, in the lead up to and beyond the phase out.

Recommendation 18

The Australian Government should ensure that the Department of Agriculture, Fisheries and Forestry and the Australian Maritime Safety Authority have the funds needed to fulfil their regulatory obligations and assurance requirements for live sheep exports by sea.

Supported

The *Export Control Act 2020*, Export Control (Animals) Rules 2021 and the Australian Standards for the Export of Livestock provide the regulatory framework for the export of livestock, including ensuring animal health and welfare.

The Australian Maritime Safety Authority (AMSA) promotes the safety and protection of Australia's marine environment, including the regulation of livestock export vessels via the *Navigation Act 2012* and subordinate legislation, including Marine Order 43 (cargo and cargo handling – livestock) 2018. AMSA is funded for its regulatory activities through the Regulatory Functions Levy and fee for service for vessel inspections.

DAFF and AMSA will continue to regulate live sheep exports. There will be no reduction in oversight or enforcement.

Recommendation 19

The Australian, state and territory governments should work together to review and enforce the Australian Animal Welfare Standards and Guidelines – Land Transport of Livestock.

Supported

The phase out of live sheep exports by sea as a turn-off and market avenue may lead to increased sales of sheep from western to eastern Australia, particularly if seasonal conditions deteriorate. The Australian Government's \$107 million transition support package includes \$2.6 million towards continuing to improve animal welfare standards to meet community expectations. This funding is in addition to the existing Australian Animal Welfare Strategy (AAWS).

The Australian Government will work with the states and territories to validate, review and update the standards applicable to sheep within the Australian Animal Welfare Standards and Guidelines – Land Transport of Livestock. Updating the standards and guidelines will help uphold animal welfare outcomes on west-east journeys, along with other livestock movements in Australia. This initiative will deliver an overdue update to part of Australia's animal welfare framework and contribute to clarity and consistency for industry, consumers and trading partners. This will also include

development of training materials for livestock transport drivers to complement the refreshed standards.

The AAWS is being renewed over the next four years (2023–27). The review of the AAWS will provide a framework for a national approach to animal welfare in Australia. In 2023, the Australian Government committed \$5 million for this work, which reinforces Australia’s commitment to modern, sustainable, evidence and science-based welfare practice. The government has also provided \$4 million over four years from 2022–23 to an Inspector-General of Animal Welfare and Live Animal Exports, to strengthen animal welfare assurance, and increase accountability and transparency for animal welfare in livestock exports.

Recommendation 20

Australia should maintain its strong engagement in the World Organisation for Animal Health’s international standard setting processes, through technical input and ongoing consultation with Australian experts. Australia should look for opportunities to influence improved global animal welfare standards through bilateral forums and agreements.

Supported

The World Organisation for Animal Health (WOAH) is the intergovernmental organisation working to improve the health of animals, including setting international standards to support the safe trade of animals and animal products. A part of the \$2.6 million transition support will be made to continue to improve sheep welfare standards as well as to enhance Australia’s engagement and collaboration on animal welfare in WOAH. This will promote Australia’s standards and advocate for stronger international animal welfare standards. Trade outcomes could also be strengthened through promoting animal welfare approaches that are not trade restrictive.

Participating in animal welfare standards development, advocating for outcomes that align with Australian best practice, fostering relationships with other nations, and improving international understanding of Australia’s approach to animal welfare can all contribute to strengthened global approaches to animal welfare and enhanced trade arrangements.

Recommendation 21

The Australian sheep industry should be encouraged and supported to:

- a) establish a national accreditation scheme for sheep feedlots, to include standalone and on farm intensive feeding systems
- b) develop a complementary national sheepmeat quality assurance scheme (similar to AUS-MEAT) for meat produced from sheep finished in feedlots.

Noted

The Australian Government welcomes industry leadership and efforts to develop a sheep feedlot accreditation scheme and complementary meat quality assurance scheme. The Australian Government recognises that industry investment in these areas will have animal welfare benefits and may help industry to pursue marketing opportunities for grain-fed sheepmeat.

Managing the transition

The Australian Government recognises the importance of a planned and orderly transition away from live sheep exports by sea. The government's announcement of the end date for the trade and the government response are major steps towards industry and community adjustment. Individuals, businesses and communities can knowingly plan and make decisions that prepare them for the phase out. The transition plan and support provide the tools and impetus to begin adjustments and shift towards adaptation and future success.

Recommendation 22

The Australian Government should make an announcement in 2023 stating when the end of live sheep exports by sea will occur.

Noted

The Australian Government has taken the necessary time to carefully consider the panel's analysis and recommendations. It has developed a transition plan, including support measures for the sheep industry supply chain and communities as they plan and take action to position themselves for the future. Releasing the panel's report and announcing the phase out date and transition support measures now ensure that all stakeholders are informed and have certainty.

Recommendation 23

A review should be conducted in 2026 to ensure farm businesses, the WA sheep supply chain and market development are on track to achieve the onshore processing of the WA sheep turn-off expected by the cessation date for live sheep exports by sea. This review should include recommendations about any adjustments needed, any change to the timeline and further actions to support a smooth transition by individuals, businesses and communities.

Supported in part

The Australian Government will undertake a stocktake in 2026–27 before the end of live sheep exports by sea. This will provide a point-in-time assessment of how the sheep supply chain is adapting ahead of the phase out. The stocktake will consider the level of progress towards onshore processing and market development and what further steps may be required ahead of the phase out. It is important that individuals, businesses and communities are able to plan with certainty. The stocktake will not reconsider the end date for the trade and the timeline for the transition will not change. Re-opening the trade end date would create unnecessary ambiguity and may discourage industry stakeholders from taking early decisions and actions to adapt their operations.

Recommendation 24

The Australian Government should fund and commence implementation of early actions as soon as practicable to restore confidence in the WA sheep industry and drive a quick and strong adaptation to the end of live sheep exports by sea. The priorities for early action by the first half of 2024 are:

- a) farm business planning (Recommendation 1)
- b) processing and cold storage infrastructure (Recommendation 4)
- c) market opportunities (Recommendation 14)

Supported

The Australian Government has taken the necessary time to carefully consider the panel's analysis and recommendations. The Australian Government's transition support will enable impacted individuals, supply chain businesses and communities to confidently manage the transition according to their own circumstances and be ready when the trade ends in 2028 (see [page vi](#)).

The government is taking early action to provide transition support now to incentivise planning, investment in the sheep production supply chain and market development activities to facilitate a planned and orderly transition.

These new transition support measures augment existing whole-of-government support that is available, among other initiatives, related to health and wellbeing, labour and training, regional development as well as trade and market development.

Recommendation 25

The Australian and WA governments should establish a group to co-design the development and delivery of transition activities including projects in the affected regions to stimulate regional economies and support local communities. This would not include the early actions (Recommendation 24). This group should include members with experience in the WA sheep supply chain, regional development and the WA grower group network. Where possible, priority should be given to using WA agencies and organisations for delivery of initiatives arising from this report to enhance uptake and place-based solutions.

Supported

The Australian Government recognises the importance of local knowledge and connections when delivering support to individuals, businesses and communities in regional areas. The government will continue to seek opportunities to connect with local and industry representatives through the phase out to help target support measures and receive feedback on their rollout. The Australian Government will also look for ways to complement WA Government efforts that help position affected individuals, businesses and communities for success up to and beyond the phase out, and would welcome the WA Government's partnership in delivering support to WA sheep industry participants.

Recommendation 26

The position of Transition Advocate should be created and funded to monitor transition initiatives and provide advice on progress to the Australian Minister for Agriculture, Fisheries and Forestry and the WA Minister for Agriculture and Food.

Supported

The Australian Government will appoint a Transition Advocate to facilitate two-way communication between industry and government, provide information to industry about the transition plan and support, and provide advice to government on how the transition is progressing. The Transition Advocate will be involved with the stocktake in 2026–27 to provide an assessment of the transition progress (see Recommendation 23).

Timing and mechanism

A clear timeframe for the end of live sheep exports by sea is crucial for all stakeholders to confidently prepare for, respond and adapt to the phase out. Providing certainty regarding the end date of the trade will allow sheep supply chain participants time to position themselves for the future, minimising impacts and meeting any challenges arising from the phase out. Legislating the end of the trade will provide clarity and public accountability for the phase out.

Recommendation 27

The end of live sheep exports by sea from Australia should occur at the beginning of the Northern Hemisphere Summer Prohibition in 2028.

Supported

Ending live sheep exports by sea will require adaptation in the WA sheep supply chain to manage potential impacts. A clear timeframe for when the trade will end enables stakeholders to confidently manage their transition in accordance with their own circumstances.

Live sheep exports by sea will end on 1 May 2028.

The 2028 date aligns with the beginning of the Northern Hemisphere summer period. This date represents a known pause in the trade to minimise disruption, and will apply equally to all markets to ensure clear and consistent messaging for stakeholders.

Ending live sheep exports by sea in 2028 balances the varied interests and steps required for change. This timeframe recognises that planning and implementing adjustments takes time, particularly where production changes, infrastructure improvements or expanded market avenues are required. An end date in 2028 allows time for funding initiatives to roll out, providing assistance to individuals, businesses and communities affected by the phase out to navigate change and position themselves for the future. This date also allows the Australian Government and businesses to engage with existing live sheep trading partners to continue to support their ongoing food security requirements.

Recommendation 28

The end of live sheep exports by sea should be legislated during this term of the Australian Parliament (47th Parliament). Legislation should describe the date from when live sheep exports by sea will be prohibited and should not apply additional restrictions such as quotas or caps during the transition period.

Supported

Announcing a firm end date for live sheep exports by sea and legislating this date provides certainty for stakeholders, allowing them to manage their transition to a clearly defined timeframe. It is important to minimise confusion about how the trade will operate in the lead up to the phase out. The Australian Government is providing incentives to invest in the post-2028 future of the sheep industry, with the expectation that there will be gradual changes to the sheep supply chain over time as industry and businesses take early actions before the trade ends in 2028.

The Australian Government intends to enact the end date through primary legislation so that it is transparent and clear to all stakeholders and ensure business can confidently plan for and adapt for the trade ending. Legislation will make the phase out timeframe firm and unambiguous.

Appendix A: Existing support measures

The Australian Government provides different avenues for support that may be of use to individuals, businesses and communities in the WA sheep supply chain that will be affected by the phase out.

The opportunities listed below are separate to the Australian Government 2024–25 Budget commitment of \$107 million over five years for the phase out of live sheep exports by sea transition support.

Farm and other businesses

Business management and resilience-building

Farm Management Deposit Scheme

The [Farm Management Deposit Scheme](#) provides a tax concession to encourage primary producers to build up cash reserves for use in low-income years, helping them build resilience and manage their financial risk. Further information: [Farm Management Deposits - DAFF \(agriculture.gov.au\)](#).

Future Drought Fund – Farm Business Resilience Program

The [Farm Business Resilience Program](#) of the Future Drought Fund provides farmers access to subsidised learning and development opportunities along with farm business planning support to help prepare for and manage risk, including drought. Further information: [Future Drought Fund - DAFF \(agriculture.gov.au\)](#).

Regional Investment Corporation

The [Regional Investment Corporation](#) provides concessional loans of up to \$2 million to help farm and primary production-related businesses that are in financial need and viable over the long-term improve their long-term strength, resilience and profitability. Further information: [Drought Loan - Regional Investment Corporation \(ric.gov.au\)](#) or call 1800 875 675.

Primary production asset depreciation

[Primary production asset depreciation](#) enables primary producers to fully deduct capital expenditure on eligible assets used in primary production. Further information: [Primary production depreciating assets | Australian Taxation Office \(ato.gov.au\)](#).

Income tax averaging

Income tax averaging allows primary producers to even out their income and the tax payable over a maximum of 5 years. Further information: [Tax averaging for primary producers | Australian Taxation Office \(ato.gov.au\)](#).

Helping through hardship

Farm Household Allowance program

The [Farm Household Allowance](#) (FHA) is a package of assistance for farmers and their partners experiencing financial hardship. In addition to fortnightly payments, up to \$10,000 per person is available to pay for professional advice and/or training. Further information: [Farm Household Allowance - DAFF \(agriculture.gov.au\)](#) or call the Farmer Assistance hotline on 132 316.

Rural Financial Counselling Service

The [Rural Financial Counselling Service](#) provides free financial counselling to farmers, fishing enterprises, forestry growers and harvesters, and related small businesses experiencing, or at risk of, financial hardship. Further information: [Rural Financial Counselling Service \(RFCS\) - DAFF \(agriculture.gov.au\)](#) or call the national hotline on 1300 771 741. The Western Australian Rural Financial Counselling Service can be contacted at [Rural West](#) or on 1800 612 004.

Beyond the farm gate

Industry Growth Program

The \$392.4 million [Industry Growth Program](#) supports innovative Australian start-ups and small to medium-sized enterprises undertaking commercialisation and growth projects within the National Reconstruction Fund priority areas with advisory services and opportunities for matched grant funding. Further information: [Industry Growth Program | business.gov.au](#) or call 13 28 46.

AusIndustry's Regional Managers

Small and medium enterprises can seek assistance from [AusIndustry's Regional Managers](#) who cover the country to nurture partnerships and networks, provide connections, and help navigate local, state, and Commonwealth governments to support economic development and business growth. Further information: [AusIndustry | business.gov.au](#) or call 13 28 46.

National Reconstruction Fund

The \$15 billion [National Reconstruction Fund](#) (NRF) facilitates increased flows of finance into the Australian economy through targeted investment to diversify and transform Australian industry. Further information: [Home Page | National Reconstruction Fund Corporation \(nrf.gov.au\)](#).

Labour and training

Employment and labour

Employment Facilitators

[Employment facilitators](#) are on the ground in 51 Employment Regions and bring together local employment and skills services, employers and community organisations to connect people to

training, job opportunities and support services. Further information: [Employment Facilitators and Employment Regions - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](#).

Employer Liaison Officers

Employer Liaison Officers help businesses find the staff they need by navigating government services, designing solutions to benefit industry and people looking for work. Employer Liaison Officers co-design with industry workforce solutions. Further information: [Linking people to jobs \(workforceaustralia.gov.au\)](#).

Workforce Australia

[Workforce Australia](#) is a place Australians can search and apply for jobs or find more information on their pathway to employment. Further information: [Workforce Australia \(workforceaustralia.gov.au\)](#).

Community Development Program (in remote areas)

The [Community Development Program](#) (CDP) is a remote employment and community development service administered by the National Indigenous Australians Agency. CDP aims to support job seekers in remote Australia to build skills, address barriers to employment and contribute to their communities through activities and training. The Government has committed to replace the CDP with a new remote employment services program. Further information: [The Community Development Program \(CDP\) | National Indigenous Australians Agency \(niaa.gov.au\)](#).

Remote Jobs and Economic Development (RJED) Program

The Australian Government is investing \$707 million to deliver a new [Remote Jobs and Economic Development Program](#) (RJED) in the second half of 2024 that provides people in remote communities with real jobs, proper wages and decent conditions. The RJED program is being developed in partnership with First Nations people and will fund 3,000 jobs over three years. Through a Community Jobs and Business Fund, community-controlled organisations and local government can identify projects the community needs and apply for funding of capital and equipment. Further information: [Remote Jobs and Economic Development Program | National Indigenous Australians Agency \(niaa.gov.au\)](#).

Meat Industry Labour Agreement

A [Meat Industry Labour Agreement](#) is a tailored agreement allowing eligible employers to sponsor overseas workers in the occupation of 'skilled meat worker' for a temporary period of up to four years and/or permanent residence. Further information: [Industry labour agreements \(homeaffairs.gov.au\)](#).

Designated Area Migration Agreements

[Designated Area Migration Agreements](#) are tailored agreements that enable regional Australia to respond to their specific economic and labour market needs by accessing a broader range of skilled or semi-skilled occupations than those available through the standard skilled migration program to

address genuine workforce shortages. Further information: [Designated Area Migration Agreement \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/designated-area-migration-agreement).

Pacific Australia Labour Mobility Scheme

The [Pacific Australia Labour Mobility Scheme](https://www.homeaffairs.gov.au/pacific-australia-labour-mobility-scheme) allow eligible businesses to hire workers from 9 Pacific islands and Timor-Leste where there is a genuine shortage of Australian workers, but is currently addressing workforce needs in key sectors in rural and regional Australia. Further information: [Home | PALM scheme](https://www.homeaffairs.gov.au/palm-scheme).

Skilled visas

[Skilled visas](https://www.homeaffairs.gov.au/skilled-visas) are available to overseas workers that are skilled in an occupation on the relevant occupation list. Further information: [Working in Australia \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/working-in-australia).

Working Holiday Maker visas

The [Working Holiday Maker](https://www.homeaffairs.gov.au/working-holiday-maker) program allows young adults to have a 12-month holiday, during which they can undertake short-term work in any occupation or industry while in Australia. Further information: [Working Holiday Maker \(WHM\) program \(homeaffairs.gov.au\)](https://www.homeaffairs.gov.au/working-holiday-maker-whm-program).

Your Career

[Your Career](https://yourcareer.gov.au) is a digital platform that can help with career needs and goals. Further information: yourcareer.gov.au.

Launch into Work

The [Launch into Work](https://www.dewr.gov.au/launch-into-work) program supports the delivery of pre-employment projects. Funded projects prepare eligible individuals for specific entry-level roles within a business. Further information: [Launch into Work - Department of Employment and Workplace Relations, Australian Government \(dewr.gov.au\)](https://www.dewr.gov.au/launch-into-work-department-of-employment-and-workplace-relations).

Fee-free TAFE

The Australian Government is delivering an additional 300,000 Fee-Free TAFE and vocational education and training places delivered in partnership with states and territories from January 2024. Further information: [Fee-Free TAFE | Your Career](https://www.dewr.gov.au/fee-free-tafe).

Jobs and Skills Councils

A national network of [Jobs and Skills Councils](https://www.industryskillsaustralia.org.au/jobs-and-skills-councils) (JSCs) has been established to provide industry with a stronger voice to ensure Australia's vocational education and training sector delivers better outcomes for learners and employers. The JSC Skills Insight works with the sheep production, animal welfare and meat processing sectors to ensure training meets industry needs. Another JSC, Industry Skills Australia, is responsible for the transport and logistics sectors. [Skills Insight Jobs and Skills Council \(JSC\) - Skills Insight](https://www.industryskillsaustralia.org.au/skills-insight-jobs-and-skills-council-jsc) and [People first, for a future-fit supply chain workforce. \(industryskillsaustralia.org.au\)](https://www.industryskillsaustralia.org.au/people-first).

First Nations

Indigenous Skills and Employment Program

The [Indigenous Skills and Employment Program \(ISEP\)](#) connects First Nations people to jobs, career advancement opportunities and to new training and job-ready activities. ISEP supports organisations to design activities with community before implementing them. Complementing (but not duplicating) mainstream employment services, ISEP-funded activities align with regional priorities and are guided by local knowledge. The Indigenous Skills and Employment Program will provide grants to 35 organisations to provide complementary support to mainstream programs to help connect First Nations people to jobs, career advancement, and to new training and job-readiness activities. Further information: [Indigenous Skills and Employment Program \(ISEP\) | National Indigenous Australians Agency \(niaa.gov.au\)](#).

Indigenous Business and Employment Hubs

The [Indigenous Business and Employment Hubs](#) provide a single point of contact for First Nations businesses to access business advice and support, and a culturally appropriate place to work and meet clients. Four Hubs, funded through the NIAA, operate in Perth (WA), Adelaide (SA), Western Sydney (NSW) and Northern Territory (NT). The Hubs provide wrap-around support to First Nations businesses including mentorship, business advice, training and access to financial services. The Hubs are delivered in close collaboration with state and territory governments to ensure navigating business support is streamlined and Indigenous businesses can spend more time creating jobs and growing the economy. Further information: [Indigenous Business and Employment Hubs | business.gov.au](#).

Reach Out Program

The [Reach Out Indigenous business support program](#) helps First Nation small businesses meet their tax, super and registry obligations by providing tailored education and support. Further information: [Reach Out – Indigenous business support project pilot | Australian Taxation Office \(ato.gov.au\)](#).

Individuals

Mental health and wellbeing

The Department of Health and Aged Care funds a range of digital mental health services, including crisis support, helplines and webchat, clinician-supported online therapy, self-directed education programs and tools, and moderated peer support forums.

These services are nationally available to all Australians, free or low cost, and cover a range of counselling, treatment and crisis support services, including suicide prevention and peer support. People do not require a referral to access these services.

Lifeline Australia

[Lifeline Australia](#) provides a 24/7 phone counselling and online crisis support chat function to all Australians experiencing emotional distress. Further information: [Lifeline Australia - Crisis Support. Suicide Prevention](#) or call 13 11 14.

Beyond Blue

[Beyond Blue](#) provides a 24/7 online and email counselling and moderated forums to support Australians to achieve their best possible mental health, whatever their age and wherever they live. Further information: [Beyond Blue | 24/7 Support for Anxiety, Depression and Suicide Prevention - Beyond Blue](#).

Head to Health

[Head to Health](#) helps all Australians access the mental health and wellbeing services that are right for them. The services can be face-to-face, via phone, or online. Further information: [Home | Head to Health](#) or free call 1800 595 212.

MindSpot and MindSpot GP

[MindSpot](#) is a free virtual clinic for Australian adults who are experiencing difficulties with anxiety, stress, depression, chronic pain and low mood. It provides assessment and treatment courses, and also helps clients find local services that can help. Further information: [MindSpot Clinic - Free Online Mental Support](#) or call 1800 614 434.

SANE Australia

[SANE Australia](#) offers phone counselling and moderated forums providing peer-to-peer support for those with complex or persistent mental health issues, and for their families, friends and communities. Counsellors are available via phone (1800 187 263), email, and webchat weekdays 10am–10pm (AEST). Further information: [SANE Australia](#).

Primary Health Networks

[Primary Health Networks](#) improve the efficiency and effectiveness of health services for people, particularly those at risk of poor health outcomes, with networks available in Western Australia. Further information: [Primary Health Networks | Australian Government Department of Health and Aged Care](#) and [Home Page - WAPHA](#).

Better Access Initiative

The [Better Access initiative](#) provides Medicare rebates to eligible people to access mental health services. Eligible people can receive up to 10 individual and up to 10 group allied mental health services each year. Further information: [Better Access initiative | Australian Government Department of Health and Aged Care](#).

Communities

Future Drought Fund

The [Future Drought Fund](#) provides secure, continuous funding for drought resilience initiatives.

Regional Drought Resilience Planning program: is a community-led process to consider regional needs and priorities to inform future investments.

Drought Resilience Adoption and Innovation Hubs: support farmers and communities to prepare for drought.

Helping Regional Communities Prepare for Drought Initiative: Enables agriculture-dependent communities to identify and act on drought preparedness priorities.

Further information: [Future Drought Fund - DAFF \(agriculture.gov.au\)](#).

Regional Development Australia

[Regional Development Australia](#) is a network of local leaders who work across government, business and community groups with the goal to improve their local region. Further information: [Homepage | Regional Development Australia \(rda.gov.au\)](#).

Regional Precincts and Partnerships Program

The Australian Government's \$400 million [Regional Precincts and Partnerships Program](#) seeks to support transformative investment in regional, rural and remote Australia based on the principles of unifying regional places, growing economies and serving communities. Further information: [Regional Precincts and Partnerships Program | Department of Infrastructure, Transport, Regional Development, Communications and the Arts](#).

Growing Regions Program

The Australian Government has committed \$600 million over three years from 2023-24 for the [Growing Regions Program](#), with \$300 million available over two rounds. The program supports local government entities and incorporated not-for-profit organisations to fund capital works projects that deliver community and economic infrastructure projects across regional and rural Australia. Further information: [Growing Regions Program | Department of Infrastructure, Transport, Regional Development, Communications and the Arts](#).

Stronger Communities Programme

The [Stronger Communities Programme](#) provides grants of between \$2,500 and \$20,000 to community organisations and local governments for small capital projects that deliver social benefits for local communities. Further information: [Stronger Communities Programme | Department of Infrastructure, Transport, Regional Development, Communications and the Arts](#).

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