**EXPLANATORY STATEMENT**

Issued by the authority of the Minister for Agriculture, Fisheries and Forestry

*Export Control Act 2020*

*Export Control (Transition Assistance*—*Phase Out of Live Sheep Exports by Sea Programs) Instrument 2025*

**Legislative Authority**

The *Export Control Act 2020* (the Act) prohibits the export of live sheep by sea from Australia from 1 May 2028 and provides authority for Commonwealth spending activities related to preparing for, or adapting or responding to, the phasing out of export of live sheep by sea.

Section 424E of the Act provides a mechanism for the Minister to prescribe one or more programs, by disallowable legislative instrument, in relation to preparing for, or adapting or responding to, the phasing out of the export of live sheep by sea, including in relation to the expenditure of Commonwealth money under such programs.

Subsection 424F(1) allows the Minister to make, vary or administer arrangements in relation to the carrying out of activities by a person under a program prescribed by legislative instrument under subsection 424E(1). Arrangements may include contracts, agreements, deed or understanding, and may provide for money to be payable by the Commonwealth to a person under the program.

The power conferred on the Minister by subsection 424F(1) may be delegated to the Secretary, an SES employee, or acting SES employee, in the Department or in a Department of State of the Commonwealth other than the Department (under section 424H).

**Purpose**

The purpose of the *Export Control (Transition Assistance*—*Phase Out of Live Sheep Exports by Sea Programs) Instrument 2025* (the Legislative Instrument) is to prescribe the Support for Research and Development Extension program and the Shearing Industry Transition program (the Programs). The Programs form part of a broader package to assist industry in preparing for, adapting to and responding to the phasing out of the export of live sheep by sea (the Transition Assistance Package).

**Impact and Effect**

The effect of the Legislative Instrument is to prescribe two programs which will assist industry to prepare for, or adapt or respond to, the phasing out of the export of live sheep by sea.

*Support for Research and Development Extension program*

The Support for Research and Development Extension program provides grant funding to demonstrate and encourage adoption of best practice farming systems to improve sheep producer (including sheep grower and stud breeder) knowledge in new farming practices. This includes informing options for producers to transition away from live sheep exports by sea by considering other market opportunities for wool, meat and co-products.

*Shearing Industry Transition program*

The Shearing Industry Transition program provides grant funding to expand the remit of shearing contractors to facilitate a broader range of seasonally complementary agricultural and regional work for their employees, helping keep shearing teams and contractors employed locally year-round through activities such as coordinating and delivering targeted training. The focus for implementation will be those parts of the industry most affected by the phase out of live sheep exports by sea.

*Program details and operation*

The Programs are closed non-competitive grant processes which will be administered by the Department of Agriculture, Fisheries and Forestry. Once established, the Programs will be transferred to the Community Grants Hub for management on behalf of the Department. The Programs will be administered according to the *Commonwealth Grants Rules and Principles 2024* (CGRPs).

Spending decisions for the Programs will be made by the Minister or an appropriate delegate within the Department at the SES1 level or above, in accordance with each program’s guidelines. Any delegate will have relevant expertise in, and understanding of, the Programs forming part of the Transition Assistance Package to assist industry in preparing for, adapting to and responding to, the phasing out of the export of live sheep by sea and will be able to perform relevant functions in accordance with the Commonwealth resource framework.

The recipient for the Support for Research and Development Extension program is intended to be an organisation recognised for its leadership in partnering with industry to develop and deliver extension activity, leveraging existing relationships with, for example, grower groups. The recipient for the Shearing Industry Transition program is intended to be an industry association recognised for providing vital information and support to the shearing industry.

*Reasons for not providing merits review for grant related decision-making*

As these Programs are closed non-competitive grants that support the implementation of policy decisions made by the Government, the Programs will not be subject to merits review.

Merits review of decisions made in connection with the grant would not be appropriate because these decisions relate to the allocation of finite resources between competing applicants and any funding that has already been allocated to a service provider would be affected if the original decision was overturned.

The Administrative Review Council has recognised that it is justifiable to exclude merits review in relation to decisions of this nature (see items 4.16 to 4.19 of *What decisions should be subject to merits review?*). Further, the right to review under section 75(v) of the Constitution and review under section 39B of the *Judiciary Act 1903*may be available. In addition, the review and audit process undertaken by the Australian National Audit Office also provides a mechanism to review Australian Government spending decisions and report any concerns to the Parliament. Persons affected by spending decisions would also have recourse to the Commonwealth Ombudsman where appropriate.

Persons who are otherwise affected by decisions or who have complaints about the Programs will be able to provide feedback to the Department. The Department investigates any complaints about the Programs in accordance with its complaints policy and procedures. If a person is not satisfied with the way the Department handles the complaint, they may lodge a complaint with the Commonwealth Ombudsman.

**Background**

The funding for the Transition Assistance Package is largely derived from Program 1.9 Meat and Livestock Industry, Outcome 1, as set out in the *Portfolio Budget Statements 2024-25, Budget Related Paper No. 1.1, Agriculture, Fisheries and Forestry* at page 34 and the *Portfolio Additional Estimates Statement 2024-25, Budget Related Paper No. Agriculture, Fisheries and Forestry* at page 29.

The Australian Government announced funding out of the Transition Assistance Package on 15 July 2025 for the Programs: $4.0 million over 3 years from 2025-26 to 2027-28 for the Support for Research and Development Extension program and $2.2 million over 2 years from 2025-26 to 2026-27 for the Shearing Industry Transition program.

**Statement of the Relevance and Operation of Constitutional Heads of Power**

The Legislative Instrument specifies that the legislative power in respect of which it is made is the trade and commerce power in section 51(i) of the Constitution.

Section 51(i) of the Constitution empowers the Parliament to make laws with respect to ‘trade and commerce with other countries, and among the States’.

The Programs aim to support businesses and individuals affected by the prohibition of live sheep exports, by supporting the development of options to make changes to on-farm and commercial practices and transition into other commercial activities, and to diversify employment opportunities within the shearing sector.

**Consultation**

In February 2025, the Department undertook a co-design process with Western Australian sheep producers and the broader supply chain. Based on the input of more than 300 people across the industry supply chain through 16 workshops in Western Australia, the co-design process identified and prioritised areas where assistance will make the most difference.

The Department consulted with industry groups and Research and Development Corporations (RDCs) ahead of the co-design process to identify suitable participants for the workshops. These industry groups and RDCs included the Australian Meat Industry Council, Australian Veterinary Association, Grain Producers Australia, Meat and Livestock Australia, National Farmers’ Federation, Sheep Producers Australia, Stud Merino Breeders Association of WA, WA Farmers Federation, WA Livestock Research Council, WA Rural Health, WA Shearing Industry Association and Wool Producers Australia.

Co-design participants represented producers, farming organisations, cartage/ship loaders, consultants, advisors, rural financial counselling, shearers, feed suppliers, processor/exporters, veterinarians and research organisations.

The Department has been consulting across government with the departments of Health and Aged Care; Foreign Affairs and Trade; Home Affairs; Infrastructure, Transport, Regional Development, Communications, Sport and the Arts; Australian Maritime Safety Authority; Austrade; Industry, Science and Resources; Australian Competition and Consumer Commission; Employment and Workplace Relations; Prime Minister and Cabinet, Treasury,

Finance, National Indigenous Australians Agency; within the Department of Agriculture, Fisheries and Forestry and with the Western Australian Department Primary Industries and Regional Development.

Stakeholder feedback informed how best to allocate funding for the Programs which will be prescribed by the Legislative Instrument.

In accordance with section 17 of the *Legislation Act 2003*, the Attorney-General’s Department has been consulted on the development of the Legislative Instrument.

**Details/ Operation**

Details of the Legislative Instrument are set out in Attachment A.

The Legislative Instrument is compatible with the human rights and freedoms recognised or declared under section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*. A full statement of compatibility is set out in Attachment B.

**ATTACHMENT A**

**Details of the *Export Control (Transition Assistance***—***Phase Out of Live Sheep Exports by Sea Programs) Instrument 2025***

Section 1 – Name

This section specifies the name of the Legislative Instrument as the *Export Control (Transition Assistance*—*Phase Out of Live Sheep Exports by Sea Programs) Instrument 2025* (the Legislative Instrument)*.*

Section 2 – Commencement

This section provides that the Legislative Instrument commences on the day after registration on the Federal Register of Legislation.

Section 3 – Authority

This section specifies the provision of the *Export Control Act 2020* (the Act) under which the Legislative Instrument is made.

Section 4 – Definitions

This item provides for definitions of terms used in the Legislative Instrument.

Section 5 – Prescribed Programs

This section prescribes two programs for the purposes of section 424E of the Act. The table sets out each program, a description of each program in column 2 and the purpose of each program in column 3.

Table item 1 of Section 5

Table item 1 prescribes the Support for Research and Development Extension Program.

Column 2 of that item sets out the description of this program. The program will provide funding to organisations involved in research and development extension to demonstrate and encourage the adoption of best practice farming systems, to inform options for sheep producers and other sheep supply chain participants who are, are likely to be, or will be negatively affected by the phasing out of the export of live sheep by sea.

Column 3 of that item sets out the purpose of the program. The purpose of the program is to support sheep producers and other sheep supply chain participants to prepare for, adapt and respond to the phasing out of the export of live sheep by sea by developing and disseminating options for other market opportunities for sheep products.

Table item 2 of Section 5

Table item 2 provides for the Shearing Industry Transition Program.

Column 2 of that item sets out the description of the program. The program will provide funding to an industry organisation to help shearing contractors to offer a broader range of seasonally complementary agricultural and other regional work to individual shearers and their employees who are, are likely to be, or will be negatively affected by the phasing out of the export of live sheep by sea.

Column 3 of that item sets out the purpose of the program. The purpose of the program is to support the employees of shearing contractor businesses and individual shearers to prepare for, adapt and respond to the phasing out of the export of live sheep by sea by diversifying employment opportunities.

Section 6 – Specified Legislative Power

This section specifies, for the purposes of subsection 424E(3) of the Act, the legislative power in respect of which the Legislative Instrument is made is the power of the Parliament to make laws with respect to trade and commerce (section 51(i) of the Constitution).

Section 7 – Repeal of this Instrument

This section specifies that the Legislative Instrument will be repealed at the end of 30 June 2029 as the Programs will not operate beyond the 2028-2029 Financial Year.

**ATTACHMENT B**

**Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

*Export Control (Transition Assistance*—*Phase Out of Live Sheep Exports by Sea Programs) Instrument 2025*

This legislative instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Overview of the Legislative Instrument**

The *Export Control (Transition Assistance*—*Phase Out of Live Sheep Exports by Sea Programs) Instrument 2025* (the Legislative Instrument) provides legislative authority to commit Commonwealth funds for two programs: Support for Research and Development Extension Program and Shearing Industry Transition Program (the Programs). The Programs form part of the Transition Assistance Package to assist industry in preparing for, adapting to and responding to the phasing out of the export of live sheep by sea.

**Human rights implications**

This Legislative Instrument engages the following right:

* Right to work in Article 6(1) of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR).

Article 6(1) of the ICESCR recognises the right of everyone to the opportunity to gain a living by work which he or she freely chooses or accepts.

The Programs engage and promote the right to work under Article 6(1) of the ICESCR. This is because they will provide funding to assist sheep producers and sheep supply chain businesses to prepare for, adapt and respond to, the phasing out of the export of live sheep by sea. The right is also furthered because the programs will broadly support industry to implement business changes to pivot away from the export of live sheep by sea. The Shearing Industry Transition Program also safeguards the right to work by facilitating access to sector-specific training in regional areas impacted by the phase out of live sheep exports by sea.

**Conclusion**

This Legislative Instrument is compatible with human rights as it positively impacts human rights issues.

**The Hon. Julie Collins**

**Minister for Agriculture, Fisheries and Forestry**