

# Australian Corporate Deforestation Policy Guidance

## Beef: the major driver of Australia's deforestation crisis

Beef production is the major driver of deforestation in Australia, and the primary contributor to Australia being globally recognised as one of the world's deforestation fronts (1). Forests and other natural ecosystems are bulldozed in order to expand pastures for cattle to graze.

According to the Federal Government data, 1,590,000 hectares were deforested in regions primarily used for livestock in Australia from 2016 to 2020 (2).

Sub-national datasets confirm this analysis. Over one million hectares of land was deforested and bulldozed for beef between 2016 and 2021 in Queensland alone (3). Deforestation for beef deprives native animals of their habitat, pushing them closer to extinction. Tens of millions of native animals are killed each year by deforestation across Australia (4). Over 700,000 hectares of mapped known or likely koala habitat in Queensland was destroyed for beef production in five years leading up to 2020 (5). The koala was listed as endangered in Queensland, New South Wales and the ACT in 2022.

Hundreds of threatened species are under pressure from deforestation for beef: for instance, 342 federally listed threatened species were known or likely to live in areas impacted by deforestation for beef in Queensland between 2019-2020 (6). This includes 28 critically endangered species. Erosion and runoff from deforestation also has adverse impacts on the Great Barrier Reef (7), with approximately half of the deforestation occurring in the reef's catchment areas (8).

While national and subnational laws have so far failed to prevent deforestation in Australia, companies operating in the supply chains linked to deforestation risk are increasingly expected by consumers, investors and export markets to adopt best practice deforestation-free commitments.

## Policy Ask for Corporates in Australian Agriculture

Implement a commitment to eliminate the conversion of all natural ecosystems – including no deforestation by 31 December 2025 – for all beef value chains the company sources from directly or indirectly, or finances, with a cut-off date of no later than 31 December 2020.

### Guidance on policy ask

- Deforestation commitments are to be in accordance with the Science-Based Target initiative (SBTi), Science-Based Targets for Nature (SBTN) and the Accountability Framework initiative (AFi) - the global best-practice.
- Natural ecosystem conversion commitments are to be in accordance with SBTN (AFi)
- Cut-off date for deforestation and conversion is no later than 31 December 2020, as per SBTN, SBTi, and AFi
- Definitions are to be in accordance with SBTN and AFi (9).

## Frequently Asked Questions

### What does eliminate conversion refer to?

The AFi and SBTi advocate for a “conversion-free” policy, with “deforestation-free” being a subset. The AFi defines conversion as:

*“Change of a natural ecosystem to another land use or profound change in a natural ecosystem’s species composition, structure, or function. Deforestation is one form of conversion (conversion of natural forests or other wooded land). Conversion includes severe degradation or the introduction of management practices that result in a substantial and sustained change in the ecosystem’s former species composition, structure, or function. Change to natural ecosystems that meets this definition is considered to be conversion regardless of whether or not it is legal.”*

This definition is globally applicable and, as the AFi states, “can be contextualised to different regions and commodity production systems.” In Australia, the process of “thinning”, may be considered conversion or degradation. Degradation is defined by the AFi as “changes within a natural ecosystem that significantly and negatively affect its species composition, structure, and/or function and reduce the ecosystem’s capacity to supply products, support biodiversity, and/or deliver ecosystem services”.

### What constitutes natural forest?

A forest that is a natural ecosystem. Natural forests possess many or most of the characteristics of a forest native to the given site, including species composition, structure and ecological function. Natural forests include primary forests that have not been subject to major human impacts in recent history and regenerated (second-growth) forests that were subject to major impacts in the past but where the main causes of impact have ceased or greatly diminished and the ecosystem has recovered much of the species composition, structure and ecological function of prior or other contemporary natural ecosystems.

A forest that reaches the natural forest definition is a natural forest, regardless of its age. In Australia, we presume a regrowing forest over 15 years is likely to meet the structure, function, composition as defined as a natural forest<sup>1</sup>.

### What does the 2020 cutoff mean?

31 December 2020 is the cutoff date under the AFi. Deforestation or conversion should not have occurred after this date, on any property the animal has spent time on, if that product is to claim deforestation-free (d-free) or deforestation and conversion-free (DCF) status. Being a cutoff date, anything cleared after the cutoff date is considered deforestation or conversion, if at the time of clearance the area constituted a natural forest or ecosystem, respectively. As trees continue to grow in a forest over time if undisturbed, an area that was not forest by 31 December 2020, but then meets the forest definition in 2021 is considered forest, and clearing of that area would be deforestation, even if the area did not meet the forest definition at 31 December 2020.

### Is agricultural land exempt from all deforestation under SBTi?

While the definition of forest excludes “land that is predominantly under agricultural or other land use”, the determination of land use relates to whether an area can meet the definition of forest, not whether the entire parcel of land or property is agricultural. If a parcel of land that is predominantly under agricultural use has areas which meet the definition of “natural forest”, bulldozing of those areas would be deforestation.

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<sup>1</sup> This aligns with the definition of “high value regrowth” under Queensland’s Vegetation Management Act 1999, the Brigalow Significant Impact Guidelines and is easily measured.

## Can the FAO forest thresholds apply?

Yes. Either are acceptable but we would recommend in Australia the use of the Australian forest thresholds (2m / 20%). Assuming any forest that meets the Australian forest thresholds (2m/20%) in a given year it meets a natural forest.

AFi has a guidance: *“Quantitative thresholds (e.g., for tree height or canopy cover) established in legitimate national or sub-national forest definitions may take precedence over the generic thresholds in this definition.”* Therefore Australian thresholds can be used.

## How can a company demonstrate and implement their commitment?

In order to successfully claim to have a deforestation and conversion-free beef product, a company must have a strong corporate deforestation and conversion-free target/commitment, with supply-chain/procurement processes in place to implement it, including:

- Geolocation of its value chains for deforestation and conversion-risk commodities, including beef
- A published supplier list
- A robust ‘farm-to-fork’ or ‘whole-of-life cycle’ commodity movement traceability system for its beef value chain
- Regular monitoring for deforestation and land use change across the value chain or third party verification through its entire value chain
- Disclosure of deforestation and conversion-related impacts, dependencies and risks<sup>2</sup>
- Transparent processes in place to ensure suppliers are delivering against targets

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<sup>2</sup> Ultimately this means disclosing the actual scale and location of deforestation in the supply chain including the ecosystems impacted, ideally as a component of comprehensive nature-related impact reporting.