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s 22(1)(a)(ii)

From: Erin Tomkinson <erin.1< td=""><td>Tomkinson@dfat.gov.au</td><td>></td><td></td></erin.1<>	Tomkinson@dfat.gov.au	>	
Sent: Friday, 30 June 2023 3:	23 PM		
Го: s 47F(1)			
Cc: s 47F(1)		; s 47F(1)	;
s 47F(1)	; s 47F(1)		; Joanna Grainger
<joanna.grainger@dfat.gov.< td=""><td>au>; s 22(1)(a)(ii)</td><td></td><td>-</td></joanna.grainger@dfat.gov.<>	au>; s 22(1)(a)(ii)		-
Subject: EU Deforestation Re	gulation: Australian Lett	er and Country Submission [SEC=OFFICIAL]
-	-		

OFFICIAL

Dear s 47F(1)

Please find attached correspondence and a submission on Australia's Forest Status, to support the Directorate General for the Environment's work in developing the country risk rating methodology and for assessing Australia's risk status regarding the European Union's Deforestation Regulation.

Australia is closely aligned with the EU on the critical importance of forests, and provides this submission to illustrate our forest coverage, robust domestic legislation, and supply chain for key affected products, to support our claim to be assessed as low risk.

Further to today's useful briefing by your staff at the multi-stakeholder platform, we understand consultants will shortly be selected to develop the draft methodology for determining country risk ratings.

Australia would welcome you providing the attached information to the consultants, as long as this is kept confidential and not disseminated further.

Australia welcomes the opportunity to discuss this submission with you, including your response to questions identified at the end of the document.

Kind regards, Erin



Erin Tomkinson Counsellor | Agriculture, Fisheries & Forestry

Australian Mission to the EU & NATO, Embassy to Belgium & Luxembourg Avenue des Arts 56, 1000 Brussels s 47F(1) | s 47F(1)



30 Fine 2023

s 47F(1) Director Directorate-General for the Environment European Commission

s 47F(1)

LEX 31188

Dears 47F(1)

I write to provide the attached submission on Australia's Forest Status, which aims to assist the Directorate-General for the Environment with developing the country risk rating methodology and the determination of Australia's risk status under the EU's proposed deforestation regulation.¹

Australian forest coverage is extensive and expanding. Our forests cover over 134 million hectares, representing 17 per cent of the landscape and an area greater than France, Germany and Sweden combined. According to the UN Food and Agriculture Organization, in the decade to 2020, Australia ranked second globally for increases in forest area and in the top 10 for legally protected forest area.

The Australian Government is closely aligned with the EU on the critical importance of forests, biodiversity, and sustainable agricultural land use, with robust domestic legislation to underpin this. We have developed the attached submission, which outlines our forest status, activities to protect and measure it, relevant domestic legislation, agricultural production practices and traceability along the supply chain for products captured by the initiative, in support of our claim.

Australia provides this submission to support swift consideration and determination of Australia's risk rating. I am confident the assessment will determine Australia is low risk.

Upon entry into force, Australia seeks for our exports to be inspected at the border commensurate with their deforestation free risk. Similarly, we want to work with you to ensure all aspects of the due diligence obligations are considered prior to commencement and implemented in a simple and cost-effective manner for exporters and importers. We have a strong desire to ensure this regulation does not act as a deterrent to deforestation free trade.

I thank you for your consideration and look forward to your response.

Yours sincerely

47F(1)

David Garner A/g First Assistant Secretary Trade and International Division Department of Agriculture, Fisheries and Forestry

¹ 'Proposal for a Regulation on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation'



Australia's Forest Status: A country submission to support assessment of Australia's risk rating in accordance with the European Union's proposed deforestation Regulation

May 2023

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Annex 1. Trade Values – Australian Exports to the European Union

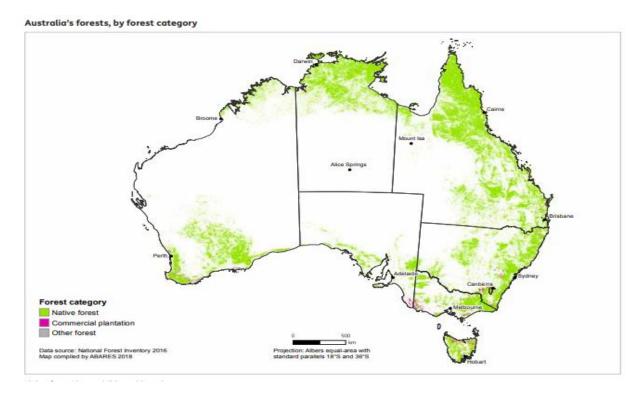
1. Australia's Forest Status

Australia's forest coverage is extensive and increasing in size, with the vast majority native forest.

a. Forest Size

By area, 70 per cent of Australia is arid and does not support forest growth. Australian forests extend over 134 million hectares, covering 17 per cent of Australia's land area. Australia has approximately 3 per cent of the world's forests, and globally is the country with the seventh largest forest area.

Native forest is the most extensive category of Australia's forests, covering 132 million hectares. Around 2 million hectares are plantations comprising approximately equally areas of native and nonnative species, and 0.5 million hectares are other forest comprising both native and non-native species. Most native forests (91 million hectares) are woodland forests, which have a canopy cover between 20 and 50 per cent.



Queensland has the largest area of forest (39% of Australia's forest), with the Northern Territory (18%), Western Australia (16%), and New South Wales (15%), making up much of the balance.

Australia's forest area has increased progressively since 2008.

The Food and Agriculture Organization (FAO) ranked Australia second in the world (table below) for average annual net gain in forest area, increasing by an average of 446 000 hectares per year between 2010 and 2020.¹

TABLE 8. Top ten countries for average annual net gainin forest area, 2010–2020

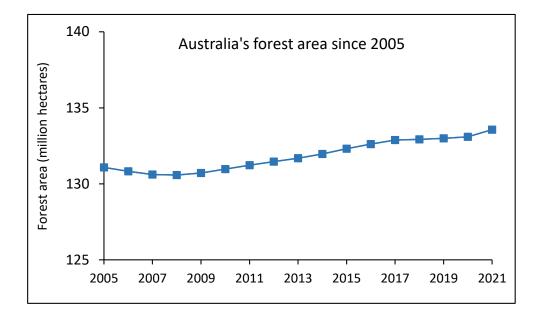
Ranking	Country	Annual net change	
		1 000 ha/yr	%
1	China	1 937	0.93
2	Australia	446	0.34
3	India	266	0.38
4	Chile	149	0.85
5	Viet Nam	126	0.90
6	Turkey	114	0.53
7	United States of America	108	0.03
8	France	83	0.50
9	Italy	54	0.58
10	Romania	41	0.62
<i>Note:</i> The rate of change (%) is calculated as the compound annual			

change rate.

The FAO also ranked Australia in the top ten countries for area of forests legally protected.²

Australia's forest coverage continues to expand due to:

- regrowth on areas previously cleared for agricultural use
- expansion into areas not recently containing forests
- environmental plantings.



¹ Global Forest Resources Assessment 2020, <u>ca9825en.pdf (fao.org)</u>, p 18.

² Global Forest Resources Assessment 2020, <u>ca9825en.pdf (fao.org)</u>, p 72.

b. Ownership and conservation status

The protection of forest ecosystems and environmental and heritage values is fundamental to Australia's approach to forest conservation as contained in our <u>National Forest Policy Statement</u>.

Most of Australia's native forests (88 million hectares) are private and leasehold tenures.

The area of forest over which Indigenous ('First Nations') peoples and communities have ownership, management or special rights of access or use is known as the "Indigenous Forest estate". This totals 70 million hectares of forest (52% of Australia's forests), almost all of which is native forest.

The proportion of Australia's native forests formally protected in public nature conservation reserves has increased from 11 per cent (17.6 million hectares) in 1998, to 16 per cent (21.8 million hectares) in 2018. This area is part of Australia's National Reserve System, which totals 33.6 million hectares of forest that have a primary management intent of nature conservation. The National Reserve System covers around 20 per cent of Australia's land mass. When informal reserves and other managed forest on public and private land are also considered, a total of 46.0 million hectares (35%) of Australia's native forest is on land protected for biodiversity conservation, or where biodiversity conservation was a specified management intent.

Internationally, Australia compares favourably with respect to forest conservation. The International Union for The Conservation of Nature (IUCN) recommends at least 10 per cent of each forest biome should be reserved. All but one of Australia's broad forest types are protected above these targets (Acacia forest has 9.6% in IUCN protected area categories) and in Regional Forest Agreement areas, the IUCN target has been significantly exceeded.

c. Measurement and reporting

The Australian National Forest Inventory was established by the Australian Government to enable the calculation of nationally consistent and comprehensive forest data. It uses forest area data from a wide range of spatial datasets provided by States and Territories, and from remotely sensed data. It is the key source of data for publicly communicating information about Australia's forests, including mandated national reporting requirements, such as the <u>Australia's State of the Forests</u> <u>Report</u>.

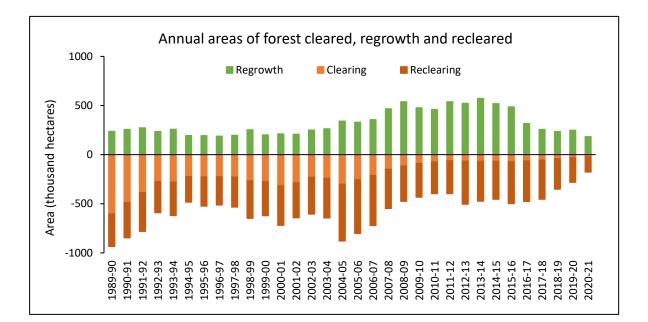
Australia prepares the national 'Australia's State of the Forests Report' every five years, with information about our forest management, use and conservation. Reporting obligations under Australia's Regional Forest Agreements ensure there is regular and transparent reporting on the sustainable management of production forest areas.

Any changes in forest area are primarily determined from annual Landsat satellite data interpreted for Australia's National Greenhouse Gas Accounts to monitor emissions from land-based systems in Australia, including emissions from land use change, and to account for annual changes in forest and sparse woody vegetation cover. These systems use the accepted accounting methods approved by the Intergovernmental Panel on Climate Change and in accordance with international obligations as defined by the United Nations Framework Convention on Climate Change and Paris Agreement for calculating the net GHG emissions each year by Australia, to track Australia's progress towards net zero commitments and reporting requirements. The most recent area changes and emissions data are reported in the National Inventory Report 2021.

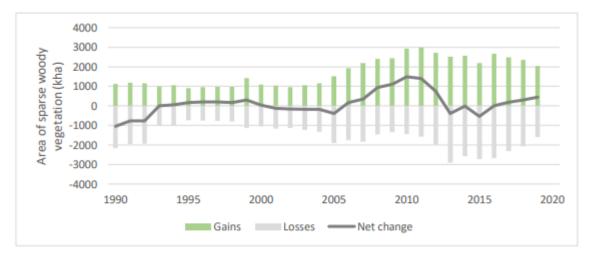
d. Changes in forest status

The annual area of first-time clearing of forests has decreased markedly over time, with record low rates of forest conversion - in the period 2016-21 it had reduced to an average 43 000 hectares per year (0.03% of Australia's forests).

In addition to forest loss from first-time clearing, forest is also lost when regrowth forest is re-cleared. However, the area of forest regrowth after clearing or re-clearing has exceeded the area of forest loss by clearing and re-clearing in Australia in eight of the years since 2009.



In Australia, periodic minimal clearance of sparse woody vegetation, on land that had previously been cleared, also occurs. Most often it is the pushing or pulling of fodder trees and shrubs, such as mulga (*Acacia aneura*), for stock feed in arid and semi-arid regions. The trees are then permitted to regenerate. As well as government collected data outlined in this submission, the <u>Australian Beef</u> <u>Sustainability Framework</u> tracks changes in vegetation types associated with beef or feed production.



The diagram above shows the change in area of sparse woody vegetation between 1990 and 2019.³

e. Definitions

Australian forest-related definitions are derived from internationally agreed terms where applicable, and then adapted to reflect Australia's particular circumstances and ecosystems. They can be found in the <u>Australia's forests and forestry glossary</u>, with the most pertinent provided below.

Australia notes there is not a commonly accepted, international definition of forest degradation, although there is broad international support for its development, as is currently being undertaken by the FAO.

<u>Deforestation</u> is a type of land clearing involving the permanent removal of tree cover. Forest is cleared and the land is then used for another purpose.

<u>Forest</u> is an area, incorporating all living and non-living components, that is dominated by trees having usually a single stem and a mature or potentially mature stand height exceeding 2 metres and with existing or potential crown cover of overstorey strata about equal to or greater than 20 per cent. This includes Australia's diverse native forests and plantations, regardless of age. It is also sufficiently broad to encompass areas of trees that are sometimes described as woodlands.

<u>Illegal logging</u>, as defined in the *Illegal Logging Prohibition Act 2012*, is the harvesting of timber in contravention of the laws and regulations of the country of harvest.

Land clearing is the removal of vegetation to convert land to another land use.

<u>Sparse woody vegetation</u> A non-forest vegetation type of open woodland, heathland or shrubland, generally containing a tree component with actual or potential tree height greater than 2 metres, but either tree crown cover of 5-20%, or cover of trees less than 5% but combined cover shrubs and trees greater than 10%. It is not forest according to Australia's definition.

³ Data taken from Australian National Greenhouse Gas Inventory activity tables. Area is total national area of sparse woody vegetation gains and losses.

2.A strong domestic legislative framework

Australia has a robust and comprehensive range of legislation that supports the protection and sustainable use of our forests and the environment, as well as labour and indigenous land rights, with strong compliance and enforcement related activities to further ensure adherence.

a. Illegal Logging Prohibition framework

Australia's Illegal Logging Prohibition Act 2012 makes it a criminal offence to:

- import illegally logged timber into Australia
- process an Australian-grown log that has been illegally harvested.

Under Australian law, illegal logging means 'the harvesting of timber in contravention of the laws of the country where the timber is harvested'. This includes a wide range of illegal activities, such as:

- logging of protected species
- logging in protected areas
- logging with fake or illegal permits
- using illegal harvest methods.

In developing Australia's illegal logging laws, the Australian Government considered the emerging European Union Timber Regulation (EUTR) framework, with a view to making our two systems as consistent and complementary as possible. As a result, many of our laws' key concepts, obligations, and approaches mirror the EUTR and *Forest Law Enforcement, Governance and Trade (FLEGT)* requirements:

- due diligence arrangements which require the importer/buyer to obtain essential information about the timber to ensure it has not been harvested illegally
- certification schemes that provide consumers with an assurance the wood product they are purchasing comes from a sustainably managed and certified forest
- penalties for non-compliance, including fines and imprisonment, and routine audits and intelligence-based checks.

Australia's efforts to further improve its illegal logging legislation

The Australian Government is investing up to \$4.4 million to trial emerging timber testing technologies and assess how these could best be implemented under the Act. This includes funding to expand open-source timber reference databases. This will ensure that the regulatory agency and other entities are able to identify high-risk timber through a range of testing technologies in future.

The Minister for Agriculture, Fisheries and Forestry recently agreed to pursue reforms to the Illegal Logging Prohibition Act 2012. The associated <u>Regulation Impact Statement details</u> potential reforms, including adding timber testing powers. The Australian Government has also invested in an ongoing assessment of the Australian market's current and future exposure to illegally logged timber. The focus of this assessment is:

- Australia's current and future exposure to illegally logged timber imports
- how Australia's laws have helped reduce global demand for illegally logged timber
- where compliance and enforcement efforts under Australia's laws can be focused to address emerging risks.

b. Regional Forest Agreements

Regional Forest Agreements (RFAs) are long-term legislated agreements between state and Commonwealth governments for the sustainable management and conservation of Australia's native and plantation forests. There are ten RFAs in four states covering commercial forestry regions – five in Victoria, three in New South Wales and one each in Western Australia and Tasmania.

The RFAs seek to balance economic, social and environmental demands on forests by setting obligations and commitments for forest management that deliver:

- ecologically sustainable forest management ensuring forests are appropriately managed and regenerated
- an expanded and permanent forest conservation estate to provide for the protection of Australia's unique forest biodiversity
- certainty of resource access and supply to industry building investment confidence.

The RFAs are the result of scientific study, consultation and negotiation covering a diverse range of interests. The Department of Agriculture, Fisheries and Forestry <u>website</u> contains many historical documents that show the detailed scientific, economic and social processes that underpinned the development of each RFA.

RFAs provide for the protection of threatened species through maintaining and growing a Comprehensive Adequate and Representative reserve system and prescriptions in forestry practice codes.

State governments have day-to-day forest management responsibility, which includes legislation, forest management plans, codes of practice, compliance and enforcement, measurement and reporting, and management activities for public forests and reserves. These systems place limits on proportions of land that can be cleared. These arrangements undergo periodic review, such as the 2018 reform by the Queensland government of its land clearing legislation, which strengthened vegetation protection.

Where nationally significant species and ecological communities may be threatened by land clearing, the Commonwealth has powers to intervene, assess and prohibit the activity occurring, under the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act).

c. State vegetation management legislation

Individual state and territory governments have implemented their own legislative frameworks governing vegetation management, in accordance with their individual circumstances and land management practices.

While dedicated vegetation management legislation emerged in some states in the 1990s, land management activities are also regulated by more general land planning legislation introduced prior to, or around, 1990.

These legislative frameworks introduce a range of administrative, compliance and monitoring processes on vegetation management. These include the need to demonstrate compliance with regional ecosystem plans established under legislation, individually negotiated property management plans or additional approval processes/permit processes for clearing.

d. Environmental protection legislation

The EPBC Act is Australia's main environmental law at the national level. It gives Australia a legal framework to protect and manage unique plants, animals, habitats and places - 'protected matters'. If a business or individual wants to take action on an area that the EPBC Act covers then an assessment is required to be completed by the Department of Climate Change, Energy, the Environment and Water.

Forestry activities conducted in accordance with Regional Forest Agreements are exempt from Part 3 of the EPBC Act – the requirement for additional assessment and approvals. This is in recognition of the fact that Comprehensive Regional Assessments of protected matters were undertaken prior to entry into the RFAs, and in recognition that state forest management systems provided for under RFAs are intended to deliver equivalent levels of protection for forest values and have been accredited by the Commonwealth for this purpose.

The EPBC Act also protects the National Heritage List. The list includes natural, Indigenous, and historic places that are of outstanding heritage value to the nation. Under the EPBC Act, there are penalties for anyone who takes an action that has or will have a significant impact on the Indigenous heritage values of a place that is recognised on the National Heritage List.

Australia is a party to the *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES), an international agreement between governments that aims to ensure that the international trade in wildlife does not threaten wild populations of plants and animals. Australia registers a list of CITES Species under the EPBC Act. Under the Act, Australia has adopted a range of domestic measures that impose additional requirements and, in some cases, further restrict trade in CITES listed species. CITES regulates the international trade of close to 800 tree species. The Convention contributes to the long-term conservation and sustainable use of the world's forest resources through its species-specific focus.

e. Climate related schemes that avoid deforestation and/or support reforestation

i. Carbon crediting scheme

Australia's carbon crediting scheme offers landholders, communities and businesses the opportunity to run projects in Australia that avoid the release of greenhouse gas emissions or remove and sequester carbon from the atmosphere. The scheme has been operating for more than a decade. It is enacted through the *Carbon Credits (Carbon Farming Initiative) Act 2011* and the Carbon Credits (Carbon Farming Initiative) Act 2011 and the Carbon Credits (Carbon Farming Initiative) Act 2011 and the Carbon Credits (Carbon Farming Initiative) and the Carbon Credits (Carbon Farming Initiative) and the Carbon Credits (Carbon Farming Initiative) Act 2011 and the Carbon Credits (Carbon Farming Initiative) and the Carbon Credits (ACCUs). Each ACCU represents one tonne of carbon dioxide equivalent emissions stored or avoided by a project. ACCUs can be sold to the Australian Government or other buyers.

Activities eligible to generate ACCUs include protecting native forests that would otherwise be cleared for agriculture; regenerating native forests on land where forest cover has been cleared or suppressed by other means; establishing biodiverse forests on non-forest land; and plantation forestry activities including establishing new plantations and retaining forests where plantations are at risk of not being replanted after harvesting. Between 2012 and 2022, more than 68 million ACCUs were issued for forest projects, mainly for protecting or regenerating native forests on grazing land.

ii. Nature repair market

The Australian Government is developing a nature repair market to encourage investment in biodiversity and drive environmental improvements across Australia. The market will reward landholders who protect, manage or restore local habitat. All types of landholders can participate in the market, including First Nations peoples, conservation groups, and the agriculture sector. Eligible participants will receive biodiversity certificates which can then be sold to other parties.

The scheme will cover a broad range of nature improvement types. Projects can be undertaken to enhance or protect existing habitat, or to restore or establish new habitat. This may include activities that promote reforestation or protect existing forests that would otherwise be cleared. There will also be opportunities for projects that support both carbon sequestration and biodiversity outcomes as the market will operate in parallel with the carbon markets. Legislation to support the nature repair market is currently being considered by the Australian Parliament.

f. Labour and Indigenous Rights Legislation

Australia has an extensive range of labour and indigenous rights legislation. Two key ones are:

The *Native Title Act 1993* (Cth) is a law passed by the Australian Parliament that recognises the rights and interests of Aboriginal and Torres Strait Islander people in land and waters according to their traditional laws and customs. In most cases, native title is found to exist alongside other non-Indigenous property rights, such as pastoral leases. In some cases, native title rights may include possession of an area to the exclusion of all others. These are called exclusive possession native title rights which are valued like freehold title and are recognised in other forms of legislation.

The *Modern Slavery Act 2018* requires entities based, or operating, in Australia, which have an annual consolidated revenue of more than \$100 million, to report annually on the risks of modern slavery in their operations and supply chains, and actions to address those risks. Other entities based, or operating, in Australia may report voluntarily.

3.International agreements

a. Labour and human rights agreements

Australia is a party to or has agreed to be bound by a wide range of international human rights agreements. These include the:

- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- Convention on the Prevention and Punishment of the Crime of Genocide
- Convention on the Political Rights of Women
- International Convention on the Elimination of all forms of Racial Discrimination
- Convention on the Elimination of all forms of Discrimination against Women
- Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment
- Convention on the Rights of the Child
- Convention on the Reduction of Statelessness
- Convention relating to the Status of Stateless Persons
- Convention Relating to the Status of Refugees
- Slavery Convention of 1926
- Supplementary Convention on Slavery
- Convention on the Rights of Persons with Disabilities.

Australia was a founding member of the International Labour Organisation and is also a major budget contributor, notably for projects in the Asia-Pacific region, including East Timor and the Pacific Island countries. Australia has <u>ratified 58 ILO Conventions and 1 Protocol</u> including eight of the fundamental 10 conventions.

b. Pledges and partnerships

Australia is a signatory to a wide range of international forums, organisations, pledges and partnerships that recognise the critical importance of forests, biodiversity and sustainable land use. Australia also makes regular financial and technical contributions, particularly to developing countries in our region, in support of sustainable forest management.

Australia is an active member of the UN Forum on Forests and promotes sustainable forest management consistent with the UN Strategic Plan for Forests and Global Forest Goals.

Australia is also an active participant in the Food and Agriculture Organization of the United Nations (FAO) Committee on Forestry (COFO) and the International Tropical Timber Organization (ITTO).

Australia supports implementation of the *UN Strategic Plan for Forests* (UNSPF) 2030 and its six global forest goals (GFGs). The UNSPF provides a global framework for action at all levels to sustainably manage all types of forests and trees outside forests, and to halt deforestation and forest degradation. Australia submitted its Voluntary National Contribution to the UN GFGs in 2019, setting out its contribution in supporting the achievement of the GFGs and building on Australia's long-standing commitment to the delivery of sustainable forest management.

Australia is also active in many regional forest forums such as the UN FAO Asia-Pacific Forestry Commission, the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT) and The Montreal Process Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests.

Australia is a signatory to the Glasgow Leaders' Declaration on Forests and Land Use and the Forests and Climate Leaders' Partnership, committed to halting and reversing forest loss and land degradation.

Australia is a party to the United Nations Convention on Biological Diversity, and signed the Kunming-Montreal Global Biodiversity Framework, with its commitment to the effective conservation and management of at least 30 per cent of the world's terrestrial, inland water, and coastal and marine areas.

Australia is also working to give effect to the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs), including SDG 15 – Life on Land, which includes a target on sustainable forest management.

Australia has also signed onto the Leaders' Pledge for Nature which highlights our commitment and ambition to take strong action to address biodiversity loss. The Leaders' Pledge includes commitments to promote sustainable forest management and address deforestation.

4. Australian agriculture and forest production

a. Applicable products and trade values

Australia has strong agricultural and forest sustainability credentials, as demonstrated by the sustainability frameworks in place or in development for all major agricultural industries, and the comprehensive framework of legislation, policy and other measures designed to achieve the conservation and management of its forests.

Of the seven major commodities (and their derivatives) covered by the EU's deforestation proposal, Australia does not produce palm oil or rubber and is not a significant producer or exporter of coffee, soy, chocolate, or bovine hides and skins.

Of the agricultural products covered, Australia is a producer of cattle (and some derived products) and timber products, with exports to the EU valued at AUD\$151.4 million and AUD\$21.4 million respectively.

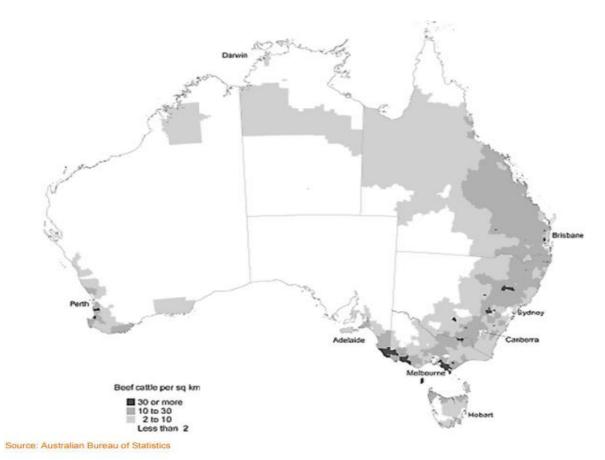
Annex 1 provides comprehensive information on the value of Australia's exports to the EU of these products (by HS code).

b. Land use

Livestock grazing is the predominant land-use in Australia. Of the around 380 million hectares of land operated by agricultural businesses in Australia, around 330 million hectares (or 85%) is used for grazing cattle and sheep. Cattle grazing occurs on a combination of un-modified native pastures, modified pastures and dryland crops.

At the time of European settlement, First Nations people were actively managing Australia's vegetation via fire-stick farming, which encouraged broad-scale changes in fire-patterns to favour important food species. Following European settlement of Australia in 1788, the conversion of the land's vegetation cover to modified pasture, dryland cropping, or other agricultural land uses followed a general sigmoidal pattern. Since the 1990s the general movement has been towards ending broad-scale forest conversion and supporting re-forestation.

c. Cattle



- - i. Production areas and feed

There are around 52,000 beef cattle farming businesses in Australia. Beef cattle are predominantly grass fed and account for approximately two-thirds of overall beef production. Most of the cattle grazing occurs on unmodified native vegetation (325 million hectares or 42% of Australia), with less grazing occurring on modified pastures and areas used for dryland cropping.

Cattle feed lotting also takes place, with around 400 feed lotting businesses. Only a small area of land is devoted to this form of animal production, accounting for only 0.01% of Australia. Grainfed beef can originate from cattle that have been fed at an accredited feedlot for an average period of between 50-120 days, depending on the type of beef produced and what the customer/consumer desires. Feeding a grain-based diet in purpose built feedlots is complementary to grassfed production systems. It ensures that cattle can be nourished year-round despite the varying environmental conditions in Australia. At any one time, around 4% of the Australian cattle herd are being fed in feedlots.

Animals are fed a selection of grains not suitable for human consumption, including feed-grade wheat, barley, sorghum and triticale. Less frequently fed, due to their availability, are lupins, millet, rice, rye, triticale, corn and oats. Grains are either rolled or steam-flaked, fresh every day in a mill, in order to provide maximum nutrition that is easily digestible. Soy and even more rarely palm oil, is only used in Australia, and at low levels, when other products are in short supply and hence it becomes price competitive as a protein source in the ration.

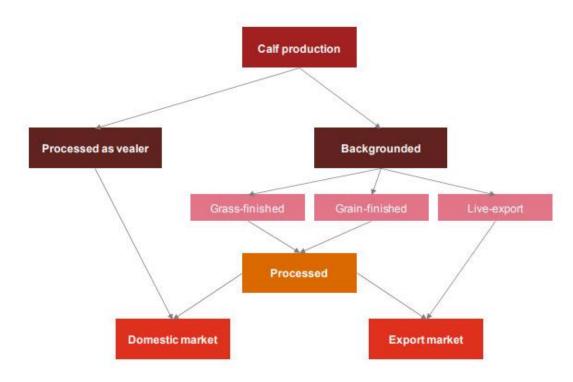
ii. Supply chain

In Australia, cattle are unlikely to spend all their lives on the one farm. The main reasons for this are:

- calf production, backgrounding and grain finishing operations are generally conducted on different properties, which have characteristics suited to that operation.
- calf production generally occurs in more regional or remote areas, which is more marginal land, typically with lower land values
- backgrounding occurs in higher rainfall areas, with more productive land, that have abundant pasture levels or dryland cropping area growing grazing crops (oats, sorghum).
- feed lotting generally occurs in and around major grain production regions, with ready access to feed inputs.

Sometimes businesses will take part in all parts of the production system, in other cases they will specialise in just one part of the system, for example, just producing feeder cattle, which are then on-sold for finishing.

During times of drought, producers will move cattle from a property that has insufficient feed to another property they own in another region, which has sufficient feed. Sometimes producers will move their cattle on to a property they do not own, underpinned by a contractual agreement with the landowner (referred to as 'agistment').



The figure above illustrates the typical Australian beef supply chain

iii. Traceability

The National Livestock Identification System (NLIS) is Australia's system for the identification and traceability of cattle, sheep and goats. NLIS reflects Australia's commitment to biosecurity and food safety.

- All livestock are identified by a visual or electronic ear-tag/device.
- All physical locations are identified by means of a Property Identification Code (PIC)
- All livestock location data and movements are recorded in a central database

As animals are bought, sold and moved along the supply chain, they must be tagged with an NLIS accredited tag or device from their property (PIC) of birth. The PIC is an eight-character code and is essentially a land/property identifier. The code will be added to a livestock tag. In most cases this tag will remain with the animal for their entire life. It is illegal to remove this tag. If tags are lost or become defective then a new tag can be applied, however if the animal is no longer at its place of birth then a 'post breeder' tag must be used. This indicates that the animal no longer has 'lifetime' traceability. A PIC is required for industry quality assurance programs, such as the Livestock Production Assurance (LPA) program.

All animals leaving a PIC must be identified with an NLIS accredited device before moving, unless a permit is obtained from the state or territory. Each movement they make to a location with a different PIC must be recorded centrally on the NLIS database by people with NLIS accounts. NLIS accounts are free to open and operate. Using this information, the NLIS can provide a life history of an animal's movements and discern if contact with other livestock occurred. The NLIS is required to facilitate the traceability of animals in accordance with the National Traceability and Performance Standards.

The LPA program is the on-farm assurance program that underpins market access for Australian red meat. LPA National Vendor Declarations (NVDs) provide evidence of livestock history and on-farm practices when transferring livestock through the value chain.

Seven requirements make up the LPA program. Producers who choose to participate in the LPA program commit to carrying out on-farm practices that feed into and support the integrity of the entire system. This integrity is verified when producers sign LPA NVDs for livestock movements.



PIC numbers, rather than properties are the basis for all Integrity System programs:

- On-farm assurance, delivered by the LPA program, is PIC based. This means every PIC that is part of the LPA program must be accredited
- The NLIS program also relies on PICs to ensure traceability of animals through the supply chain. NLIS tags/devices are issued to specific PICs and are applied to any livestock born there (Breeder Tags) or livestock that have been moved there and require a replacement tag (Post Breeder tags).
- All livestock movements must be recorded on the NLIS database, identifying the 'from' and 'to' PICs for the movement, as well as the individual animals via their NLIS tags (or mobs of animals for mob-based transfers).
- Accredited LPA PICs are required to use LPA NVDs for every livestock movement between PICs and record this information on their NVD, making PICs central to LPA NVD recording.

Information relating to the PIC is maintained within state and territory PIC registers, and a subset is provided to the central NLIS database to support the national traceability system. Using information provided by the farmer, the PIC identifier allows State governments to map farm locations. State and territory governments store the geolocation details against properties that they have on their PIC registers, but this information is not required as a part of the national livestock traceability system.

Additional traceability applied to cattle for the EU market

Additional requirements to track and trace cattle destined for the EU market arise from the requirement that cattle are not treated with any hormone growth promotants or oestradiol. This Eu recognised accreditation scheme guarantees full lifetime traceability of all animals through the NLIS, linking individual animal identification to a central database.

d. Timber

i. Australia's sustainable forest management

Australia has a comprehensive framework designed to achieve the conservation and sustainable management of its forests. This framework includes:

- A national policy framework Australia's <u>1992 National Forest Policy Statement</u> (NFPS) promotes the conservation and sustainable management of forests.
- <u>Regional Forest Agreements</u> (RFAs) 20-year agreements between state governments and the Commonwealth government underpinning regional approaches to balance conservation and production from native forests and plantations.
- Australia's Sustainable Forest Management Framework of Criteria and Indicators 2008 internationally recognised framework for sustainable forest management applied to Australia's forests, developed under the Montreal Process Working Group on Criteria and Indicators for the Conservation and Sustainable Management of Temperate and Boreal Forests.
- State and territory frameworks jurisdictional legislation and codes of practice are applied to ensure environmentally responsible forestry practices.
- Forest certification independent third party forest certification to credible forest management standards applies to most of Australia's production forests.
- Illegal logging legislation to combat illegally logged timber entering Australian supply chains.
- Environment Protection and Biodiversity Conservation Act 1999 that protects matters of national environmental significance in areas outside of RFA areas.

Australia developed a 'framework' for assessing the sustainability of forest management which could be applied across all Australian forests. This was achieved through the national-level Montreal Process Implementation Group for Australia, which devised the 44 indicators used to track progress across the criteria. Australia reports on its progress towards sustainable forest management as measured using the Montreal Process criteria and indicators through the five-yearly release of the <u>State of the Forests Report</u>.

ii. Harvesting

We sustainably manage our native forests (0.06% is harvested annually, followed by regeneration) and the almost 2 million hectares of plantation forests nestled in key regions of our nation.

As at 2018-19, 87% of all wood harvested in Australia comes from plantations. This complements the native forestry estate, which provides structural hardwood for bridges, wharves and power poles, and appearance grade flooring, decking and joinery timber, currently largely unobtainable from plantations. There has been a long-term trend towards plantations as a source of timber in Australia. In 1996-97 softwood plantation harvest first exceeded native forest harvest in volume, and in 2011-12 hardwood plantation harvest first exceeded native forest harvest.

More than 75% of Australia's plantation forests are owned by the private sector. The vast majority of these are replanted after harvest. Australia's plantation estate currently occupies 0.25% of Australia's land area.

70 million trees are planted every year to replace those harvested in Australia's plantations. The larger existing plantations are nestled in key plantation regions such as Tumut and Oberon in New South Wales; Gippsland and Colac in Victoria; Mt Gambier in South Australia; Maryborough in Queensland; Bunbury in Western Australia; and northern and southern Tasmania.

The Australian Government is supporting our sustainable forestry industry in its efforts to meet the rapidly increasing demand for timber both domestically and abroad, including through supporting plantation establishment, research, development and innovation, workforce training, product innovation and the upgrading of wood processing facilities.

iii. Certification

Certification bodies

In Australia, two major global forest certification bodies are active, the Programme for the Endorsement of Forest Certification (PEFC) schemes and the Forest Stewardship Council (FSC). Both the PEFC and FSC are internationally recognised forest certification networks that provide recognition of regional and national standards that meet their criteria for sustainable forest management.

Programme for the Endorsement of Forest Certification

Australia is a member of the PEFC. Three-quarters (75%) of all certified forests globally are certified by PEFC. PEFC chain of custody certification tracks forest-based products from sustainable sources to the final product. It demonstrates that each step of the supply chain is closely monitored through independent auditing to ensure that unsustainable sources are excluded. PEFC certification is a standard of choice for public timber procurement policies in for example, the United Kingdom, Germany, and Japan, in addition to numerous private timber procurement policies. PEFC certification also demonstrates compliance with legislative requirements, including the EU Timber Regulation (EUTR), the U.S. Lacey Act, and the Australian Illegal Logging Prohibition Regulation.

The national certification organisation accredited is Responsible Wood. With 19.2 million hectares of Australian forests certified under the Responsible Wood scheme, Responsible Wood certification covers more than 90% of Australia's commercial forests. The Responsible Wood Certification Scheme is underpinned by two Australian Standards[®] – Sustainable Forest Management (AS 4708) and Chain of Custody for Forest Products (AS 4707). The Responsible Wood certification assurance system consists of three elements, standard setting, conformity assessment and accreditation, which are strictly separated and independent from each other. In short: it develops, through multi-stakeholder working groups, the standards that a Responsible Wood certificate holder has to meet, the certification body audits the certificate holder and grants the Responsible Wood certificate, and the accreditation body checks the certification body.

The Forest Stewardship Council (FSC)

The Forest Stewardship Council (FSC) is an international, non-governmental organisation dedicated to promoting responsible management of the world's forests. FSC's certification system, which now covers more than 200 million hectares of forest, enables businesses and consumers to choose wood, paper and other forest products made with materials that support responsible forestry. FSC certification in Australia is administered by FSC Australia. FSC certifies 1.2 million hectares of Australian forest.

FSC Australia's National Risk Assessment assess risks associated with undesirable forestry activities on non-FSC certified lands, including illegal harvest, forest management that violates workers or Indigenous Peoples' rights or threatens High Conservation Values, conversion of forest to non-forest uses, and use of genetically modified trees. The FSC Australia National Risk Assessment identifies measures for how companies can mitigate these risks.

FSC chain of custody certification verifies that FSC-certified material has been identified and separated from ineligible and unacceptable material as it makes its way along the supply chain from the forest to the market. It covers a variety of situations and entities, ensuring that many organisations can demonstrate their commitment to FSC's requirements. This means that not only single organisations can be certified, but so can groups of independent organisations and organisations with multiple sites. There is an option for certification of individual projects rather than organisations.

The material used in the FSC chain can come from a variety of sources. While the overwhelming majority comes from FSC-certified forests, the FSC chain of custody requirements also allow the introduction of reclaimed material that would otherwise go to waste, and material that has been assessed as a low risk of coming from unacceptable sources.

Wood and wood-based products sourced from certified forests can also be tracked (via labelling) through the supply chain using chain-of-custody certification provided by both forest certification schemes. This provides consumers with an assurance that the wood product they are purchasing comes from a sustainably managed and certified forest.

The Forest Stewardship Standard

Coming into effect in 2018, FSC-STD-AUS-01-2018 EN *FSC Australia Forest Stewardship Standard* marked an important milestone for responsible forestry in Australia. This was the first time in Australia that economic, environmental and social stakeholders came together to define what responsible forestry looks like in Australia. Chamber-balanced standard development groups adapt the International Generic Indicators at the regional or national level to reflect the diverse legal, social and geographical conditions of forests in different parts of the world. The resulting adjustment is incorporated into a National Forest Stewardship Standard.

iv. Supply chain and traceability

Under the federated system within Australian, the States and Territories carry primary responsibility for regulating the forestry industry. Each state and territory have legislation that regulates the management of conservation and production forests on privately and publicly held lands, regardless of whether they are native (natural) or plantation forests.

The federal government is responsible for Australia's export framework and overarching matters of national environmental significance. The federal government has produced a 'State-Specific Guideline' for each jurisdiction. These guidelines detail the relevant laws governing timber harvesting and the associated documentation that can be obtained to verify that timber from the jurisdiction has been legally harvested.

Australia's *Illegal Logging Prohibition Act 2012* applies to all timber harvested and processed within Australia, requiring that due diligence is undertaken by processors to ensure the timber has been legally harvested.

For certain timber exports from Australia, the exporter must also hold an export licence issued by the Department of Agriculture, Fisheries and Forestry. This applies to timber harvested outside of key production regions and provides further legality assurances.

The Australian Government is also looking to support the expansion of reference databases of key Australian timber species to further support the verification of legally harvested product through supply chains.

5. Questions

To best prepare Australian exporters for their new responsibilities under the EU's deforestation proposal, Australia would welcome responses to the following questions:

Methodology

1. What methodology will be used by the Commission to determine a country's risk rating?

Definitions

- 2. How will regrowth of forests be assessed?
- 3. What timescale will the EU apply for determining permanent removal (i.e. deforestation) as differentiated from temporary loss?
- 4. If land has been cleared of forest prior to 31 December 2020 with the intent of converting that land for agricultural purposes, is subsequent clearing of forest regrowth after 31 December 2020 consider deforestation or forest degradation for the purposes of this regulation?
- 5. Australia has vegetation where the combined canopy cover is above 10%, but none of the shrubs or trees reach five metres in height. Would the definition of 'other wooded land' apply to this land?

Use of Satellite Imagery

- 6. What satellite data/data sets will the Commission rely upon to determine a country's deforestation status?
 - a. What verification will be undertaken to determine whether deforestation or forest degradation detected by remote sensing has in fact taken place?
 - b. Will there be periodic checking of satellite data to update a country's risk status?
- 7. Will satellite data be used to check the veracity of individual consignment claims to come from areas with a low risk of deforestation?

Geolocation Data

8. What level of granularity is required regarding the geolocation data detailing the place/s where a commodity was produced? In particular, is sub-property level data permissible?

Role of Australian Government

9. Will the Australian Government be provided with access to the area of TRACES NT system, where exporters will be uploading their due diligence statements?

Due Diligence Obligations

10. Could you please provide further guidance regarding the information required to satisfy these due diligence requirements:

(g) adequately conclusive and verifiable information that the relevant products are deforestation-free;

(h) adequately conclusive and verifiable information that the production of relevant

commodities has been conducted in accordance with the relevant legislation of the

country of production, including any arrangement conferring the right to use the respective area for the purposes of the production of the relevant commodity.

Category	HS Code	Description	Export Value - \$AUD average 2019-2022, rounded (major values only)
Cattle/beef	0102, 0201, 0202, 020610, 020622, 020629, 4101, 4104, 4107	Live cattle, meat of cattle, offal, livers, raw hides, tanned, leather	\$151.4 million (meat chilled 136m, meat frozen 7m, offal 1m, raw hides 6m, leather 0)
Wood Products Category 2	4415, 441600, 4418, 4419 4420, 4421, 47, 48, 4900, 940330, 940340, 940350, 940360, 940390	packing cases, casks/barrels, joinery, kitchenware, pulp, paper, wooden furniture	\$16.3 million (packing 1.6m, casks 1.2m, joinery 200,000, tableware 100,000, paper 12.8m)
Wood Products Category 1	4401, 4402, 4403, 4404, 4405, 4406, 4407, 4408, 4409, 4410, 4411, 4412, 441300, 441400	Fuel wood, wood charcoal, rough wood, wood sawn or chipped, wood strips, fibreboard, wooden frames	\$5.09 million (fuel wood 3.9m, wood sawn 331,000, fibreboard 495,000, sheets for veneers 246,000, wood frames 49,000)
Cocoa and Coffee	180100, 180200, 1803, 180400, 180500, 1806, 0901	Cocoa beans, cocoa butter, cocoa powder, chocolate, coffee	\$875,938 (coffee 658,000 chocolate 192,000, cocoa powder 22,000, cocoa beans 2,000)
Palm Oil and Soy	1511, 1207101 151321, 151329, 230660, 290545, 291570, 291590, 3823, 382319, 382370,382211, 1201, 120810,1507,	Palm oil, palm kernel, palm oil and kernel derivatives, acids, residues, fatty acids from oils, oilcake	\$213,155 (palm oil and kernel derivates 90,000, fatty acids 90,000, soya bean flour 26,000, oilcake 6,000)
Rubber	4001, 4005, 4006, 4007, 4008, 4010, 4011, 4012, 4013, 4015, 4016, 4017	All types	0

s 22(1)(a)(ii)

From: Erin Tomkinson <Erin.Tomkinson@dfat.gov.au>
Sent: Friday, 14 July 2023 4:35 PM
To: s 47F(1)
Cc: s 22(1)(a)(ii)
Subject: RE: [EXTERNAL] EU Deforestation Regulation: Definition questions [SEC=OFFICIAL]

OFFICIAL

Thanks you s 47F(1) much appreciated.

It is just for absolutely clarity for our industry as they work to meet the due diligence obligations.

Wishing you a lovely weekend.

Best, Erin

From: s 47F(1) Sent: Friday, 14 July 2023 4:34 PM To: Erin Tomkinson <<u>Erin.Tomkinson@dfat.gov.au</u>> Cc: s 22(1)(a)(ii) Subject: [EXTERNAL] RE: EU Deforestation Regulation: Definition questions [SEC=OFFICIAL]

CAUTION: This email originated from outside the organisation. Do not click links or open attachments unless you recognise the sender.

Dear Erin,

I will check internally and revert to you.

Kind regards, s 47F(1)

From: Erin Tomkinson <<u>Erin.Tomkinson@dfat.gov.au</u>>
Sent: Thursday, July 13, 2023 2:42 PM
To: s 47F(1)
Cc: s 22(1)(a)(ii)
Subject: RE: EU Deforestation Regulation: Definition questions [SEC=OFFICIAL]

OFFICIAL

Dear s 47F(1)

I hope this email finds you well, and looking forward to summer leave plans.

Further to our country submission below, I have been looking closely at the definitions.

I wanted to be 100% sure of my understanding, so have four questions. As deforestation is the conversion of forest to agricultural use, and forest is defined as 'land spanning more than 0.5 hectares...., excluding land that is predominantly under agricultural or urban land use':

- 1. Does this mean that if a farmer for some reason cleared a part of their property that met the forest definition (0.5 hectares etc), it would NOT count as deforestation, as the land is predominantly under agricultural use?
- 2. And, similarly, clearing of 'other wooded land' on a farm predominantly under agricultural use, would also not be considered deforestation?
- 3. I assume the land has to be predominantly under agricultural use by the cut off date, ie 31 December 2020?
- 4. And if the farm is used for cattle grazing, or coffee or cocoa growing, does this count as 'predominantly under agricultural use'?

I would appreciate if you can please confirm my understanding as a priority. I note I have checked the Frequently Asked Questions document the Commission has developed, but this did not seem to answer these specific questions.

Kind regards, Erin

 From: Erin Tomkinson

 Sent: Friday, 30 June 2023 3:23 PM

 To: s 47F(1)

 Cc: s 47F(1)
 ; s 47F(1)

 S 47F(1)
 ; s 47F(1)

 < Joanna.Grainger@dfat.gov.au>; s 22(1)(a)(ii)

 Subject: EU Deforestation Regulation: Australian Letter and Country Submission [SEC=OFFICIAL]

OFFICIAL

Dear s 47F(1)

Please find attached correspondence and a submission on Australia's Forest Status, to support the Directorate General for the Environment's work in developing the country risk rating methodology and for assessing Australia's risk status regarding the European Union's Deforestation Regulation.

Australia is closely aligned with the EU on the critical importance of forests, and provides this submission to illustrate our forest coverage, robust domestic legislation, and supply chain for key affected products, to support our claim to be assessed as low risk.

Further to today's useful briefing by your staff at the multi-stakeholder platform, we understand consultants will shortly be selected to develop the draft methodology for determining country risk ratings.

Australia would welcome you providing the attached information to the consultants, as long as this is kept confidential and not disseminated further.

Australia welcomes the opportunity to discuss this submission with you, including your response to questions identified at the end of the document.

Kind regards, Erin



Erin Tomkinson Counsellor | Agriculture, Fisheries & Forestry

Australian Mission to the EU & NATO, Embassy to Belgium & Luxembourg Avenue des Arts 56, 1000 Brussels s 47F(1) | s 47F(1)

s 22(1)(a)(ii)

 From: Erin Tomkinson <Erin.Tomkinson@dfat.gov.au>

 Sent: Friday, 17 November 2023 3:50 PM

 To: s 47F(1)

 Cc: s 47F(1)

 ; Joanna Grainger <Joanna.Grainger@dfat.gov.au>; *22(1)(a)(ii)

 ; Creaser, Peter <Peter.Creaser@aff.gov.au>

 Subject: A-EU HLD on the Environment - Deforestation Agenda Item - Questions [SEC=OFFICIAL]

OFFICIAL

Dear s 47F(1)

I hope this email finds you well, and that you haven't become too water logged with all of the rain in Brussels of late. I am emailing regarding the deforestation agenda item on the Australia-EU High Level Dialogue on the Environment, to be held next week on Wednesday, 22 November.

Australia will have Mr Peter Creaser, Minister-Counsellor (Agriculture) designate, leading the discussions. Mr Creaser will commence this role in Brussels early in the new year, but is well across the EUDR.

Mr Creaser would like to use this discussion item to seek responses from DG Environment on some specific questions Australia has. In the spirit of assisting the EU to prepare for this, please find these questions below:

- Australia would like to work with the Joint Research Centre in developing the map of Australian forest, as part of the global map developed the EU Forest Observatory.
 - How do you suggest this occurs?
- Australia provided a country submission to DG Environment on 29 June, supporting our claim to be low risk.
 - Have you had an opportunity to consider this information? If not, when is this likely to occur, and how can we assist you in conducting a speedy assessment of Australia's risk status?
- What oversight and support will the Commission provide to Member States conducting due diligence checks?
 - What will be the process for review, if a third country exporter does not agree with a Member State assessment of their deforestation status or the assessment appears to be contrary to the requirements of the regulation?

Please do not hesitate to contact me if you require any further information or wish to discuss this.

Wishing you a lovely weekend.

Erin



Erin Tomkinson

Counsellor | Agriculture, Fisheries & Forestry

Australian Mission to the EU & NATO, Embassy to Belgium & Luxembourg Avenue des Arts 56, 1000 Brussels s 47F(1) | s 47F(1)

s 22(1)(a)(ii)

From: Erin Tomkinson <Erin.Tomkinson@dfat.gov.au> Sent: Thursday, 23 November 2023 1:37 PM To: s 47F(1) ; s 47F(1) Cc: Creaser, Peter <Peter.Creaser@aff.gov.au>; s 22(1)(a)(ii) s 22(1)(a)(ii)@aff.gov.au>; s 22(1)(a)(ii) <Joanna.Grainger@dfat.gov.au>; s 47F(1) s 47F(1) Subject: Australia-EU Environment High Level Dialogue - Deforestatio

@aff.gov.au>; s 22(1)(a)(ii) ; Joanna Grainger ; s 47F(1)

Subject: Australia-EU Environment High Level Dialogue - Deforestation Discussion Item - Follow-up [SEC=OFFICIAL]

OFFICIAL

Dear s 47F(1), s 47F(1)

Thank you again to you, ^{s 47F(1)} and the team for the discussion on the EU's Deforestation Free Supply Chain Regulation, as part of the A-EU Environment High Level Dialogue yesterday. Given the short time allotted, I am writing to follow-up on a few items raised during the discussion.

On the Commission's question on the FCLP, Australia too shares concerns with the proliferation of forest-related mechanisms internationally, and would like to see the likes of the UN Forum on Forests and FAO Committee on Forestry reinforced as the key policy-setting fora. However, we do see a role for high-ambition coalitions and have had positive engagement under the FCLP this year with the likes of France, Austria and Sweden on supporting sustainable wood as a climate solution in the construction sector. We would welcome further dialogue on how we best promote evidence-based policy and outcomes in these settings.

We also thank you for your kind offer to provide the relevant contact names and details of JRC staff working on the forest map to enable us to engage with them with respect to the Australian portion of the map. We would welcome the chance to speak with them in the coming weeks, particularly given one of our key experts in Australia will then be unavailable.

Australia also remains ready to engage with DG Environment at any time on our Country submission and risk status.

Regards, Erin

Erin TomkinsonCounsellor | Agriculture, Fisheries & Forestry | Australian Mission to the EUT: s 47F(1)| M: s 47F(1)

s 22(1)(a)(ii)

From:	Peter Creaser <peter.creaser@dfat.gov.au></peter.creaser@dfat.gov.au>			
Sent:	Thursday, 7 March 2024 1:55 AM			
То:	s 47F(1)			
Cc:	s 47F(1)	; s 47F(1)	;	
	s 47F(1)	; Erin Tomkinson		
Subject:	RE: EU Deforestation Regulation Global Map letter from Secretary to European			
	Commission [SEC=OFFICIAL]			
Attachments:	Correspondence to s 47F(1)	.pdf		

OFFICIAL

Dear s 47F(1)

Appreciating how busy you must be, I am gently enquiring to confirm if you had received the attached letter. As stated Australia is very keen to work with the JRC in contributing to the EU Deforestation Global Map.

I also note that my Ambassador Caroline Millar (*Australian Embassy to Belgium and Luxembourg, Mission to NATO and the EU*), will be having an introductory meeting with you on Tuesday, 26 March, with the opportunity to cover the broader intersects of JRC work and Australian interests.

Kind regards

Peter

Peter Creaser Minister Counsellor, Agriculture |+32 (0)2 286 0513 | s 47F(1) Australian Embassy to Belgium and Luxembourg Mission to NATO and the EU

From: Peter Creaser Sent: Tuesday, February 20, 2024 7:04 PM To: s 47F(1) Cc: s 47F(1) ; s 47F(1) Tomkinson <Erin.Tomkinson@dfat.gov.au> Subject: EU Deforestation Regulation Global Map letter from Secretary to European Commission [SEC=OFFICIAL]

OFFICIAL

Dear s 47F(1)

Please find attached a letter from Secretary Adam Fennessy, Department of Agriculture, Fisheries and Forestry, Australia, responding to the opportunity provided by the JRC to comment on the EU Deforestation Global Map. The department appreciates the opportunity and looks forward to working with the JRC to ensure the map is most accurately representing forest cover in Australia.

My colleague, Erin Tomkinson, Agriculture Counsellor to the Australian Mission EU, Brussels, <u>erin.tomkinson@dfat.gov.au</u> is able to assist with any ongoing engagement arrangements.

Kind regards

Peter

LEX 31188

Peter Creaser

Minister Counsellor, Agriculture |+32 (0)2 286 0513 | s 47F(1) Australian Embassy to Belgium and Luxembourg Mission to NATO and the EU peter.creaser@dfat.gov.au

Avenue des Arts 56 1000 Brussels



The department acknowledge of Australia and their continui sea, environment, water and c

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ADAM FENNESSY PSM SECRETARY

February 2024

s 47F(1)

Director General Joint Research Centre European Commission Via email – s 47F(1)

Dears 47F(1)

The Australian Department of Agriculture, Fisheries and Forestry thanks the Joint Research Centre (JRC) of the European Commission (EC) for the opportunity to provide our comments, as outlined below, on the European Union observatory on deforestation and forest degradation version 1, released in December 2023.

The Australian Government is closely aligned with the European Union (EU) on the critical importance of forests, including for biodiversity and climate purposes. This is demonstrated by our extensive and increasing forest coverage and our signatory status to the Glasgow Leaders Declaration on Forests and Land Use, and the Forests and Climate Leaders' Partnership.

Australia would like to see the EU deforestation regulation ⁱ (EUDR) help deliver the objectives of these broader forest initiatives, whilst minimising the costs and complexities of compliance for exporters, which should be commensurate with risk.

To these ends, I am encouraged by the JRC's commentary to date, where you have noted that Forest Observatory reference maps required refinement and sought input from relevant parties. Further to this letter, I would like to request a meeting between the JRC and Australia's technical experts, to further discuss improving the accuracy of this important resource.

Noting that reference maps are designed to assist operators comply with the regulation, Australia is focused on ensuring these are accurate. The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) has performed a preliminary investigation and made the following observations:

- a. The EU Global Forest Cover 2020 spatial dataset developed for the EUDR records 143.2 million hectares of forest for Australia.
- b. This total is greater than the 133.6 million hectares of forest identified in the *Forests* of Australia (2023) dataset using Australia's forest definition thresholds (height >2m, canopy >20%, no land use exclusions).
- c. We would expect that applying the EUDR/FAO definition of forest (height >5m, canopy >10%, land use exclusion) in Australia, the total area may be substantially less than 133.6 million hectares. Recent mapping involving our Commonwealth Scientific and Industrial Research Organisation (CSIRO) supports this.

T +61 2 6272 3933 F +61 2 6272 5161 Agriculture House 70 Northbourne Ave Canberra ACT 2600 GPO Box 858 Canberra ACT 2601 agriculture.gov.au ABN 34 190 894 983 d. Extensive (44% of Australia's total forest area as shown on the Forest observatory website) grazing land has not been removed from the EU 2020 forest dataset, despite it meeting the EUDR definition of agricultural land.

These differences reflect the relative complexities of global forest mapping and illustrate the importance of Australia's involvement in refining the EU map of our forests with the JRC. Australia uses long-established, locally-adapted definitions and procedures for mapping our forest extent and land use change and we wish to emphasise the importance of accommodating approaches adapted to local contexts and circumstances. However, we would be pleased to engage with the JRC and assist in improving the mapping against the universally applied EUDR definitions. In particular, we could provide useful information and data for the elements of height and agricultural use.

More broadly, I would like to take this opportunity to re-iterate Australia's request for the EC to complete our country risk assessment as soon as possible, as this has a direct bearing on the compliance impost. Australia provided a country submission to the Directorate-General for the Environment on 29 June 2023, supporting our claim to be assessed as low risk.

Similarly, the expeditious release of EC guidance documents on definitions remains a priority for Australia. This includes, for example, whether land already predominantly used for agricultural purposes will be considered as deforested if an area of the property meeting the EU definition of forest was cleared. This will also have a direct bearing on the Forest Observatory reference maps.

I look forward to your response, noting arrangements for a technical exchange with Australia can be facilitated by contacting Ms. Erin Tomkinson, Counsellor (Agriculture) Australian Mission to the EU, Brussels at Erin.Tomkinson@dfat.gov.au.

Yours sincerely

Adam Fennessy PSM

CC: s 47F(1)

, Director, DG Environment

ⁱ Regulation (EU) 2023/1115 on deforestation-free products

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