



# SAVANNA FIRE MANAGEMENT TRUST

## Annual Report

for the year ended  
31 December 2025

**Perpetual Private**  
Perpetual Trustee Company Limited  
ABN 42 000 001 007 AFSL 236643



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Cover photo by **Ngaliwurru Ngarinyman - Timber Creek Rangers** – early dry season fire backburning over Judbarra National Park. (courtesy of the Timber Creek Rangers)

## ACKNOWLEDGEMENT OF ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

Perpetual acknowledges the traditional owners and custodians of the lands, waters and skies on which we live and work. We recognise their connection to land, waters and community. We pay respects to Australia's First Peoples, and to their Elders past and present. We acknowledge and respect all of the Aboriginal and Torres Strait Islander People who contribute to the Savanna Fire Management Programs.

# SAVANNA FIRE MANAGEMENT TRUST

## ANNUAL REPORT

for the year ended 31 December 2025

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SFM - Savanna Fire Management

## INTRODUCTION

The Savanna Fire Management (SFM) Trust was established in 2016 to support the development and implementation of fire management projects on Indigenous-held land in the Northern Territory.

INPEX Operations Australia Pty Ltd as agent for and on behalf of Ichthys LNG Pty Ltd (INPEX) has supported the establishment of the Savanna Fire Management Trust (SFM Trust) with Perpetual Trustee Company Ltd (the Trustee).

The purpose of the Savanna Fire Management Trust is to protect and preserve the natural environment in the Northern Territory by reducing occurrence of uncontrolled fire outbreaks and resulting greenhouse emissions by conducting savanna fire management on Indigenous Held Land in the Northern Territory.

The aim is to:

- Achieve sustainable economic, environmental, social and cultural benefits for indigenous people
- Creates opportunities for Indigenous people to country
- Procure the active participation of indigenous people in the investigation and implementation of savanna fire management activities
- Create employment opportunities for Indigenous people

As required by the Deed of Trust, the Trustee engages the services of the Indigenous Land and Sea Corporation (ILSC) to deliver the SFM Program with Aboriginal and Torres Strait Islander Corporations in the Northern Territory.

This is the Ninth Annual Report of the SFM Trust since the SFM Program commenced. It outlines how the SFM Trust purposes and principles were advanced during 2025, provides the Financial Statements, the Auditor's Report and the Annual Report of SFM activities delivered by the Program Manager, the Indigenous Land and Sea Corporation.

## SFM PROGRAM PURPOSES

The SFM Program has the following purposes:

- Protection of environment by Greenhouse Gas Emissions avoidance through Savanna Fire Management activities
- Improving biodiversity outcomes through Savanna Fire Management activities
- Spreading community and social benefits of the Ichthys Project beyond Darwin into the regional areas of the Northern Territory
- Providing business and employment opportunities for Indigenous people
- Generating Australian Carbon Credit Units (ACCUs)
- Protecting Indigenous Culture and Heritage

## SFM TRUST PRINCIPLES

The following key principles apply to the SFM Program:

- Avoiding negative reputational risk to key stakeholders and maximising the potential to reflect positively on the reputation of all stakeholders
- Supporting and enabling the development of sustainable, viable Indigenous enterprises and the delivery of economic, environmental, social and cultural benefits for Indigenous people
- Promoting the use of sound land and environmental practices
- Developing the capacity of the Indigenous groups and SFM Project Operators
- Minimising, managing and mitigating all relevant risks appropriately, particularly workplace health and safety risks
- Enhancing the skills and knowledge of all stakeholders in carbon management including carbon policy and implementation of practical carbon farming projects and
- Avoiding emissions and thereby having a positive impact on climate change mitigation

**Judbarra Rangers - Burning nth Gregory section**  
(courtesy of the Ngaliwurru Ngarinyman - Timber Creek Rangers)

# INTRODUCTION

## ENGAGEMENT OF INDIGENOUS LAND AND SEA CORPORATION (ILSC)

Perpetual engages the ILSC to conduct and implement the SFM Program. In delivering the program, the ILSC uses funds derived from the SFM Trust, which receives contributions from INPEX, to conduct training, fund early start up operational costs for new projects, support Indigenous groups with business development and employment. This enables groups to apply the approved Savanna Fire Management Methods and generate ACCUs.

SFM Program funds are used for all aspects of SFM Project establishment and management and are provided directly to project groups or third parties that provide a variety of services for the projects. Funding areas include:

- **Project establishment** - feasibility studies, meetings and consultations with Traditional Owners, project registration costs
- **Operational** - employment & training, on country fire management, equipment
- **Governance** - Indigenous owned entity development
- **Communications** - Communications resources to facilitate understanding complex carbon related information
- **Monitoring and Evaluation** - Co benefits, biodiversity monitoring and evaluation

## ANNUAL REPORTING & ASSURANCE

Each year Perpetual provides an Annual Report which records the financial position and outcomes of the financial year ending 31 December. During 2025 the SFM Trust prepared and published the 2024 Annual Report, Financial Report, Audited Financial Statements and the ILSCs Annual Report on implementation and delivery of the Savanna Fire Management Program. On April 1st, the Trustee's Annual Report, Financial Report, Audit Report and the Program Manager's Annual Report is published on Perpetual's website and issued to the Northern Territory Government Department of Trade, Business and Innovation.

## DISTRIBUTION TO SFM PROGRAM

\$2,981,389 was distributed in quarterly instalments to the ILSC for SFM Program operations. This is compared to a distribution of \$3,613,769 in 2024. The Trustee receives quarterly reports from the SFM Program Manager and an Annual Report, which is attached at Appendix 3.

## INVESTMENT REVIEW

Each year Perpetual reviews SFM Trust investments. The purpose of an investment review is to ensure sufficient liquidity to meet the SFM Trust's estimated expenditure and examine the quality of existing investments within the portfolio. When conducting the review, Perpetual's investment philosophy, the principles outlined in the Prudent Persons legislation and the SFM Trust Investment Policy are considered. Investment review was completed in October 2025.

## WORK PLAN AND BUDGET

Each year, prior to 31 December, Perpetual and the ILSC collaborate to determine the coming year's work plan and budget. The 2025 Workplan and Budget was approved and issued to the Northern Territory Government Department of Trade, Business and Innovation in December 2024.

The ninth year (2025) of the SFM Program focused on contract delivery to consolidate existing and established Phase 2 (operational delivery) projects. In addition, the SFM Program Manager continued to seek opportunities to expand the program and implement recommendations of the 2021 5-year Program Review.

Importantly, the 2025 Work Program aimed to implement key actions to achieve strategic goals and initiatives outlined in the SFM Program Strategy, Horizons 1 and 2 (Table 1), and the SFM Communications and Media Action Plans.

**Table 1.** SFM Program Strategic Goals Horizon Key Performance Indicators 2025.

<b>Strategic Goal 1.</b> Strengthen existing projects and understand long term support needs.	Each project has strong governance foundations
	Support needs for groups are identified and understood
	Design elements of new support models are documented and supported by Traditional Owners
	Entity development supported
<b>Strategic Goal 2.</b> Establish new support model to support projects.	Projects running strong operations
	Consistency of fire management
	Sound governance and reporting
	Streamlined support pathways, minimal duplication

The ILSC, as SFM Program Manager, expects to conduct the following activities in 2025:

- Support transition of Wagiman project from Phase 1 to Phase 2 PFA.
- Conduct feasibility study on possible new Phase 1 Project in Limmen National Park with Marra Traditional Owners through Namultja Aboriginal Corporation.
- Continue to discuss possible project opportunities with the Department of Defence.
- Monitor, support and consolidate ongoing SFM Phase 2 Projects, including delivery of fire planning and implementation of “Burnt Area” mapping project and other services as required.
- Scope governance business model options including a potential new entity to assist Phase 2 projects develop long-term sustainable savanna fire management enterprises.
- Work with Charles Darwin University and Anthesis to develop and implement a monitoring and evaluation process to assess the impact of savanna fire management on environmental and social/cultural values within each Phase 2 PFA (Co- Benefits framework).
- Continue to work with project groups in the assessment audit, creation, and transfer ACCU's.
- Design, develop, publish, and distribute communications materials about the SFM Program and fire operations to support Indigenous stakeholders understanding and engagement in projects. (LLND and ICIN Flipbook).
- Implement recommendations and ILSC responsibilities outlined in the SFM Program Communications Plan agreed with INPEX and Perpetual, including Annual and Quarterly Reports and preparation of the Work Plan and Budget.
- Build closer relationships with the NLC as a major stakeholder in the success of the SFM Program, including through co-funding a dedicated SFM position and further clarifying roles to develop improved project delivery.
- Continue to support and develop SFM Program staff capacity to minimise the risk of institutional knowledge loss, including improved information access, improve skills and capacity via development opportunities, rationalise all reporting requirements to align with SFM program.
- Review Risk framework in regards program and project delivery with a view to build program resilience.
- Deliver 2025 SFM Forum.
- Review Communication Strategy.
- Continue as a member of the Northern Territory Landowner Alliance Project convened by Bushfires NT.

The total amount of expenditure projected for 2025 is: **\$2,981,389 (GST exclusive).**

## PROJECT FUNDING AGREEMENTS

The Savanna Fire Management (SFM) Program Manager enters Project Funding Agreements (PFAs) with Aboriginal and Torres Strait Islander businesses to undertake savanna fire management projects on Indigenous held land.

The Aboriginal or Torres Strait Islander business must first submit an expression of interest to the SFM Program Manager to commence the project development and feasibility process

**Phase 1 PFAs** are entered to support the due diligence phase of savanna fire management projects.

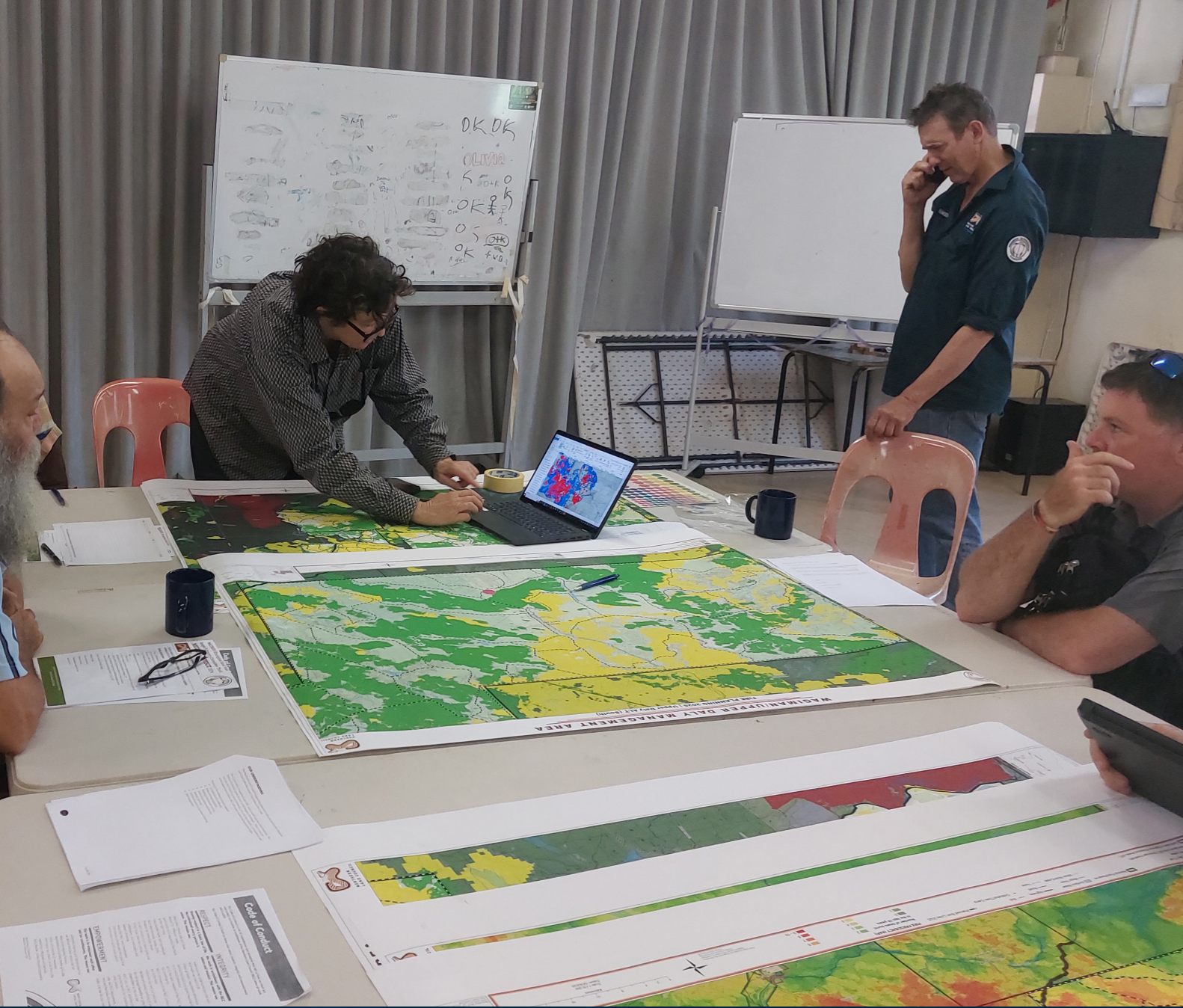
To progress from Phase 1 to Phase 2, the Savanna Fire Management Project Operator must gain legal consent to operate a Savanna Fire Management Project on the land and then register a carbon project with the Clean Energy Regulator. It must also conduct adequate consultation, business preparation, work health and safety training and assessments in line with risk management requirements of the SFM Program Manager.

Phase 1 SFM project funding agreements aim to assist groups in building their understanding of the carbon industry and developing their fire management capabilities. These projects are typically hosted by a local Indigenous enterprise or facilitated through an Indigenous business if a local organisation hasn't been established.

Phase 1 SFM projects that meet the necessary commercial viability requirements can progress to Phase 2 and enter a project funding arrangement.

**Phase 2 PFAs** are entered to support the delivery and implementation of savanna fire management projects. It is during this phase that controlled savanna fire operations are conducted and Australian Carbon Credit Units (ACCU's) are generated.

The ILSC 2025 Annual Report notes that the aim of these Phase 2 PFAs is to establish sustainable Indigenous enterprises by fostering the growth and development of the project. By providing the necessary funding and resources, the SFM Program contributes to the establishment of a robust and self-sustaining Indigenous enterprise in the field of savanna fire management.



Wagiman fire planning meeting with neighbours  
(courtesy of Wagiman Rangers)

# FINANCIAL POSITION

## OVERVIEW

The opening balance of the SFM Trust at 1 January 2025, was \$2,235,707.

During 2025 the SFM Trust received a contribution of \$2,547,254 from INPEX Operations Australia Pty Ltd. This is compared with contributions of \$2,477,667 in 2024.

The SFM Trust received Investment Income (managed fund distributions, interest and sundry) with a combined value of \$165,816.

The SFM Trust distributed \$2,981,389 to the Indigenous Land and Sea Corporation to implement the Savana Fire Management Project in 2025\*.

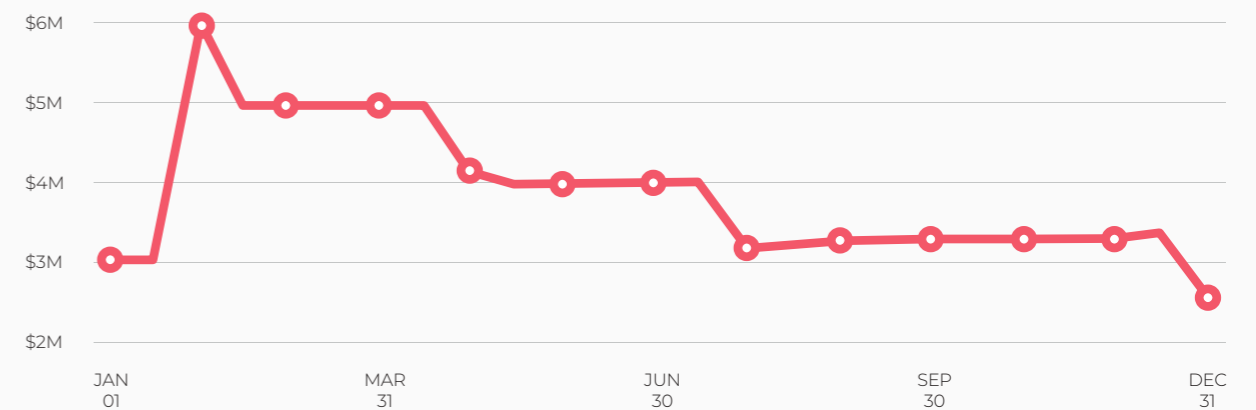
Total SFM Trust funds at 31 December 2025, was \$1,898,404.

The complete financial position of the SFM Trust can be found in the 2025 Financial Report. Appendix 1.

Summary of Expenses	2025	2024
Accountancy & Auditor's Fees	25,394	23,878
Administration Costs	2,530	2,080
Interest Expense	-	9,775
SFM Program Disbursements*	2,981,389	2,710,074
Trustee Fees	41,059	42,949
<b>Total</b>	<b>3,050,372</b>	<b>2,788,752</b>
<b>Total Income/(Loss) for the year</b>	<b>(337,303)</b>	<b>(91,868)</b>
<b>Total Trust Funds</b>	<b>1,898,404</b>	<b>2,235,707</b>

Surplus funds are invested in accordance with the Investment Policy and available for Savanna Fire Management Program implementation in subsequent years.

Graph 1. Annual Balance in 2025

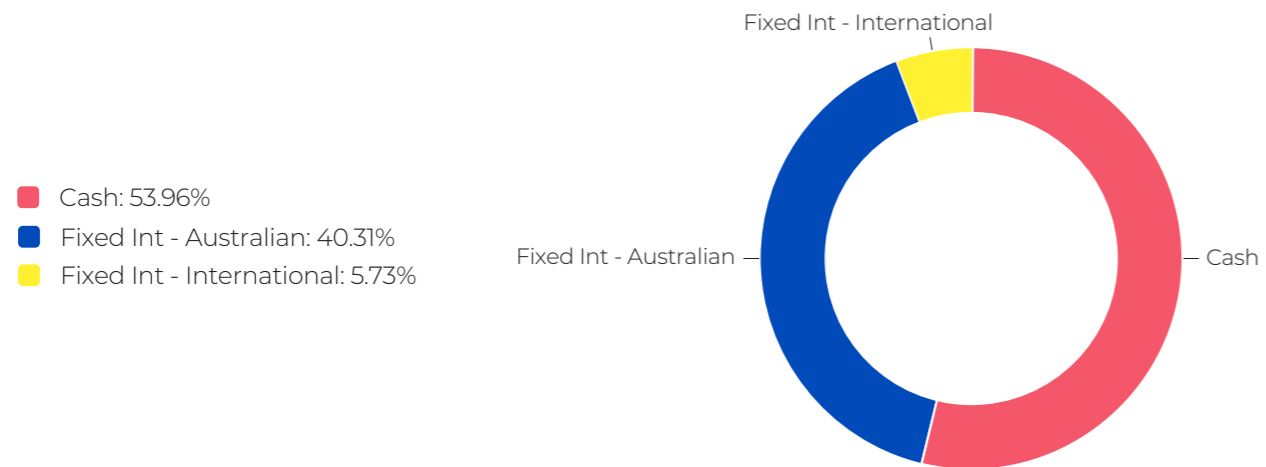


## INVESTMENTS

In accordance with the SFM Trust Investment Policy, the principal investment policy is to hold the funding in investments with a negligible risk of capital loss and to achieve prudent investment returns commensurate with that risk.

Investment in Managed Funds is prudent and consistent with the Investment Policy Statement.

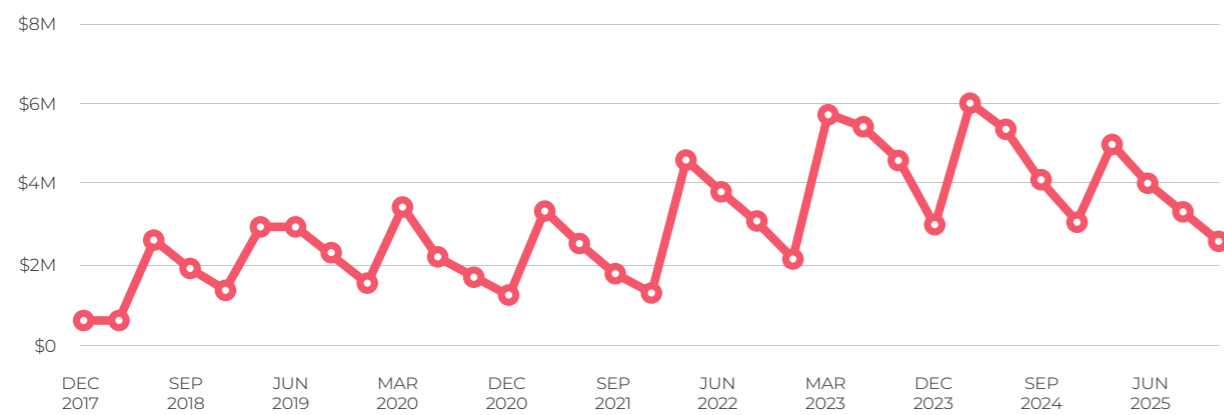
**Graph 2.** Asset Allocation 1 Jan 25 to 31 Dec 25



The SFM Trust received Investment Income (managed fund distributions, interest) with a combined value of \$178,658.48 and capital growth of -\$12,842.99 during the period.

This is compared to Investment Income (managed fund distributions, rebates, and interest) of \$215,365 and capital growth of \$19,253 during calendar year 2024.

**Graph 3.** Portfolio Balance 31 Dec 17 (Inception Year) to 31 Dec 25



**Aerial prescribed burning efforts in the Western Top End project area, near Peppimenarti.**  
(courtesy of Thamarrurr Rangers)

# 2025 PROGRAM EVALUATION

## SUMMARY

The delivery of the SFM Program in 2025 with a full SFM team in place, has been to maintain the foundations that project groups have built while continuing to identify and address key challenges to enable the groups and projects to strengthen over time.

The 2025 prescribed burning season was a typical season with some variability, unseasonal late rain delayed the start of early dry season (EDS) burning efforts across most of the project areas, further reducing an already shortening burning window. All SFM project areas experienced late season wildfires. The ground and aerial burning implemented by each group was successful in pulling up the progress of (some if not all) late season fires. This is one of the many important measures of success in SFM projects as it demonstrates that the early season burning has been successful.

The ILSC became the official project proponent with the CER for Garawa, resolving a long standing matter for this SFM Project in 2025. The original proponent, the North Australian Indigenous Land and Sea Management Alliance (NAISMA), transferred the project to the ILSC in 2023. The ILSC have held interim approval for the project from both Traditional Owners and the CER since then. Consultations with Traditional Owners were finalised and the ILSC now has the legal right to operate a savanna fire management project on the Garawa ALT.

A significant achievement for the Judbarra SFM Project was the issuance of the 'By-Law 13 Permit' by the NT Government, allowing commercial SFM activities to be conducted in Judbarra National Park. The NLC has been issued with the permit and the ILSC has signed the associated Deed of Indemnity which indemnifies the NT Government against any liability arising from SFM-related activities. Successful resolution of this long-standing issue will allow for clearer project implementation in the future.

A key focus for the ILSC's SFM team in 2025 was engaging with the project groups to increase the knowledge and understanding of SFM methodologies and the broader carbon industry. The SFM Program team, the Indigenous Carbon Industry Network (ICIN), and Charles Darwin University are working on developing

communication resources designed to assist Program participants develop a comprehensive understanding of all aspects of SFM. These resources have been trialled at various meetings and have received positive feedback and requests for more delivery. This will be a key focus for the team in 2026.

The SFM team presented to the Katherine Pastoral Industry Advisory Committee (KPIAC) about the savanna fire management methodologies and SFM projects in the region. The discussion was well-received, and further engagement is planned for early 2026.

The team has also been engaged in ICIN-led consultation with the Australian Government about the new SFM methods planned for release in 2026. The team will remain engaged as development of these methods progresses, to determine implications, opportunities, and risks for the SFM Projects.

Discussions progressed regarding two potential new Phase 1 PFAs. Namultja Aboriginal Corporation, on behalf of its constituents the Marra people, have expressed interest in exploring the feasibility of a SFM project within Limmen National Park, for which they have been granted Non-Exclusive Native Title Rights.

The Mangarrayi people seek to enter the SFM Program via a Phase 1 PFA for the Mangarrayi Aboriginal Land Trust. SFM Program information was provided to the Jawoyn Association (who currently host the Mangarrayi rangers) to inform their decision to administer a Phase 1 PFA on behalf of Mangarrayi. A budget and workplan are being developed to inform a Phase 1 contract.

The year culminated in another successful SFM Program Forum, held on Kenbi country at Crab Claw Island. The Forum provides the opportunity for project groups, the NLC, ILSC, Perpetual and INPEX to gather and discuss all things SFM. Each project group presented on the successes and challenges of the year, providing a useful learning opportunity for all. A governance training session was held, with input from the NLC's recently recruited Environmental Markets Coordinator. This position has been funded by the ILSC to support establishment of strong governance arrangements for each project, which will be a key focus for 2026.<sup>2</sup>



Figure 1. Participants at the 2025 SFM Forum, held on Kenbi country

## SUMMARY OF SFM PROJECT OUTCOMES IN 2025

<b>TOTAL SFM PROJECTS</b>	5 Phase 2 projects and no Phase 1 in operation in 2025.
<b>TOTAL RANGER GROUPS</b>	8 Ranger Groups
<b>TOTAL INDIVIDUALS</b>	150 Rangers in 2025 30 Indigenous people trained in fire/carbon work
<b>TOTAL PROJECT AREA</b>	3.9 million hectares
<b>ACCU's - Predicted Total 2025</b>	44,500
<b>ACCU's - Total Program Issued</b>	272,682
<b>3<sup>RD</sup> PARTY CONTRACTS</b>	12

## PHASE 1 PROJECTS IN 2025

No projects under a Phase 1 PFA in 2025.

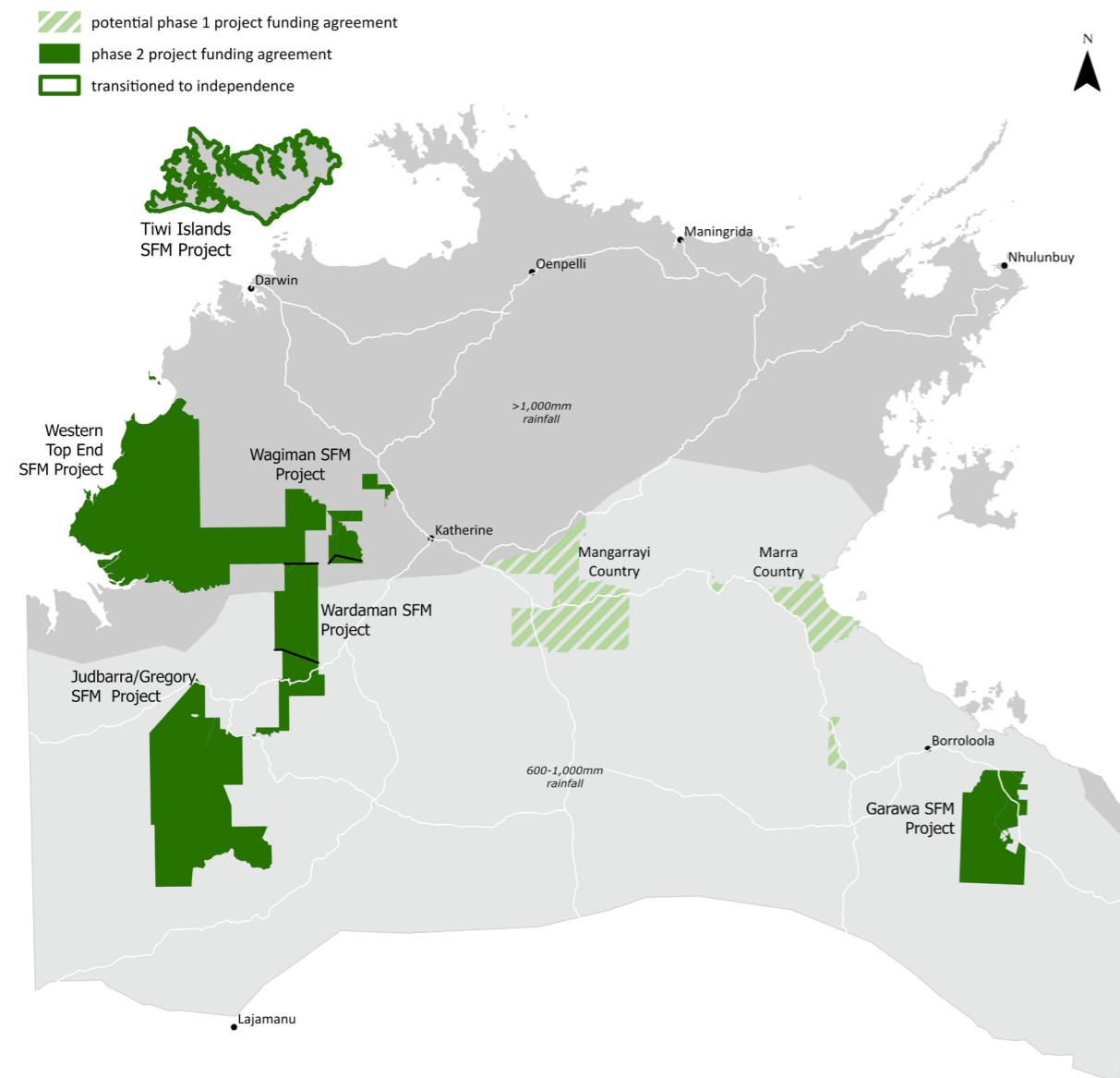
Discussions are underway with two (2) groups interested in commencing Phase 1 PFAs – one with the Namultja Aboriginal Corporation on the lands of the Marra people, and another on lands of the Mangarrayi people.

<sup>1</sup> Under the Territory Parks and Wildlife Conservation (Judbarra/Gregory National Park Carbon Emissions Reduction Project) By-Laws 2022

<sup>2</sup> 2025 SFM Annual Report, Indigenous Land and Sea Corporation, pg. 7

**Map 1.** Project areas of the Savanna Fire Management Program under a Phase 1 (Feasibility) and Phase 2 (Operational) agreement.

ILSC SFM project areas by phase (December 2025)



**Garawa Rangers - Ground Burning 2025**  
(courtesy of Garawa Rangers)

## SFM PROGRAM PERFORMANCE

Each year the Trustee is required to prepare an evaluation of the performance of the SFM Trust according to the milestones and goals the SFM Program set out to achieve during the period and documented in the Annual Work Plan and Budget.

After the Program Review conducted in 2021, the Program Manager commenced preparation and implementation of an Action Plan to address the recommendations raised by the review. The outcomes of the Program Review continue to be addressed and implemented.

In making its evaluation of the SFM Program the Trustee presents answers to the following questions with regards to the ninth year of SFM Program operations:

- Did the SFM Program achieve the objectives of the 2025 Annual Work Plan and Budget?
- Did the SFM Program advance the SFM Program Purposes during 2025?



# PERFORMANCE OF PRINCIPLES – ILSC SELF EVALUATION

Each year Perpetual, as Trustee of the SFM Trust, conducts quarterly reviews of the SFM Program and its implementation. This includes an overall assessment on the delivery of all annual activities, as determined in the Work Plan and Budget with the Program Manager, ILSC.

- GOOD** Expectations of principles and purposes are being met.
- FAIR** Expectations of principles and purposes are somewhat being met.
- POOR** Expectations are not being met.

Principle	Notes	Evaluation
<b>1. Avoiding negative reputational risk to key stakeholders and maximising the potential to reflect positively on the reputation of all stakeholders</b>	<ul style="list-style-type: none"> <li>• SFM communications plan developed and reviewed</li> <li>• Positive media coverage</li> <li>• Assisting with the organisation of, and participation in annual ICIN led Savanna Fire Forum at the Darwin Convention Centre</li> <li>• Facilitating the annual SFM Forum</li> </ul> <p>Unfortunately, fires escaped the Judbarra SFM Project areas onto neighbouring pastoral properties, which had the potential to negatively impact the reputation of the projects. The ILSC's SFM team proactively met with the Katherine Pastoral Industry Advisory Council (KPIAC) to present on the savanna fire management industry, and SFM projects in the region. The discussion was well-received, and further engagement is planned for early next year.</p>	<b>GOOD</b>
<b>2. Supporting and enabling the development of sustainable, viable indigenous enterprises and the delivery of economic, environmental, social and cultural benefits for indigenous people</b>	<ul style="list-style-type: none"> <li>• Five (5) Phase 2 contracts in place in 2025, the SFM Program continued to support the aspirations of the participating groups to develop their respective projects. Phase 2 contracts enable the groups to undertake the planning and operations necessary to conduct annual fire management operations, building capacity to develop a successful Indigenous carbon enterprise.</li> <li>• The Program has funded an NLC-hosted position to progress governance arrangements for SFM Projects. Strong governance arrangements are key to the sustainability of SFM Projects; the 'Environmental Markets Coordinator' will work with groups to explore suitable governance arrangements for each group.</li> <li>• In addition to providing employment for rangers, SFM Program funding ensures Traditional Owners can be paid on a casual basis as cultural advisors to the projects and provides a means for them to visit Country.</li> </ul> <p>Through these actions economic, environmental, social, and cultural benefits (co-benefits) are delivered for participating groups and their Country.</p>	<b>GOOD</b>

<b>3. Providing business and employment opportunities for Indigenous people via SFM Project Operators</b>	<p>SFM Project operators have provided 150 individuals with either full-time, part-time or casual employment through the 2025 year, primarily in EDS planning and burning activities.</p> <p>While this is a great outcome, the ongoing challenge in remote communities related to employment is to retain a core group of employees from year to year within each group, bringing with them the experience they have gained in previous years.</p> <p>Some projects can retain longer term staff, while others struggle, as is being reported from other SFM Programs across northern Australia.</p>	<b>GOOD</b>
<b>4. Promoting the use of sound land and environmental practices; and: Improving biodiversity outcomes through savanna fire management activity</b>	<p>SFM Project groups have either developed, are reviewing, or currently developing a "Healthy Country Plan", Indigenous Protected Area Plan of Management, or other document describing their project areas Assets (Cultural &amp; Environmental etc), Threats (Invasive Species, Inappropriate Fire, Erosion, etc) and Actions and Priorities to manage them.</p> <ul style="list-style-type: none"> <li>• These plans are developed with Traditional Owners and guide the work of Ranger Groups via annual work programs and promote the use of sound environmental and land management practices, with the aim of maintaining or improving the health of their identified assets. Via direct engagement with project groups, the SFM team promotes and encourages strategic EDS burning across all its projects. This is largely accepted as a positive action to reduce the negative impacts on biodiversity caused by hot LDS fire.</li> <li>• Biodiversity conservation is complex, and there is a significant knowledge gap that encompasses fire and biodiversity in the diverse range of habitat and climatic types across northern Australian savanna landscapes.</li> <li>• Addressing critical knowledge gaps will depend on a coordinated and strategic approach across the fire management and research community.</li> </ul>	<b>FAIR</b>

<p><b>5. Spreading community and social benefits of the Ichthys Project beyond Darwin into regional areas of the Northern Territory</b></p>	<p>Complimenting the Indigenous employment and engagement outcomes from each of the existing group's annual planning and operational activities, the Program Manager is engaged in a feasibility study with the Namultja Aboriginal Corporation on their Country in the Gulf of Carpentaria, and with the Jawoyn Association regarding a project on the Mangarrayi Aboriginal Land Trust, south-east of Katherine.</p> <p>Further to direct engagement with current project groups, the Program Manager has procurement policy that encourages the engagement of Indigenous-owned business, where the required service provision can be met. Indigenous businesses were engaged in 2025 to provide the following services:</p> <ul style="list-style-type: none"> <li>· Welcome to Country and Cultural knowledge for 2025 SFM Forum.</li> <li>· Provision of graphics and production of 2025 SFM Forum shirts.</li> </ul> <p>Other regional business utilised via SFM Program in 2025 include:</p> <ul style="list-style-type: none"> <li>· 3 days Accommodation and Catering services for 40 persons at SFM Forum.</li> <li>· Hundreds of helicopter-hire hours across multiple companies during EDS operations accommodation for the SFM team when attending regional planning meetings.</li> </ul>	<p><b>GOOD</b></p>
<p><b>6. Developing the capacity of Indigenous groups and SFM Project Operators; Enhancing the skills and knowledge of all stakeholders in carbon management, including carbon policy and implementation of practical carbon farming projects</b></p>	<p>While participating groups continued to develop their operational capacity and knowledge via engagement in annual operational activities, specialised training and attendance at industry workshops and forums, there is a significant deficiency across all groups regarding the broader carbon industry and what is required to operate and manage a sustainable carbon enterprise.</p> <ul style="list-style-type: none"> <li>· Annual reporting to the CER, maintaining ANREU accounts, auditing requirements, understanding changes in policy and methodology development, and maintaining governance compliance are challenging tasks that are currently the remit of the Program Manager. These aspects, and governance development, are areas in which participating groups will require significant ongoing capacity development.</li> <li>· The Program Manager has engaged ICIN and language, literacy and numeracy specialists to develop a suite of tools to assist participating groups and communities to improve their literacy in emissions avoidance via SFM and the boarder carbon market. While initial work has commenced on this, it will be an ongoing project requiring appropriate time and resource allocation.</li> </ul>	<p><b>FAIR</b></p>
<p><b>7. Minimising, managing and mitigating all relevant risks appropriately, particularly workplace health and safety risks</b></p>	<p>All staff involved in fire management operations are employed through the NLC, CLC, and Thamarrurr Development Corporation. These organisations have comprehensive Work Health and Safety (WHS) policy, procedures, and systems to support their implementation.</p> <p>The ILSC's SFM Program Manager has also developed a comprehensive risk assessment for each project, in conjunction with each Project Operator. With no reported incidents to date, the Program Manager will continue to work with Program Operators to review and maintain risk management processes, ensuring appropriate mitigation measures are in place where hazards are identified.</p>	<p><b>GOOD</b></p>

<p><b>8. Protection of Indigenous cultural and heritage sites</b></p>	<p>This is a strong point of the SFM program, especially where it operates on Aboriginal Land Trusts (ALT) managed by a Land Council functioning under the Aboriginal Land Rights Act (Northern Territory) 1976, of which a large remit is the protection of sacred sites.</p> <ul style="list-style-type: none"> <li>· Any licence given to a proponent to operate a project on ALT must go through the respective Land Council, whose responsibility it is to consult the Traditional Owners of the respective ALT, seeking their approval to the terms and conditions of the licence. Sacred Site protections are provided for in these agreements.</li> <li>· Further protections are provided during annual planning activities with Traditional Owners, who will often prioritise sacred site protection works as part of annual fire operations.</li> <li>· Sacred Site protection and preservation of culturally significant species are the centrepieces on which Healthy Country / Fire Plans are developed and form a substantial portion of ranger group activity.</li> </ul> <p>The SFM Program and the funding it delivers to participating groups provides a mean to deliver on these aspirations.</p>	<p><b>GOOD</b></p>
<p><b>9. Generating ACCUs; and avoiding emissions and thereby having a positive impact on climate change mitigation.</b></p>	<p>ACCU generation differs from group to group and can be attributed to several factors including:</p> <ul style="list-style-type: none"> <li>· Projects baselines derived at the point of project registration provide some groups with a greater buffer against LDS fire encroachment.</li> <li>· High and Low Rainfall Isohyet delineation – projects in the high rainfall zone will typically generate more ACCUs, while those in lower rainfall areas require greater strategic burning efforts to achieve positive ACCU generation.</li> <li>· Operating environment – retaining rangers and ranger coordinators is a constant challenge for land and fire management organisations in remote northern Australia. Complicated administrative requirements of external agencies, isolated project locations and competing time demands on staff also create challenges for performing as productively as they may want, in some cases seeing ACCUs fall into negative figures.</li> <li>· Land Tenure – all SFM Projects operating in this program have multiple neighbouring land tenures, further complicating already complex projects. Neighbours' land use goals, views and application of fire often differ from landowners operating emissions avoidance projects.</li> </ul>	<p><b>POOR</b></p>

Source: 2025 SFM Annual Report, Indigenous Land and Sea Corporation, Page 29



Garawa Rangers – Aerial Burning  
(courtesy of Garawa Rangers)

# 2025 WORK PLAN ILSC DELIVERY

The 2025 Annual Workplan and Budget for the Savanna Fire Management Program was approved by the Trustee during December 2024.

## The 2025 Workplan and Budget proposed to deliver the following SFM Program activities:

### Support transition of Wagiman project from Phase 1 to Phase 2 PFA.

ACHIEVED

2025 was the second year of the 'Wagiman Fire Project' operating as a registered carbon project.

The project moved to a Phase 2 PFA in March. The new PFA will build the project group's capacity to safely deliver and improve strategic EDS operations.

### Conduct feasibility study on possible new Phase 1 Project in Limmen National Park with Marra Traditional Owners through Namultja Aboriginal Corporation.

IN PROGRESS

Discussions progressed with the Namultja Aboriginal Corporation who, on behalf of the Marra Traditional Owners, are interested in developing a Phase 1 project to explore options for an SFM Project.

Negotiations for an Indigenous Land Use Agreement between Native Holders and the Northern Territory Government (who manage Limmen National Park) are ongoing.

### Continue to discuss possible project opportunities with the Department of Defence

NOT VIABLE

No further meetings were held with the Department of Defence in 2025. Complex tenure and contractual arrangements within Defence were considered a significant barrier to project development.

### Monitor, support and consolidate ongoing SFM Phase 2 Projects, including delivery of fire planning and implementation of "Burnt Area" mapping project and other services as required.

IN PROGRESS

Continued support for five Phase 2 projects in 2025. Assisted SFM Project Operators and contractors with operational risk assessments, fire planning, mapping and strategic burning advice throughout the burning season.

Renewal of third-party contract to supply high resolution burnt area mapping throughout the early dry season. This mapping is useful for assessing the efficacy of burning efforts to determine if further work is needed to consolidate strategic fire breaks.

**Scope governance business model options including a potential new entity to assist Phase 2 projects develop long-term sustainable savanna fire management enterprises.**

**IN PROGRESS**

The NLC's new Environmental Markets Coordinator (funded by the SFM Program) commenced in Q3 2025. A key focus of this position is on establishing strong governance arrangements for the NLC SFM projects.

Governance workshop held at the SFM Forum to familiarise participating groups with key decision points for SFM projects.

**Work with Charles Darwin University and Anthesis to develop and implement a monitoring and evaluation process to assess the impact of savanna fire management on environmental and social/cultural values within each Phase 2 PFA (Co-Benefits framework)**

**DELAYED**

Quote received from Charles Darwin University to map habitat and fire-sensitive vegetation communities for each project, to inform development of ecological thresholds for habitats and important sites.

SFM project groups expressed some interest in having this mapping developed, but final decisions were hampered by the lack of dedicated governance groups.

The work planned with Anthesis was delayed due to lack of progress with the above mapping project, which is the preliminary step in the process.

**Continue to work with project groups in the assessment audit, creation, and transfer ACCU's.**

**IN PROGRESS**

SFM Program staff engaged with the new SFM methods being developed by the Australian Government to determine the applicability of methods for each project area.

**Design, develop, publish, and distribute communications materials about the SFM Program and fire operations to support Indigenous stakeholders understanding and engagement in projects. (LLND and ICIN Flipbook)**

**IN PROGRESS**

SFM Program staff presented newly developed communications materials at meetings throughout the year, receiving positive feedback.

The Indigenous Carbon Industry Network (ICIN) tested 'Flipbook' communications materials with the Wardaman rangers, and have workshops scheduled at the ICIN Savanna Fire Forum in early 2026.

**Implement recommendations and ILSC responsibilities outlined in the SFM Program Communications Plan agreed with INPEX and Perpetual, including Annual and Quarterly Reports and preparation of the Work Plan and Budget.**

**ACHIEVED**

SFM Program Quarterly Reports and the Annual Report were issued in agreed timeframes and prepared to a high standard.

**Build closer relationships with the NLC as a major stakeholder in the success of the SFM Program, including through co-funding a dedicated SFM position and further clarifying roles to develop improved project delivery.**

**IN PROGRESS**

Planning meeting held with the NLC to workshop program operation and communication.

Meetings also held with the NLC's new Environmental Markets Coordinator to refine a project plan for embedding strong governance arrangements for the participating SFM Projects.

**Continue to support and develop SFM Program staff capacity to minimise the risk of institutional knowledge loss, including improved information access, improve skills and capacity via development opportunities, rationalise all reporting requirements to align with SFM program.**

**IN PROGRESS**

The SFM Program Manager and Senior Carbon Coordinator continued in their roles.

The dedicated Project Advisor resigned, and the internal position-share Project Advisor undertook higher duties within the ILSC.

A second Senior Carbon Coordinator with industry experience was recruited on a temporary basis to assist the team.

**Review Risk framework in regards program and project delivery with a view to build program resilience.**

**IN PROGRESS**

Mapping of activities and risks undertaken by ILSC. SFM Program risk evaluated as part of quarterly reporting to Perpetual.

**Deliver 2025 SFM Forum**

**ACHIEVED**

The SFM Forum was held in November 2025 on Kenbi Country at Crab Claw Island. Each project group reflected on the 2025 fire season and shared learnings. Participatory workshops were also held on project governance, and climate change and savanna fire management.

**Review Communication Strategy**

**ACHIEVED**

Communication Strategy reviewed.

Updates made to the ILSC SFM Program webpage to reflect current status of each participating Project.

**Continue as a member of the Northern Territory Landowner Alliance Project convened by Bushfires NT.**

**ACHIEVED**

The NT Landholder Alliance project aims increase collaboration in fire management across the various land tenures of the NT.

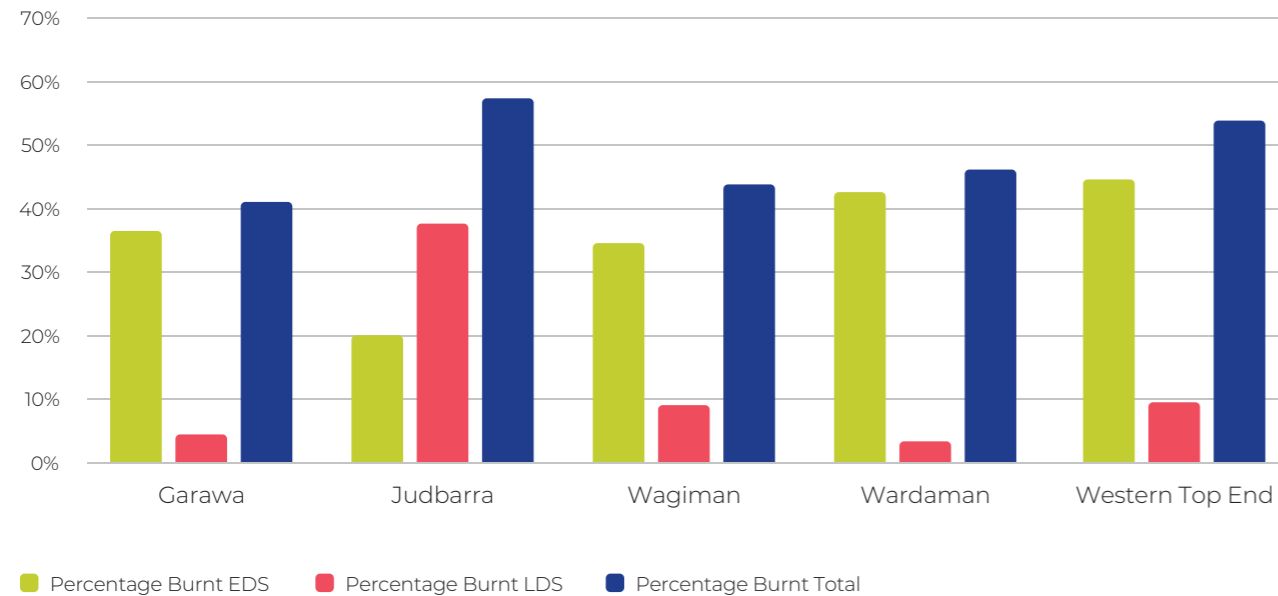


**Wagiman Rangers - Ground Burning**  
(courtesy of Wagiman Rangers)

## AREA BURNT PHASE 2 PROJECTS 2025

### 2025 Phase 2 SFM Project Area Burnt

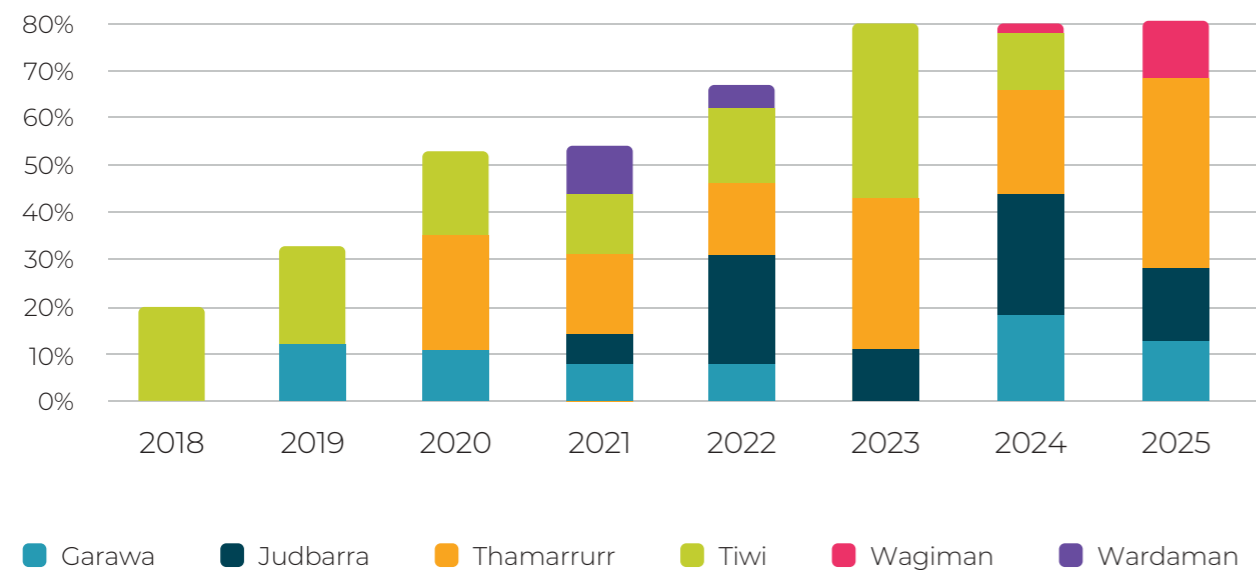
Graph 4. Area Burnt by season and total for the SFM Projects in 2025.



## PORTION OF FUNDS APPLIED TO PHASE 2 PROJECTS

### SAVANNA FIRE MANAGEMENT - PHASE 2 PROJECT FUNDING

Graph 5. Funding Allocation of Phase 2 SFM Projects



## SFM PROGRAM MANAGER ILSC BUDGET AND ACTUAL EXPENDITURE

The table below summarises the budget of the SFM Program Manager as compared to the actual expenditure during the 2025 calendar year. All figures presented are exclusive of GST.

INCOME	Budget 2025 (\$)	Actual 2025 (\$)	Variance (\$)
Q1 SFM Payment	745,347	745,347	0
Q2 SFM Payment	745,347	745,347	0
Q3 SFM Payment	745,347	745,347	0
Q4 SFM Payment	745,347	745,347	0
<b>Total Payments</b>	<b>2,981,388</b>	<b>2,236,041</b>	<b>0</b>
<b>Balance held at 1 Jan 2025</b>	<b>1,407,934</b>	<b>1,407,934</b>	<b>0</b>
<b>Total Income</b>	<b>4,389,322</b>	<b>4,389,323</b>	<b>0</b>

EXPENSES	Budget 2025 (\$)	Actual 2025 (\$)	Variance (\$)
Overhead costs (fixed)	190,222	190,222	0
Direct costs	<b>813,716</b>	<b>808,171</b>	<b>5,545</b>
Phase 1 PFAs	<b>100,000</b>	<b>0</b>	<b>100,000</b>
Phase 2 PFAs	2,283,456	1,749,406	534,050
Third party service providers	1,028,335	132,705	895,630
<b>Total Expenditure</b>	<b>4,415,729</b>	<b>2,880,504</b>	<b>1,535,225</b>

## SUMMARY FINANCIAL VARIANCE OF 2024 BUDGET

Overall program expenditure was 65% of the 2025 allocation.

The following details significant variances in expenditure against the budget:

- Third Party Service provider services account for a significant portion of the underspend. Despite the best efforts by the Program Manager, delays were experienced in progressing the environmental/ biodiversity monitoring and co-benefits framework, governance and training contracts. Plans for 2026 are underway to progress these contracts.
- Expenditure on Phase 2 Projects is up from previous years. Phase 2 underspend in 2025 is minimal given ~\$300,000 of unspent project funds were returned from NAILSMA.

## GREENHOUSE GAS EMISSIONS AVOIDANCE THROUGH SFM ACTIVITIES

Savanna grasslands are the dominant vegetation type in northern Australia and are prone to burning annually. These areas have adapted to low intensity fires introduced in the cooler months when vegetation holds more moisture. Without fire management, savanna landscapes burn predominately in the late dry season, resulting in extensive, hot and intense fires producing more greenhouse gas emissions than fire in the early dry season.

The Emissions Reduction Fund offers landholders the opportunity to run projects in Australia that avoid the release of greenhouse gas emissions or remove and sequester carbon from the atmosphere. The Emissions Reduction Fund is enacted through the Carbon Credits (Carbon Farming Initiative Act 2011).

Australian Carbon Credit Units (ACCUs) are generated by the Clean Energy Regulator (CER) after savanna fire management 'project offset reports' are verified. The SFM Program have five SFM Projects are registered and eligible for ACCU generation under the CER. Results from the 2025 fire season will not be known until Project Offset Reports are generated following the release of 2025 data on SavBAT in March.

All current SFM Projects have had trouble achieving reliable, consistent abatement; all projects have experienced at least one negative abatement year. The SFM Program Manager made the strategic decision to de-register both the Garawa and Judbarra projects, which both had high negative abatement. Registering new projects has effectively set the abatement balance back to zero, allowing for ACCU generation in positive abatement years.

Registration of these new projects was possible given CER offset reporting had not been undertaken, so no ACCUs had previously been claimed. This will be of benefit to the long-term success and viability of the Projects.

## EMISSIONS AVOIDANCE BY SFM PROGRAM OPERATORS

Table 2. ACCU count and Emissions Avoidance

Project	ACCUs 2020	ACCUs 2021	ACCUs 2022	ACCUs 2023	ACCUs 2024	Predicted abatement 2025	SFM funding proportion	ACCUs transferred to INPEX
Garawa	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	Positive	N/A	N/A
Western Top End	33,823	Zero ACCUs generated	Zero ACCUs generated	Zero ACCUs generated	Zero ACCUs generated	Positive	82.5%	27,691 transferred
Judbarra	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	Negative	N/A	N/A
Wardaman*	N/A	8839	Zero ACCUs generated	CER reporting not submitted	CER reporting not submitted	Positive	100 % (TBC)	8839 (TBC)
Wagiman	N/A	N/A	N/A	N/A	CER reporting not submitted	Positive	N/A	N/A

\* Offset reporting for Wardaman is underway; ~7500 ACCUs anticipated for 2023 and 2024 (combined).

Source: 2025 SFM Annual Report, Indigenous Land and Sea Corporation, Pg. 24

### ACCUS CREDITED TO SFM PROJECTS WITH MULTIPLE SOURCES OF FUNDING

Where SFM Projects receive funding from other sources for savanna fire operations that generate ACCUS, the ACCUs that are credited to the SFM Projects are attributed proportionately to the funding sources.

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## APPENDICES

**APPENDIX 1** – FINANCIAL REPORT

**APPENDIX 2** – INDEPENDENT AUDITORS REPORT

**APPENDIX 3** – 2025 SFM ANNUAL REPORT - ILSC

**APPENDIX 4** – 2025 WORK PLAN AND BUDGET

# APPENDIX 1

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FINANCIAL REPORT



## Contents

3	Statement of Profit or Loss and Other Comprehensive Income
4	Statement of Financial Position
5	Statement of Cash Flows
6	Notes to the Financial Statements
12	Trustee's Declaration
13	Auditor's Independence Declaration
14	Independent Auditor's Report

# Financial Statements

Savanna Fire Management Trust  
ABN 41 537 860 033  
For the year ended 31 December 2025

Prepared by Fordham Business Advisors



## Statement of Profit or Loss and Other Comprehensive Income

Savanna Fire Management Trust  
For the year ended 31 December 2025

	NOTES	2025 \$	2024 \$
<b>Income</b>			
Contribution Income		2,547,254	2,477,667
Distribution Income		159,431	185,041
Interest Income		7,107	37,554
Unrealised Gain/(Loss) on Financial Assets Held at Fair Value Through Profit or Loss		(283)	8,146
Realised Gain/(Loss) on Financial Assets Held at Fair Value Through Profit or Loss		(1,177)	(12,157)
Sundry Income		738	638
<b>Total Income</b>		<b>2,713,070</b>	<b>2,696,888</b>
<b>Expenditure</b>			
Accounting & Audit Fees		25,394	23,878
Administration Costs		2,530	2,080
SFM Program Distribution		2,981,389	3,613,516
Management Fees		41,059	42,949
Interest Expense		-	9,775
<b>Total Expenditure</b>		<b>3,050,372</b>	<b>3,692,198</b>
<b>Profit/(Loss) for the Year</b>		<b>(337,303)</b>	<b>(995,310)</b>
<b>Other Comprehensive Income for the year</b>		<b>-</b>	<b>-</b>
<b>Total Profit/(Loss) and Other Comprehensive Income for the Year</b>		<b>(337,303)</b>	<b>(995,310)</b>

The accompanying notes form part of these financial statements.



## Statement of Financial Position

Savanna Fire Management Trust  
As at 31 December 2025

	NOTES	31 DEC 2025 \$	31 DEC 2024 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	2	228,485	82,607
Receivables	3	178,576	221,294
<b>Total Current Assets</b>		<b>407,061</b>	<b>303,901</b>
<b>Non-Current Assets</b>			
Financial Assets	4	2,335,972	2,957,433
<b>Total Non-Current Assets</b>		<b>2,335,972</b>	<b>2,957,433</b>
<b>Total Assets</b>		<b>2,743,033</b>	<b>3,261,333</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5	844,629	1,025,627
<b>Total Current Liabilities</b>		<b>844,629</b>	<b>1,025,627</b>
<b>Total Liabilities</b>		<b>844,629</b>	<b>1,025,627</b>
<b>Net Assets</b>		<b>1,898,404</b>	<b>2,235,707</b>
<b>Trust Funds</b>			
Settled Sum		20	20
Reserves	6	1,898,384	2,235,687
<b>Total Trust Funds</b>		<b>1,898,404</b>	<b>2,235,707</b>

The accompanying notes form part of these financial statements.



## Statement of Cash Flows

### Savanna Fire Management Trust For the year ended 31 December 2025

	2025 \$	2024 \$
<b>Cash Flows from Operating Activities</b>		
Contribution Income Received	2,547,254	2,477,667
Interest Income Received	7,107	52,951
Distribution Income Received	171,552	162,415
Payment for Operating Expenses	(3,200,035)	(2,638,704)
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>(474,122)</b>	<b>54,329</b>
	2025 \$	2024 \$
<b>Cash Flows from Investing Activities</b>		
Payment for Purchase of Financial Assets	(1,800,000)	(4,060,000)
Proceeds on Sale of Financial Assets	2,420,000	3,960,000
<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>620,000</b>	<b>(100,000)</b>
	2025 \$	2024 \$
<b>Net Cash Movement</b>		
Cash and Cash Equivalents at Beginning of Financial Year	82,607	128,278
Net Increase/(Decrease) in Cash Held	145,878	(45,671)
<b>Cash and Cash Equivalents at End of Financial Year</b>	<b>228,485</b>	<b>82,607</b>



## Notes to the Financial Statements

### Savanna Fire Management Trust For the year ended 31 December 2025

The general purpose financial statements were authorised for issue on 26 February 2026 by the directors of the Trustee company.

#### 1. Summary of Material Accounting Policies

##### Basis of Preparation

These general purpose financial statements are for Savanna Fire Management Trust as an individual entity. The trust, is a discretionary trust, established and domiciled in Australia.

The Trustee for the Savanna Fire Management Trust is Perpetual Trustee Company Limited ("the Trustee"), a fully owned subsidiary of Perpetual Limited.

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, and the provisions of the Trust Deed. The Trust is an individual entity for financial reporting purposes under AASB 1060 General Purpose Financial Statements - Simplified Disclosures. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

##### a) Income Tax

Clause 4 of the Trust Deed precludes the Trust from having any retained net income at the end of the reporting period. As such, no income is payable by the Trust

##### b) Fair Value of Assets and Liabilities

The financial report is prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Fair value is the price the Trust would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability.

##### c) Financial Instruments

###### Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Trust commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value. Transaction costs are expensed in the profit or loss and other comprehensive income as incurred except for the initial acquisition where the transaction costs are capitalised.

###### Subsequent Measurement

After initial recognition financial assets are measured at fair value, except where otherwise stated, with gains or losses being recognised through the statement of profit and loss and other comprehensive income and as a matter of accounting policy the trust will transfer the reserve until the investment is derecognised or until the investment is determined to be impaired, being either a significant or prolonged decline in value below cost, at which time the cumulative gain or loss previously recognised in the reserve is reclassified to the statement of profit or loss and comprehensive income.



Financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other equities where there is neither a fixed maturity nor fixed or determinable payments.

Financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period or are held within the trust investment strategy. All other financial assets are classified as current assets.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

(i) Fair Value

Fair values for specific types of financial assets have been determined as follows:

Unit Trusts and Managed Investments

Unit Trusts and managed investments are valued at the redemption price or other valuation as advised by the investment managers as at the last business day of the reporting period and are based on the net market values of the underlying investments. Where material, the price is exclusive of any implicit distribution due on the investment.

Listed Equities and Other Listed Securities

Australian listed equities are valued at the last trade price quoted on the Australian Securities Exchange as at the close of the last business day of the reporting period.

(ii) Amortised Cost

Financial assets are measured at amortised cost when the contractual terms of the financial asset give rise on specified dates as to the cash flows that are solely payments of principal outstanding amount and are held within the trust investment strategy.

The amortised cost for specific types of financial assets have been determined as follows;

Term Deposits

Term deposits held at call with financial institutions are valued at the date that the Trust commits itself to purchase the asset.

**d) Receivables**

Receivables corresponds to receivables for contributions in relation to native title benefits and other relevant payments associated with these, investment income receivables, amounts receivable for franking credits and other receivables. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**e) Cash and Cash Equivalents**

For the purpose of presentation in the cash flow statements, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term and highly liquid financial assets with maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

**f) Revenue Recognition**

Revenue is recognised when the Trust is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Contributions

Contributions are financial payments received as compensation for entering into an agreement to extinguish Native Title rights. They are recognised as revenue when the Trust becomes entitled to the economic benefits and the amount of the contributions can be measured reliably.



Investment Income

Investment income comprises interest, dividends and managed fund distributions. Interest income is recognised using effective interest method and includes interest from cash and cash equivalents. Dividend and distribution income from financial assets at fair value through profit or loss and other comprehensive income are recognised in the statement of profit and loss and other comprehensive income when the Trust's right to receive payment is established.

Changes in fair value for the financial instruments are recorded in accordance with the accounting policies described in Note 1(c).

Sundry Income

Sundry income comprises of managed fund rebates

All revenue is stated net of the amount of goods and services tax.

**g) Goods and Services Tax (GST)**

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

**h) Rounding of Amounts**

Amounts in the financial statements have been rounded off to the nearest dollar.

**i) Expenses**

All expenses are accounted for on an accrual basis and have been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to a particular category they have been allocated to activities on a basis consistent with the use of the resources. Management fees and other fees are those required to administer the trust, its distribution policies and investment strategies.

**j) Prior Period Adjustment**

During the year, management identified a prior period transaction relating to the recognition of an accrued program distribution expense. The transaction involved the recording of an accrued program distribution expense amounting to \$993,786 in FY25 that should have been recognised in FY24. As a result, the financial statements for the year ended 30 June 2024 have been restated to correct this error. The impact of this adjustment on the opening retained earnings for FY25 is a decrease of \$993,786 and an increase in the current liabilities. Comparative figures for FY24 have been adjusted, resulting in an increase in total expenditure by \$993,786 for that period. The transaction did not affect cash flows.

**k) Total Funds**

Settled Sum

The settled sum is the amount paid on execution of the Deed establishing the Trust.

**l) Trust Funds**

Trust Funds represents the income earned by the Trust yet to be applied for its intended purposes.

Notes to the Financial Statements



	2025 \$	2024 \$
<b>2. Cash and Cash Equivalents</b>		
Perpetual Cash Account	228,465	82,587
Cash on Hand	20	20
<b>Total Cash and Cash Equivalents</b>	<b>228,485</b>	<b>82,607</b>

Cash-at-bank earns interest at floating rates based on daily deposit rates. Short-term deposits are made for varying periods of between one and three months, depending on the Trust's cash requirements. These deposits earn interest at market rates.

	2025 \$	2024 \$
<b>3. Receivables</b>		
<b>Current</b>		
Distribution Receivable	24,403	35,786
GST Receivable	154,173	185,508
<b>Total Current</b>	<b>178,576</b>	<b>221,294</b>
<b>Total Receivables</b>	<b>178,576</b>	<b>221,294</b>

	2025 \$	2024 \$
<b>4. Financial Assets</b>		
<b>Non-Current</b>		
Units In Unlisted Unit Trusts at Fair Value	2,335,972	2,957,433
<b>Total Non-Current</b>	<b>2,335,972</b>	<b>2,957,433</b>
<b>Total Financial Assets</b>	<b>2,335,972</b>	<b>2,957,433</b>

	2025 \$	2024 \$
<b>5. Payables</b>		
<b>Current</b>		
Accounting Fees Accrued	13,200	13,185
Audit Fees Accrued	8,880	8,880
SFM Program Accrued	819,882	993,786
Trustee Fees Accrued	2,667	-
Income Tax Account	-	9,775
<b>Total Current</b>	<b>844,629</b>	<b>1,025,627</b>
<b>Total Payables</b>	<b>844,629</b>	<b>1,025,627</b>

Notes to the Financial Statements



	2025 \$	2024 \$
<b>6. Reserves</b>		
<b>Analysis of Each Class of Reserves:</b>		
<b>General Reserve</b>		
Trust Capital - Opening Balance	2,235,686	3,230,997
Trust Capital - Movement	(337,302)	(995,310)
<b>Total General Reserve</b>	<b>1,898,384</b>	<b>2,235,686</b>
<b>Total Reserves</b>	<b>1,898,384</b>	<b>2,235,686</b>

The Unrealised Asset Reserve records fair value changes in financial assets held from date of purchase until 30 June of each financial year. Any change in fair value movement is reflected in the statement of profit and loss and other comprehensive income.

### 7. Events After the Reporting Period

No significant events have occurred since the reporting date which will have a material impact on the financial position of the Trust disclosed in the statement of financial position as at 31 December 2025 or on the results and cash flows of the Trust for the year ended on that date.

### 8. Related Party Transactions

#### Related Parties

##### a) Trustee

The Trustee, Perpetual Trustee Company Limited (ABN 42 000 001 007), is a wholly owned subsidiary of Perpetual Limited (ACN 000 431 827). The Trustee has entered into agreements with a number of Perpetual Limited's subsidiaries who will perform services for the Trust.

##### b) Key Management Personnel

Key management personnel includes members that sit on any Trust governing bodies during the year.

##### c) Key Management Personnel Loan Disclosures

The Trust has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their related entities at any time during the reporting period.

##### d) Other Transactions within the Trust

Apart from those details discussed in this note, no key management personnel have entered into a contract with the Trust since the start of the financial period and there were no contracts involving directors' interests existing at year end.

##### e) Remuneration of Key Management Personnel

There was no remuneration paid to key management personnel of the trust during the year.

##### f) Transactions with Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Notes to the Financial Statements

**(i) Management Fees**

The management fees are calculated in accordance with the Trust Deed. The management fee structure is 1.056% per annum on the capital value of the Trust, with a minimum fee of \$2,500 per month. Administration costs are also charged, and both fees are disclosed in the statement of profit and loss and other comprehensive income.

	2025 \$	2024 \$
<b>Management Fees</b>		
Trustee Fees	41,059	42,949

**(ii) Investments**

The Trust also held investments in schemes which are also managed by the Trustee or its related parties and the aggregate market value of these investments at reporting date is disclosed in this note. Income receivable from these investments are not included in this disclosure.

	2025 \$	2024 \$
<b>ii) Investments</b>		
Investments in Unlisted Unit Trusts	1,478,522	2,022,656

**9. Trust Details**

The principal place of business is:

Savanna Fire Management Trust

Level 18, Angel Place, 123 Pitt Street, Sydney, NSW, 2000

The principal activities of the Trust during the financial year were to support the development and implementation of fire management projects on indigenous-held land in the Northern Territory.

**Trustee's Declaration****Savanna Fire Management Trust  
For the year ended 31 December 2025**

In accordance with a resolution of the directors, the directors of Perpetual Trustee Company Limited, the Trustee of Savanna Fire Management Trust, declare that:

1. The Trust is not publicly accountable;
2. The financial statements and notes which comprise the statement of financial position as at 31 December 2025, the statement of profit and loss and comprehensive income, and statement of cash flows for the year then ended, a summary of material accounting policies and other explanatory notes:
  - a) give a true and fair view of the Trust's financial position as at 31 December 2025 and its performance for the year ended on that date; and
  - b) comply with Australian Accounting Standards - Simplified Disclosure Requirements, and the Trust Deed;
3. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Director: Gioacchino Adam Balsamo

Dated: 26 February 2026



**AUDITOR'S INDEPENDENCE DECLARATION UNDER SUBDIVISION 60-C SECTION 60-40 OF AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012**

**To the Members of Savanna Fire Management Trust**

As the lead audit partner for the audit of the financial report for the year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

**HLB Mann Judd Audit (SA) Pty Ltd**  
Chartered Accountants

**Travis Rickard**  
Director

Adelaide, South Australia  
26 February 2026

## APPENDIX 2

### INDEPENDENT AUDITORS REPORT

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## Independent Auditor's Report to the Members of the Savanna Fire Management Trust

### REPORT ON THE AUDIT OF THE FINANCIAL REPORT

#### Opinion

We have audited the financial report of Savanna Fire Management Trust ("the Trust"), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Trust's financial position as at 31 December 2025 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the Australian Charities and Not-for-profits Commission Regulations 2022.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, which has been given to those charged with governance, would be in the same terms if given as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and the Trustee for the Financial Report

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trustee is responsible for overseeing the Trust's financial reporting process.

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## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### REPORT ON THE TRUSTEE'S COMPLIANCE WITH THE TRUST DEED

#### Opinion

We have undertaken a reasonable assurance engagement on the Trustee's compliance, in all material respects, with the Trust Deed as evaluated against the requirements as set out in the Trust Deed throughout the period ended 31 December 2025.

In our opinion, the Trust has complied, in all material respects, with the Trust Deed as evaluated against the requirements as set out in the Trust Deed throughout the period ended 31 December 2025.

#### Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements *ASAE 3100 Compliance Engagements* issued by the Auditing and Assurance Standards Board.

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#### Basis for Opinion (continued)

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### The Trustee's Responsibilities for Compliance

The Trustee is responsible for:

- (a) The compliance activity undertaken to meet the Trust Deed; and
- (b) Identification of risks that threaten the compliance with Trust Deed identified above being met and controls which will mitigate those risks and monitor ongoing compliance.

#### Our Independence and Quality Management

We have complied with the independence and other relevant ethical requirements relating to assurance engagements and apply Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

#### Auditor's Responsibilities

Our responsibility is to express an opinion on the Trust's compliance, in all material respects, with the Trust Deed as evaluated against the requirements as set out in the Trust Deed throughout the period ended 31 December 2025. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, the Trust has complied, in all material respects, with the Trust Deed as evaluated against the requirements as set out in the Trust Deed, throughout the period ended 31 December 2025.

An assurance engagement to report on the Trust's compliance with the Trust Deed involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the Trust Deed. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the Trust Deed, as evaluated against the requirements as set out in the Trust Deed.

#### Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with Trust Deed may occur and not be detected.

A reasonable assurance engagement throughout the period ended 31 December 2025 does not provide assurance on whether compliance with the Trust Deed will continue in the future.

#### Restricted Use

This report has been prepared for the Trustee of the Trust for the purpose of compliance with the Trust Deed and may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report to any person other than the Trustee of the Trust, or for any other purpose other than that for which it was prepared.

HLB Mann Judd Audit (SA) Pty Ltd  
Chartered Accountants

27 February 2026

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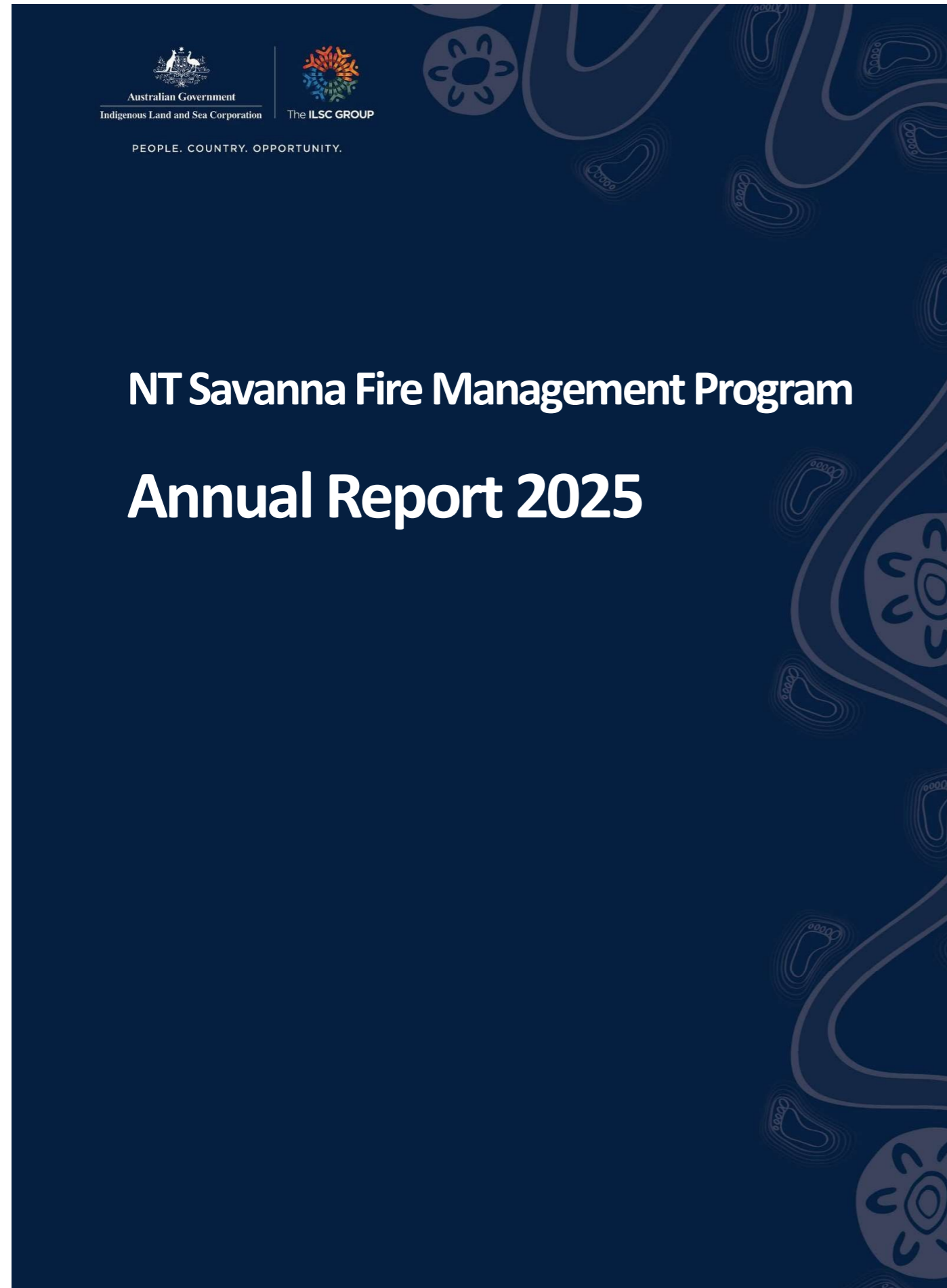
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Travis Rickard  
Director

## APPENDIX 3

2025 SFM ANNUAL  
REPORT - ILSC



### Acknowledgement of Country

In all our activities we pay our respects to the Traditional Owners and Custodians of the lands, waters and skies on which we live and work. We honour the resilience and continuing connection to Country, culture, and community of all Aboriginal and Torres Strait Islander peoples across Australia. We recognise the decisions we make today will impact the lives of generations to come. Traditional fire management practices passed down through generations have played a crucial role in preserving the natural environment in northern Australia for thousands of years.

### Forward from the ILSC GCEO

The Indigenous Land and Sea Corporation (ILSC) is proud to support the Savanna Fire Management (SFM) Program in its ninth year of implementation, working in partnership with Indigenous communities across the Top End of the Northern Territory (NT) to develop carbon enterprises grounded in traditional fire management practices.

The SFM Program works directly with three Indigenous organisations to support Ranger groups manage approximately 4 million hectares of Country across the Top End of the NT. Together, they carry out strategic early dry season burning to reduce the spread and intensity of late season wildfires. The commensurate reduction in emissions associated with late season wildfires creates opportunities to earn Australian Carbon Credits Units.

The ILSC is proud to support eligible First Nations Ranger groups in Caring for Country through cultural fire practices, strengthening their connection to land while providing opportunity for economic development.

The ILSC congratulates all participating groups for their achievements and looks forward to continuing to support their efforts, and those of other emerging eligible groups.

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## Introduction

The Indigenous Land and Sea Corporation's (ILSC's) 2025 NT Savanna Fire Management (SFM) Program Annual Report provides an overview of the ninth year implementing the SFM Program. This program aims to support Indigenous-led projects undertaking fire management to reduce greenhouse gas emissions. The program operates on Indigenous-held land in the Northern Territory (NT), has been instrumental in providing resources, training, and assistance for on-ground fire management, governance, and sustainable business development.

The SFM Program is funded by INPEX Operations Australia (INPEX) on behalf of Ichthys LNG joint venture partners. INPEX's recognition of environmental and cultural impacts associated with the Ichthys onshore LNG facility in Darwin led to a commitment to assist with the development of SFM emissions avoidance projects on Indigenous lands of the NT. Program operating funds are provided to the ILSC via a discretionary trust managed by Perpetual Trustee Company Ltd (Perpetual). The collaboration between the ILSC and Perpetual began with the signing of the SFM Services Agreement on 12 December 2016, and operations commenced in April 2017.

The projects, registered with the Clean Energy Regulator (CER) under the *Carbon Farming Initiative Act 2011*, operate under the savanna fire management methodologies. These methodologies are informed by traditional Indigenous fire management practices across northern Australia. Small, cool and patchy fires are lit in the early dry season (EDS) as the country dries out after the wet and the weather is cool. This active EDS fire management reduces the impact of destructive late dry season (LDS) fires that damage country and produce large amounts of greenhouse gases. Projects can earn Australian Carbon Credit Units (ACCUs) for every tonne of greenhouse gases abated below an established pre-project baseline.

Through the SFM Program, the ILSC directly engages project groups to prepare for and register projects with the CER. Project groups include Indigenous



organisations who represent Indigenous landowners such as the Northern Land Council (NLC), the Central Land Council (CLC) and Indigenous Corporations such as Tiwi Resources and Thamarrurr Development Corporation.

These projects deliver multiple benefits for Indigenous landowners including Caring for Country using traditional cultural practices, employment, income generation through emissions avoidance, and the establishment of long-term sustainable enterprises on Indigenous-held land.

SFM Program funds are used for all aspects of SFM Project establishment and management and are provided directly to project groups or third parties that provide a variety of services for the projects. Funding areas include:

- **Project establishment** – feasibility studies, meetings and consultations with Traditional Owners, project registration costs
- **Operational** – employment & training, on-Country fire management, equipment
- **Governance** – Indigenous owned entity development
- **Communications** – communications resources to facilitate understanding complex carbon related information
- **Monitoring and Evaluation** – co-benefits, biodiversity monitoring and evaluation.



PHOTO 1. GARAWA AERIAL OPERATIONS



## Program Structure

### Phase 1 Project Funding Agreements

Phase 1 Project Funding Agreements (PFAs) play a crucial role in supporting the initial stages of project development. These agreements focus on due diligence, business planning, feasibility assessments, and meeting CER eligibility requirements for ACCU production.

Phase 1 PFAs aim to assist groups in building their understanding of the carbon industry and developing their fire management capabilities. These projects are typically hosted by a local Indigenous organisation or facilitated through an Indigenous entity if a local organisation hasn't been established.

Prior to the execution of contracts and the appointment of a hosting organisation, extensive consultation takes place with Traditional Owners. Moving into Phase 2 requires Traditional Owner approval, and projects must demonstrate commercial viability and the potential to become fully independent commercial enterprises within five to seven years of initiating savanna burning operations.

### Phase 2 Project Funding Agreements

Phase 1 SFM Projects that meet the necessary commercial viability requirements can progress to a Phase 2 PFA. During Phase 2, these projects become eligible to earn ACCUs after registration with the CER.

Within the Phase 2 PFA, the SFM Program provides financial support for various savanna fire management operations. This includes fire management planning, prescribed burning operations, and late dry season wildfire suppression. The PFA not only covers operational funding but also extends its support to project offset reporting, ACCU Scheme audits, and facilitating broader project development activities.



The aim of these Phase 2 PFAs is to establish sustainable Indigenous enterprises by fostering the growth and development of the project. By providing the necessary funding and resources, the SFM Program aims to contribute to the establishment of a robust and self-sustaining Indigenous enterprise in the field of savanna fire management.

Figure 1 shows the SFM Program project areas by phase in 2025.

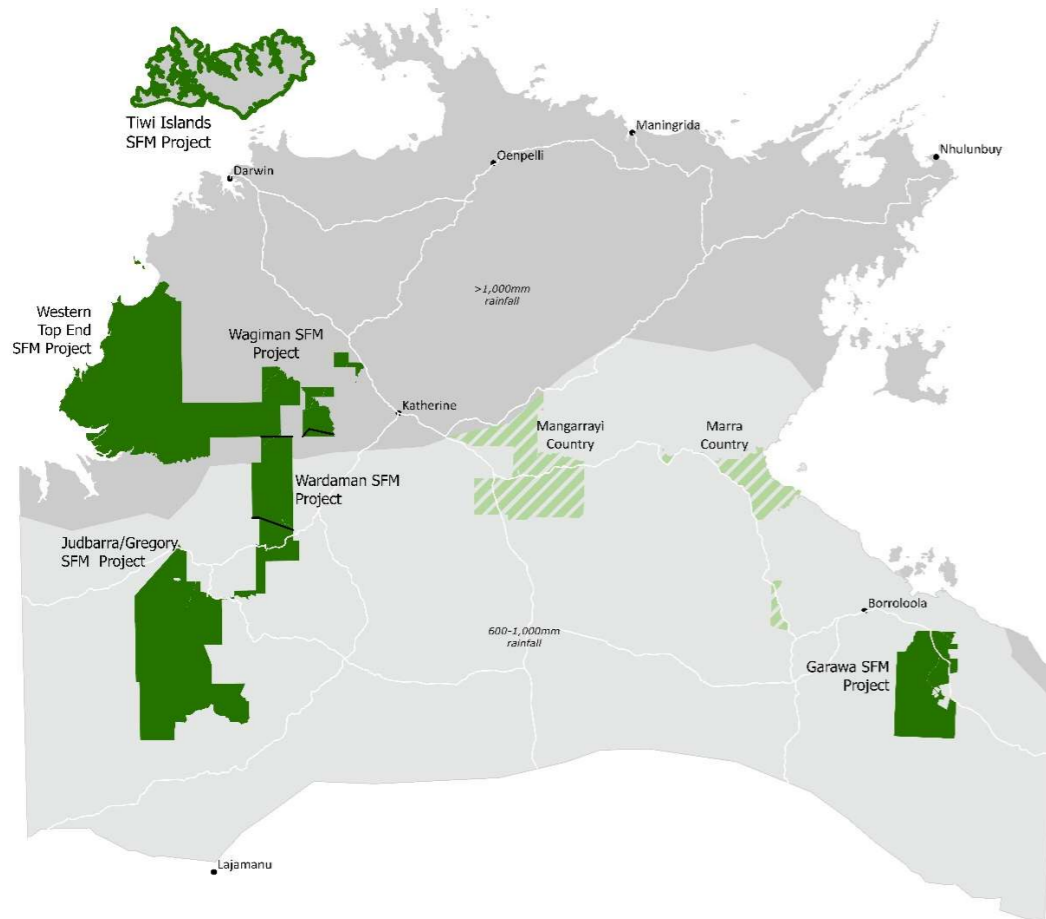


FIGURE 1. MAP OF PROJECTS IN THE SFM PROGRAM 2025



### SFM Program Manager Activities in 2025

The 2025 prescribed burning season was a typical season with some variability, including some late rain. Whilst rain is generally welcomed, unseasonal late rain delayed the start of EDS burning efforts across most of the project areas, further reducing an already shortening burning window. Typical south-easterly trade winds dominated the 2025 season.

All SFM Project areas experienced late season wildfires. The ground and aerial burning implemented by the groups were largely successful in stopping the spread and impact of most late season fires. This is one of the important measures of success in SFM Projects, as it demonstrates that the EDS has been successful.

The ILSC became the official project proponent with the CER for the Garawa SFM project, resolving a long-standing matter for the project. The original proponent, the North Australian Indigenous Land and Sea Management Alliance (NAILSMA), transferred the project to the ILSC in 2023. Since then, the ILSC have held interim approval for the project from both Traditional Owners and the CER. Consultations with Traditional Owners were finalised and the ILSC now has the legal right to operate an SFM project on the Garawa Aboriginal Land Trust (ALT).

A significant achievement for the Judbarra SFM Project was the issuance of the 'By-Law 13 Permit'<sup>1</sup> by the NT Government, allowing commercial SFM activities to be conducted in Judbarra National Park. The NLC has been issued with the permit and the ILSC has signed the associated Deed of Indemnity which indemnifies the NT Government against any liability arising from SFM-related activities. Successful resolution of this long-standing issue will allow for clearer project implementation in the future.

A key focus for the ILSC's SFM team in 2025 was engaging with the project groups to increase their knowledge and understanding of SFM methodologies and the

<sup>1</sup> Under the Territory Parks and Wildlife Conservation (Judbarra/Gregory National Park Carbon Emissions Reduction Project) By-Laws 2022



broader carbon industry. The SFM team, the Indigenous Carbon Industry Network (ICIN), and Charles Darwin University are developing communication resources designed to assist Program participants develop a comprehensive understanding of all aspects of SFM. These resources have been trialed at various meetings and have received positive feedback and requests for more delivery. This will be a key focus for the team in 2026.

The SFM team presented to the Katherine Pastoral Industry Advisory Committee on SFM methodologies and SFM Projects in the region. The discussion was well-received, and further engagement is planned for early 2026.

The team has also been engaged in ICIN-led consultation with the Australian Government about the new SFM methods planned for release in 2026. The team will remain engaged as development of these methods progresses to determine implications, opportunities, and risks for the SFM Projects.

Discussions progressed regarding two potential new Phase 1 PFAs. Namultja Aboriginal Corporation, on behalf of its constituents, the Marra people, have expressed interest in exploring the feasibility of an SFM Project within Limmen National Park, for which they have been granted Non-Exclusive Native Title Rights.

The Mangarrayi people also seek to enter the SFM Program via a Phase 1 PFA for the Mangarrayi Aboriginal Land Trust. SFM Program information was provided to the Jawoyn Association (who currently host the Mangarrayi rangers) to inform their decision to administer a Phase 1 PFA on behalf of Mangarrayi. A budget and work plan are being developed to inform a Phase 1 contract.

The year culminated in another successful SFM Program Forum, held on Kenbi Country at Crab Claw Island. The Forum provides the opportunity for project groups, the NLC, ILSC, Perpetual and INPEX to gather and discuss all things SFM. Each project group presented their successes and challenges for the year, providing a useful learning opportunity for all. A governance training session was held, with input from the NLC's recently recruited Environmental Markets Coordinator. This position has been funded by the ILSC to support establishment



of strong governance arrangements for each project, which will be a key focus for 2026.



PHOTO 2. 2025 SFM FORUM PARTICIPANTS – KENBI COUNTRY.



## Summary of SFM Project outcomes in 2025

### SFM Program 2025 - data snapshot

- 39,000 km<sup>2</sup> of land managed for fire under the program
- 3 Indigenous organisations directly funded through the program
- 30 Indigenous people trained in fire/carbon work
- 8 Indigenous Ranger groups engaged through the program
- On-Country employment for ~150 Rangers in 2025 (mix of full-time and casual)
- 272,682 ACCUs issued to SFM Projects to date.

### Phase 1 Projects

No projects under a Phase 1 PFA in 2025.

Discussions are underway with two groups interested in commencing Phase 1 PFAs – one with the Namultja Aboriginal Corporation on the lands of the Marra people, and another on lands of the Mangarrayi people.

### Phase 2 Projects

#### Wardaman SFM Project

<b>Land Management Group</b>	Wardaman Rangers, hosted by the NLC
<b>PFA</b>	Phase 2 contract (Aug 2021 – Dec 2025)
<b>Registration</b>	ERF170671 registered in 2021 by the ILSC
<b>Project Area</b>	295,000 hectares – Menngen – Yubulyawun ALTs
<b>ACCUs issued to date</b>	8839 ACCUs
<b>Training Received</b>	8 rangers completed Fire Crew Member, aerial incendiary and Senior First Aid training
<b>Ranger Participation</b>	8 full-time Wardaman rangers involved in SFM Project delivery, and 9 rangers employed on a casual basis

The Wardaman SFM Project had a successful year of burning operations. The ranger team focused on increasing the number of trained operators, and the



female rangers undertook a significant amount of burning this year. Notifications were provided to all neighbours in accordance with Bushfires NT permits, however there are still issues with pastoral neighbours being fearful of fire.

EDS burning efforts resulted in 59% of the project area burned by 31 July. Some small fires occurred during the LDS but were contained by EDS fire scars or went out of their own accord. Overall, 61% of the project area was burnt in 2025.

The NLC, on behalf of the Wardaman Rangers, sought a second Phase 2 PFA to cover the remaining three years of the section 19 Land Use Agreement.



PHOTO 3. WARDAMAN RANGER TEAM WITH NEIGHBOURING WAGIMAN RANGERS

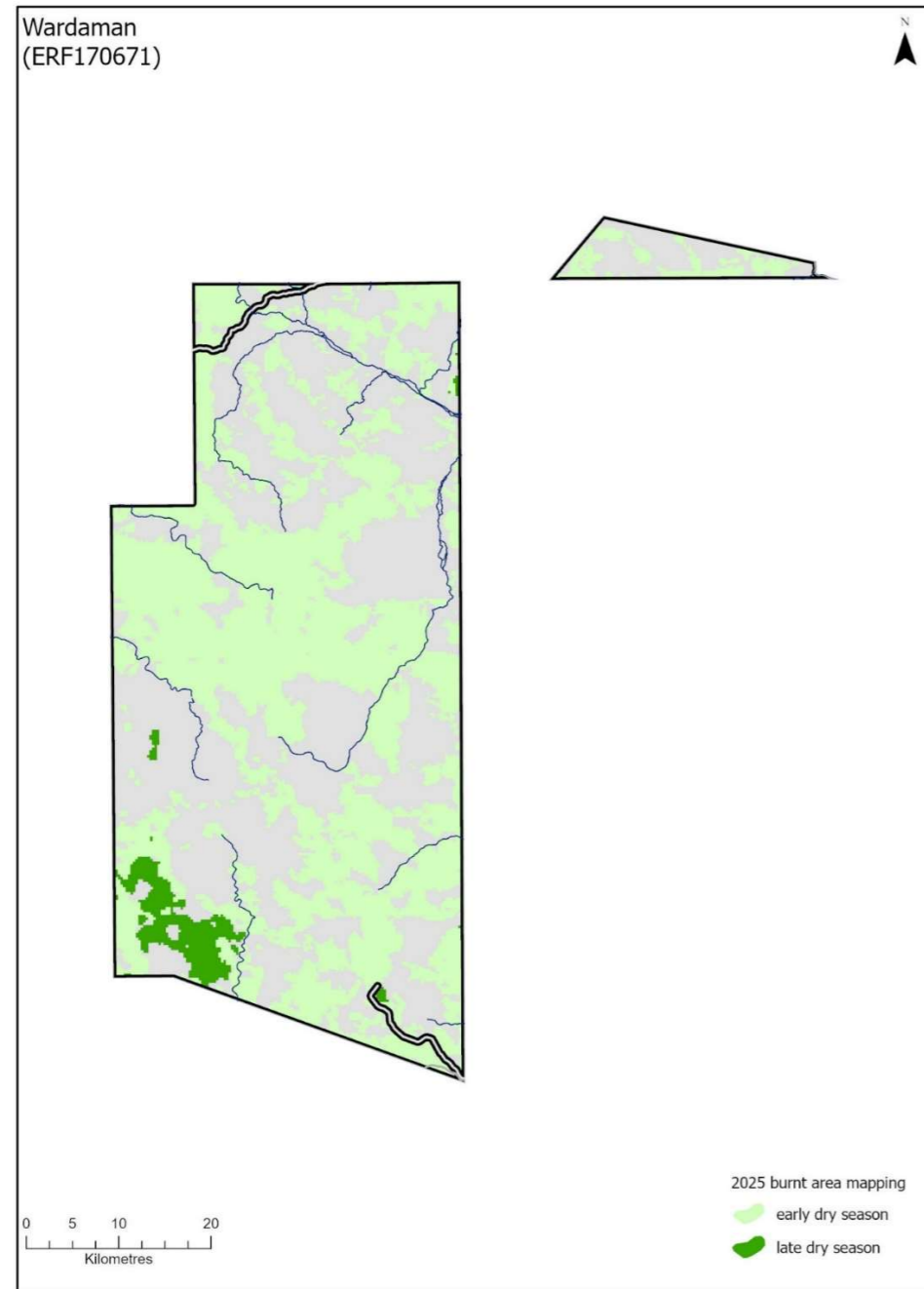


FIGURE 2. 2025 BURNT AREA MAPPING – WARDAMAN SFM PROJECT AREA



**Judbarra SFM Project**

<b>Land Management Group</b>	Timber Creek and Wardaman Rangers, hosted by NLC Daguragu Rangers hosted by Central Land Council NT Parks & Wildlife Rangers, NT Government
<b>PFA</b>	Phase 2 contract (Dec 2024 – Mar 2028)
<b>Registration</b>	ERF161545 registered in 2020 by the ILSC. Revoked in 2024 ERF 200886 registered 2024 by the ILSC
<b>Project Area</b>	1,300,000 hectares – Judbarra, Bilinarra, Wambardi, Winan ALT's / Gregory – Judbarra National Park (“the park”)
<b>ACCUs issued to date</b>	Zero ACCUs issued
<b>Training Received</b>	8 rangers completed training in aerial incendiary operation, Fire Crew Member’, Remote Area First Aid, and All-Terrain Vehicle operation
<b>Ranger Participation</b>	4 full-time rangers involved in SFM Project delivery, and 57 people employed on a casual basis

An NT Parks and Wildlife Commission Trade and Commerce By-Law 13 permit was issued to the NLC in March, allowing the NLC and Central Land Council (CLC) to conduct burning operations for the Judbarra SFM Project with greater certainty than was previously available. Permit issuance has provided project participants and stakeholders with greater assurance that the planning and operational decisions undertaken are valid and will provide greater confidence in future years.

Operations were delivered across the project area (“the park”) by NLC and CLC. Fires crossed the southern and western park boundaries, requiring operational response by the ranger teams. This provided a useful learning experience for the rangers to better understand fire behaviour and the responsibilities if fires exit the park boundary. The team’s response was professional and appreciated by all parties (including Bushfires NT).

These EDS efforts saw 23% of the project area burnt and 39% impacted by late season wildfire.



Traditional Owners of Judbarra reside largely in remote communities in the Victoria River District region where cultural obligations are an important part of people’s everyday lives. These obligations may at times conflict with annual operational requirements. Despite these obligations and remote areas, the level of participation and engagement in fire planning activities by Traditional Owners has increased substantially over the last two years, with the employment of Traditional Owners as cultural advisors increasing in 2025.



PHOTO 4. JUDBARRA SFM PROJECT – PLANNING AND

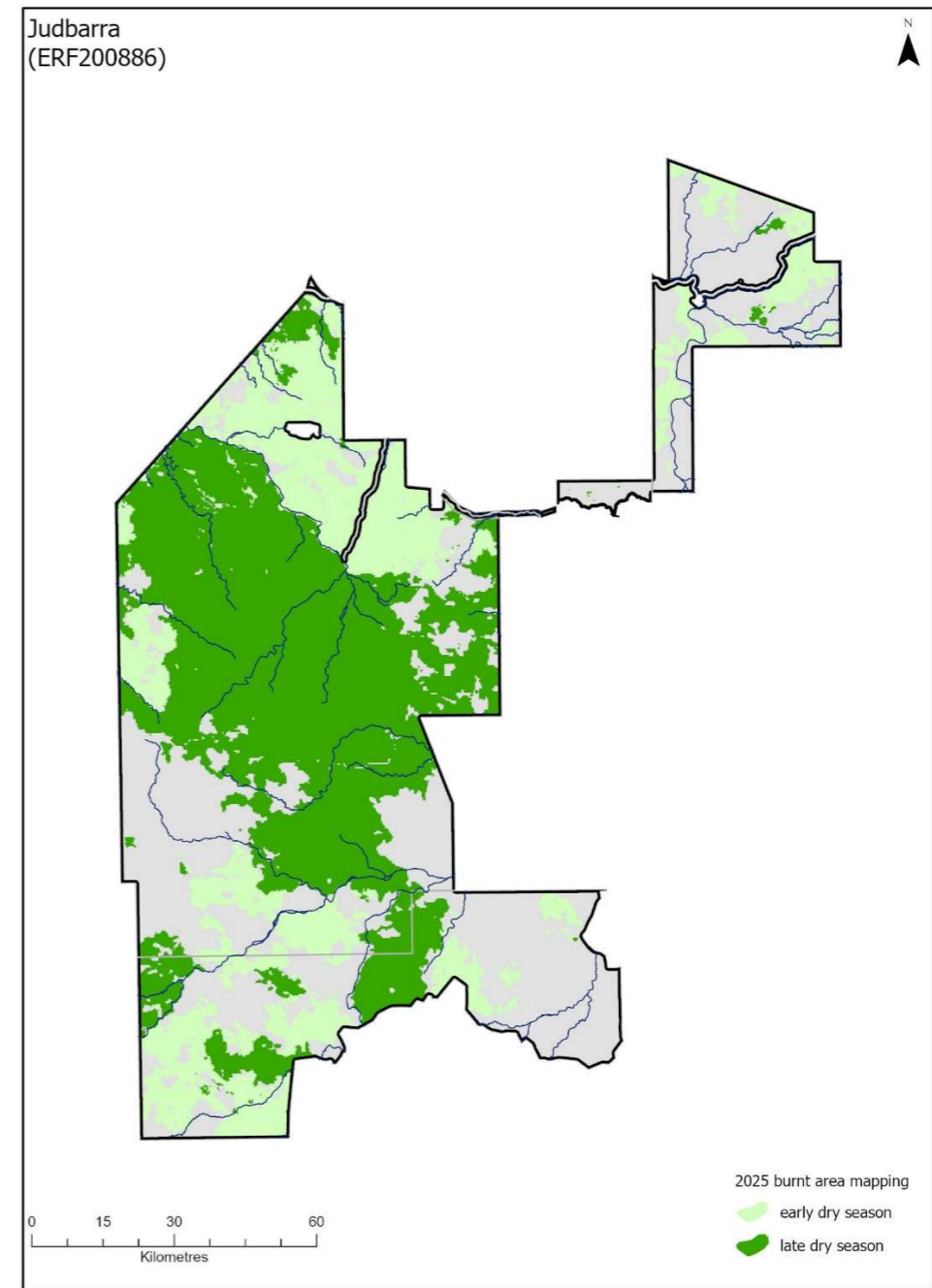


FIGURE 3. 2025 BURNT AREA MAPPING - JUDBARRA SFM PROJECT AREA



**Western Top End SFM Project**

<b>Land Management Group</b>	Thamarrurr Rangers hosted by Thamarrurr Development Corporation (TDC)
<b>PFA</b>	Second Phase 2 contract (June 2025 – Mar 2028)
<b>Registration</b>	ERF160973 registered in 2020 by TDC
<b>Project Area</b>	1,400,000 hectares – Daly River Port Keats ALT
<b>ACCUs issued to date</b>	33,823 ACCUs
<b>Training Received</b>	8 Rangers completed PUAFIR303 Suppress Wildfire
<b>Ranger Participation</b>	1 full-time ranger, 2 part-time rangers, and 32 casuals.

The Western Top End (WTE) SFM Project, operating on the Daly River Port Keats Aboriginal Land Trust, was registered with the CER by Thamarrurr Development Corporation (TDC) in December 2020. WTE sought a second Phase 2 Project Funding Agreement which commenced this year.

In 2025 the project continued to evolve in response to changing seasonal conditions. A key development was the introduction of ‘wet season burning’ (i.e. burning in January/February), a technique designed to reduce the dominance of annual Spear Grass in the landscape and promote a more diverse understorey. When used strategically this can reduce the flammability of the landscape over time.

The WTE project successfully implemented its fire management strategy throughout the early 2025 dry season. Aerial prescribed burning operations covered approximately 14,000 square kilometres and involved over 100 hours of flight time. Ground-based burning and manual fuel reduction focused on protecting key infrastructure, homelands, outstations, and other high-risk or culturally significant assets. These combined efforts created a mosaic of burnt areas that greatly reduced the risk of late season wildfires spreading.

Late dry season activities involved logistical preparation for the 2026 fire season. Preparations focused on improving efficiency and readiness and included strategic stockpiling of aviation fuel to reduce helicopter ferrying times,



preparation of helicopter landing sites, pre-positioning of essential consumables (incendiaries, glycol and water), and forward planning for permits, Traditional Owner consultations, helicopter, and accommodation scheduling.

Forty-eight percent of the project area burned in the EDS. Some fires occurred in the LDS but were contained by previously burned areas. Overall, 56% of the project area was burnt in 2025.

Project governance continued to strengthen through the WTE SFM Carbon Committee and Subcommittee, with a focus on transparency, ACCU integrity, and delivering benefits for Traditional Owners. Ongoing consultation with Traditional Owners, neighbours, agencies, and project partners supported coordinated fire management and cross-boundary risk reduction.

Overall, 2025 demonstrated the project’s ability to adapt, maintain operational readiness, and balance fire, carbon, and community objectives across the region.



PHOTO 5. WTE PROJECT 2025 – PLANNING, TRAINING, IMPLEMENTATION

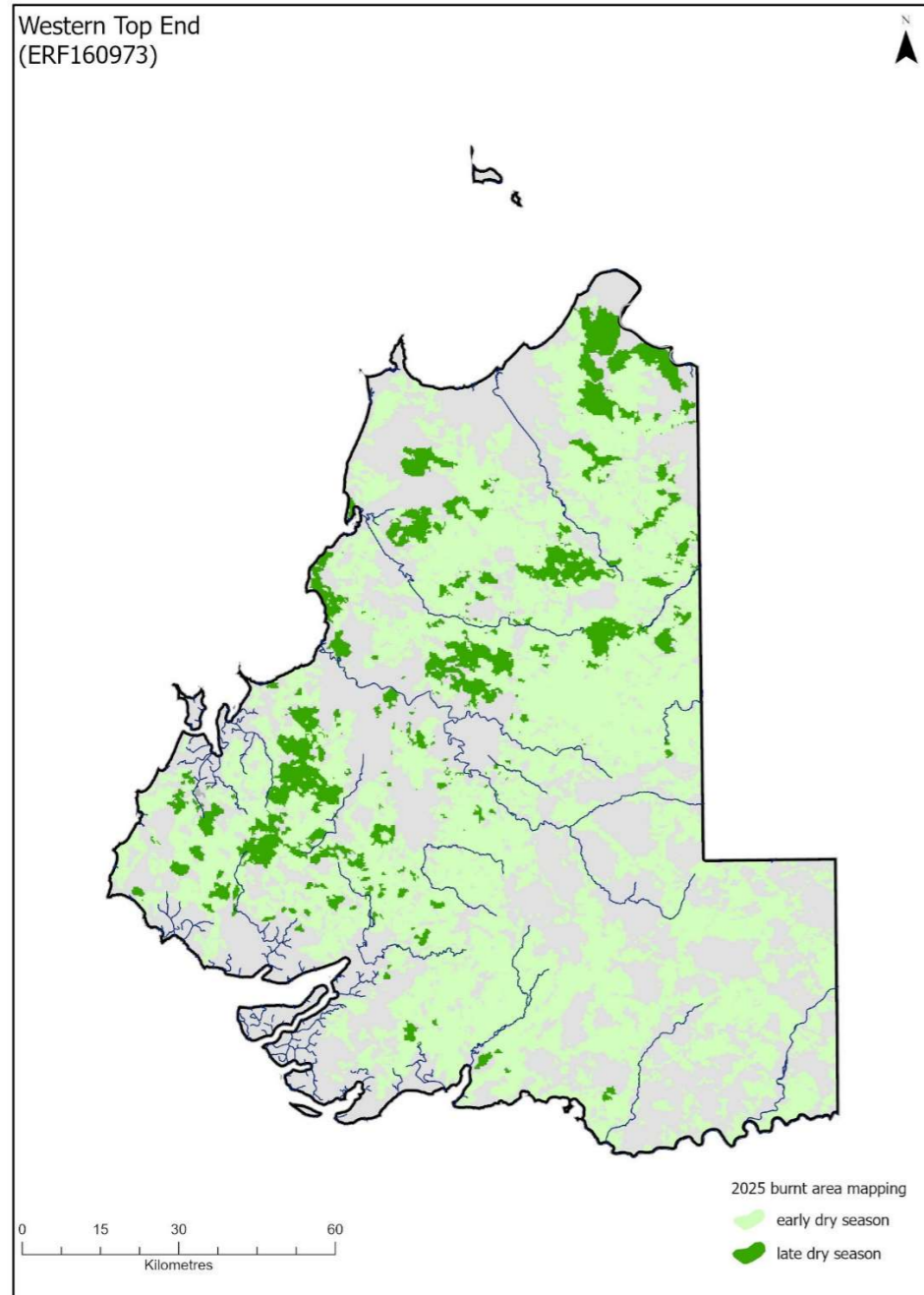


FIGURE 4 - 2025 BURNT AREA MAPPING – WTE SFM PROJECT AREA



**Garawa SFM Project**

<b>Land Management Group</b>	Garawa Rangers hosted by NLC
<b>PFA</b>	Phase 2 contract (June 2024 – Dec 2027)
<b>Registration</b>	ERF130950 registered in 2019 by NAILSMA. Revoked in 2024 ERF207420 registered in 2025 by the ILSC
<b>Project Area</b>	480,000 hectares – Garawa ALT
<b>ACCU's issued to date</b>	Zero ACCUs issued
<b>Training Received</b>	Nil formal training in 2025
<b>Ranger Participation</b>	2 full-time Garawa rangers involved in SFM Project delivery, and 22 people employed on a casual basis

2025 was a successful season for the Garawa SFM Project. The ranger team increased capacity during the start of 2025, which meant there was increased on-ground support for the delivery of the program.

The continued seasonal engagement of a qualified and experienced fire management practitioner has played a crucial role in providing guidance and mentorship to the ranger team. This enabled them to plan and execute EDS burning operations effectively. This approach is expected to continue for several years.

EDS effort led to a mosaic of burnt areas across 43% of the project area by 31 July. Overall, 45% of the project area was burnt in 2025.

A key focus of the second half of the year was finalising consultations with Traditional Owners to gain consent for the ILSC operating a SFM Project on the Garawa Aboriginal Land Trust (ALT). The ILSC has had provisional approval to deliver the project since the cessation of NAILSMA's involvement in 2023. Consultations were finalised in late 2025, with the ILSC now holding a section 19 Land Use Agreement to operate an SFM Project on the Garawa ALT. Following this key milestone the ILSC could register a new Garawa SFM Project with the CER.



Overall, Traditional Owners support of the project remains high, and employment and participation in the program continues to increase year-by-year.



PHOTO 6. 2025 GARAWA PROJECT - AERIAL AND GROUND OPERATIONS.

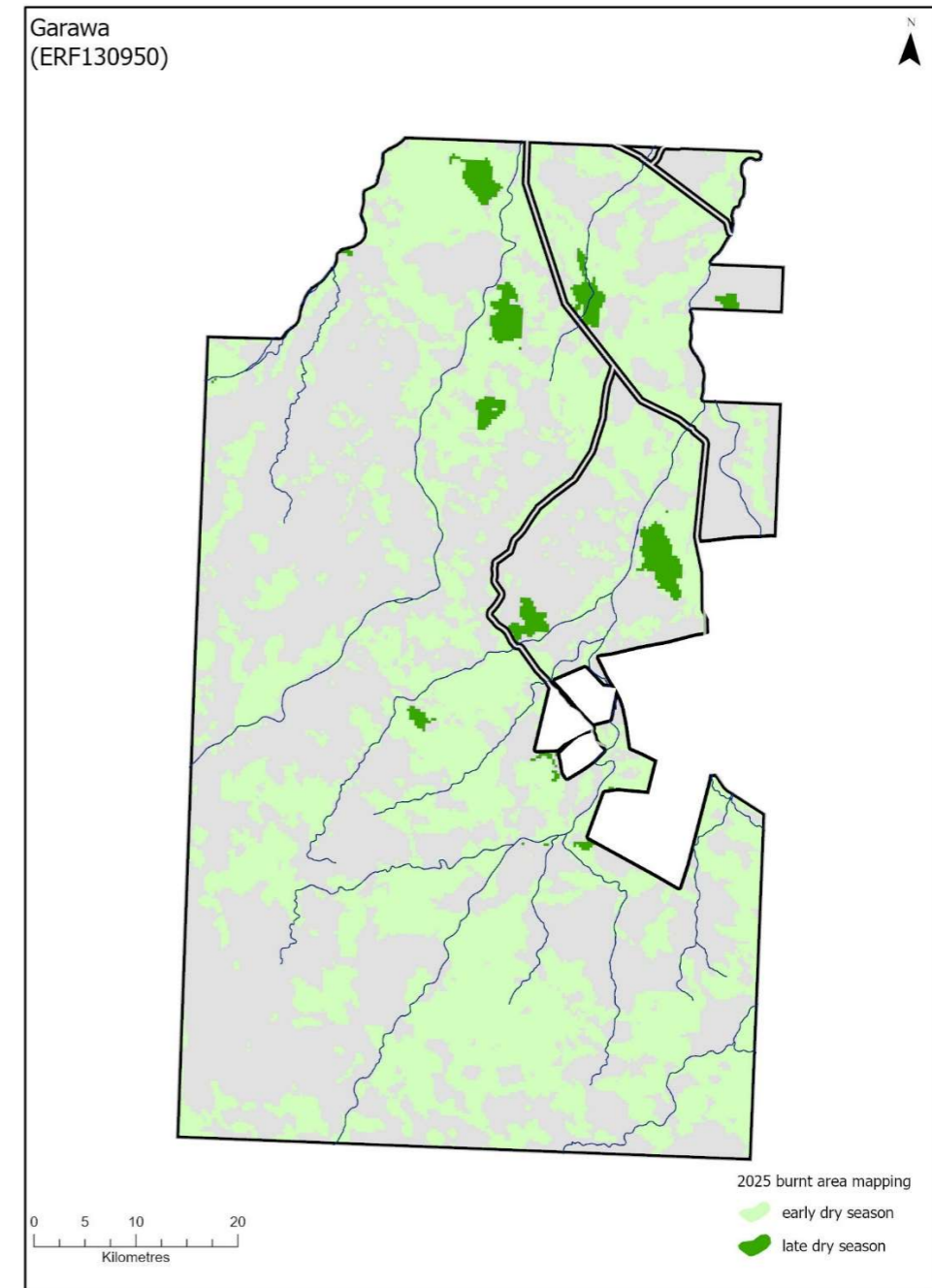


FIGURE 5 - 2025 BURNT AREA MAPPING - GARAWA SFM PROJECT AREA.



**Wagiman SFM Project**

<b>Land Management Group</b>	Wagiman Rangers, hosted by the NLC
<b>PFA</b>	Phase 2 contract (Mar 2025 – Mar 2028)
<b>Registration</b>	ERF200709 registered in 2024 by the ILSC
<b>Project Area</b>	445,000 hectares – Upper Daly, Wagiman #1 & Wagiman #2 ALTs
<b>ACCUs issued to date</b>	Zero ACCUs issued
<b>Training Received</b>	6 rangers received governance, Remote Area First Aid, and Fire Crew Member training
<b>Ranger Participation</b>	6 full-time Wagiman rangers involved in SFM Project delivery, and 10 rangers employed on a casual basis

2025 saw the Wagiman SFM Project’s second year as a registered carbon project. A new Phase 2 PFA which commenced in March will continue to build the project group’s capacity to safely deliver and improve strategic EDS operations.

A combination of ground burning, physical fire break development and a solid strategic aerial burning program in the EDS created a pattern of continuous fire breaks across much of the project area. Over the 2025 season, 47% of total project area burned, with 39% occurring in the EDS. The impact of LDS fires was greatly reduced due to EDS burning efforts.

Despite some staff turnover and other challenges, the Wagiman project is in a good position to build on burning efforts conducted in 2025.



PHOTO 7. WAGIMAN GROUND OPERATIONS

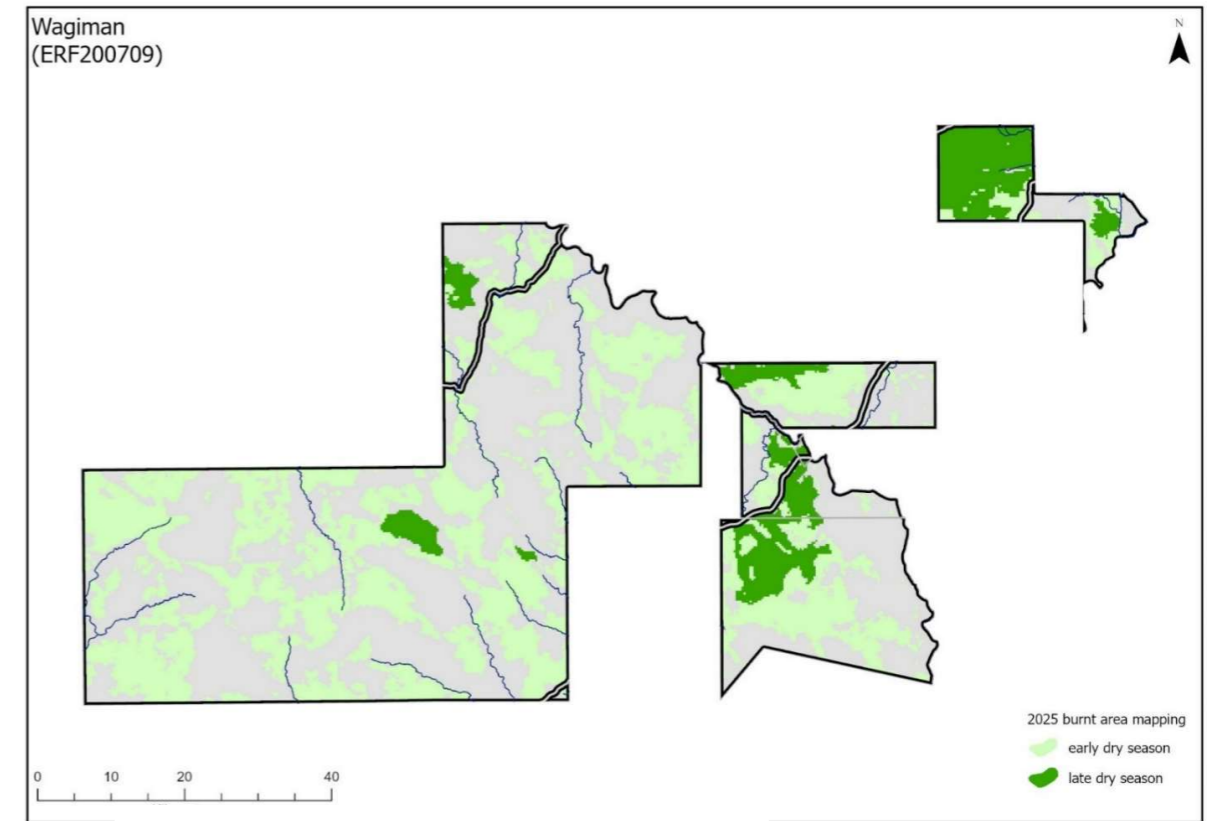


FIGURE 6. 2025 BURNT AREA MAPPING - WAGIMAN SFM PROJECT AREA.



## SFM Abatement and ACCUs Summary

The 2025 fire season results will not be known until Project Offset Reports are generated following the March 2026 release of 2025 data on [SavBAT](#).

All current SFM Projects have had trouble achieving consistent abatement and experienced at least one negative abatement year. The SFM Program Manager made the strategic decision to de-register both the Garawa and Judbarra SFM Projects in the last two years, as both had high negative abatement. Registering new projects has effectively set the abatement balance back to zero, allowing for ACCU generation in positive abatement years.

Registration of these new projects was possible given CER offset reporting had not been undertaken, so no ACCUs had previously been claimed. This will be of benefit to the long-term success and viability of the Projects.

Table 1 shows the ACCUs attributable to each project.

TABLE 1. ACCUS CREDITED TO SFM PROJECTS TO DATE

Project	ACCUs 2020	ACCUs 2021	ACCUs 2022	ACCUs 2023	ACCUs 2024	Predicted Abatement 2025	SFM funding proportion	ACCU transfer to INPEX
Garawa	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	Positive	N/A	N/A
Western Top End	33,823	Zero ACCUs generated	Zero ACCUs generated	Zero ACCUs generated	Zero ACCUs generated	Positive	82.5%	27,691 transferred
Judbarra	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	CER reporting not submitted	Negative	N/A	N/A
Wardaman*	N/A	8839	Zero ACCUs generated	CER reporting not submitted	CER reporting not submitted	Positive	100 % (TBC)	8839 (TBC)
Wagiman	N/A	N/A	N/A	N/A	CER reporting not submitted	Positive	N/A	N/A

\* Offset reporting for Wardaman is underway; ~7500 ACCUs anticipated for 2023 and 2024 (combined).



## SFM Program Financial Summary 2025

### Income

	BUDGET	YTD ACTUAL	VARIANCE
Q1 SFM Payment	\$745,347	\$745,347	\$0
Q2 SFM Payment	\$745,347	\$745,347	\$0
Q3 SFM Payment	\$745,347	\$745,347	\$0
Q4 SFM Payment	\$745,347	\$745,347	\$0
Total Payments	\$2,981,388	\$2,981,388	\$0
Balance held by SFM Program (1 Jan 2025)	\$1,407,934	\$1,407,934	\$0
<b>Total Income</b>	<b>\$4,389,322</b>	<b>\$4,389,322</b>	<b>\$0</b>

### Expenses

Phase 2 PFAs	BUDGET	YTD ACTUAL	VARIANCE
Garawa (NAILSMA)	\$0	-\$147,212	\$ 147,212
Garawa (NLC)	\$370,000	\$375,000	-\$5,000
Judbarra (NAILSMA)	\$0	-\$ 149,737	\$149,737
Judbarra (NLC)	\$540,000	\$415,000	\$125,000
Thamarrurr Development Corporation	\$694,456	\$708,355	-\$13,899
Wagiman	\$490,000	\$330,000	\$160,000
Wardaman	\$189,000	\$218,000	-\$29,000
<b>Total</b>	<b>\$2,283,456</b>	<b>\$1,749,406</b>	<b>\$534,050</b>

Phase 1 PFAs	BUDGET	YTD ACTUAL	VARIANCE
Namultja Aboriginal Corporation	\$100,000	\$0	\$100,000
<b>Total</b>	<b>\$100,000</b>	<b>\$0</b>	<b>\$100,000</b>

Third Party Service Providers	BUDGET	YTD ACTUAL	VARIANCE
PEC Consulting-Technical Advice	\$28,000	\$15,156	\$12,844
NAFI Satellite Imagery and Training	\$200,000	\$0	\$200,000
NAFI Hi Resolution Burnt Area Mapping	\$150,000	\$96,091	\$53,909
NLC SFM Carbon Position	\$165,560	\$0	\$165,560



Third Party Service Providers	BUDGET	YTD ACTUAL	VARIANCE
ICIN Flipbook	\$113,780	\$0	\$113,780
SFM Forum	\$65,000	\$19,764	\$45,236
Co- Benefits Framework	\$75,000	\$0	\$75,000
Vegetation Mapping	\$50,000	\$1,694	\$48,306
Environmental/ Biodiversity Monitoring	\$50,000	\$0	\$50,000
Governance Development	\$100,000	\$0	\$100,000
LLND Project	\$20,995	\$0	\$20,995
Graphics Development	\$10,000	\$0	\$10,000
<b>Total</b>	<b>\$1,028,335</b>	<b>\$132,705</b>	<b>\$895,630</b>

SFM Project Direct Costs	BUDGET	YTD ACTUAL	VARIANCE
Staff Salaries & On-Costs	\$641,788	\$676,863	-\$35,075
Office - Accom & Expenses	\$42,428	\$24,399	\$18,029
IT and comms equip	\$4,000	\$67	\$3,933
Conferences and meetings	\$10,000	\$24,259	-\$14,259
Vehicle running costs	\$12,500	\$25,982	-\$13,482
Fuel	\$10,000	\$1,056	\$8,944
Travel	\$45,000	\$55,400	-\$10,400
Staff - Corporate Training	\$8,000	\$0	\$8,000
Marketing & Communications	\$40,000	\$145	\$39,855
ILSC Overhead Costs (fixed)	\$190,222	\$190,222	\$0
<b>Total</b>	<b>\$1,003,938</b>	<b>\$998,393</b>	<b>\$5,545</b>

**TOTAL EXPENSES**

<b>TOTAL</b>	<b>\$4,415,729</b>	<b>\$2,880,504</b>	<b>\$1,535,225</b>
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**Summary of Variance from 2025 Budget**

Overall program expenditure was 65% of the 2025 allocation. Reasons for budget variances include:

- Third Party Service provider services account for a significant portion of the underspend. Despite the best efforts by the Program Manager, delays were experienced in progressing the environmental/biodiversity monitoring and co-benefits framework, governance and training contracts. Plans for 2026 are underway to progress these contracts.
- Expenditure on Phase 2 Projects is up from previous years. Phase 2 underspend in 2025 is minimal given ~\$300,000 of unspent project funds were returned from NAILSMA.



PHOTO 8. NORTHERN TERRITORY GULF COUNTRY

### Performance Evaluation of the SFM Program

An evaluation of the performance of the SFM Program against the Program Principles.

GOOD	expectations of principles and purposes are being met.
FAIR	expectations of principles and purposes are somewhat being met.
POOR	expectations are not being met.

Program Principle	Note	Rating
<i>Avoiding negative reputational risk to key stakeholders and maximising the potential to reflect positively on the reputations of all stakeholders</i>	Unfortunately, fires escaped the Judbarra SFM Project areas onto neighbouring pastoral properties, which had the potential to negatively impact the reputation of the projects. The ILSC's SFM team proactively met with the Katherine Pastoral Industry Advisory Council to present on the SFM industry, and SFM Projects in the region. The discussion was well-received, and further engagement is planned for early next year.	GOOD
<i>Supporting and enabling the development of sustainable, viable Indigenous enterprises and the delivery of economic, environmental, social, and cultural benefits for Indigenous people</i>	With five Phase 2 contracts in place in 2025, the SFM Program continued to support the aspirations of the participating groups to develop their respective projects. Phase 2 contracts enable the groups to undertake the planning and operations necessary to conduct annual fire management operations, building capacity to develop a successful Indigenous carbon enterprise.  The Program has funded an NLC-hosted position to progress governance arrangements for SFM Projects. Strong governance arrangements are key to the sustainability of SFM Projects; the 'Environmental Markets Coordinator' will work with groups to explore suitable governance arrangements for each group.	GOOD

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Program Principle	Note	Rating
	In addition to providing employment for rangers, SFM Program funding ensures Traditional Owners can be paid on a casual basis as cultural advisors to the projects and provides a means for them to visit Country. Through these actions economic, environmental, social, and cultural benefits (co-benefits) are delivered for participating groups and their Country.	GOOD
<i>Business and employment opportunities for Indigenous people</i>	SFM Project operators have provided 150 individuals with either full-time, part-time or casual employment through the 2025 year, primarily in EDS planning and burning activities. While this is a great outcome, the ongoing challenge in remote communities related to employment is to retain a core group of employees from year to year within each group, bringing with them the experience they have gained in previous years. Some projects can retain longer term staff, while others struggle, as is being reported from other SFM programs across northern Australia.	FAIR
<i>Promoting the use of sound land and environmental practices; Improving biodiversity outcomes through savanna fire management activity</i>	SFM Project groups have either developed, are reviewing, or currently developing a "Healthy Country Plan", Indigenous Protected Area Plan of Management, or other document describing their project areas <b>Assets</b> (Cultural & Environmental etc), <b>Threats</b> (Invasive Species, Inappropriate Fire, Erosion, etc) and <b>Actions</b> and <b>Priorities</b> to manage them.  These plans are developed with Traditional Owners and guide the work of Ranger Groups via annual work programs and promote the use of sound environmental and land management practices, with the aim of maintain or improving the health of their identified assets.  Via direct engagement with project groups, the SFM team promotes and encourages strategic EDS burning across all its projects. This is largely accepted as a positive action to reduce the negative impacts on biodiversity caused by hot LDS fire. Biodiversity conservation is complex, and there is a significant knowledge gap that encompasses fire	FAIR

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Program Principle	Note	Rating
	and biodiversity in the diverse range of habitat and climatic types across northern Australian savanna landscapes. Addressing critical knowledge gaps will depend on a coordinated and strategic approach across the fire management and research community.	FAIR
<i>Spreading community and social benefits of the Ichthys Project beyond Darwin into regional areas of the Northern Territory</i>	Complimenting the Indigenous employment and engagement outcomes from each of the existing group's annual planning and operational activities, the Program Manager is engaged in a feasibility study with the Namultja Aboriginal Corporation on their Country in the Gulf of Carpentaria, and with the Jawoyn Association regarding a project on the Mangarrayi Aboriginal Land Trust, south-east of Katherine.  Further to direct engagement with current project groups, the Program Manager has a procurement policy that encourages the engagement of Indigenous-owned business, where the required service provision can be met. Indigenous businesses were engaged in 2025 to provide the following services: - Welcome to Country and Cultural knowledge for 2025 SFM Forum - provision of graphics and production of 2025 SFM Forum shirts. Other regional business utilised via SFM Program in 2025 include: - 3 days Accommodation and Catering services for 40 persons at SFM Forum. - hundreds of helicopter-hire hours across multiple companies during EDS operations - accommodation for the SFM team when attending regional planning meetings.	GOOD
<i>Developing the capacity of Indigenous groups and SFM Project Operators; Enhancing the skills and knowledge of all stakeholders in carbon management, including carbon</i>	While participating groups continued to develop their operational capacity and knowledge via engagement in annual operational activities, specialised training and attendance at industry workshops and forums, there is a significant deficiency across all groups regarding the broader carbon industry and what is required to operate and manage a sustainable carbon enterprise.	FAIR

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Program Principle	Note	Rating
<i>policy and implementation of practical carbon farming projects</i>	Annual reporting to the CER, maintaining ANREU accounts, auditing requirements, understanding changes in policy and methodology development, and maintaining governance compliance are challenging tasks that are currently the remit of the Program Manager. These aspects, and governance development, are areas in which participating groups will require significant ongoing capacity development.  The Program Manager has engaged ICIN and language, literacy and numeracy specialists to develop a suite of tools to assist participating groups and communities to improve their literacy in emissions avoidance via SFM and the boarder carbon market. While initial work has commenced on this, it will be an ongoing project requiring appropriate time and resource allocation.	FAIR
<i>Minimising, managing, and mitigating all relevant risks appropriately, particularly workplace health and safety risks</i>	All staff involved in fire management operations are employed through the NLC, CLC, and Thamarrurr Development Corporation. These organisations have comprehensive Work Health and Safety (WHS) policy, procedures, and systems to support their implementation. The ILSC's SFM Program Manager has also developed a comprehensive risk assessment for each project, in conjunction with each Project Operator.  With no reported incidents to date, the Program Manager will continue to work with Program Operators to review and maintain risk management processes, ensuring appropriate mitigation measures are in place where hazards are identified.	GOOD
<i>Protection of Indigenous cultural and heritage sites</i>	This is a strong point of the SFM program, especially where it operates on Aboriginal Land Trusts (ALT) managed by a Land Council functioning under the <i>Aboriginal Land Rights Act (Northern Territory) 1976</i> , of which a large remit is the protection of sacred sites.  Any licence given to a proponent to operate a project on ALT must go through the respective Land Council, whose responsibility it is to consult the Traditional Owners of the	GOOD

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Program Principle	Note	Rating
	<p>respective ALT, seeking their approval to the terms and conditions of the licence. Sacred Site protections are provided for in these agreements.</p> <p>Further protections are provided during annual planning activities with Traditional Owners, who will often prioritise sacred site protection works as part of annual fire operations.</p> <p>Sacred Site protection and preservation of culturally significant species are the centrepieces on which Healthy Country / Fire Plans are developed and form a substantial portion of ranger group activity. The SFM Program and the funding it delivers to participating groups provides a mean to deliver on these aspirations.</p>	
<p>Generating ACCUs; and avoiding emissions and thereby having a positive impact on climate change mitigation</p>	<p>ACCU generation differs from group to group and can be attributed to several factors including:</p> <ul style="list-style-type: none"> <li>- <b>Projects baselines</b> derived at the point of project registration provide some groups with a greater buffer against LDS fire encroachment.</li> <li>- <b>High and Low Rainfall Isohyet delineation</b> – projects in the high rainfall zone will typically generate more ACCUs, while those in lower rainfall areas require greater strategic burning efforts to achieve positive ACCU generation.</li> <li>- <b>Operating environment</b> – retaining rangers and ranger coordinators is a constant challenge for land and fire management organisations in remote northern Australia. Complicated administrative requirements of external agencies, isolated project locations and competing time demands on staff also create challenges for performing as productively as they may want, in some cases seeing ACCUs fall into negative figures.</li> <li>- <b>Land Tenure</b> – all SFM Projects operating in this program have multiple neighbouring land tenures, further complicating already complex projects. Neighbours' land use goals, views and application of fire often differ from landowners operating emissions avoidance projects.</li> </ul>	POOR

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Program Principle	Note	Rating
	<p>- <b>Carbon Literacy</b> – most groups at this point are not fully aware of the impacts of LDS fire on their ACCU development and the importance of maintaining positive ACCU generation through the course of a Phase 2 contract.</p> <p>With these factors in mind the Program Manager and Operator are aware that significant improvement needs to be achieved regarding ACCU generation if these projects are to progress into a sustainable carbon enterprise.</p>	

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## Participating Groups and Organisations

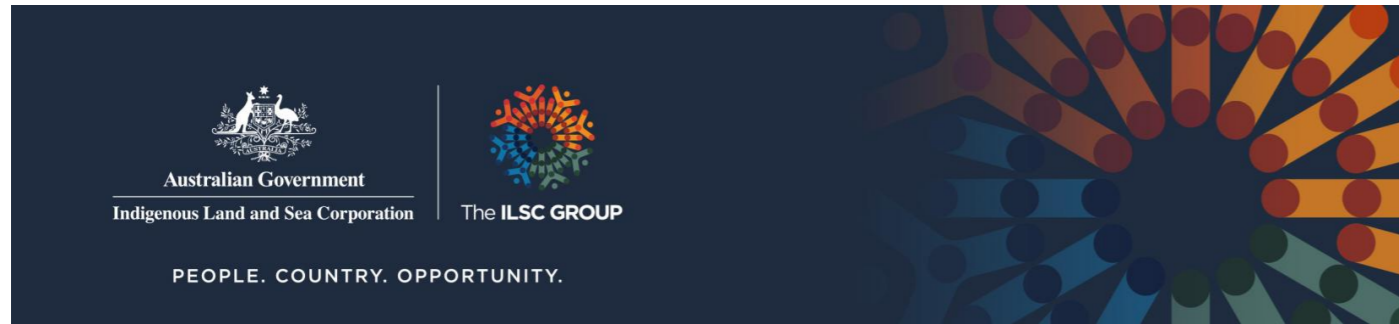


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# APPENDIX 4

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2025 SFM ANNUAL  
WORKPLAN AND  
BUDGET



# Savanna Fire Management Program

## Annual Work Plan & Budget

### Year Nine: 2025



#### Preface

Pursuant to the Savanna Fire Management (SFM) Services Agreement between the Indigenous Land and Sea Corporation (ILSC) and Perpetual Trustee Company Limited (Perpetual), the ILSC, as SFM Program Manager, submits this SFM Annual Work Plan and Budget in respect of the upcoming calendar year in accordance with the procedures outlined in Schedule 3 of the SFM Program Services Agreement.

Perpetual advised on **Monday, 9 December 2024** that the Provisional Trust Fund Allocation for 2025 is **\$2,547,254 (ex GST)**. In consideration of the funds available and the development and operational potential available to advance the SFM Program, the ILSC has documented a potential total expenditure for 2025 of **\$2,981,389 (GST Exc.)** for the delivery of the Annual Work Plan. As a result, total income required for 2025 is **\$2,981,389 (GST exc.)** and is equal to forecast expenditure. The total amount to be invoiced to Perpetual in 2025 will be revised through the year as projects may not progress as planned. Any unspent funds from 2024 will be confirmed in the 202 SFM Program Annual Report. Expenditure will be monitored through quarterly reports and the annual budget and invoicing schedule will be amended as necessary.

#### Summary

The ninth year (2025) of the SFM Program will focus on contract delivery to consolidate existing, and establish new Phase 2 (operational delivery) projects. In addition, the SFM Program will continue to seek opportunities to expand the program and implement recommendations from the 2021 5 yr. program review.

Importantly, the 2025 Work Program aims to implement key actions to achieve strategic goals and initiatives outlined in the SFM Program Strategy, Horizons 1 and 2 (Table 1) and SFM Communications Plan Media Action Plan.

**Table 1. SFM Program Strategic Goals Horizon Key Performance Indicators 2025.**

<b>Strategic Goal 1.</b> Strengthen existing projects and understand long term support needs.	Each project has strong governance foundations
	Support needs for groups are identified and understood
	Design elements of new support models are documented and supported by Traditional Owners
	Entity development supported
<b>Strategic Goal 2.</b> Establish new support model to support projects.	Projects running strong operations
	Consistency of fire management
	Sound governance and reporting
	Streamlined support pathways, minimal duplication

The ILSC, as SFM Program Manager, expects to conduct the following activities in 2025:

- Support transition of Wagiman project from Phase 1 to Phase 2 PFA.
- Conduct feasibility study on possible new Phase 1 Project in Limmen National Park with Marra Traditional Owners through Namultja Aboriginal Corporation.
- Continue to discuss possible project opportunities with the Department of Defence
- Monitor, support and consolidate ongoing SFM Phase 2 Projects, including delivery of fire planning and implementation of “Burnt Area” mapping project and other services as required.
- Scope governance business model options including a potential new entity to assist Phase 2 projects develop long-term sustainable savanna fire management enterprises.
- Work with Charles Darwin University and Anthesis to develop and implement a monitoring and evaluation process to assess the impact of savanna fire management on environmental and social/cultural values within each Phase 2 PFA (Co- Benefits framework)
- Continue to work with project groups in the assessment audit, creation, and transfer ACCU’s.
- Design, develop, publish, and distribute communications materials about the SFM Program and fire operations to support Indigenous stakeholders understanding and engagement in projects. (LLND and ICIN Flipbook)
- Implement recommendations and ILSC responsibilities outlined in the SFM Program Communications Plan agreed with INPEX and Perpetual, including Annual and Quarterly Reports and preparation of the Work Plan and Budget.
- Build closer relationships with the NLC as a major stakeholder in the success of the SFM Program, including through co-funding a dedicated SFM position and further clarifying roles to develop improved project delivery.
- Continue to support and develop SFM Program staff capacity to minimise the risk of institutional knowledge loss, including improved information access, improve skills and capacity via development opportunities, rationalise all reporting requirements to align with SFM program.
- Review Risk framework in regards program and project delivery with a view to build program resilience.
- Deliver 2025 SFM Forum
- Review Communication Strategy
- Continue as a member of the Northern Territory Landowner Alliance Project convened by Bushfires NT.

Further detail is contained in the activity descriptions associated with each work category, as well as in the budget. All figures contained in the remainder of this document are GST exclusive.

The total amount of expenditure projected for 2025 is: **\$2,981,389 (GST exclusive)**.

**The total amount of income required for the 2025 is equal to expenditure.**

### Fixed Head Office Overheads

As per Schedule 3 s 1(f) of the SFM Services Agreement, the amount established to cover ILSCs Fixed Head Office Overheads is set at \$150,000 per annum and is adjusted by CPI. The adjusted figure for 2025 is **\$190,222**. Calculations are provided below.

Fixed Head Office Overheads includes the following categories:

- Legal
- Finance
- Administration
- IT
- HR/payroll
- Policy
- Public affairs

### CPI Overheads Calculation for 2025

As the Services Agreement does not refer to a specific CPI base, National Accounts figure published by the Australian Bureau of Statistics has been used. This number was found on the [ABS Website](#) (viewed November 2024).

CPI adjustment on fixed overheads as per 3.1(g) of SFM Services agreement.

<i>Hn</i>	Allocation Fixed overhead budget for forward year (2025)	<b>\$190,222</b>
<i>Hn-1</i>	Allocation Fixed overhead budget (2024)	\$185,025
<i>Ho</i>	Allocation fixed overhead budget 2017	\$150,000
<i>CPI<sub>n</sub></i>	CPI % published Sept 2024 (weighted National average)	139.1
<i>CPI<sub>n-1</sub></i>	CPI % published Sept 2023 (weighted National average)	135.3
<i>Sum</i>	$H_n = H_{n-1}(185,025) \times CPI_n (139.1) / CPI_{n-1} (135.3) = 185,025 \times 1.028 = H_n (\$185,025)$	

### Direct Costs

As per Schedule 3 s 1(e) (ii) of the SFM Services Agreement, the Annual Work Plan and Budget includes expected direct costs to be incurred in relation to delivering the SFM Program. The main cost items are described below.

**Staff**

In 2025 the SFM Program will be delivered by three full-time equivalents. The SFM Program is currently fully staffed with recruitment of the Program Manager finalised in early 2024. Due to increased compliance within the emissions avoidance network, it may be necessary to recruit another Senior level employee to maintain program progression and is accounted below. The Divisional Manger, Central Division Office, has management oversight of the Program and ultimate responsibility for supporting the ILSC Board to ensure the ILSC complies with the SFM Services Agreement. The 2025 staffing costs are in line ILSC salary classification structure valid May 2024, seeing a level increment rise effective in quarter 4.

Position (full time)	Salary Gross Annualised (Valid May 2024)	On Costs (20%) Annualised	Total
1 x SFM Program Manager (EL2.2)	\$163,322	\$32,664.45	\$195,987
1 x Senior Carbon Coordinator (EL1.2)	\$131,864	\$26,372.10	\$158,236
1 x Senior level future (EL1.1)	\$127,679	\$25,536.80	\$153,216
1 x SFM Program Advisor (ILC3.7)	\$111,959	\$22,391.95	\$134,351
<b>TOTAL - 2025</b>	<b>\$534,824</b>	<b>\$106,965.30</b>	<b>\$641,790</b>

**Office**

The ILSC currently leases offices at 130 The Esplanade, Darwin. Costs are below;

Item	Monthly	Quarterly	Annual
Office Rent	\$2856	\$8568	\$34,272
Body Corporate	\$785	\$2354	\$9416
Council Rates	\$144	\$431	\$1656
Electricity	\$200	\$800	\$3200
Internet/Phone	\$150	\$600	\$2400
<b>TOTAL</b>	<b>\$3403</b>	<b>\$10,599</b>	<b>\$42,236</b>

**Vehicle**

ILSC purchased a vehicle in 2020 for remote travel to deliver program activities. The annual running costs include vehicle registration, insurance, replacement tyres and maintenance. Fuel costs shown in the budget are based on an estimated 30,000 km of travel annually.

**Travel**

The budget for travel assumes the SFM Program staff will take approximately 10 field trips each throughout the year, including intra Territory travel via vehicle and light plane, and interstate travel when required via commercial airlines. Estimated costs and associated allowances are included in the Direct Costs budget.

**Total Direct Costs**

SFM Project Direct Costs	Q1	Q2	Q3	Q4	TOTAL
Staff Salaries & On costs	\$159,408.9	\$159,408.9	\$159,408.9	\$163,561.2	<b>\$641,788</b>
Office Rent & Expenses	\$10,607	\$10,607	\$10,607	\$10,607	<b>\$42,428</b>
IT and Comm's equip	\$1,000	\$1,000	\$1,000	\$1,000	<b>\$4,000</b>
Conference and meetings	\$2500	\$2500	\$2500	\$2500	<b>\$10,000</b>
Vehicle Running Costs	\$3,125	\$3,125	\$3,125	\$3,125	<b>\$12,500</b>
Fuel	\$2,500	\$2,500	\$2,500	\$2,500	<b>\$10,000</b>
Travel	\$11,250	\$11,250	\$11,250	\$11,250	<b>\$45,000</b>
Staff Training & Subscription	\$2,000	\$2,000	\$2000	\$2000	<b>\$8,000</b>
Communication	\$10,000	\$10,000	\$10000	\$10000	<b>\$40,000</b>
<b>TOTAL Direct Costs</b>	<b>\$202931</b>	<b>\$202931</b>	<b>\$202931</b>	<b>\$202931</b>	<b>\$813,716</b>

The total expenditure projected for Direct Costs in 2025 (excluding GST) is: **\$813,716**.

**Phase 1 Development**

**Namultja Aboriginal Corporation - Limmen Bight National Park**

Namultja Aboriginal Corporation Phase 1. Situated in the Gulf of Carpentaria, the Namultja Aboriginal Corporation, working with Marra Traditional Owners have indicated they would like to explore the feasibility of operating an Emissions Avoidance project via the ILSC's Savanna Fire Management program.					
2024	Q1	Q2	Q3	Q4	TOTAL
Payments	\$40,000	\$20,000	\$20,000	\$15,000	\$100,000
<i>Proposed Phase 1 project development with Marra Traditional Owners and Namultja Aboriginal Corporation; Budget reflects approximate costs of undertaking required due diligence and community consultations.</i>					

**Phase 2 Performance Funding Agreements**

In 2025 the SFM will continue to support the delivery of five Phase 2 project. All Phase 2 PFAs are multi-year agreements (the minimum term being three years), therefore expenditure under these agreements will be committed in 2025. Projects are subject to unforeseen circumstances which may impede project delivery and require budget variations:

**Garawa Fire Project – contracted with Northern Land Council**

The initial Garawa SFM Phase 2 PFA expired in December 2023. Traditional Owners wish to continue the project, with required Section 19 license agreement being finalised by the Northern Land Council. A new Phase 2 agreement is due to commence in early 2025, once license agreements are finalised.

<u>2024</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
<b>Payments</b>	\$0	\$0	\$100,000	\$70,000	\$170,000

*Activities funded (proposed): Fire operations, aerial fire management, helicopter hire, Fire Management Officer, casual Rangers, firefighting equipment, PPE, governance development, fire management planning meetings administration, carbon reporting.*

**Gregory / Judbarra Fire Project – contracted with Northern Land Council**

The ongoing Judbarra Phase 2 PFA remained in place during 2024. However, the operating environment hasn't enabled the project to progress during the 2024 season. The current contract and budget will be reset to commence in January 2025, once project stakeholders have approved the operating arrangements. Northern Land Council will remain as the project operators, including them contracting in specialist assistance where needed.

<u>2024</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
<b>Payments</b>	\$80,000	\$0	\$90,000	\$80,000	\$250,000

*Activities funded (proposed): Fire operations, capital items (vehicles, equipment), aerial fire management, helicopter hire, Casual Rangers, fire-fighting equipment, PPE, governance development, fire management planning meetings administration, carbon reporting, partnership agreement, submission of reports.*

**Wardaman Fire Projects – contracted with Northern Land Council**

The Wardaman project will enter the 2025 season as the last year of its current Phase 2 PFA. The ILSC has been informed of emerging need for the project to access a grader for firebreak management and facilities for a seasonal camp base of operations for use during the early dry season burning program. These discussions may result in a variation to the PFA to include a contribution to these items.

<u>2024</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
<b>Payments</b>	\$100,000	\$0	\$60,000	\$29,000	\$189,000

*Activities funded (proposed): Fire operations, capital items, aerial fire management, helicopter hire, casual Rangers, fire-fighting equipment, PPE, governance development, fire management planning meetings administration, carbon reporting.*

**Wagiman Fire Project – Contracted with Northern Land Council**

The Wagiman fire project is entering 2025 as its first year as a phase 2 project. The project is scheduled to be registered with the Clean Energy Regulator by the end of the year and the required section 19 license in place. **Funded via 2024 allocation.**

<u>2024</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
<b>Payments</b>	\$0	0	\$0	\$0	\$0

*Activities funded (proposed): Fire operations, capital items, aerial fire management, helicopter hire, casual Rangers, fire-fighting equipment, PPE, governance development, fire management planning meetings administration, carbon reporting. NOTE – this is an indicative budget only and will likely change in the coming weeks once a figure can be determined for final contract development.*

**Western Top End Fire Project – contracted with Thamarrur Development Corporation**

The Western Top End Phase 2 PFA expired in December 2023. A 12 month extension enabled them to continue fire management activities in 2024. Negotiations for a new 3-year phase 2 PFA are currently underway, with a commencement set for January 2025.

<u>2024</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
<b>Payments</b>	\$486,076	\$0	\$138880	\$695000	\$694,456

*Activities funded(proposed): Fire operations, capital items (vehicles, equipment), aerial fire management, helicopter hire, Fire Management Officer, casual Rangers, firefighting equipment, PPE, governance 650development, fire management planning meetings administration, carbon reporting, Emu Point Healthy Country Plan Ranger Program Prospectus, roadmap to independence plan. NOTE – this is an indicative budget only and will likely change in the coming weeks once a figure can be negotiated.*

**Total Phase 2:**

Phase 2 Projects	Q1	Q2	Q3	Q4	Totals
Garawa	0	0	100000	70000	170000
Judbarra	80000	0	90000	80000	250000
Wagiman	0	0	0	0	0
Wardaman	100000	0	60000	29000	189000
WTE	486076	0	138880	69500	694456
<b>TOTALS</b>	<b>\$666,076</b>	<b>0</b>	<b>\$388,880</b>	<b>\$248,500</b>	<b>\$1,303,456</b>

The total request for Phase 2 PFAs in 2025 (excluding GST) is: **\$1,303,456.00**

**Third Party Service Providers**

As per Schedule 3 s 1(e) (i) of the SFM Services Agreement, the Annual Work Plan and Budget is to include an estimate of expected expenditure to engage third party service providers in relation to the SFM Program to advance the outcomes of the Program via implementation of the 2021 SFM Program Review Report and Action Plan. Several of the initiatives continue from 2024 and others are proposed in line with the SFM Review Action Plan.

**SFM Annual Forum (SFM Review Action Plan 1.0 & 5.0)**

The ILSC annual forum will be held again in 2025. **\$65,000 has been allocated for this.**

**Governance Development (SFM Review Action Plan 1.0)**

The SFM Program has challenges in regards capacity of local governance structures and suitable entities to undertake the “project proponent” role within a PFA contract. To assist the development of capacity in this area, **\$100,000** is allocated to commence scoping appropriate governance structures across existing and future SFM projects. This will include a governance facilitation consultant to assist the ILSC and SFM project partners to identify and develop appropriate tools (models, training, media etc), while building on existing local initiatives and tools i.e., Carbon Flip Books, fire committees.

**Northern Land Council Carbon Position (SFM Review Action Plan 5.3)**

The position sits in the NLC’s Partnership and Enterprise Development unit of the Land Management Section. Focusing on the SFM Program priorities including developing governance capacity, enterprise and associated project and contract management, this position is yet to be recruited to. Amendment to the job description is required to address program requirements. The contract will be rolled over into 2025. **\$165,560** has been allocated for the first year, received in 2024.

Year	Base Salary and Oncosts	IT overheads	Total
24/25	\$159,210	\$6350	\$165,560 (payment received in 2024)
25/26	\$164,675	\$3,900	\$168,575
26/27	\$170,324	\$3,900	\$174,224
<b>Total over three years</b>			<b>\$508,359</b>

#### Language Literacy Numeracy Digital (LLND) (SFM Review Action Plan 1.5)

Whilst there is a wealth of resources and documentation that is widely available to support SFM projects, the resources are highly technical and 'out of reach' in terms of language and numeracy accessibility to the target audience of Traditional Owners (TOs) and Indigenous Ranger Groups who have existing or are considering starting SFM projects on their country.

As part of a broader communications package, the LLND project will develop suitable resources for the SFM Program to help inform and upskill TOs and Indigenous Ranger groups about various aspects of SFM projects. It is envisaged that this is a multi-year project consisting of several stages, covering a range of topics. **A contract with the LLND team at Charles Darwin University is in place and the \$20993.00 allocation below is for the first stage of the project focusing on core concepts.**

#### Graphics Development (SFM Review Action Plan 1.5)

To develop suitable graphics to compliment LLND material and other communication formats and assist with the dissemination of SFM information to participants and a possible wider audience. **\$10,000 allocated to seek quotes.**

#### Indigenous Carbon Industry Network Carbon Flipbooks Project (SFM Review Action Plan 1.5)

Due for completion in Q2 2025 **\$113,780 is allocated for the remainder of this project.**

#### Co Benefits Framework Development (SFM Review Action Plan 2.1)

In 2025, the SFM Program will engage partners to develop a framework for Phase 2 project participants to measure social, economic and cultural benefits of the SFM Program. Across northern Australia there is considerable work underway to examine the measurement of co-benefits of savanna fire projects that will be integrated into SFM projects. This is likely to provide extra employment opportunities for Indigenous participants of SFM projects. **\$75,000 has been allocated for development and roll out to all active projects.**

#### Environmental/ Biodiversity Monitoring Framework. (SFM Review Action Plan 2.1)

In accordance with the SFM Program Service Agreement and the SFM Program Trust Deed Schedule 3 (2) the SFM Program is working to develop and implement a monitoring and evaluation process to assess the impact of savanna fire management on environmental values within each Phase 2 project. A piece of this work has commenced via the Vegetation Mapping project (see below). This work is intrinsically linked to developing a co-benefits framework, but given its complexities and separate reporting requirements, we will initiate a separate piece of work to design a suite of biodiversity / environmental indicators that can

show change over time. **\$100,000 was allocated in 2024, with \$50,000 allocated the vegetation mapping project, \$50,000 has been allocated to continue to build further metrics into this project.**

#### Vegetation Mapping – Darwin Centre for Bushfire Research (SFM Review Action Plan 2.1)

Part of a broader Co Benefits & Biodiversity / Environmental – Monitoring & Evaluation framework this project based with the Darwin Centre for Bushfire Research (DCBR) will deliver a scorecard style evaluation of a defined set of metrics designed to demonstrate effectiveness of project implementation. Key components of the project are Habitat and Fire Community Mapping, Ecological Threshold Analysis and Savanna Monitoring and Evaluation Reporting Framework (SMERF) for the suite of SFM projects. **\$50,000 allocation has been made to progress this project.**

#### CDU- NAFI Burnt Area Fine Scale Mapping (SFM Review Action Plan 2.3)

Provide near real time, high resolution burnt area mapping products on a weekly basis. Projects will be supplied with a spatial data package each week that details burnt areas, categorised by month and integrated with earlier seasonal mapping. This resource is crucial to successful early dry season burning programs. **An allocation of \$150,000 for the 2025 with planned extension to other projects areas.**

#### Charles Darwin University (CDU)/ Northern Australia Fire Institute (NAFI). Training and Data collection development. (SFM Review Action Plan 2.3)

Through 2025, in addition to the tools they make available for Northern Australian land managers, CDU / NAFI will, provide training across a suite of their services and assist investigating an appropriate tool for SFM groups to plan, record and report their efforts in a consistent format across projects. **\$200,000 has been allocated.**

#### People & Environment Consultants (PEC Contract) (SFM Review Action Plan 1 – 5)

PEC has been engaged to provide expert independent advice and support across a suite of technical SFM issues including Clean Energy Regulator (CER) policy and support regarding development, assessment, validation of new and ongoing projects. **Allocation of \$28,000 for 2025 year.**

**Total expenditure projected for Third Party Service Providers in 2025 (excluding GST) is:**

Third Party Project	SFM Review Action	2025	Status
SFM Forum	1.0 & 5.0	\$65,000	On going commitment
Governance Development	1.0	\$100,000	On going commitment
NLC Carbon Position	1.1, 1.2, 1.3 & 5.3	\$0	Funded - In development
LLND Project	1.5	\$20995	On going commitment
Graphics Development	1.5	\$10,000	Proposed – In development
ICIN Flipbooks	1.5	\$0	Funded - Ongoing
Co- Benefits Framework	2.1	\$0	Funded – In Development
Environmental/ Biodiversity Monitoring	2.1	\$0	Funded – In development
Vegetation Mapping – DCBR	2.1	\$0	Funded – In development
CDU – NAFI Burnt Area Hi Res Mapping	2.3	\$150,000	On Going Commitment
CDU / NAFI – GIS Training & Data Collection development.	2.3	\$200,000	On Going Commitment
PEC Contract - Technical Advice	1 - 5	\$28,000	On going commitment
<b>TOTAL 2025</b>		<b>\$573,995 (ex GST)</b>	

**Annual Budget for 2025:**

**Summary of Annual Budget Items:**

BUDGET ITEM	2025
<b>PHASE 1 PFAs</b>	\$100,000.00
<b>PHASE 2 PFAs</b>	\$1,303,456.00
<b>3rd PARTY PROVIDERS</b>	\$573,995.00
<b>SFM DIRECT COSTS</b>	\$813,716.00
<b>ILSC OVERHEAD</b>	\$190,222.00
<b>TOTAL EXPENSES (GST excl.)</b>	<b>\$2,981,389.00</b>
<b>GST</b>	\$298,138.90
<b>TOTAL (GST incl.)</b>	<b>\$3,279,527.90</b>

**Invoicing Schedule for 2025:**

Invoices will be prepared quarterly, and the final invoicing schedule will depend on unspent funds from 2024.

The Invoicing schedule for 2025 will be added to the Workplan when the 2025 Annual Report is prepared in January 2025.

# Perpetual

## CONTACT INFORMATION

If you have any further questions or queries in relation to any of the information contained in this document, please do not hesitate to contact us.

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### SUSTAINABLE INVESTMENT FOR COMMUNITIES

The 'Sustainable Investment for Communities' included throughout this annual report represents community members and Perpetual coming together to help achieve community goals through sustainable, long-term trust and investment management.

The symbol represents the long-term partnership approach Perpetual offers its clients, working with them over generations. The outer circle symbol represents community members and

Perpetual coming together to learn about a community's vision, goals and priorities, and working together to create a long-term trust management plan to achieve these goals.

The inner circles represent Perpetual and the community, built around a core value of trust and relationships. The circles surrounding the central symbol represent the ripple effect on the wider community that a long-term partnership between the community and Perpetual can have.