



# SAVANNA FIRE MANAGEMENT TRUST

**Annual Report**  
for the year ended  
31 December 2024

**Perpetual Private**

Perpetual Trustee Company Limited  
ABN 42 000 001 007 AFSL 236643

Perpetual 



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Cover photo by Drew Wootton, Trust Manager and provided and printed with permission.

# SAVANNA FIRE MANAGEMENT TRUST

## ANNUAL REPORT

for the year ended 31 December 2024

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## 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.





Photography by: David Hancock - Tiwi Project

# INTRODUCTION

## 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 green house 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 eighth annual report of the SFM Trust since the SFM Program commenced. It outlines how the SFM Trust purposes were advanced during 2024 through the SFM Program, provides the 2024 Financial Statements, the Auditor's Report and the 2024 Annual Report of the Savanna Fire Management Program delivered by 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 Australia 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 Savanna Fire Management 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.



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

Perpetual engages the ILSC to conduct and implement the Savanna Fire Management Program. In delivering the program the ILSC uses funds derived from the Savanna Fire Management 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.

## 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 2024 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 1<sup>st</sup>, 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

\$3,613,769 was distributed in quarterly instalments to the Indigenous Land and Sea Corporation for SFM Program operations. This is compared to a distribution of \$2,578,975 in 2023. 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 reviews were completed in March 2024 and November 2024.

## 2025 WORK PLAN AND BUDGET INFORMATION

Each year, prior to 31 December, Perpetual and the ILSC collaborate to determine the following year's plan and budget. The 2024 Workplan and Budget was agreed and approved and issued to the Northern Territory Government Department of Trade, Business and Innovation in December 2023. 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.

Strategic Goal 1. 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
	New funding model negotiated with INPEX to reflect support model
Strategic Goal 2. Establish new support model to support projects.	Entity development supported
	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).**



Photography by: David Hancock - Tiwi Project

# FINANCIAL POSITION



OVERVIEW

The opening balance of the SFM Trust at 1 January 2023, was \$3,231,017.

During 2024 the SFM Trust received a contribution of \$2,477,667 from INPEX Operations Australia Pty Ltd. This is compared with contributions of \$3,456,303 in 2023.

The SFM Trust received Investment Income (managed fund distributions, interest) with a combined value of \$215,365 and capital growth of \$19,253 during the period.

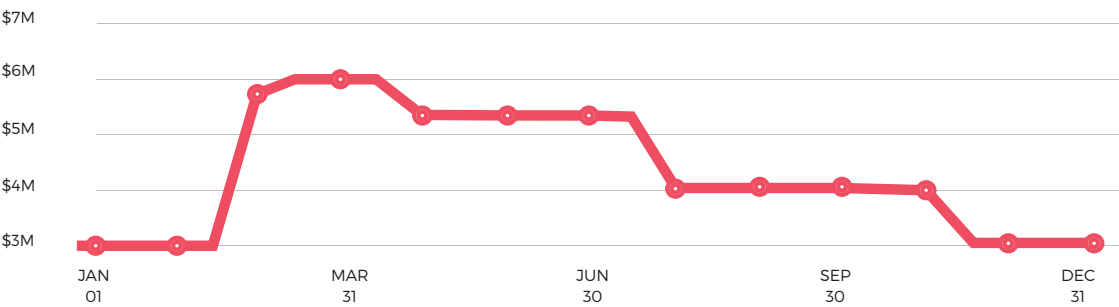
The cash SFM Trust distributed \$2,710,074 to the Indigenous Land and Sea Corporation to implement the Savana Fire Management Project in 2024\*. (Noting the final annual instalment made by the SFM Trust in early 2025, for a total of \$3,613,516.).

Total SFM Trust funds at 31 December 2024, was \$3,139,149. The complete financial position of the SFM can be found in the 2024 Financial Report. Appendix 1.

Summary of Expenses	2024	2023
Accountancy & Auditor’s Fees	23,878	24,281
Administration Costs	2,080	2,080
Interest Expense	9,775	9,995
SFM Program Disbursements	2,710,074	2,578,975
Trustee Fees	42,949	46,295
<b>Total</b>	<b>2,788,752</b>	<b>2,662,878</b>
<b>Total Income/(Loss) for the year</b>	<b>(91,868)</b>	<b>1,014,506</b>
<b>Total Trust Funds</b>	<b>3,139,149</b>	<b>3,231,017</b>

Surplus funds are invested in accordance with investment policy and available for Savanna Fire Management Program implementation in subsequent years.

Graph 1. Annual Balance in 2024

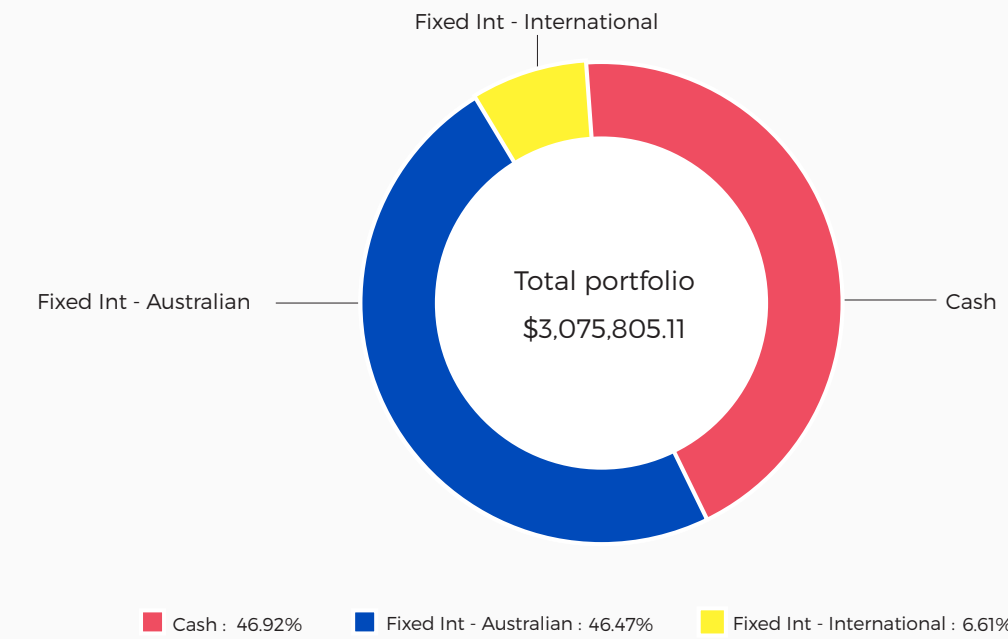


INVESTMENTS

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.*

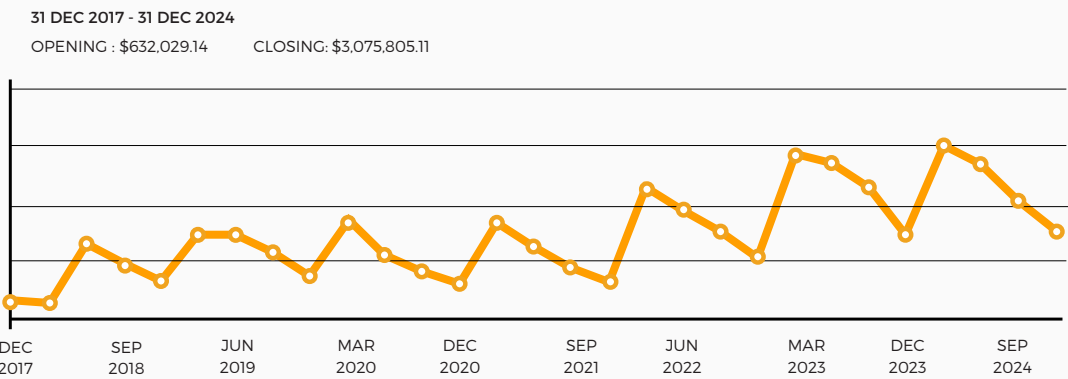
Investment in Managed Funds is prudent and consistent with the Investment Policy Statement.

Graph 2. Asset Allocation 1 Jan 24 to 31 Dec 24



The SFM Trust received Investment Income (managed fund distributions, interest) with a combined value of \$215,365 and capital growth of \$19,253 during the period. This is compared to Investment Income (managed fund distributions, rebates, and interest) of \$170,796 and capital growth of \$30,165 during calendar year 2023.

Graph 3. Portfolio Balance 31 Dec 17 (Inception Year) to 31 Dec 24







**Photo Credits:** Garawa Project - 2023 Robinson Rover during Aerial Operations Training

## 2024 PROGRAM EVALUATION

### SUMMARY

The delivery of the SFM Program in 2024 has included some significant progress as well as some challenges. With a full SFM team largely in place for 2024 the primary focus has been to maintain the foundations that project groups have built, while identifying and addressing challenges to enable the groups and projects to strengthen over time.

In February, the ILSC assisted with the organisation of, and participation of SFM Project Ranger team in, the annual Savanna Fire Forum led by Indigenous Carbon Industry Network and held at the Darwin Convention Centre. Promoting current SFM Projects and efforts from Northern Australia and engaging Federal, State and Territory Governments, on ways to enhance and support these important initiatives and the industry.



**Figure 1.** ICIN Savanna Fire Forum 2024 - Darwin Convention Centre. Photo Courtesy ILSC

A significant high point in March 2024, was the transition of the Tiwi Islands Fire and Carbon Project to a fully independent, Indigenous-owned carbon enterprise. Joining the SFM Program in 2016, the Tiwi Fire Project has generated 223,000 ACCUs, valued at over \$7 million, engaged over 100 Traditional Owners and their families in annual fire planning and operations, and provided accredited training in fire management practices to 90 individuals. The project is now under the management of Tiwi Resource Corporation, continuing the Tiwi people's journey toward self-determination and increased economic development.

Perpetual attended an official Graduation Ceremony, to celebrate this major SFM Program milestone and achievement, hosted and held by Tiwi Resources at the Mantiyupwi Motel, Bathurst Island on Tuesday, 22 October 2024. Proceedings included a Welcome to Country by the Traditional Owners, Tiwi Resources Board, INPEX and ILSC acknowledgements including a Plaque presentation to the Tiwi Rangers followed by a cake and BBQ with the community.





**Figure 2 and 3.** INPEX Staff, Traditional Owners and Tiwi Rangers at the Tiwi Carbon Project celebrating transition to an independent carbon enterprise. Images Courtesy of David Hancock

It was acknowledged in 2024 that delays in implementation of the innovative Judbarra National Park project, combined with some negative fire years, placed the project in a difficult position, and as such the SFM team sought independent advice for this project and others. Modelling on future scenarios enabled the Judbarra project partners to work with the CER and make the decision to revoke and re-register the project. The project was re-registered in December 2024, essentially resetting it. The soon to be finalised By-law Permit, combined with the re-registration, places the project in a stronger position to realise its potential.

The Wagiman Fire Project was also registered late 2024 as ERF 200709 with the CER. After commencing as a Phase 1 project in 2020, this project is now ready to work towards independence under a Phase 2 contract commencing in early 2025.

With a focus on “Strategic Burning” the annual SFM Forum was held on the lands of the Kungarakana and Wari people in Batchelor NT, from 5 – 7 November. The 35 participants heard presentations from the ILSC, Charles Darwin University (CDU), Darwin Centre for Bushfire Research (DCBR), Bushfires NT, Northern Australia Fire Information (NAFI) staff and participated in planning sessions, providing the opportunity for the fire mangers to discuss their operational plans and ideas with peers.<sup>1</sup>



**Figure 4 and 5.** Participants and venue of the ILSC SFM Forum in November 2024

<sup>1</sup> 2024 SFM Annual Report, Indigenous Land and Sea Corporation, p 6



**Table 1.** SFM Program Summary <sup>2</sup>

TOTAL SFM PROJECTS	5 Phase 2 projects and 1 Phase 1 in operation in 2024.
TOTAL RANGER GROUPS	6 Ranger Groups
TOTAL INDIVIDUALS	80 (ex -Tiwi Project)
TOTAL PROJECT AREA	4.9 million hectares
ACCU's – Predicted Total 2024	110,000
ACCU's – Total Project	179,641
3 <sup>rd</sup> PARTY CONTRACTS	6

At the conclusion of the eighth year of the SFM Trust, the SFM Program continues to make a significant contribution to the collective and shared understanding of savanna fire management and the capacity of Indigenous organisations to undertake savanna fire burning in a way that connects the activity to the carbon abatement market.

2024 SFM Annual Report, Indigenous Land and Sea Corporation, p 8



# 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.

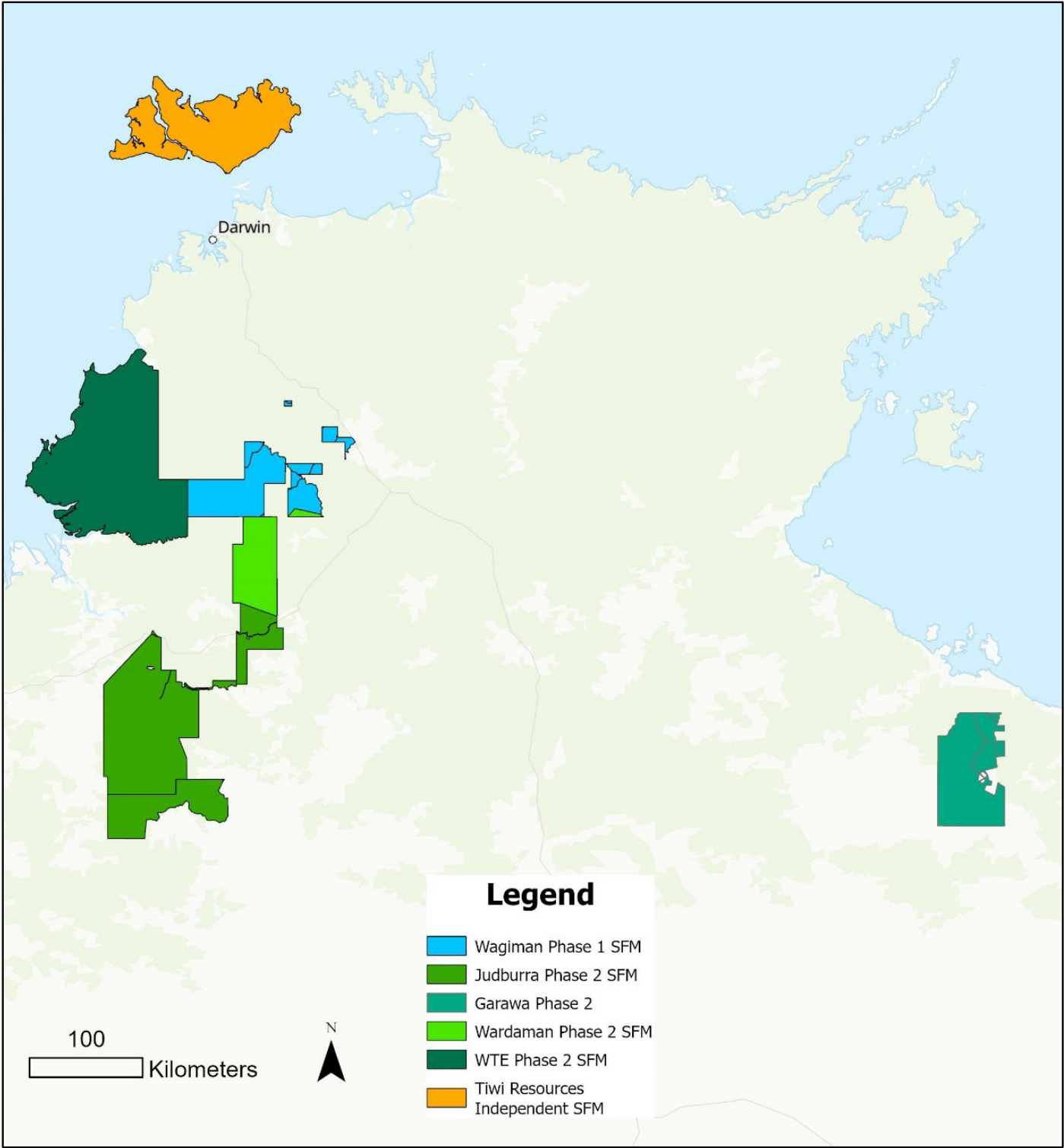
**Phase 1 PFAs** are entered to support the due diligence phase of Savanna Fire Management Projects. To progress from Phase 1 to Phase 2, the Savanna Fire Management Project Operator must gain legal consent to operate a Savanna Fire Management Project on the land and then register a carbon project with 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 (ACCUs) are generated.

The ILSC 2024 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.



**Map 1.** Project areas of the ILSC managed SFM Program under Phase 1 (Feasibility) and Phase2 (Operational) agreements. NOTE - Tiwi Islands became independent in March 2024 and the Wagiman Fire Project was registered with the Clean Energy Regulator in December 2024, commencing Phase 2 operations in 2025.



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 fourth year of SFM Program operations:

- Did the SFM Program achieve the objectives of the 2024 Annual Work Plan and Budget?
- Did the SFM Program advance the SFM Program Purposes during 2024?

SFM PROGRAM 2024 OBJECTIVES

In 2024 the SFM Program had the following strategic goals and objectives:

<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
	New funding model negotiated with INPEX to reflect support model
<b>Strategic Goal 2.</b> Establish new support model to support projects.	Entity development supported
	Projects running strong operations
	Consistency of fire management
	Sound governance and reporting
	Streamlined support pathways, minimal duplication

Source: 2024 SFM Annual Workplan and Budget - Strategic Goals Horizon Key Performance Indicators 2024.

The ILSC, as SFM Program Manager, expects to conduct the following activities in 2024:

- Support three Phase 1 PFAs project through facilitating governance and project development.
- Complete one Phase 1 project and negotiate one new Phase 2 PFA for the Wagiman Aboriginal Land Trust.
- Monitor and support ongoing SFM Phase 2 Project Operators as required.
- Develop governance business models including a potential new entity to assist Phase 2 projects develop long-term sustainable savanna fire management enterprises.
- Develop and implement a monitoring and evaluation process to assess the impact of savanna fire management on environmental values within each Phase 2 PFA .
- Develop and commence implementation of a framework for Indigenous participants to measure social/cultural benefits of the SFM Program.
- Build the fire management capacity of SFM Project Operators to conduct SFM projects.
- Reporting to Perpetual in accordance with requirements outlined in SFM Services Agreement.
- Design, develop, publish, and distribute communications materials targeting recommendations outlined in the SFM 5 year review.
- Map all key components of the SFM program and associated activities and risks
- Implement recommendations and ILSC responsibilities outlined in the SFM Program Communications Plan agreed with INPEX and Perpetual.
- Continue to support and develop SFM Program staff to minimise the risk of institutional knowledge loss.



Photography by: David Hancock - Tiwi Project



PERFORMANCE OF PRINCIPLES – ILSC SELF EVALUATION

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
1. Avoiding negative reputational risk to key stakeholders and maximising the potential to reflect positively on the reputation of all stakeholders	<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><li>articipating in the NT Bushfires led “Land Holders Alliance” initiative.</li></ul>	GOOD
2. Supporting and enabling the development of sustainable, viable Indigenous enterprises and the delivery of economic, environmental, social and cultural benefits for Indigenous people	<ul style="list-style-type: none"><li>5 Phase 2 projects implemented as sustainable projects delivered for participating groups, communities and their country</li><li>Collaborative approach with Traditional Owners</li><li>Positive environmental, social and economic outcomes</li><li>Third- party service providers to better articulate, develop and measure the co-benefits and other aspects;</li><li>Darwin Centre for Bushfire Research (DCBR)</li><li>Indigenous Carbon Industry Network (ICIN) – Charles Darwin University Language, Literacy, Numeracy Digital (LLND) Development Team</li><li>People &amp; Environment Consulting (PEC).</li></ul>	GOOD
3. Providing business and employment opportunities for Indigenous people via SFM Project Operators	<ul style="list-style-type: none"><li>Employment opportunities for Indigenous Rangers</li><li>SFM Project Operators have provided 80 individuals with either full time, part time or casual employment, primarily in EDS planning and burning activities</li><li>Employee retention in remote communities continues to be an issue, measures to be considered and introduced over the coming years.</li></ul>	GOOD
4. Promoting the use of sound land and environmental practices; and: Improving biodiversity outcomes through savanna fire management activity	<ul style="list-style-type: none"><li>Phase 2 projects have integrated biodiversity objectives</li><li>Each project actively involved in initiatives to measure and understand impacts</li><li>Developing a “Healthy Country Plan”, Indigenous Protected Area (IPA) Plan of Management, describing their project areas Assets (Cultural &amp; Environmental etc), Threats (Invasive Species, Inappropriate Fire, Erosion, etc) and Actions and Priorities to manage them</li><li>Engaged the DCBR to undertake: <b>1)</b> Habitat and Fire Community Mapping, <b>2)</b> Ecological Threshold Analysis; and <b>3)</b> Develop Savanna Monitoring and Evaluation Reporting Framework.</li></ul>	FAIR

Principle	Notes	Evaluation
5. Spreading community and social benefits of the Ichthys Project beyond Darwin into regional areas of the Northern Territory	<ul style="list-style-type: none"><li>Employment opportunities created in regional and remote areas</li><li>Knowledge sharing activities such as the annual SFM Forum increasing overall engagement and outcomes</li><li>A feasibility study with the Namultja Aboriginal Corporation on their country in the Gulf of Carpentaria, with an initial assessment due in early 2025</li><li>A procurement policy that encourages the engagement of Indigenous Owned business.</li></ul>	GOOD
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	<ul style="list-style-type: none"><li>The Rangers engaged in the SFM Project have successfully completed a significant amount of training to enhance their team’s capacity in delivering strategic savanna fire management</li><li>The ILSC SFM Forum, providing an opportunity for Indigenous Rangers to come together with scientific and business development experts</li><li>The Program Operator has engaged ICIN and Language, Literacy, Numeracy specialists to develop a suite of tools</li><li>Annual reporting to the CER, maintaining Australian National Registry of Emissions Units (ANREU).</li></ul>	FAIR
7. Minimising, managing and mitigating all relevant risks appropriately, particularly workplace health and safety risks	<ul style="list-style-type: none"><li>Priority to risk management and due diligence</li><li>Rigorous risk assessment processes</li><li>Stringent WHS practices</li><li>No reported incidents.</li></ul>	GOOD
8. Protection of Indigenous cultural and heritage sites	<ul style="list-style-type: none"><li>Senior Traditional Owners are involved to guarantee cultural integrity of fire management plans</li><li>Senior Traditional Owners ensures that burns are conducted in accordance with cultural protocols</li><li>Sites and ‘fire hazards’ are mapped to minimise risk of fire impacting sites.</li></ul>	GOOD
9. Generating ACCUs; and avoiding emissions and thereby having a positive impact on climate change mitigation	<ul style="list-style-type: none"><li>ACCU generation differs greatly from group to group and can be attributed to several factors including. Projects baselines derived at the point of project registration<ul style="list-style-type: none"><li>High and Low Rainfall</li><li>Operating Environment</li><li>Land Tenure</li><li>Carbon Literacy</li></ul></li><li>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.</li></ul>	POOR



The 2024 Annual Workplan and Budget for the Savanna Fire Management Program was approved by the Trustee during December 2023.

### The 2024 Workplan and Budget proposed to deliver the following SFM Program activities:

#### Support one Phase 1 PFA project through facilitating governance and project development

ACHIEVED

##### Wagiman Fire Project

The Wagiman Fire Project commenced their Phase 1 contract in May 2020 which concluded during July 2024. During this period the project undertook the required vegetation mapping and validation satisfying the CERs methodology requirements for ACCU production. Along with this, the Wagiman Project has successfully completed all milestones associated with the Phase 1 PFA and is now ready to move forward into Phase 2.

#### Complete one Phase 1 project and negotiate one new Phase 2 PFA for the Wagiman Aboriginal Land Trust

IN PROGRESS

##### Wagiman Fire Project

The Section 19 lease agreement under the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA) between the NLC and ILSC to conduct Emissions Avoidance via Savanna Fire Management was finalised in late 2024 with the project subsequently being registered with the CER under the *Carbon Credits (Carbon Farming Initiative - Savanna Fire Management - Emissions Avoidance) Methodology Determination* on December 24<sup>th</sup>, 2024, as ERF200709. A Phase 2 PFA with the ILSC as the project proponent and the NLC as the project operator will commence in early 2025.

#### Monitor and support ongoing SFM Phase 2 Project Operators as required

ACHIEVED

**Garawa Fire Project** – Northern Land Council in partnership w/ Garawa Ranger Group.

**Judbarra National Park Fire Project** – Northern Land Council in partnership w/Timber Creek, Wardaman and Daguragu Rangers.

**Tiwi Islands Fire Project** – Tiwi Resources Corporation & Tiwi Ranger Group (Transitioned to fully independent in March 2024).

**Wardaman Fire Project** – Northern Land Council in partnership w/Wardaman Rangers.

**Western Top End Project** – Thamarrurr Development Corporation & Thamarrurr Rangers.

Photography by: Stanley Tipungwuti - Tiwi Project

## 2024 WORK PLAN ILSC DELIVERY



Develop governance business models including a potential new entity to assist Phase 2 projects develop long-term sustainable savanna fire management enterprises

IN PROGRESS

**Garawa – Work on** a Fire Project Committee to represent land-owner interests and form a separate governing body to focus on carbon business development has been initiated.

**Judbarra –** Support for traditional owners and a robust evaluation process has begun. A Judbarra Fire Management Committee working alongside the Joint Management Committee, was established to provide oversight of annual fire management plans and business entity development.

**Tiwi –** Developed a comprehensive Project plan for their independent Tiwi Carbon Project, accompanied by a detailed Business prospectus that outlines marketing strategies for Tiwi Carbon and its co-benefits. Furthermore, an income distribution model has been established to ensure the fair distribution of generated income, moved to full independence in March 2024.

**Wardaman –** Strategic fire management and planning was completed, with a focus on mapped areas of cultural and biodiversity significance.

**Western Top End –** Recognising the importance of governance and organisational support, the TDC board approved the inclusion of the Western Top End Savanna Fire Management Committee and a Sub-Committee of TDC.

Strategic fire management planning was also conducted with Wagiman, in preparation for the commencement of Phase 2 operations in 2025.

**ILSC** progressed the development of carbon project guides in collaboration with the Indigenous Carbon Industry Network. These guides aim to assist Indigenous groups in understanding the carbon industry and positioning themselves to maximise the benefits of projects for their Country and Community.

ILSC and NLC are working together to establish a carbon position within the NLC, to help build governance capacity within the participating SFM groups. Part of this role will involve determining the merits of establishing a possible new entity, to assist in the management of multiple projects and operators.

Develop and implement a monitoring and evaluation process to assess the impact of savanna fire management on environmental values within each Phase 2 PFA

IN PROGRESS

SFM project groups have either developed, are reviewing, or currently developing a “Healthy Country Plan”, Indigenous Protected Area (IPA) Plan of Management, or other document describing their project areas **Assets** (Cultural & Environmental etc), **Threats** (Invasive Species, Inappropriate Fire, Erosion, etc) and **Actions** and **Priorities** to manage them.

ILSC has investigated engaging the DCBR to undertake; **1)** Habitat and Fire Community Mapping, **2)** Ecological Threshold Analysis; and **3)** Develop Savanna Monitoring and Evaluation Reporting Framework, across all project areas to better assist project groups and the broader community to evaluate long term impacts of SFM activities and reporting on this metric.

ILSC has engaged the DCBR NAFI team to develop individual NAFI/QGIS training packages for the 6 projects. The training introduces the QGIS mapping software, with a focus on importing and viewing data relevant to fire managers. The training incorporates the use of NAFI data services and the fine-scale imagery and burnt area mapping that is provided to the projects by NAFI, this can also be used to assess the efficacy of project fire management activities.

Develop and commence implementation of a framework for Indigenous participants to measure social/cultural benefits of the SFM Program

DELAYED

The SFM Program 5-year strategy includes the development of co-benefit metrics as one of its priorities.

ILSC has investigated engaging the DCBR to undertake; **1)** Habitat and Fire Community Mapping, **2)** Ecological Threshold Analysis; and **3)** Develop Savanna Monitoring and Evaluation Reporting Framework. This work will be continued in 2025.



Build the fire management capacity of SFM Project Operators to conduct SFM Projects

ACHIEVED

ILSC delivered Strategic Burning Workshops as part of the SFM Forum and dedicated Workshops with 3 Groups, while also providing Work Safely around Aircraft and Operate Aerial Ignition Equipment in an Aircraft training, NAFI satellite imagery training and NAFI/QGIS training, Fire Operations – Level 1 training and Pyroshot and Raindance operations training across the Project Groups in 2024.

**Garawa Project** – 15 Rangers and Traditional Owners were engaged on a casual basis.

**Judbarra National Park Project** – 14 Rangers and Traditional Owners were engaged on a casual basis.

**Wagiman** - 2 Rangers and Traditional Owners were engaged on a casual basis.

**Wardaman Project** – 26 Rangers and Traditional Owners were engaged on a casual basis.

**Western Top End Project** – 24 Rangers and Traditional Owners were engaged on a casual basis. There has been seasonal engagement of an experienced and qualified fire management practitioner who provided guidance and mentoring to project participants.

**People & Environment Consulting (PEC)** - provision of independent advice on the status of several projects with a focus on ACCU production as the project progresses. This has enabled the SFM to take the required actions to provide groups with the best chance to develop a viable enterprise as Phase 2 contracts progress.

Reporting to Perpetual in accordance with requirements outlined in SFM Services Agreements

ACHIEVED

SFM Program Quarterly Reports and the Annual Report were issued in agreed timeframes and prepared to a high standard. Introduced Quarterly Compliance Meetings (Virtual/In Person where possible) to discuss reporting of all Projects ongoing performance and operational progress, including any issues and/or concerns or additional support/assistance required.

Design, develop, publish, and distribute communications materials targeting recommendations outlined in the SFM 5 year review

IN PROGRESS

The SFM Program Annual Report 2024 was prepared and published in an engaging and informative format. The SFM Forum was held in Batchelor NT during November, where participating groups had the opportunity to collaborate and plan their projects with peers and professionals from the carbon industry.  
**Indigenous Carbon Industry Network (ICIN) – Charles Darwin University Language, Literacy, Numeracy Digital (LLND) Development Team** contracted to develop a suite of fit for purpose and targeted communication and educational tools to assist groups to better understand what is required to operate a viable carbon enterprise.

Map all key components of the SFM program and associated activities and risks

IN PROGRESS

Mapping of all SFM Program activities and risks initiated as part of the Savanna Monitoring and Evaluation Reporting Framework.

Implement recommendations and ILSC responsibilities outlined in the SFM Program Communications Plan agreed with INPEX and Perpetual

IN PROGRESS

Implementation of the SFM Communications Plan commenced, an annual communications Action Plan was developed. The plans scopes objectives and deliverables around the calendar year and is aligned to the work plan. This plan was also shared with INPEX.  
**Indigenous Carbon Industry Network (ICIN) – Charles Darwin University Language, Literacy, Numeracy Digital (LLND) Development Team** contracted to develop a suite of fit for purpose and targeted communication and educational tools.

Continue to support and develop SFM Program staff

ACHIEVED

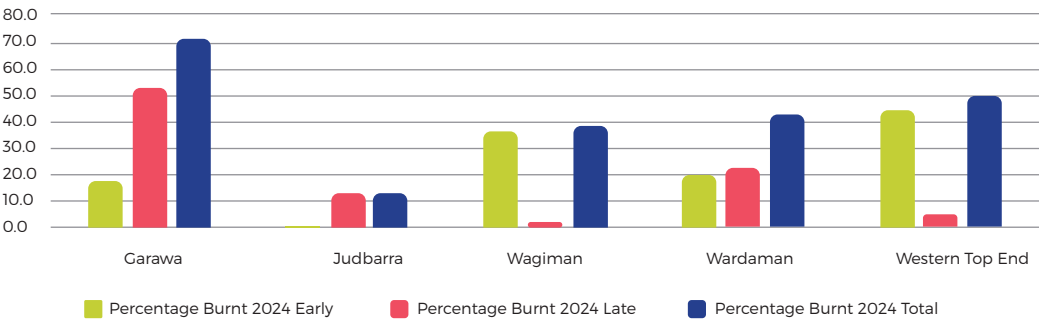
ILSC successfully placed the new SFM Program Manager who commenced in February, the dedicated Project Advisor undertook a development opportunity elsewhere in NT with an internal position share Project Advisor assisting the team and the Senior Carbon Coordinator position filled.



AREA BURNT PHASE 2 PROJECTS 2024

2024 SAVANNA FIRE MANAGEMENT - PHASE 2 AREA BURNT (%)

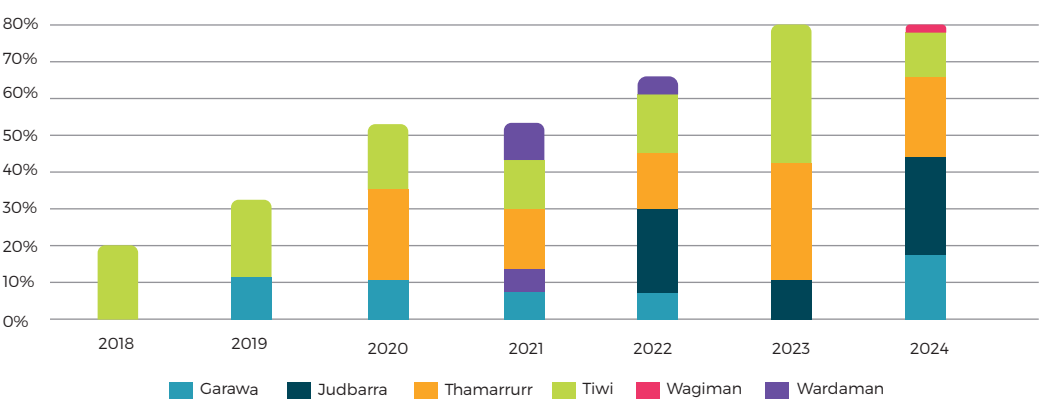
Graph 4. Area Burnt by season and total for the SFM Projects in 2024.



PORTION OF FUNDS APPLIED TO PHASE 2 PROJECTS

SAVANNA FIRE MANAGEMENT - PHASE 2 PROJECT FUNDING

Graph 5. Funding Allocation of Phase 2 SFM Projects



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 2024 calendar year. All figures presented are exclusive of GST.

INCOME	Budget 2024	Actual 2024	Variance
Quarter 1 Trustee payment	903,442	597,841	305,601
Quarter 2 Trustee payment	903,442	1,208,791	305,348
Quarter 3 Trustee payment	903,442	903,442	
Quarter 4 Trustee payment	903,442	903,442	
Total Payments	3,613,769	3,613,516	253
Balance held by program at 1 Jan 2023	1,162,783	1,162,783	
Total Income	4,776,552	4,776,299	253

EXPENSES	Budget 2024	Actual 2024	Variance
Overhead costs (fixed)	185,025	185,025	
Direct costs	595,884	617,341	-21,457
Phase 1 PFAs	80,000	83,790	-3,790
Phase 2 PFAs	2,926,730	2,190,598	736,132
Third party service providers	689,340	291,611	397,729
Total Expenditure	4,476,979	3,368,365	1,108,614

SUMMARY FINANCIAL VARIANCE OF 2024 BUDGET

Overall SFM program expenditure was under the 2024 allocation.

The ILSC has noted following details significant variances in expenditure against the budget:

- Program expenditure in 2024 was underspent largely due to the carrying over of funds from 2023.
- Some variation in project costs and Third-Party Service Providers occurred from the budgeted amounts.
- Overall, the budget and expenditure are well balanced with any variation attributable to normal variation experienced in delivery of the complex SFM Program.



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).

The SFM Program had five projects registered with the CER and therefore eligible to earn ACCUs in 2024.

Official reporting (submission of project offset reports) to the CER is yet to be undertaken so ACCUs have not been issued for 2024 SFM Program activities. However, SavBAT calculations using 2024 data have been run for all projects; predicted ACCUs earned by each project are provided below.

All project reporting, including calculation of proportion of ACCUs attributable to SFM Program funding, is expected to be completed by end 2025.

ACCUS GENERATED BY SFM PROGRAM OPERATORS

Table 2. ACCUs predicted to be credited to SFM Projects for 2024

Project	Predicted ACCUs 2024	Proportion attributed to SFM funding	ACCUs transferred to INPEX in 2025
Tiwi*	Independent	N/A	N/A
Garawa**	Zero ACCUs generated	N/A	0
Western Top End**	Zero ACCUs generated	N/A	0
Judbarra 2^	~27,881	TBD	TBD
Wardaman**	Zero ACCUs generated	N/A	0
Wagiman	~26,322	TBD	TBD
Total	~54,203		TBD

Source : 2024 SFM Annual Report, Indigenous Land and Sea Corporation, Page 20

The Tiwi Fire and Carbon Project has been able to generate a significant amount of ACCUs during its long involvement in the SFM Program. The other groups have generated less ACCU's as their baselines are lower and a few bad years have hindered their success. Efforts to turn this situation around are the SFM Programs highest priority.

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** – 2024 SFM ANNUAL REPORT - ILSC

**APPENDIX 4** – 2024 WORK PLAN AND BUDGET

# APPENDIX 1

## FINANCIAL REPORT



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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 2024



# Statement of Profit or Loss and Other Comprehensive Income

Savanna Fire Management Trust  
For the year ended 31 December 2024

	2024 \$	2023 \$
<b>Income</b>		
Contribution Income	2,477,667	3,456,303
Distribution Income	185,041	90,275
Interest Income	37,554	105,391
Unrealised Gain/(Loss) on Financial Assets Held at Fair Value Through Profit or Loss	8,146	22,943
Realised Gain/(Loss) on Financial Assets Held at Fair Value Through Profit or Loss	(12,157)	(2,250)
Sundry Income	638	4,723
Income Tax Expense	-	-
<b>Total Income</b>	<b>2,696,888</b>	<b>3,677,384</b>
<b>Expenditure</b>		
Accounting & Audit Fees	23,878	25,533
Administration Costs	2,080	2,080
SFM Program Distribution	2,710,074	2,578,975
Management Fees	42,949	46,295
Interest Expense	9,775	9,995
<b>Total Expenditure</b>	<b>2,788,756</b>	<b>2,662,878</b>
<b>Profit/(Loss) and Other Comprehensive Income for the Year</b>	<b>(91,868)</b>	<b>1,014,506</b>

The accompanying notes form part of these financial statements.

# Statement of Financial Position

Savanna Fire Management Trust  
As at 31 December 2024

	NOTES	31 DEC 2024 \$	31 DEC 2023 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	2	82,607	128,278
Receivables	3	121,174	264,682
<b>Total Current Assets</b>		<b>203,781</b>	<b>392,961</b>
<b>Non-Current Assets</b>			
Financial Assets	4	2,957,433	2,861,444
<b>Total Non-Current Assets</b>		<b>2,957,433</b>	<b>2,861,444</b>
<b>Total Assets</b>		<b>3,161,214</b>	<b>3,254,405</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	5	22,065	23,388
<b>Total Current Liabilities</b>		<b>22,065</b>	<b>23,388</b>
<b>Total Liabilities</b>		<b>22,065</b>	<b>23,388</b>
<b>Net Assets</b>		<b>3,139,149</b>	<b>3,231,017</b>
<b>Trust Funds</b>			
Settled Sum		20	20
Reserves	6	3,139,129	3,230,997
<b>Total Trust Funds</b>		<b>3,139,149</b>	<b>3,231,017</b>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

Savanna Fire Management Trust  
For the year ended 31 December 2024

	2024 \$	2023 \$
<b>Cash Flows from Operating Activities</b>		
Contribution Income Received	2,477,667	3,456,303
Interest Income Received	52,951	89,994
Distribution Income Received	162,415	80,802
Other Income Received	-	4,723
Payment for Operating Expenses	(2,638,704)	(2,828,273)
<b>Net Cash Provided by/(Used in) Operating Activities</b>	<b>54,329</b>	<b>803,549</b>
	2024 \$	2023 \$
<b>Cash Flows from Investing Activities</b>		
Payment for Purchase of Financial Assets	(4,060,000)	(8,275,000)
Proceeds on Sale of Financial Assets	3,960,000	6,690,000
<b>Net Cash Provided by/(Used in) Investing Activities</b>	<b>(100,000)</b>	<b>(1,585,000)</b>
	2024 \$	2023 \$
<b>Net Cash Movement</b>		
Cash and Cash Equivalents at Beginning of Financial Year	128,278	909,729
Net Increase/(Decrease) in Cash Held	(45,671)	(781,451)
<b>Cash and Cash Equivalents at End of Financial Year</b>	<b>82,607</b>	<b>128,278</b>

Notes to the Financial Statements

Savanna Fire Management Trust  
For the year ended 31 December 2024

The financial statements were authorised for issue on 12 March 2025 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 was constituted on 6 December 2016 and is 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 other 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 correspond to receivables for managed fund distributions, goods and services tax and interest on investment income. 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 and term deposits. 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).

Other Income

Other income comprises of accrued auditor fees and managed fund rebates . They are recognised on an accruals basis.

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

h) 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.

i) Rounding of Amounts

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

j) 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.

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.

	2024 \$	2023 \$
<b>2. Cash and Cash Equivalents</b>		
Perpetual Cash Account	82,587	128,258
Cash on Hand	20	20
<b>Total Cash and Cash Equivalents</b>	<b>82,607</b>	<b>128,278</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.

	2024 \$	2023 \$
<b>3. Receivables</b>		
<b>Current</b>		
Distribution Receivable	35,786	12,521
GST Receivable	85,389	236,764
Interest Receivable	-	15,397
<b>Total Current</b>	<b>121,174</b>	<b>264,682</b>
<b>Total Receivables</b>	<b>121,174</b>	<b>264,682</b>
	2024 \$	2023 \$

4. Financial Assets

<b>Non-Current</b>		
Units In Unlisted Unit Trusts at Fair Value	2,957,433	2,011,444
Term Deposits	-	850,000
<b>Total Non-Current</b>	<b>2,957,433</b>	<b>2,861,444</b>
<b>Total Financial Assets</b>	<b>2,957,433</b>	<b>2,861,444</b>
	2024 \$	2023 \$

5. Payables

<b>Current</b>		
Accounting Fees Accrued	13,185	15,400
Audit Fees Accrued	8,880	7,988
<b>Total Current</b>	<b>22,065</b>	<b>23,388</b>
<b>Total Payables</b>	<b>22,065</b>	<b>23,388</b>
	2024 \$	2023 \$

6. Reserves

<b>Analysis of Each Class of Reserve:</b>		
<b>General Reserve</b>		
Trust Capital - Opening Balance	3,230,997	2,216,491
Trust Capital - Movement	(91,868)	1,014,506
<b>Total General Reserve</b>	<b>3,139,129</b>	<b>3,230,997</b>
<b>Total Reserves</b>	<b>3,139,129</b>	<b>3,230,997</b>

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 2024 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:

(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.

	2024 \$	2023 \$
<b>i) Management Fees</b>		
Trustee Fees	42,949	46,295

(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.

	2024 \$	2023 \$
<b>ii) Investments</b>		
Investments in Unlisted Unit Trusts	2,022,656	2,011,444



9. Trust Details

The principal place of business is:

Savanna Fire Management Trust  
Level 18, Angel Place, 123 Pitt Street, Sydney, NSW, 2000

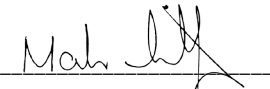
The principal activities of the Trust during the financial year were to support the development and implementation of fire management projects on indigenous-held land in the Northern Territory.

Trustee's Declaration

Savanna Fire Management Trust  
For the year ended 31 December 2024

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 2024, the statement of profit and loss and other 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 2024 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; and
- 4. The Trust has operated during the year ended 31 December 2024 in accordance with the provisions of the Trust Deed.



Director: Mark Smith

Dated: 26 March 2025

Auditor's Independence Declaration

Savanna Fire Management Trust  
For the year ended 31 December 2024



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 2024, 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

HLB Mann Judd Audit (SA) Pty Ltd  
Chartered Accountants

Travis Rickard  
Director

Adelaide, South Australia  
26 March 2025

hlb.com.au  
HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097  
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Liability limited by a scheme approved under Professional Standards Legislation.  
HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.



## APPENDIX 2

### INDEPENDENT AUDITORS REPORT

#### APPENDIX 2

## Independent Auditor's Report

Savanna Fire Management Trust  
For the year ended 31 December 2024



## 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 2024, 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 2024 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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HLB Mann Judd Audit (SA) Pty. Ltd. ABN: 32 166 337 097

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## APPENDIX 2



## 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.

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## 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 2024.

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 2024.

### 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.

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 2024. 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 2024.

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.

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## APPENDIX 2

### 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 2024 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 March 2025



Travis Rickard  
Director

[hlb.com.au](http://hlb.com.au)

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# APPENDIX 3

2024 SFM Annual Report - ILSC

## NT Savanna Fire Management Program

### Annual Report 2024



Figure 1. NT Savanna Country - Daly Region





Acknowledgement of Country

In all our activities we pay our respect 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 people 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.

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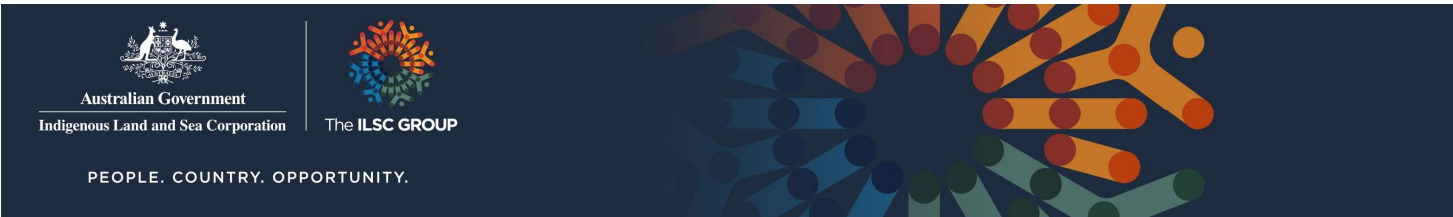
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Introduction

The Indigenous Land and Sea Corporation’s (ILSCs) 2024 NT Savanna Fire Management (SFM) Annual Report provides an overview of the eighth-year of implementation of the SFM Program. The SFM Program provides funds for the establishment and support of carbon projects that reduce emissions using Indigenous fire management techniques on Indigenous held land in the Northern Territory (NT).

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 carbon projects on Indigenous lands in 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 carbon projects, registered with the Clean Energy Regulator (CER) under the Carbon Farming Initiative Act 2011, operate under the Savanna Burning Methodologies. These methodologies are informed by the 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 also produce large amounts of greenhouse gases.

Through the SFM Program, the ILSC partners with and directly engages with project groups to prepare for and register SFM projects. 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 looking after country using traditional cultural practices, employment, income generation through emissions avoidance and the establishment of long term sustainable enterprises on Indigenous held land.

SFM 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



## Project Structure

### Phase 1 Project Funding Agreements:

Phase 1 Project Funding Agreements (PFA's) are the initial steps groups take towards engaging in the carbon economy. These agreements focus on due diligence, business planning, feasibility assessments, and meeting Clean Energy Regulator (CER) eligibility requirements for Australian Carbon Credit Units (ACCU) production.

Phase 1 PFA's play an essential role in supporting the early stages of project development assisting groups to build their understanding of the carbon industry, assess and develop their fire management capacity and provides an insight into aspects of operating an emissions avoidance project. These projects are ideally hosted by a local Indigenous entity, or otherwise via a temporary proxy organisation, if local governance capacity requires development.

Prior to the execution of Phase 1 contracts and the appointment of a hosting organisation, extensive consultation takes place with Traditional Owners, ensuring Free, Prior, Informed Consent (FPIC), has been granted. Moving into Phase 2 requires projects to demonstrate commercial viability and the potential to become fully independent commercial enterprises within 5 to 7 years of initiating savanna burning operations.

### Phase 2 Project Funding Agreements:

Where a Phase 1 SFM project demonstrates it meets the necessary viability and assessment requirements, it has the opportunity to proceed into a Phase 2 PFA. Should the projects' Traditional Owners decide to proceed to the next step, projects are then registered with the CER under the *Carbon Credits (Carbon Farming Initiative- Savanna Fire Management- Emissions Avoidance) Methodology Determination*, becoming eligible to earn ACCUs and are required to create an account with the Australian National Registry of Emissions Units (ANREU), where ACCUs are held.

Phase 2 PFA's identify the Project Proponents and Operators, the Proponent being the Indigenous Entity (or proxy) that registers the project with the CER and is responsible for maintaining compliance requirements including annual burning and offset reporting, and are subject to a prescribed auditing schedule, the Operator is the Indigenous entity undertaking the operational activity.

Phase 2 PFA's provide financial support for various aspects of fire management operations including, fire planning and burning operations, employment and training of Indigenous Rangers and provision of external expert technical advice if required. PFA's also support project offset reporting & audits, governance development and professional development opportunities.

The primary goal of Phase 2 PFA's is to foster the growth and development of the groups and project to provide the best chance of success to establish and maintain sustainable Indigenous carbon enterprises. It is a multifaceted process within a fast-moving complex industry with some groups transitioning to independence sooner than others. Phase 2 PFA's provide the funding via a flexible and targeted PFA combined with a beneficial ACCU proportional allocation at the point of transition, that provides participating groups an opportunity they may not otherwise be eligible to receive.



## SFM Project Map

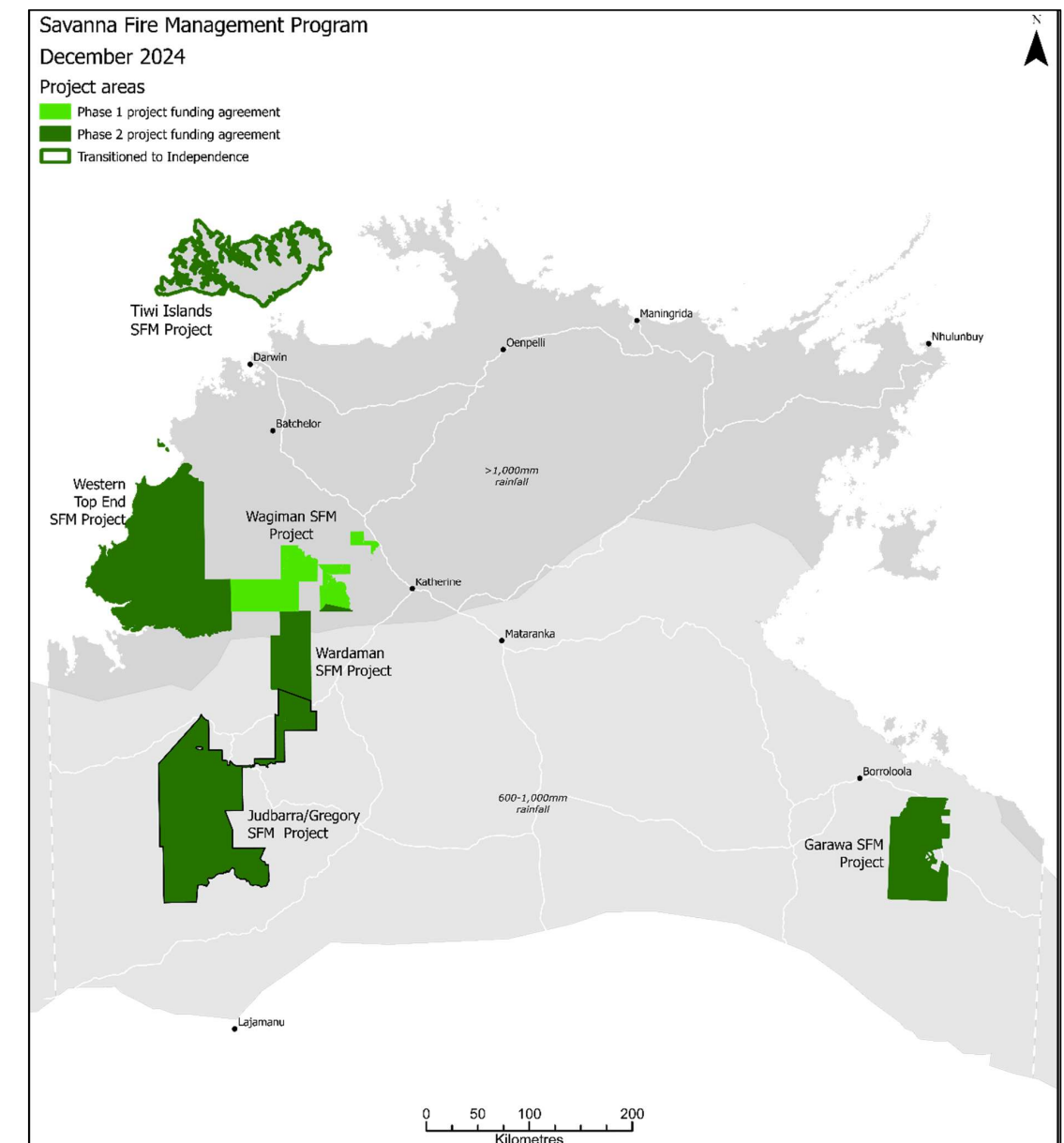


Figure 2. Map of ILSC SFM Projects under Phase 1 (feasibility) and Phase 2 (operational) agreements.

NOTE - Tiwi Islands became independent in March 2024 and the Wagiman Fire Project was registered with the Clean Energy Regulator in late December 2024, commencing Phase2 operations in 2025.





## Summary of SFM Program Manager Activities in 2024

The delivery of the SFM Program in 2024 has included some significant progress as well as some challenges. With a full SFM team largely in place for 2024 the primary focus has been to maintain the foundations that project groups have built, while identifying and addressing challenges to enable the groups and projects to strengthen over time.

A significant high point in 2024 was the transition of the Tiwi Islands Fire and Carbon Project to a fully independent, Indigenous-owned carbon enterprise. Joining the SFM Program in 2016, the Tiwi Fire Project has generated 223,000 ACCUs, valued at over \$7 million, engaged over 100 Traditional Owners and their families in annual fire planning and operations, and provided accredited training in fire management practices to 90 individuals. The project is now under the management of Tiwi Resource Corporation, continuing the Tiwi people's journey toward self-determination and increased economic development.

While recognising the important and difficult work undertaken by the Northern Australian Indigenous Land and Sea Management Alliance (NAISMA) as the project proponent/operator during the early years of the program, these roles are now undertaken by the NLC as project operator and the ILSC as Project Proponent. The NLC will enable improved support to the Ranger Groups they manage and Traditional Owners they represent, where they are involved in SFM projects.

It was acknowledged in 2024 that delays in implementation of the innovative Judbarra National Park project, combined with some negative fire years, placed the project in a difficult position, and as such the SFM team sought independent advice for this project and others. Modelling on future scenarios enabled the Judbarra project partners to work with the CER and make the decision to revoke and re-register the project. The project was re-registered in December 2024, essentially resetting it. The soon to be finalised By-law Permit, combined with the re-registration, places the project in a stronger position to realise its potential.

The Wagiman Fire Project was also registered late 2024 as ERF 200709 with the CER. After commencing as a Phase 1 project in 2020, this project is now ready to work towards independence under a Phase 2 contract commencing in early 2025.

With a focus on “Strategic Burning” the annual SFM Forum was held on the lands of the Kungarakana and Wari people in Batchelor NT, from 5 – 7 November. The 35 participants heard presentations from the ILSC, Charles Darwin University (CDU), Darwin Centre for Bushfire Research (DCBR), Bushfires NT, Northern Australia Fire Information (NAFI) staff and participated in planning sessions, providing the opportunity for the fire mangers to discuss their operational plans and ideas with peers.

INPEX, the ILSC and Perpetual agreed on changes to the “Proportional ACCU Allocation” to allow a carbon price to be factored into ACCUs reimbursed to INPEX. Once the final sign off occurs, groups can work in the knowledge their efforts will be reflected with an annualised averaged carbon price, plus a premium, providing improved benefit as the groups transition to independence.

In 2024 a suite of third-party contracts were initiated. These aimed to deliver improved communication to the groups via engaging the Indigenous Carbon Industry Network (ICIN), CDU Language, Literacy, Numeracy, and graphic design development specialists to produce communication tools targeted at participating groups. It is anticipated that these tools, ongoing NAFI and other specialist training delivery and increased planning support with the project groups



will assist in capacity development and provide a greater understanding of Emissions Avoidance through Savanna Fire Management in the coming years.



Figure 3. Participants at the ILSC SFM Forum - November 2024, Batchelor NT



2024 SFM Program Information

No. of SFM Projects:	Phase 2	5
	Phase 1	1
No. of Ranger Groups involved		7
No. of Individuals involved		80 (ex -Tiwi Project)
Total project area (hectares)		4.6 million ha
Training courses provided		10
No. of third party contracts (consultants)		6

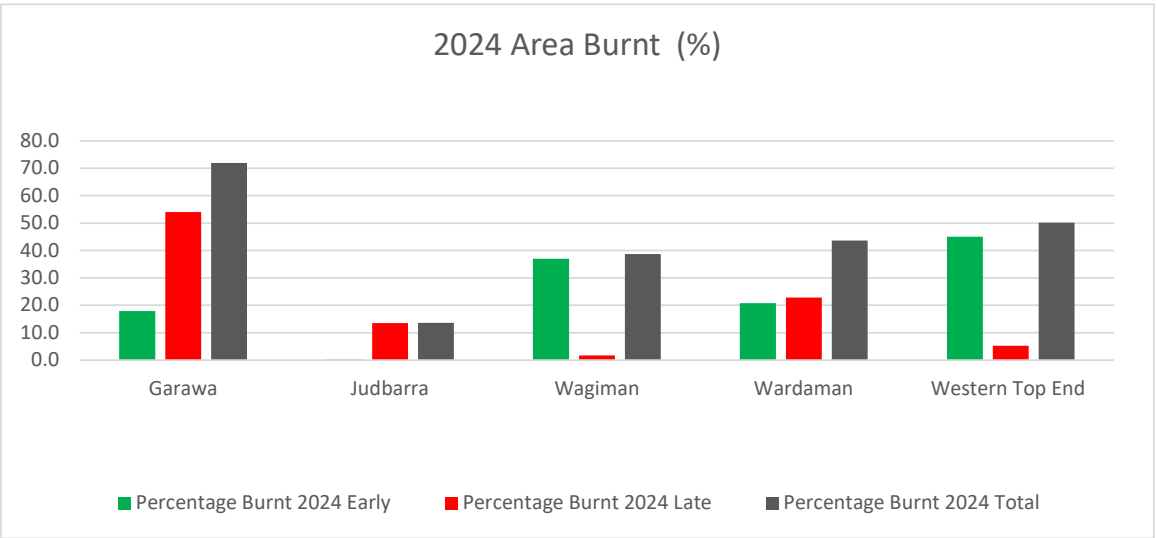


Table 1. Area burnt by season and total for the SFM Projects in 2024



PEOPLE. COUNTRY. OPPORTUNITY.

Phase 1 Projects

Wagiman Fire Project - Phase 1

REGISTRATION	ERF200709 - 24 <sup>th</sup> December 2024
CONTRACT	Phase 1 Contract ended July 2024.
PROJECT PROPONENT	Indigenous Land and Sea Corporation
PROJECT OPERATOR	Northern Land Council
RANGER GROUPS	Wagiman Rangers
PROJECT AREA (Ha)	445,497 – Upper Daly, Wagiman #1 & Wagiman #2 ALT's
PARTICIPATION - Individuals	25
TRAINING RECEIVED	Aerial Incendiary & Safety Around Helicopters.

Activities 2024

The Wagiman Project commenced their Phase 1 contract in May 2020 which concluded during July 2024. During this period the project undertook the required vegetation mapping and validation satisfying the CERs methodology requirements for ACCU production. Along with this, the Wagiman Project has successfully completed all milestones associated with the Phase 1 PFA and is now ready to move forward into Phase 2.

The Section 19 (s19) lease agreement under the *Aboriginal Land Rights (Northern Territory) Act 1976* (ALRA) between the NLC and ILSC to conduct Emissions Avoidance via Savanna Fire Management

was finalized in late 2021 with the project subsequently being registered with the CER market and Carbon Credits (Carbon Farming Initiative- Savanna Fire Management- Emissions Avoidance) Methodology Determination on December 24<sup>th</sup> 2024 as ERF200709. A Phase 2 PFA with the ILSC as



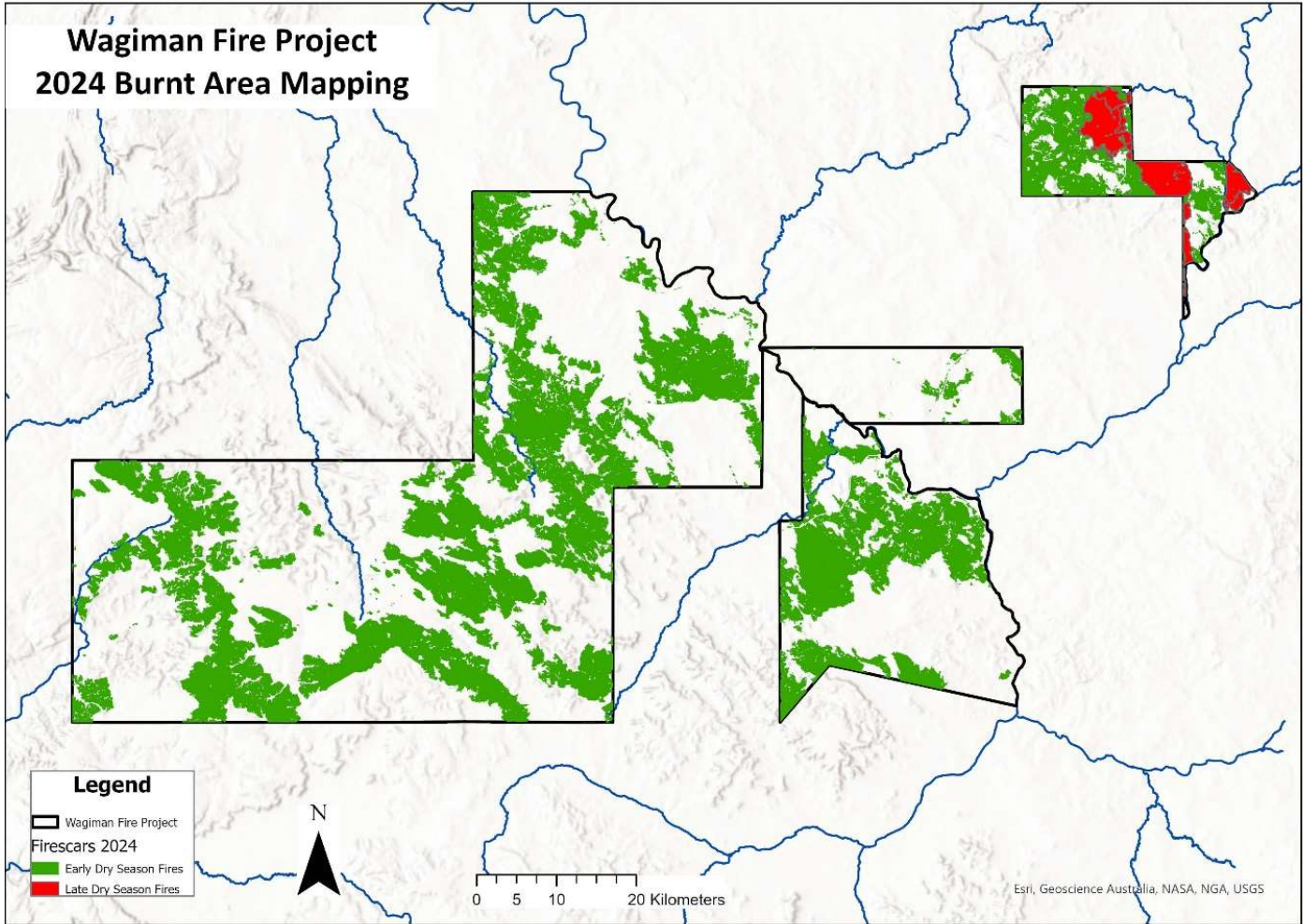


Figure 5. Map of burnt areas in the Wagiman Fire Project area - 2024. Burnt area mapping courtesy of NAFI



2 Projects

Carbon Project - Phase 2

ATION	ERF 130950
CT	Phase 2 Contract January 2024 - November 2027
PROPONENT	Indigenous Land and Sea Corporation
OPERATOR	Northern Land Council
GROUPS	Garawa Ranger Group
AREA (Ha)	521,768 – Garawa Aboriginal Land Trust
ATION - Individuals	15
G RECEIVED	Planning Workshops

2024

nal engagement of a qualified and experienced fire management practitioner has played a e in providing guidance and mentorship to the project participants. This has enabled y plan for 2024 effectively. Unfortunately, the absence of a dedicated Ranger Group or and the loss of the fire management practitioner early in the EDS burning program the group’s efforts to implement the required EDS and LDS activities needed to reduce the mpact of LDS fire.

2 contract for this project was renewed in late 2024 with the ILSC as the project t and NLC as the project operator. An experienced fire manager has been engaged for the on, who will work with the project proponent and Traditional Owners to implement a tegic approach to EDS efforts.

va project is in a position where the project can be revoked and re-registered with CER. rly discussion with the project operators, they indicated its an option they would like to ith a decision to proceed will be made in the coming months following further analysis of



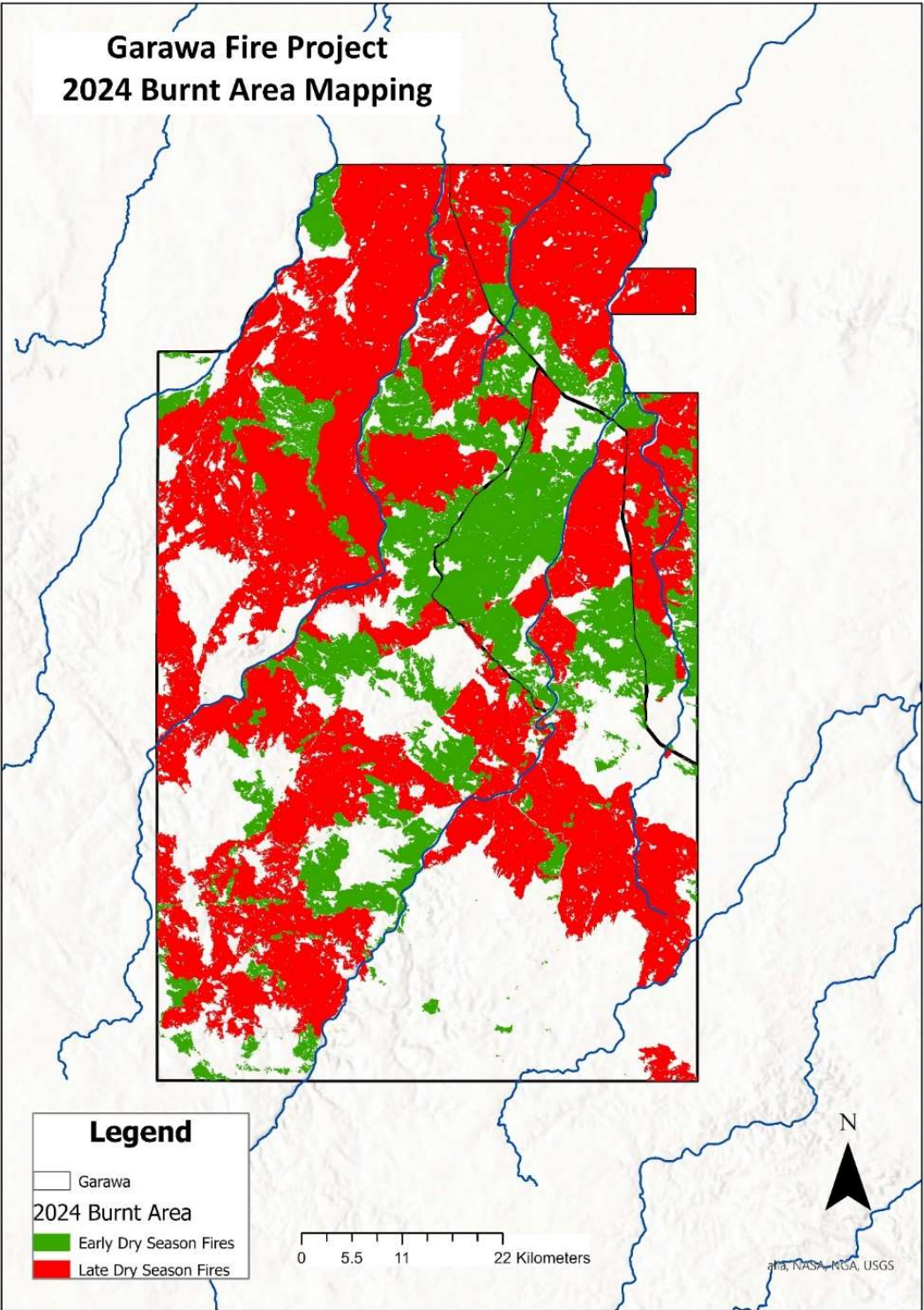


Figure 7. Map of burnt areas in the Garawa Carbon Project area - 2024. Burnt area mapping courtesy of NAFI



Judbarra National Park Project: Phase 2

REGISTRATION	ERF 200886 24 <sup>th</sup> December 2024
CONTRACT	Phase 2 contract January 2022 - December 2025
PROJECT PROPONENT	Indigenous Land and Sea Corporation
PROJECT OPERATOR	Northern Land Council
RANGER GROUPS	Timber Creek, Wardaman and Daguragu Rangers
PROJECT AREA (Ha)	1,300,574 - Judbarra, Nalipinkak, Wambardi, Winan ALT's
PARTICIPATION - Individuals	14
TRAINING RECEIVED	NAFI & GIS Training – SFM planning workshop

Activities 2024

Pre-season fire planning was undertaken in early 2024 by the Project Operator with Traditional Owners and Ranger Groups, the ILSC and Parks and Wildlife Commission of the Northern Territory (PWCNT). Required permits were obtained and the fire plan submitted and approved. Despite the Judbarra Fire and Joint Management Committee's continued support of the project, final resolution of the By-law Permit was not obtained in 2024. With no By-law Permit issued by the PWCNT, less burning occurred than was planned with only a small amount of ground burning able to be undertaken by Traditional Owners in the 2024 EDS.

Protracted negotiations of the By-law Permit have hindered Project success. The ACCU totals for the Project are in the negative, making it difficult to return to positive ACCUs into the coming years. Independent advice was sought to canvas scenarios that lay ahead for the project, with the most favourable being to revoke and re- register the project. Consultation with INPEX staff, the project proponent and the CER saw the project re-registered in December 2024.

Issues with the By Law Permit have progressed in 2024 and are expected to be resolved before the burning season in 2025 therefore paving the way for a more productive year for the project.



Figure 8. Photos of the Judbarra Fire Project area (r) and fire planning meeting with Traditional Owners, ILSC, and project stakeholders



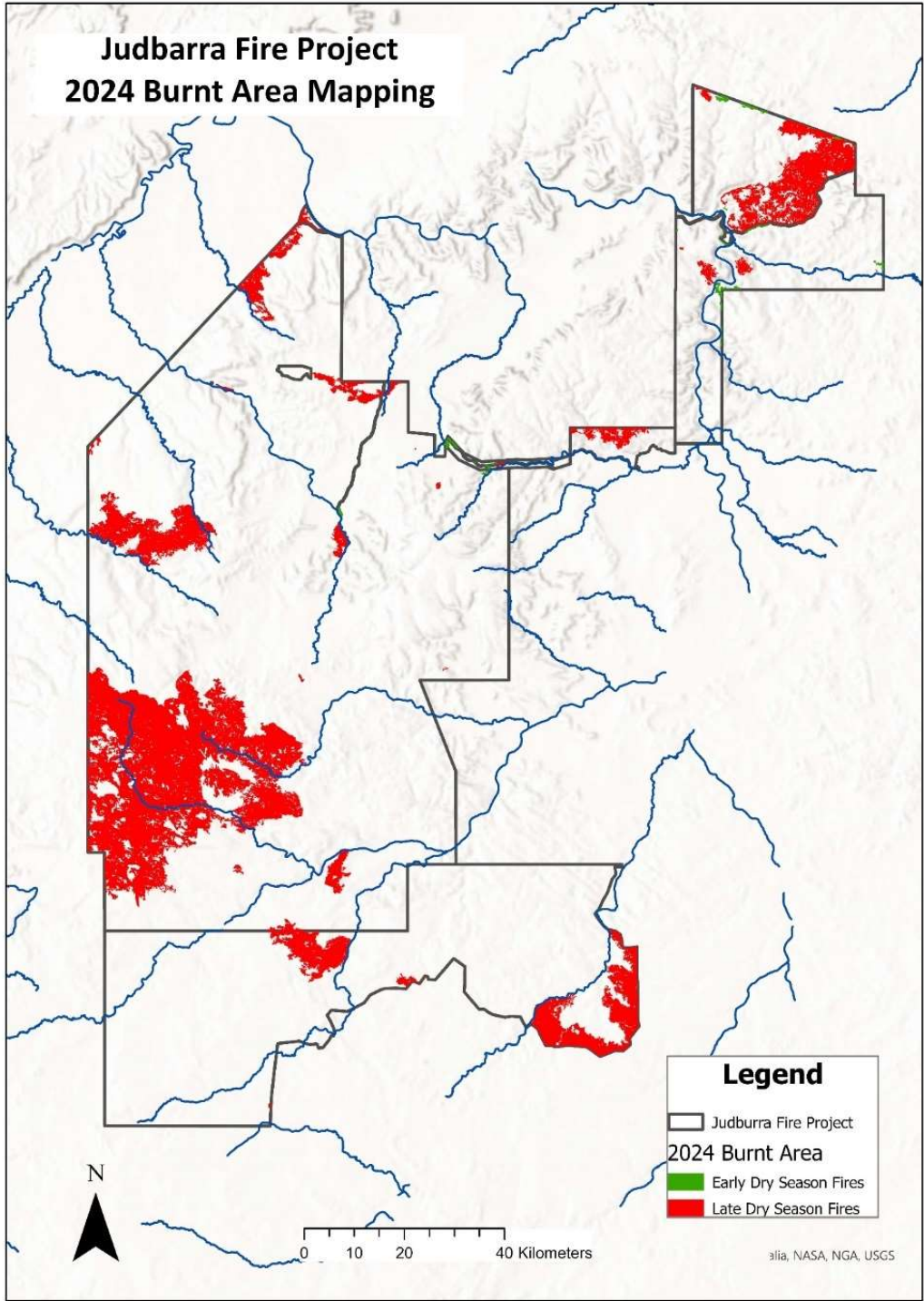


Figure 9. Map of burnt areas in the Judbarra Fire Project area - 2024. Burnt area mapping courtesy of NAFI

Tiwi Project: Phase 2

REGISTRATION	ERF 105045
CONTRACT	Phase 2 Contract July 2021 – March 2024
PROJECT PROPONENT	Tiwi Resources Corporation
PROJECT OPERATOR	Tiwi Resources Corporation
RANGER GROUPS	Tiwi Rangers hosted by Tiwi Resources Corporation
PROJECT AREA (Ha)	746,793 – Tiwi Aboriginal Land Trust (Bathurst & Melville Islands)
PARTICIPATION - Individuals	Approximately 150+ over the duration of the project
TRAINING RECEIVED	NAFI – QGIS, 4x4 , Pyroshot & Raindance , WHS, First Aid

Activities 2024

The transition of Tiwi Islands Fire and Carbon Project to a fully independent, Indigenous-owned carbon enterprise was a significant high point in 2024. Joining the SFM Program in 2018, the Tiwi Fire Project has generated around 223,000 ACCU's, engaged over 100 Traditional Owners and their families in annual fire planning and operations, and provided accredited training in fire management practices to 90 individuals.

A celebration was held at Wurrumiyanga on Bathurst Island in October 2024, which saw INPEX, the ILSC Tiwi Island's Rangers and Traditional Owners officially acknowledge the project transition from the SFM program. The project is now under the management of Tiwi Resource Corporation, continuing Tiwi people's journey toward self-determination and increased economic development.

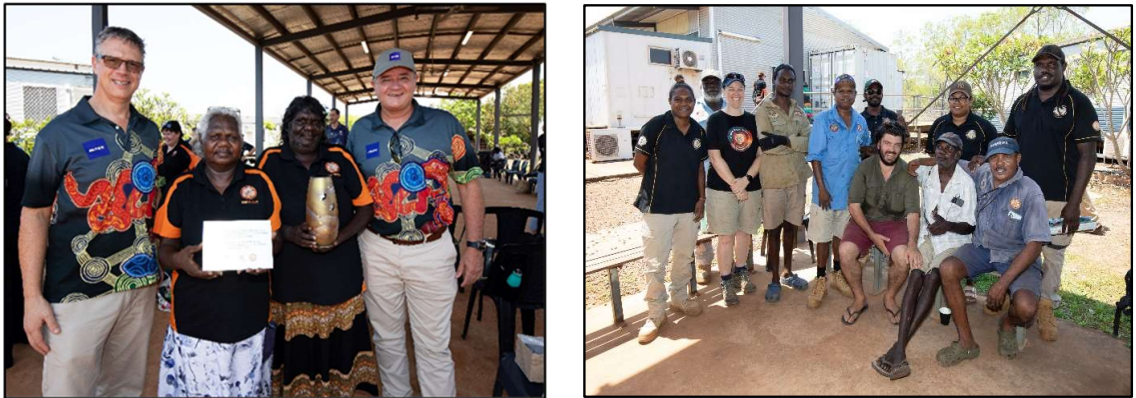


Figure 10. Photos of INPEX staff, Traditional Owners and Tiwi Rangers at an event to celebrate the transition to independence of the Tiwi Carbon Project. (photo credits - David Hancock)





Wardaman Fire Management Project: Phase 2

REGISTRATION	ERF 170671 – December 2021
CONTRACT	Phase 2 – December 2021 – December 2025
PROJECT PROPONENT	Indigenous Land & Sea Corporation
PROJECT OPERATOR	Northern Land Council
RANGER GROUPS	Wardaman Rangers
PROJECT AREA (Ha)	290,270 - Menngen – Yubulyawun Aboriginal Land Trusts
PARTICIPATION - Individuals	26
TRAINING RECEIVED	NAFI & GIS Training, Country Camps facilitating knowledge exchange

Activities 2024

2024 was the Wardaman Projects third year of Phase 2 operations. During the 2024 EDS, the Wardaman Rangers, with Traditional Owners implemented their 2024 fire management across the Wardman Indigenous Protected Area. The Fire Management Plan focused on protecting sites of Cultural and Biological significance.

2024 saw the Wardman project undertake its CER prescribed initial audit for the reporting period December 21 – December 22. Undertaken by GHD, the audit found the project proponent and operators, “have operated and implemented the project in accordance with the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Emissions Avoidance) Methodology Determination 2018*,”. Upon the successful initial audit the project submitted its first project report and application to the CER for the issuance of ACCU’s.

Building on planning conducted with the group in 2024, SFM staff will assist the group to better understand and implement strategic burning practices to minimise the impact of LDS fires. Other areas of focus for 2025 include building governance capacity and improved collaboration with neighbouring properties.



Figure 11. Photos of Wardaman Rangers undertaking ground burning in 2024 and calibrating the Raindance Aerial Incendiary machine. (photos credit Wardaman Rangers & NLC)

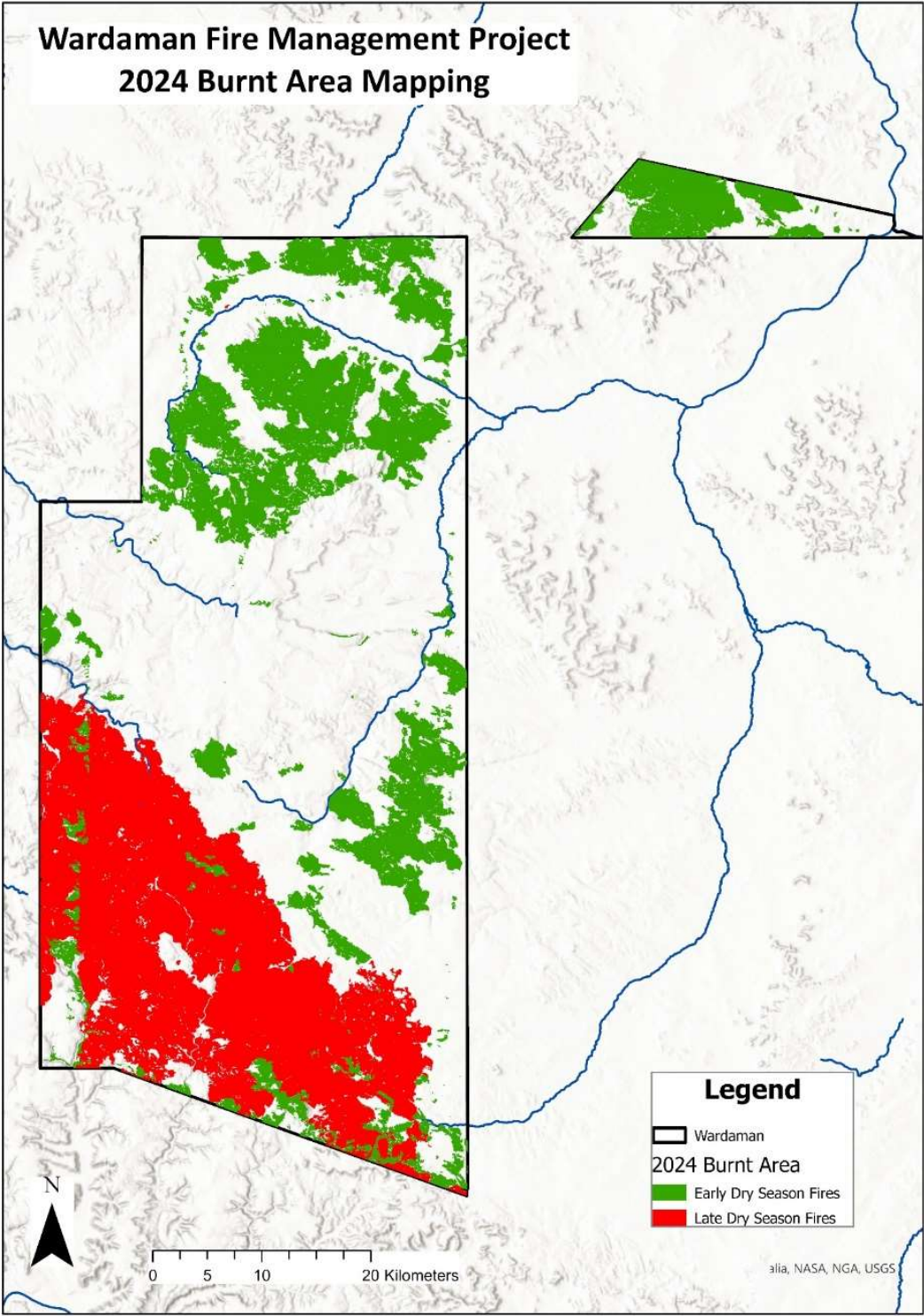


Figure 12. Map of burnt areas in the Wardaman Fire Management Project area - 2024. Burnt area mapping courtesy of NAFI





Western Top End SFM Project – Phase 2

REGISTRATION	ERF 160973
CONTRACT	Phase 2 May 2024 – January 2025
PROJECT PROPONENT	Thamarrurr Development Corporation
PROJECT OPERATOR	Thamarrurr Development Corporation
RANGER GROUPS	Thamarrurr Rangers.
PROJECT AREA (Ha)	1,395,758 – Daly River – Port Keats Aboriginal Land Trusts
PARTICIPATION - Individuals	24
TRAINING RECEIVED	Fire Operations – Level 1, Planning workshops

Activities 2024

The Western Top End (WTE) project continued operating under their existing Phase2 contract in 2024, during which they undertook approximately 100 hours of aerial prescribed burning activity during the EDS. This placed the project area in a good position to have a reduced impact from LDS wildfires.

Planning in 2024 had identified the potential to undertake “wet season burning” across the project area in 2025. Wet season burning, undertaken from early January to mid-February, is a technique that results in a reduction in highly flammable annual spear grass. Senescent spear grass, unburnt in 2024 is used to carry a fire over newly emerging spear grass thus killing the new grass before it can seed. The result is spear grass is knocked out of the area burnt. This technique is another tool for strategic burning and offers the potential to reduce the long-term flammability of the country. In reducing the dominance of spear grass it also provides plant and animals with a break from frequent fire.

Development of the Nganambala (Emu Point) Healthy Country Plan continued with Traditional Owners in 2024, providing the opportunity for their land management aspiration to be incorporated into current and future work plans, including annual fire operations.

Although WTE has had some challenges in previous years, they are now well established and are generating positive annual ACCUs and are working towards becoming an independent carbon enterprise.



Figure 13. Photos of early burning activities in the WTE SFM Project area. (photo credit Thamarrurr Development Corporation)

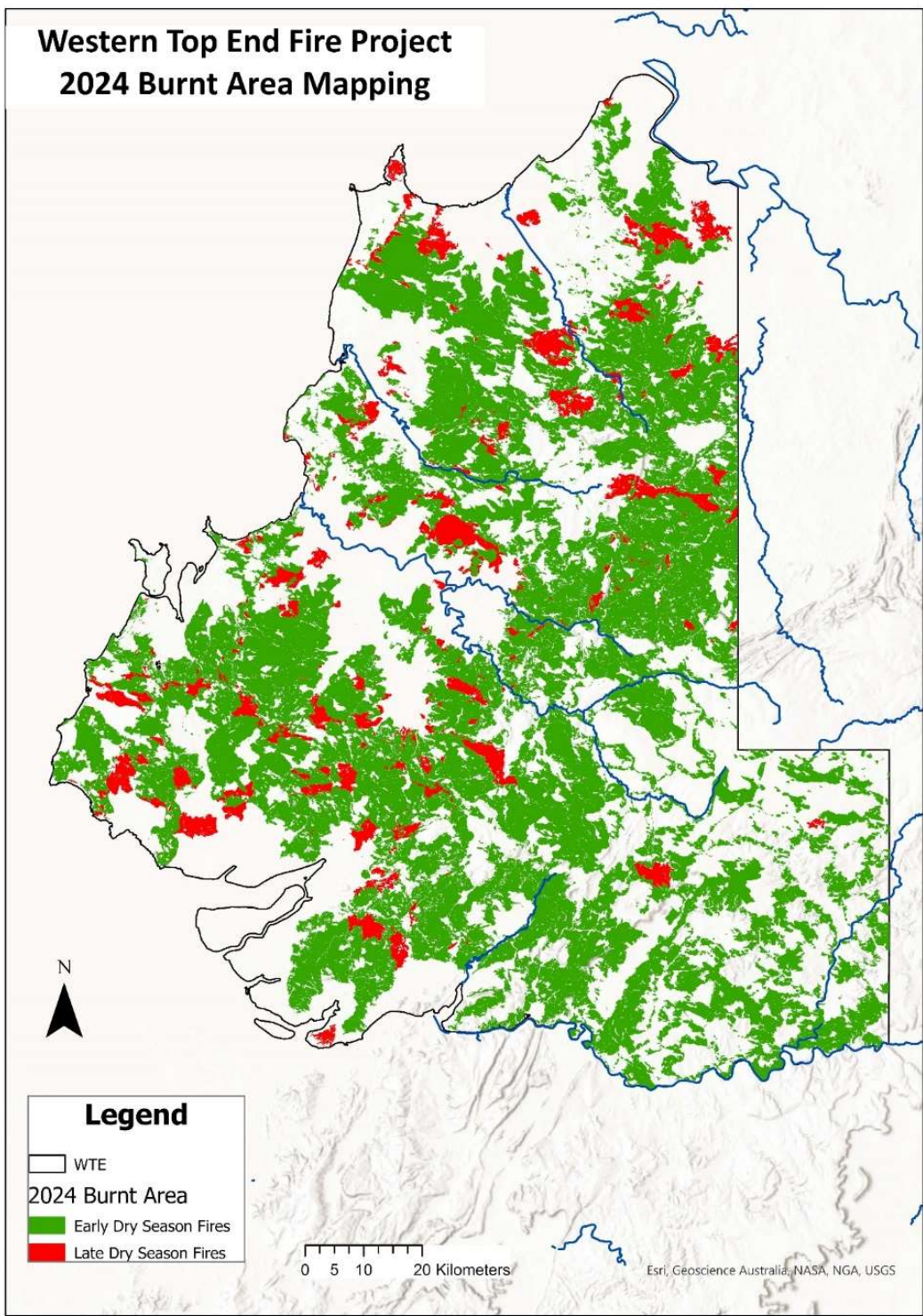


Figure 14. Map of burnt areas in the WTE SFM Project area - 2024. Burnt area mapping courtesy of NAFI





### ACCUs generated by SFM Program Operators

The SFM Program had five projects registered with the CER and therefore eligible to earn ACCUs in 2024.

Official reporting (submission of project offset reports) to the CER is yet to be undertaken so ACCUs have not been issued for 2024 SFM Program activities. However, SavBAT calculations using 2024 data have been run for all projects; predicted ACCUs earned by each project are provided below.

All project reporting, including calculation of proportion of ACCUs attributable to SFM Program funding, is expected to be completed by end 2025.

Project	Predicted ACCUs 2024	Proportion attributed to SFM funding	ACCUs transferred to INPEX in 2025
Tiwi*	Independent	N/A	N/A
Garawa**	zero ACCUs generated	N/A	0
Western Top End**	zero ACCUs generated	N/A	0
Judbarra 2^	~27,881	TBD	TBD
Wardaman**	zero ACCUs generated	N/A	0
Wagiman^	~26,322	TBD	TBD
<b>Total</b>	<b>~54,203</b>		<b>TBD</b>

Table 2. ACCUs predicted to be credited to SFM Projects for 2024

\* The Tiwi Project transitioned to independence in March 2024 and ceased reporting to the SFM Program at the end of 2023.

\*\* The Garawa, Wardaman and Western Top End Projects all generated positive emissions abatement in 2024. However, these projects all had negative ACCU balances from previous years in which their baseline emissions were exceeded, so zero ACCUs will be issued for the 2024 reporting year.

^ The Wagiman project was registered in 2024; the Judbarra 2 was registered in 2024 following de-registration of the Judbarra (1) project.



### SFM Program Financial Summary 2024

INCOME	BUDGET	YTD ACTUAL	VARIANCE
Q1 SFM Payment	\$ 903,442	\$ 597,841	\$ 305,601
Q2 SFM Payment	\$ 903,442	\$ 1,208,791	-\$ 305,348
Q3 SFM Payment	\$ 903,442	\$ 903,442	\$
Q4 SFM Payment	\$ 903,442	\$ 903,442	\$
<b>Total Payments</b>	<b>\$ 3,613,769</b>	<b>\$ 3,613,516</b>	<b>\$ 253</b>
<b>Balance held by SFM Program (1 Jan 2024)</b>	<b>\$ 1,162,783</b>	<b>\$ 1,162,783</b>	
<b>TOTAL INCOME</b>	<b>\$ 4,776,552</b>	<b>\$ 4,776,299</b>	<b>\$ 253</b>
EXPENSES	BUDGET	YTD ACTUAL	VARIANCE
<b>Phase 2 PFA's</b>	<b>\$ 2,926,730</b>	<b>\$ 2,190,598</b>	<b>\$ 736,132</b>
Garawa NAILSMA	\$ 220,000	\$ 245,593	-\$ 25,593
Garawa NLC	\$ 310,000	\$ 145,000	\$ 165,000
Judbarra NAILSMA	\$ 420,000	\$ 420,000	\$
Judbarra NLC	\$ 352,960	\$ 175,000	\$ 177,960
Thamarrurr	\$ 654,160	\$ 694,395	-\$ 40,235
Tiwi Resources	\$ 350,610	\$ 350,610	\$
Wagiman	\$ 430,000	\$	\$ 430,000
Wardaman	\$ 189,000	\$ 160,000	\$ 29,000
<b>Phase 1 PFA's</b>	<b>\$ 80,000</b>	<b>\$ 83,790</b>	<b>-\$ 3,790</b>
Wagiman	\$ 80,000	\$ 83,790	-\$ 3,790
<b>Third Party Service Providers</b>	<b>\$ 689,340</b>	<b>\$ 291,611</b>	<b>\$ 397,729</b>
PEC Consulting	\$	\$ 1,266	-\$ 1,266
NAFI Satellite Imagery and Training	\$ 200,000	\$ 50,405	\$ 149,595
NAFI Hi Resolution Burnt Area Mapping	\$	\$ 99,985	-\$ 99,985
NLC SFM Carbon Position	\$ 165,560	\$ 82,780	\$ 82,780
First Nations Broadcasting	\$	\$ 18,000	-\$ 18,000
ICIN Flipbook	\$ 113,780	\$	\$ 113,780
CDU LLND	\$	\$ 10,496	-\$ 10,496
Co - Benefits	\$ 100,000	\$	\$ 100,000
Environmental/Biodiversity Monitoring	\$ 50,000	\$	\$ 50,000
SFM Forum	\$ 60,000	\$ 28,679	\$ 31,321
<b>SFM Project Direct Costs</b>	<b>\$ 595,884</b>	<b>\$ 617,341</b>	<b>-\$ 21,457</b>
Staff Salaries & On costs	\$ 443,484	\$ 497,634	-\$ 54,150
Office- Accommodation & Expenses	\$ 42,400	\$ 27,893	\$ 14,507
IT and comms equip	\$ 8,000	\$	\$ 8,000
Conferences and meetings	\$ 6,000	\$ 6,358	-\$ 358
Vehicle running costs	\$ 12,500	\$ 37,495	-\$ 24,995
Fuel	\$ 20,500	\$ 2,818	\$ 17,682
Travel	\$ 45,000	\$ 31,620	\$ 13,380
Staff - Corporate Training	\$ 8,000	\$	\$ 8,000
Marketing & Comms	\$ 10,000	\$ 13,524	-\$ 3,524
<b>ILSC Overhead Costs (fixed)</b>	<b>\$ 185,025</b>	<b>\$ 185,025</b>	<b>\$</b>
<b>TOTAL EXPENSES</b>	<b>\$ 4,476,979</b>	<b>\$ 3,368,365</b>	<b>\$ 1,108,614</b>



## Summary of Variance from 2024 Budget

Program expenditure in 2024 was underspent largely due to the carrying over of funds from 2023.

Some variation in project costs and Third-Party Service Providers occurred from the budgeted amounts.

Overall, the budget and expenditure are well balanced with any variation attributable to normal variation experienced in delivery of the complex SFM Program.

## Performance Evaluation of the SFM Program

<b>GOOD</b>	expectations of principles and purposes are being met.
<b>FAIR</b>	expectations of principles and purposes are somewhat being met.
<b>POOR</b>	expectations are not being met.

### 1. Avoiding negative reputational risk to key stakeholders and maximising the potential to reflect positively on the reputations of all stakeholders.

The ILSC undertook several actions to promote the positive intention and outcomes of the SFM program in 2024. These included:

- The publication of “*Tradition, Culture, Opportunity – Managing Country through First Nations Fire Practices*” article in Territory Q magazines “Blak Business” Edition in March 2024.
- Assisting with the organisation of, and participation in annual ICIN led Savanna Fire Forum at the Darwin Convention Centre. Promoting SFM projects from Northern Australia and engaging Federal, State and Territory governments on ways to enhance and support these important initiatives.
- Facilitating the annual ILSC’s SFM forum, providing an opportunity for groups to share their projects with local research institutes with a view to strengthen program outcomes and benefit.
- ILSC participating in the NT Bushfires led “Land Holders Alliance” initiative, aimed to provide NT Landholders engaged in, or affected by prescribed burning programs an opportunity to better understand and collaborate on annual fire operations.



Figure 15. Photo of the 2024 ICIN Savanna Fire Forum, Darwin. (photo credit - ICIN)

### 2. Supporting and enabling the development of sustainable, viable Indigenous enterprises and the delivery of economic, environmental, social, and cultural benefits

While recognising the complexity of the projects, the SFM Program has provided good support to project development over the current and previous years, focusing on building the operational foundations of the groups.

With 5 Phase 2 contracts in place in 2024, the SFM program continued to support the aspirations of the participating groups to develop their respective projects. Phase 2 contracts are tailored to some extent with a focus on enabling the groups to undertake the planning and operations necessary to conduct annual fire management operations, building capacity to develop a successful indigenous carbon enterprise.

It is through these actions that economic, environmental, social, and cultural benefits (co benefits) are delivered for participating groups and their country.

Further to Phase 2 contracts, in consultation with project operators the SFM team has sought to engage third- party service providers to better articulate, develop and measure the co-benefits and other aspects of the program including;

- **Darwin Centre for Bushfire Research (DCBR)** – to undertake 1) Habitat and Fire Community Mapping, 2), Ecological Threshold Analysis and 3) develop Savanna Monitoring and Evaluation Reporting Framework, identifying fire sensitive vegetation communities within project areas to measure and evaluate long term impacts of SFM activities.
- **Indigenous Carbon Industry Network (ICIN) – Charles Darwin University Language, Literacy, Numeracy Digital (LLND) Development Team.** To develop a suite of fit for purpose and targeted communication and educational tools to assist groups to better understand what is required to operate a viable carbon enterprise.
- **People & Environment Consulting (PEC)** - provision of independent advice on the status off several projects with a focus on ACCU production as the project progresses. This has enabled the SFM to take the required actions to provide groups with the best chance to develop a viable enterprise as Phase 2 contracts progress.

### 3. Providing business and employment opportunities for Indigenous people via SFM Project Operators;

SFM project operators have provided 80 individuals with either fulltime, part time or casual employment through the 2024 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.

Measures to address this will need consideration in the coming years.

#### 4. Promoting the use of sound land and environmental practices; and: Improving biodiversity outcomes through savanna fire management activity;

SFM project groups have either developed, are reviewing, or currently developing a “Healthy Country Plan”, Indigenous Protected Area (IPA) Plan of Management, or other document describing their project areas **Assets** (Cultural & Environmental etc), **Threats** (Invasive Species, Inappropriate Fire, Erosion, etc) and **Actions** and **Priorities** 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 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.

The program manager has engaged the DCBR to undertake; 1) Habitat and Fire Community Mapping, 2); Ecological Threshold Analysis; and 3) Develop Savanna Monitoring and Evaluation Reporting Framework, across all project areas to better assist project groups and the broader community to evaluate long term impacts of SFM activities and reporting on this metric.

Improved biodiversity monitoring metrics will be required if the participating groups wish to engage with the emerging Nature Repair Markets.

#### 5. Spreading community and social benefits of the Ichthys Project beyond Darwin into regional areas of the Northern Territory.

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, with an initial assessment due in early 2025.

Further to direct engagement with current projects 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 2024 to provide the following services;

- Graphic Design Services for 2023 SFM Annual Report
- Welcome to Country and Cultural knowledge for 2023 SFM fire forum.
- Provision of graphics and production of 2024 SFM Forum shirts.

Other regional business utilised via SFM program in 2024 include;

- 3 days Accommodation and Catering services for 40 persons at SFM forum.
- 100’s of Helicopter Hire hours across multiple companies during EDS operations.

#### 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

While participating groups continued to develop their operational capacity and knowledge via engagement in these activities, undertaking 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.

Annual reporting to the CER, maintaining Australian National Registry of Emissions Units (ANREU) accounts, auditing requirements, receiving, and understanding changes in policy and methodology development, maintaining governance compliance are challenging tasks and ones that are currently undertaken by the Program Manager. These aspects along with governance development are areas in which participating groups will require significant ongoing capacity development.

The Program Operator has engaged ICIN and Language, Literacy, 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 is foreseen this will be an ongoing project, requiring appropriate time and resource allocations.

#### 7. Minimising, managing and mitigating all relevant risks appropriately, particularly workplace health and safety risks;

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.

#### 8. Protection of Indigenous cultural and heritage sites.

This is seen as a strong point of the SFM project where it operates on Aboriginal Land Trust (ALT) as managed by the Northern or Central Land Council functioning under the *Aboriginal Land Rights Act (Northern Territory) 1976*, of which a large remit is the protection of sacred sites.

Any license 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 license. Sacred Site protections are provided in these agreements.

Further protections are provided during annual planning activities with Traditional Owners, who will often prioritise sacred site protection works be undertaken during annual fire operations.

Sacred Site protection and preservation of culturally significant species are the centre pieces on which Healthy Country / Fire Plans are developed and why Ranger Groups do the work they do.





### 9. Generating ACCUs; and avoiding emissions and thereby having a positive impact on climate change mitigation.

ACCU generation differs greatly from group to group and can be attributed to several factors including.

- **Projects baselines** derived at the point of project registration provide some groups with a greater buffer against LDS fire encroachment.
- **High and Low Rainfall Isohyet delineation** – projects in the high rainfall zone will typically generate more ACCU's, while those in lower rainfall areas, while viable, require greater strategic burning efforts to achieve positive ACCU generation.
- **Operating environment** – The challenging issue of retaining Rangers and Group Coordinators, is a constant across these projects in remote Northern Australia. Coupled with complicated administrative requirements of external agencies, very isolated project locations and competing time demands on staff contributes to projects not performing as productively as they may want, in some cases seeing ACCU's fall into negative figures.
- **Land Tenure** – with the exception of the Tiwi Islands project, 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.
- **Carbon Literacy** – most groups at this point are not fully aware of the impacts LDS fire on their ACCU development and the importance of maintaining positive ACCU generation through the course of a Phase 2 contract.

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.

During 2024 the Program Manager has provided the groups with increased access to fine scale mapping services and introduced the principles of strategic burning to build on and improve the groups EDS burning activities. With these and other initiatives it is anticipated that ACCU generation will improve in the coming years and in turn meet Traditional Owners aspirations of looking after peFigure 16. Photo of NT Gulf Country - Garawa Carbon Project areaapple and country.



Figure 10: NT Gulf Country



### Participating Groups and Organisations



## APPENDIX 4

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### 2024 WORK PLAN AND BUDGET





# Savanna Fire Management Program

## Annual Work Plan & Budget

### Year Eight : 2024

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 **INSERT DATE IF APPLICABLE** that the Provisional Trust Fund Allocation for 2024 is **INSERT AMOUNT** (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 2024 of **\$3,613,769.00** (GST Exc.) for the delivery of the Annual Work Plan. As a result, total income required for 2024 is **\$3,613.769.00** and is equal to forecast expenditure.

The total amount to be invoiced to Perpetual in 2024 will be revised through the year as projects may not progress as planned. Any unspent funds from 2023 will be confirmed in the 2023 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 eighth year (2024) 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 form the 2021 5 yr. program review.

Importantly, the 2024 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 2024.

<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
	New funding model negotiated with INPEX to reflect support model
<b>Strategic Goal 2.</b> Establish new support model to support projects.	Entity development supported
	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 2024:

- Support transition of Wagiman project from Phase 1 to Phase 2 PFA.
- Monitor, support and consolidate ongoing SFM Phase 2 Projects 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
- 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
- Reporting to Perpetual in accordance with requirements outlined in SFM Services Agreement
- 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
- 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 position with the NLC to assist the NLC to meet their commitments in relation to the program.
- Continue to support and develop SFM Program staff to minimise the risk of institutional knowledge loss.

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 2024 is: **\$3,613,769.00 (GST exclusive)**.

**The total amount of income required for the 2024 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 2024 is **\$ \$185,025**. 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 2023**

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: <https://www.abs.gov.au/statistics> (viewed November 2023).

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

<i>Hn</i>	Allocation Fixed overhead budget for forward year (2024)	<b>\$185,025</b>
<i>Hn-1</i>	Allocation Fixed overhead budget 2023	\$175,590
<i>Ho</i>	Allocation fixed overhead budget 2017	\$150,000
<i>CPIIn</i>	CPI % published Sept 2023 (weighted National average)	135.3
<i>CPIIn-1</i>	CPI % published Sept 2022 (weighted National average)	128.4
<i>Sum</i>	$Hn = Hn-1(175,590) \times CPIIn (135.3) / CPIIn-1 (128.4) = 175,590 \times 1.053 = Hn (\$185,025)$	

**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 2024 the SFM Program will be delivered by three full-time equivalents. Currently the SFM Program Advisor and Senior Carbon Coordinator(acting) are filled with recruitment in progress for the Program Manager. 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 2024 staffing costs are in line ILSC salary classification structure October 2023.

Position (full time)	Salary Gross (Valid Oct 2023)	On Costs (20%)	Total
1 x SFM Program Manager	\$146,074 (EL2.1)	\$29,215	\$175,289
1 x Senior Carbon Coordinator	\$120,922 (EL1.1)	\$24,184	\$145,106
1 x SFM Program Advisor	\$102,576 (ILC3.6)	\$20,515	\$123,091
<b>TOTAL - 2024</b>	<b>\$369,572</b>	<b>\$73,914</b>	<b>\$443,486</b>



Office

The ILSC moved offices during 2023, the leased space costs for 130 The Esplanade, Darwin are below;

Item	Monthly	Quarterly	Annual
Office Rent	\$2915	\$8745	\$34,980
Council Rates	\$138	\$414	\$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 20 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

The total expenditure projected for Direct Costs in 2024 (excluding GST) is: **\$596,244**

SFM Project Direct Costs	Q1	Q2	Q3	Q4	TOTAL
Staff Salaries & On costs	\$110,961	\$110,961	\$110,961	\$110,961	\$443,484
Office Rent & Expenses	\$10,600	\$10,600	\$10,600	\$10,600	\$42,400
IT and Comm's equip	\$5,000	\$1,000	\$1,000	\$1,000	\$8,000
Conference and meetings	\$1500	\$1500	\$1500	\$1500	\$6,000
Vehicle Running Costs	\$3,125	\$3,125	\$3,125	\$3,125	\$12,500
Fuel	\$5,125	\$5,125	\$5,125	\$5,125	\$20,500
Travel	\$11,250	\$11,250	\$11,250	\$11,250	\$45,000
Staff Training & Subscription	\$5,000	\$2,000	\$500	\$500	\$8,000
Communication	\$2,000	\$2,000	\$1000	\$5000	\$10,000
<b>TOTAL Direct Costs</b>	<b>\$154,561</b>	<b>\$147,561</b>	<b>\$145,061</b>	<b>\$149,061</b>	<b>\$596,244</b>

Phase 1 PFAs

Wagiman Phase 1 to Phase 2 Transition (Contracted with NLC)					
2024	Q1	Q2	Q3	Q4	TOTAL
Payments	\$80,000	-	-	-	\$80,000
<i>Activities funded (proposed): Q1 funds a variation to the current Phase 1 PFA to support EDS operations until a Phase 2 PFA is established in Q2.</i>					

There are currently no other phase one projects planned in 2024. The ILSC will consider new entrants during the year if projects emerge. Any emerging Phase 1 project during the year requiring additional budget, would be discussed with Perpetual and included in the quarterly reporting process.

Phase 2 PFAs

In 2024 the SFM will continue to support the delivery of five Phase 2 PFAs including:

Tiwi Fire Project

The second Phase 2 Tiwi Contract was established in 2021 for a 3-year period. Contract deliverables for 2023 focused to support the proponent (Tiwi Resource Pty Ltd) to manage their own self-sustaining carbon enterprise. The proponent indicated that they are on track to independence in preparation for the cessation of their Phase 2 PFA in 2024.

Garawa Fire Project

The Garawa SFM Phase 2 PFA expires in December 2023. However, the project requires more support to establish an independent enterprise. through consultation with the Garawa Committee and project partners

Western Top End Fire Project

The Western Top End project SFM Phase 2 PFA expires in December 2023. Negotiations are underway at the moment and will likely lead to a variation to the PFA to extend it for 12 months into 2024. During this period further negotiations towards a new 3-year PFA will be undertaken that focusses on building the governance arrangements for the project to ensure it remains aligned with the needs of Indigenous stakeholders across the region. A new approach to credit management aligned with the value of credits is also being considered as part of this negotiation.

Judbarra Fire Project

The ongoing Judbarra Phase 2 PFA will remain in place during 2024. However, a change in the capacity of the project operator means that this contract will be varied to reduce the requirements on the operator during 2024. This will necessitate an agreement with the Northern Land Council to assist with operational matters, to be included under third-party contracts. Ongoing work will refine the Plan of Operation to align with the change in funding and roles in relation to the project

Wardaman Fire Project

The ongoing Wardaman Phase 2 PFA will continue in 2024. 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.

Wagiman Fire Project

The Wagiman Phase 2 PFA is expected to commence operations (Phase 2) in Q1, 2024 with the main effort during the year placed into commencing fire operations and engagement of Indigenous casual rangers.

All Phase 2 PFAs are multi-year agreements (the minimum term being three years), therefore expenditure under these agreements will be committed in 2024. Notably, the initial year of a Phase 2 PFA is generally the most expensive due to start-up training and asset requirements.

Garawa ALT Phase 2 PFA (contracted with NAILSMA)					
2024	Q1	Q2	Q3	Q4	TOTAL
Payments	\$120,000	\$60,000	20,000	\$20,000	\$220,000
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.					

Judbarra NP Phase 2 PFA (contracted with NAILSMA)					
2024	Q1	Q2	Q3	Q4	TOTAL
Payments	\$120,000	\$100,000	\$100,000	\$100,000	\$420,000
Activities funded (proposed): Fire operations, capital items (vehicles, equipment), aerial fire management, helicopter hire, Fire Management Officer, casual Rangers, fire-fighting equipment, PPE, governance development, fire management planning meetings administration, carbon reporting, partnership agreement, submission of reports.					

Western Top End Phase 2 PFA (contracted with Thamarrurr Development Corporation)					
2024	Q1	Q2	Q3	Q4	TOTAL
Payments	\$225,852	\$268,236	\$106,236	\$53,836	\$654,160
Activities funded(proposed): Fire operations, capital items (vehicles, equipment), aerial fire management, helicopter hire, Fire Management Officer, casual Rangers, firefighting equipment, PPE, governance development, fire management planning meetings administration, carbon reporting, Emu Point Healthy Country Plan Ranger Program Prospectus, roadmap to independence plan. <b>NOTE – this is an indicative budget only and will likely change in the coming weeks once a figure can be determined.</b>					



Wardaman – Menggen ALT					
2024	Q1	Q2	Q3	Q4	TOTAL
Payments	\$100,000		\$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 – Upper Daly & Wagiman ALT (*proposed new project)					
2024	Q1	Q2	Q3	Q4	TOTAL
Payments	-	\$180,000	\$100,000	\$100,000	\$430,000
Activities funded (proposed):. Phase 2 will fund Fire operations, capital items (vehicles, equipment), aerial fire management, helicopter hire, Fire Management Officer, casual Rangers, fire-fighting equipment, PPE, governance development, fire management planning meetings administration, carbon reporting, partnership agreement, submission of reports					

**Total Phase 2:**

The total expenditure projected for Phase 2 PFAs in 2024 (excluding GST) is: **\$1,863,160.00**

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. A number of the initiatives continue from 2023 and others are proposed in line with the SFM Review Action Plan.

Ongoing Third Party Services / Projects

**Charles Darwin University (CDU)/ Northern Australia Fire Institute (NAFI). (SFM Review Action Plan 2.3)**

Through 2024, in addition to the tools they make available for Northern Australian land managers, CDU / NAFI will provide high resolution imagery for all Phase 2 project sites, 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

**SFM Annual Forum**

The ILSC annual forum will be held again in 2024, **\$60,000** has been allocated for this.

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

Due for completion in quarter 2, **\$113,780** is allocated for the remainder of this project.

Proposed Third Party Services in 2024

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

The position will sit in the NLC’s Partnership and Enterprise Development unit of the Land Management Section and have responsibility for leading and co-ordinating the savanna fire management carbon development Program at the NLC, focusing on the ILSC funded SFM Program Priorities include, developing governance, enterprise and associated project and contract management. NLC will provide for any additional overheads, operational and recruitment costs, **\$165,560** has been allocated for the first year.

Year	Base Salary and Oncosts	IT overheads	Total
23/24	\$159,210	\$6350	\$165,560
24/25	\$164,675	\$3,900	\$168,575
25/26	\$170,324	\$3,900	\$174,224
Total over three years			\$508,359

Governance Development (SFM Review Action Plan1.0)

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, **\$200,000** 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.

Co Benefits Framework Development (SFM Review Action Plan 2.1)

In 2024, 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, **\$100,000** has been allocated for development and roll out to all active projects. Across northern Australia there is considerable work underway to examine the measurement of co-benefits of savanna fire projects across northern Australia that will be integrated into SFM projects. This is likely to provide extra employment opportunities for Indigenous participants of SFM projects.

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

The SFM Program will work to develop and implement a monitoring and evaluation process to assess the impact of savanna fire management on environmental values within each Phase 2 PFA in accordance with the SFM Program Service Agreement and the SFM Program Trust Deed Schedule 3 (2) and in accordance with relevant legislation including the Commonwealth *Environmental Protection and Biodiversity Conservation Act 1999*. This work is intrinsically linked to a developing 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. An initial **\$50,000** has been allocated to scope and commence this project.

The total expenditure projected for Third Party Service Providers in 2024 (excluding GST) is:

Third Party Project	SFM Review Action Plan	2024 Budget
CDU / NAFI	2.3	\$200,000
SFM Forum	1.0 & 5.0	\$60,000
ICIN Flipbooks	1.5	\$113,780
NLC Carbon Position	5.3	\$165,560
Governance Development	1.0	\$200,000
Co- Benefits Framework	2.1	\$100,000
Environmental/ Biodiversity Monitoring	2.1	\$50,000
<b>TOTAL 2024</b>		<b>\$889,340</b>

Budget (Annual)

Summary of Budget Items:

BUDGET ITEM	2024
PHASE 1 PFAs	\$80,000.00
PHASE 2 PFAs	\$1,863,160.00
3rd PARTY PROVIDERS	\$889,340.00
SFM DIRECT COSTS	\$596,244.00
ILSC OVERHEAD	\$185,025
TOTAL EXPENSES (GST excl.)	<b>\$3,613,769.00</b>
GST	\$361,376.9
TOTAL (GST incl.)	<b>\$3,975,145.90</b>

Invoicing Schedule for 2024:

Invoices will be prepared quarterly, and the final invoicing schedule will depend on unspent funds from 2023. The Invoicing schedule for 2024 will be added to the Workplan when the 2024 annual report is prepared in January 2024.



# SAVANNA FIRE MANAGEMENT TRUST

**Annual Report**  
for the year ended 31 December 2023

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## 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.