



# SAVANNA FIRE MANAGEMENT TRUST

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

**Perpetual Private**

Perpetual Trustee Company Limited

ABN 42 000 001 007 AFSL 236643

Perpetual 



## CONTACT INFORMATION

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**Photo Credits: ILSC SFM forum that was hosted at Lake Bennet Resort on Wulna Country.**

## ACKNOWLEDGEMENT OF ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLE

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

# SAVANNA FIRE MANAGEMENT TRUST

## ANNUAL REPORT

for the year ended 31 December 2023

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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 greenhouse emissions by conducting savanna fire management on Indigenous Held Land in the Northern Territory. The aim is to:

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

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

This is the seventh annual report of the SFM Trust since the SFM Program commenced. It outlines how the SFM Trust purposes were advanced during 2023 through the SFM Program, provides the 2023 Financial Statements, the Auditor's Report and the 2023 Annual Report of the Savanna Fire Management Program delivered by the Indigenous Land and Sea Corporation.

## SFM TRUST PURPOSES

The SFM Program has the following purposes:

- a) Protection of environment by greenhouse gas emissions avoidance through savanna fire management activities
- b) Improving biodiversity outcomes through savanna fire management activities
- c) Spreading community and social benefits of the Ichthys Project beyond Darwin into the regional areas of the Northern Territory
- d) Providing business and employment opportunities for Indigenous People
- e) Generating Australia Carbon Credit Units (ACCUs)
- f) Protecting indigenous culture and heritage

## SFM TRUST PRINCIPLES

The following key principles apply to the SFM Program

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



# SFM TRUST ACTIVITIES

## 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 IMPEX, 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 2023 the SFM Trust prepared and published the 2022 Annual Report, Financial Report, Audited Financial Statements and the ILSCs report on implementation and delivery of the Savanna Fire Management Program. On April 1st, the Trustee's Annual Report, Financial Report, Audit Report and the Program Manager's Annual Report is published on Perpetual's website and issued to the Northern Territory Government Department of Trade, Business and Innovation.

## DISTRIBUTION TO SFM PROGRAM

\$2,578,975 was distributed in quarterly instalments to the Indigenous Land and Sea Corporation for SFM Program operations. This is compared to a distribution of \$2,693,040 in 2022. 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 2023 and November 2023.

## WORK PLAN AND BUDGET

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 focus of the eighth year of the Savanna Fire Management Program will focus on consolidating existing Phase 2 projects and to establish new Phase 2 projects.



**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:

- a) Support transition of Wagiman project from Phase 1 to Phase 2 PFA.
- b) Monitor, support and consolidate ongoing SFM Phase 2 Projects as required
- c) Scope governance business model options including a potential new entity to assist Phase 2 projects develop long-term sustainable savanna fire management enterprises
- d) 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
- e) Reporting to Perpetual in accordance with requirements outlined in SFM Services Agreement
- f) Continue to work with project groups in the assessment audit, creation, and transfer ACCU's
- g) Design, develop, publish, and distribute communications materials about the SFM Program and fire operations to support Indigenous stakeholders understanding and engagement in projects
- h) 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.
- i) 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.
- j) Continue to support and develop SFM Program staff to minimise the risk of institutional knowledge loss.

The projected expenditure projected for 2024 is **\$3,613,769.00** (ex GST).



**Photography by:** David Hancock - Tiwi Project

# FINANCIAL POSITION



## OVERVIEW

The opening balance of the SFM Trust at 1 January 2023 was \$2,216,511. During 2023 the SFM Trust received a contribution of \$3,456,303 from INPEX Operations Australia Pty Ltd. This is compared with contributions in 2022 of \$3,222,115.

The SFM Trust received investment income (managed fund distributions, interest) with a combined value of \$200,388 and capital growth of \$20,693 during the period.

The Savanna Fire Management Trust distributed \$2,578,975 to the Indigenous Land and Sea Corporation to implement the Savana Fire Management Project.

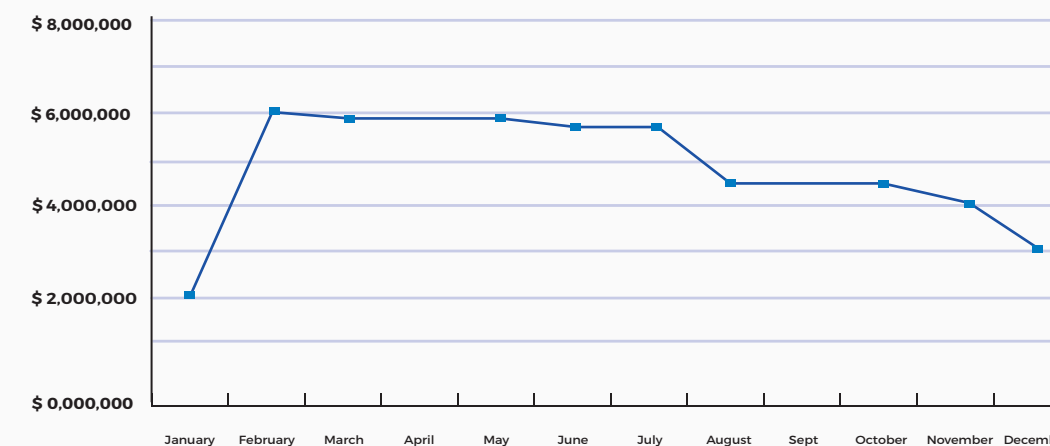
Total trust funds at 31 December 2023 was \$3,232,269.

The complete financial position of the SFM Trust as at 31 December 2023 can be found in the 2023 Financial Statements are included in Appendix 1.

Description	2023	2022
Accountancy Fees	18,157	28,220
Auditor's Remuneration	6,124	4,452
Consultancy Fees	2,080	2,880
Legal Fees	-	7,043
SFM Program Disbursements	2,578,975	2,693,040
Sundry Expenses	-	614
Interest Expense	9,995	-
Trustee Fees	46,295	35,494
<b>Total</b>	<b>2,661,626</b>	<b>2,771,742</b>
Total Income/(Loss) for the year	1,015,758	488,872
<b>Total Trust Funds</b>	<b>3,232,269</b>	<b>2,216,511</b>

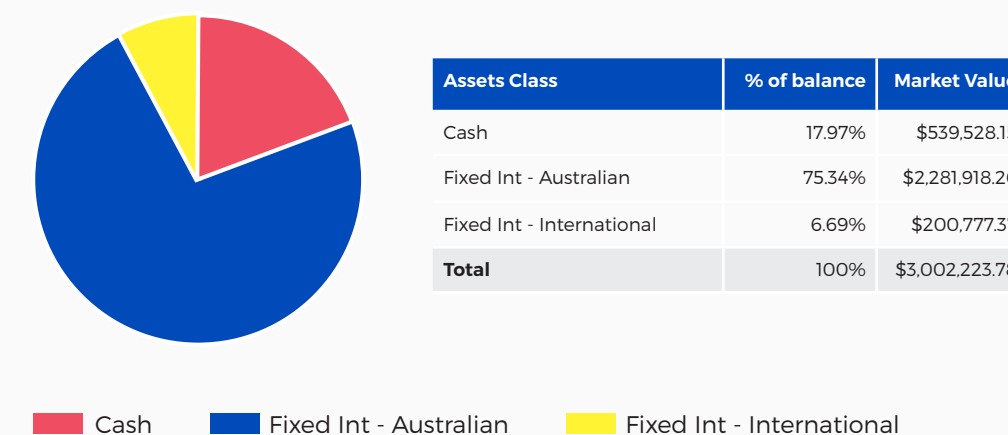
Surplus funds are invested in accordance with investment policy and available for Savanna Fire Management Program implementation in subsequent years.

## PORTFOLIO BALANCE GRAPH

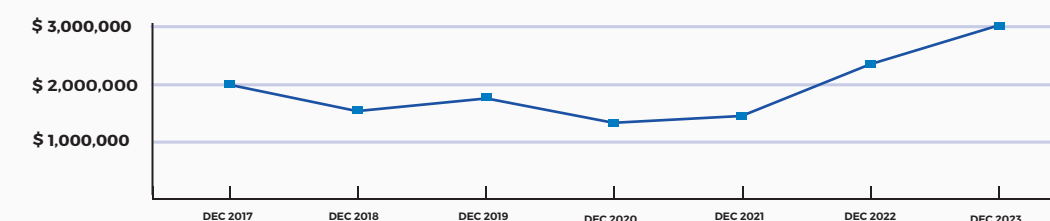


## INVESTMENTS

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.



The SFM Trust received investment income (managed fund distributions, interest) with a combined value of \$200,388 and capital growth of \$20,693 during the period. This is compared to investment income (managed fund distributions and rebates and interest) of \$48,353 and capital loss of \$9,853 during 2022.







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

## 2023 SFM PROGRAM EVALUATION

### SUMMARY

In 2023, the Northern Territory experienced an unprecedented fire season, It is anticipated that up to 80% of the Northern Territory could be affected by fires before March 2024. This scale of fires had not been seen since 2017 and 2011. Despite the challenging fire conditions, all SFM projects in the Northern Territory continued to make progress towards their goals.<sup>1</sup>

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 Program Review. The outcomes of the review continue to be addressed and implemented.

During 2023, the SFM Program made significant advancement in each of the Phase 2 projects, moving Phase 2 projects towards independent status where they no longer receive SFM Program funding. These projects are establishing long term management arrangements for the organisations that would ultimately be accountable for the carbon emissions abatement business.

During 2023, the Phase 2 projects continued to obtain registration with the Clean Energy Regulator (CER).

39,000 km<sup>2</sup> of the Indigenous estate in the Northern Territory is managed under the Savana Fire Management Program projects.<sup>2</sup>

59,143.79 ACCUs were generated in 2023 from the 2022 program bringing the total of ACCUs generated to 137,235.79<sup>3</sup>

Carbon abatement is just one of the many benefits of the program, which supports employment, environmental and heritage protection. Positive ACCU generation can provide consistent income to project proponents. Funding through the SFM Program is crucial in supporting groups during the learning phase and will ensure ongoing capability.

At the conclusion of the seventh 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 organisation and capacity of Indigenous organisations to undertake savanna fire burning in a way that connects the activity to the carbon abatement market.

<sup>1</sup> 2023 SFM Annual Report, Indigenous Land and Sea Corporation, p 7

<sup>2</sup> 2023 SFM Annual Report, Indigenous Land and Sea Corporation, p 9

<sup>3</sup> 2023 SFM Annual Report, Indigenous Land and Sea Corporation, p 9



## 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 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 2023 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.

## 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.

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

- Did the SFM Program achieve the objectives of the 2023 Annual Work Plan and Budget?
- Did the SFM Program advance the SFM Program Purposes during 2023?

## SFM PROGRAM 2023 OBJECTIVES

In 2023 the 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
<b>Strategic Goal 2.</b> Establish new support model to support projects	New funding model negotiated with INPEX to reflect support model
	Entity development supported
	Projects running strong operations
	Consistency of fire management
	Sound governance and reporting
	Streamlined support pathways, minimal duplication

**Source** SFM Program Work Plan and Budget - Strategic Goals Horizon Key Performance Indicators 2023.



The ILSC, as SFM Program Manager, expects to conduct the following activities in 2023:

- 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

Principle	Notes	Evaluation
<b>Avoiding negative reputational risk to key stakeholders and maximising the potential to reflect positively on the reputation of all stakeholders</b>	<ul style="list-style-type: none"> <li>• SFM communications plan developed and reviewed</li> <li>• Positive media coverage</li> <li>• Filming case study</li> </ul>	<b>Excellent</b>
<b>Supporting and enabling the development of sustainable, viable indigenous enterprises and the delivery of economic, environmental, social and cultural benefits for indigenous people</b>	<ul style="list-style-type: none"> <li>• Phase 2 projects implemented as sustainable projects</li> <li>• Collaborative approach with Traditional Owners</li> <li>• Positive environmental, social and economic outcomes</li> </ul>	<b>Good</b>
<b>Providing business and employment opportunities for Indigenous people via SFM Project Operators;</b>	<ul style="list-style-type: none"> <li>• Employment opportunities for Indigenous Rangers</li> <li>• Western Top End: 35 casual fire rangers employed between January and July and 6 Rangers are employed on a permanent basis</li> <li>• Garawa: 27 casual employees and 9 full-time Garawa Rangers employed through separate funding.</li> <li>• Wardaman: 9 Casual Rangers were employed, and an additional 8 casuals</li> <li>• Tiwi: 3 dedicated fulltime rangers</li> </ul>	<b>Excellent</b>
<b>Promoting the use of sound land and environmental practices; and: Improving biodiversity outcomes through savanna fire management activity</b>	<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> </ul>	<b>Good</b>
<b>Spreading community and social benefits of the Ichthys Project beyond Darwin into regional areas of the Northern Territory</b>	<ul style="list-style-type: none"> <li>• Employment opportunities created in regional and remote areas</li> <li>• Knowledge sharing activities increasing</li> </ul>	<b>Good</b>
<b>Developing the capacity of Indigenous groups and SFM Project Operators; Enhancing the skills and knowledge of all stakeholders in carbon management, including carbon policy and implementation of practical carbon farming projects</b>	<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>• ILSC SFM forum was launched, providing an opportunity for more than 50 Indigenous Rangers to come together with scientific and business development experts</li> </ul>	<b>Excellent</b>
<b>Minimising, managing and mitigating all relevant risks appropriately, particularly workplace health and safety risks;</b>	<ul style="list-style-type: none"> <li>• Priority to risk management and due diligence</li> <li>• Rigorous risk assessment process</li> <li>• Stringent WHS practices</li> </ul>	<b>Excellent</b>
<b>Generating ACCUs; and avoiding emissions and thereby having a positive impact on climate change mitigation.</b>	<ul style="list-style-type: none"> <li>• Tiwi, has been issued ACCUs in 2023 for previous operating years.</li> <li>• All operational projects conducted early burning operations in 2023</li> <li>• The total ACCU generation for 2023 will be estimated between February and March 2024.</li> </ul>	<b>Fair</b>





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

# 2023 WORK PLAN DELIVERY

The 2023 Annual Workplan and Budget for the Savanna Fire Management Program was approved by the Trustee during December 2022.

## The 2023 Workplan and Budget proposed to deliver the following activities

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

ACHIEVED

**Wagiman Project** - A Phase 1 Project funding arrangement for the Wagiman Project began in May 2020.

During the initial stages of the project, vegetation mapping was conducted to assess the feasibility of implementing the savanna burning methodology for ACCU production, and the results were positive. The Wagiman Project has successfully completed all milestones associated with the Phase 1 Project Funding Agreement and is now ready to move forward into Phase 2.

To progress into Phase 2, the Northern Land Council (NLC) was required to conduct Section 19 Land Use Agreement consultations, which took place in September. The ILSC will continue to support the Wagiman Rangers in implementing the required fire management practices during the Early Dry Season (EDS) window of 2024 until a Phase 2 contract can be established. Kenbi - Bulgul, Southern Beswick and Wanyi Garawa withdrew from Phase 1 assessments.

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

IN PROGRESS

**Wagiman Project** - To progress into Phase 2, Section 19 Land Use Agreement consultations, which took place in September. Indigenous Land and Sea Corporation serve as the Interim Project Proponent and the NLC act as the Project Operator, with the registration of a carbon business over the Land Trust. The NLC continues to support the Traditional Owners in their consideration of the ILSC's proposal.

Next step is the registration of a Phase 2 program with the Clean Energy Regulator (CER) after NLC completes consultation and the ILSC receives approval.

The ILSC will continue to support the Wagiman Rangers in implementing the required fire management practices during the Early Dry Season (EDS) window of 2024 until a Phase 2 contract can be established.



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

ACHIEVED

- Judbarra National Park Fire Project
- Western Top End Project (Daly River Port Keats Aboriginal Land Trust)
- Tiwi Islands Fire Project
- Garawa Fire Project

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

IN PROGRESS

**Judbarra** - NLC support for traditional owners and robust process evaluation process.

**Judbarra National Park Project** – A Joint Management Committee Fire Subcommittee was established to provide oversight of annual fire management plans and business entity development.

**Western Top End Project** – 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.

**Western Top End** – Enlisted services of Bachelor Institute, trained staff and now has a trainer and assessor on its staff.

**Garawa Fire Project** – a Fire Project Committee was appointed to represent land-owner interests and forms a separate governing body to focus on carbon business 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.

**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

**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.

**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

**Wardaman Project** – Strategic fire planning and management is completed with reference to maps of areas of significance and biodiversity features.

**Western Top End Project** – The project is developing a Threatened Species Plan and Gamba Grass Action Plan.

**Tiwi Islands Projects** – Collaboration with scientists from Charles Darwin University to monitor interactions between fire and threatened mammal populations, including the Brush Tailed Rat.

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

ACHIEVED

**Wardaman Project** – 3 Rangers completed NAFI satellite imagery training, 5 Rangers completed in-house Raindance Operations training, 8 Rangers employed on a casual basis

**Judbarra National Park Project** – 9 Rangers completed QGIS training and 4 Traditional Owner were engaged as casual rangers.

**Western Top End Project** – 3 Rangers completed NAFI satellite imagery training, 4 Rangers and staff completed QGIS training, 8 Rangers completed Operational Fire training at the Bachelor institute, 35 rangers are employed on a casual basis between January and July.

To enhance the fire management capabilities of the WTE team, TDC enlisted the services of Bachelor Institute to provide operational fire training to eight rangers.

**Tiwi Islands Project** – 4 Rangers completed NAFI satellite imagery training, 4 Rangers completed GIS training, 4 Rangers completed tablet mapping training, 8 Rangers completed Pyroshot operations training, 4 Rangers completed Raindance operations training. 11 Rangers were directly involved in the project.

**Garawa Project** - 14 Rangers completed Work Safely around Aircraft and Operate Aerial Ignition Equipment in an Aircraft training, 3 Rangers completed NAFI satellite imagery training, 2 Rangers Completed GIS training, 27 Rangers are employed on a casual basis between January and July.

There has been seasonal engagement of an experienced and qualified fire management practitioner who provided guidance and mentoring to project participants.



**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

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

**IN PROGRESS**

The SFM Program 2023 Annual Report was prepared and published in an engaging and informative format. The SFM Forum was held at Lake Bennett in November, where participating groups had the opportunity to collaborate and plan their projects with peers and professionals from the carbon industry.

**Continue to support and develop SFM Program staff**

**DELAYED**

During 2022 the SFM Program Manager resigned from the position. There was a delay of some months whilst the Indigenous Land and Sea Corporation recruited a new SFM Program Manager.

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

**IN PROGRESS**

Mapping of activities and risks initiated within ILSC.

**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 scope objectives and deliverables around the calendar year and is aligned to the work plan. This plan was also shared with INPEX.

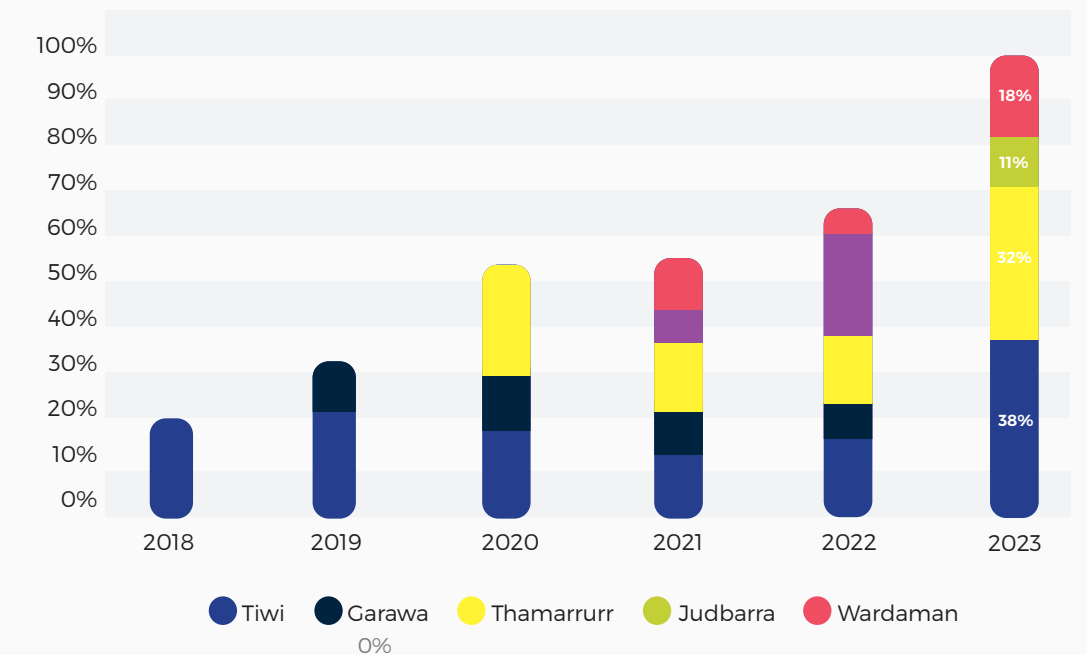
**Continue to support and develop SFM Program staff**

**DELAYED**

During 2023 the SFM Program Manager resigned from the position. There was a delay of some months whilst the Indigenous Land and Sea Corporation recruited a new SFM Program Manager. Project Advisor was recruited and Senior Carbon Coordinator position was filled

**PORTION OF FUNDS APPLIED TO PHASE 2 PROJECTS**

**SAVANNA FIRE MANAGEMENT - PHASE 2 PROJECT FUNDING**



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



## SFM PROGRAM BUDGET AND ACTUAL EXPENDITURE

The table below summarises the budget of the SFM Program Manager as compared to the actual expenditure during the 2023 calendar year. All figures presented are exclusive of GST.

INCOME	Budget 2023	Actual 2023	Variance
Quarter 1 Trustee payment	292,072	292,345	273
Quarter 2 Trustee payment	806,707	806,707	
Quarter 3 Trustee payment	806,707	673,489	133,218
Quarter 4 Trustee payment	806,707	806,707	
Total Payments	2,712,193	2,579,248	132,945
Balance held by program at 1 Jan 2023	514,635	514,635	
Total Income	3,226,828	3,093,883	

EXPENSES	Budget 2023	Actual 2023	Variance
Overhead costs (fixed)	175,790	175,790	
Direct costs	444,895	396,758	48,137
Phase 1 PFAs	229,000		229,000
Phase 2 PFAs	2,175,143	1,181,626	975,517
Third party service providers	470,000	176,926	293,074
Total Expenditure	3,476,828	1,931,101	1,545,727

## SUMMARY FINANCIAL VARIANCE OF 2023 BUDGET

Overall program expenditure was under the 2023 allocation.

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

- SFM direct costs and wages were underspent due to recruitment of ILSC SFM staff positions. The shortfall in staff has restricted operations to core functions only.
- Both the Judbarra and Garawa Projects were underspent due to ongoing delivery issues with the program operator and administrative compliance complications with stakeholders.
- Wagiman transition into phase 2 was delayed with required s19 land-use consultations with NLC occurring in November 2023. Phase 2 is anticipated to commence in mid-2024.
- Travel, fuel and vehicle running costs were underspent due to reduced staffing capacity within the SFM team.
- Kenbi – Bulgul, Southern Beswick and Wanyi Garawa withdrawing from Phase 1 assessments

<sup>4</sup> 2023 SFM Annual Report, Indigenous Land and Sea Corporation, p 35

## AUSTRALIAN CARBON CREDIT UNITS

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

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

Australian Carbon Credit Units (ACCUs) are generated by the Clean Energy Regulator (CER) after savanna fire management 'project offset reports' are verified. The SFM Program have five projects registered with the CER that are eligible to earn ACCUs.

ACCUs generated by SFM Projects during 2023 will not be known until project offset reports are generated in April 2024 after the carbon abatement calculations are released by Savbat, the savanna fire carbon abatement tool used in Australia.

The SFM Annual Report notes:

*During 2023 the Garawa project proponent has had difficulties establishing the carbon administration process with the CER. The proponent role will be transferred to the ILSC during 2024 enabling the ILSC to utilise its credit holding account for completion of earlier credit claims. It is expected that this will yield 10,504 credits when finalised. Following two successive difficult years for fire management the ILSC is in discussions with all parties regarding a potential reset administratively which will enable increased lifetime credit performance or the project. Offset reporting for the Wardaman project is underway, it is anticipated that reporting in-hand will yield 8838 ACCUs for project activities.*

PROJECT	2020 ACCU	2021 ACCU	2022 ACCU	Portion Attributed to SFM Funding	ACCUs transferred to INPEX
Tiwi	44,269		59,143.79		45,903 (2022)
Garawa					
Western Top End	33,823			82.5 (2020)	27.69 (2020)
Jadbarra					
Wardaman					
Total	78,092	0	59,143.79	n/A	73,594

Source: 2023 SFM Annual Report, Indigenous Land and Sea Corporation, Page 31



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## **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.

## **APPENDICES**

**APPENDIX 1** – FINANCIAL REPORT

**APPENDIX 2** – INDEPENDENT AUDITORS REPORT

**APPENDIX 3** – INDIGENOUS LAND AND SEA CORPORATION,  
SAVANNA FIRE MANAGEMENT PROGRAM  
ANNUAL REPORT 2023

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

# **APPENDIX 1**

## **FINANCIAL REPORT**





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3	Statement of Comprehensive Income
4	Statement of Financial Position
5	Statement of Changes in Funds
6	Statement of Cash Flows
7	Notes to the Financial Statements
14	Trustee's Declaration
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# Financial Statements

Savanna Fire Management Trust

ABN 41 537 860 033

For the year ended 31 December 2023

Prepared by Fordham Business Advisors



## Statement of Comprehensive Income

### Savanna Fire Management Trust For the year ended 31 December 2023

	NOTES	2023 \$	2022 \$
<b>Income</b>			
Distribution Income		90,275	26,131
Unrealised Gain/(Loss) on Financial Assets Held at Fair Value Through Profit or Loss		22,943	(9,853)
Realised Gain/(Loss) on Financial Assets Held at Fair Value Through Profit or Loss		(2,250)	-
Contribution Income		3,456,303	3,222,115
Interest Income		105,391	22,208
Managed Fund Rebate		-	14
Other Income		4,723	-
<b>Total Income</b>		<b>3,677,384</b>	<b>3,260,614</b>
<b>Expenditure</b>			
Accounting Fees		18,157	28,220
Auditor's Remuneration	2	7,376	4,452
Consulting Fees		2,080	2,880
Legal Fees		-	7,043
SFM Program Distribution		2,578,975	2,693,040
Sundry Expenses		-	614
Trustee Fees		46,295	35,494
Interest Expense		9,995	-
<b>Total Expenditure</b>		<b>2,662,878</b>	<b>2,771,742</b>
<b>Profit/(Loss) for the Year before Income Tax</b>		<b>1,014,506</b>	<b>488,872</b>
<b>Income Tax Expense</b>			
Income Tax Expense	8	-	-
<b>Total Income Tax Expense</b>		<b>-</b>	<b>-</b>
<b>Other Comprehensive Income/(Loss) for the Year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss) for the Year</b>		<b>1,014,506</b>	<b>488,872</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position

### Savanna Fire Management Trust As at 31 December 2023

	NOTES	31 DEC 2023 \$	31 DEC 2022 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	128,278	909,729
Receivables	4	264,682	74,399
Term Deposits		850,000	-
<b>Total Current Assets</b>		<b>1,242,961</b>	<b>984,128</b>
<b>Non-Current Assets</b>			
Financial Assets Held at Fair Value Through Profit or Loss	5	2,011,444	1,255,752
<b>Total Non-Current Assets</b>		<b>2,011,444</b>	<b>1,255,752</b>
<b>Total Assets</b>		<b>3,254,405</b>	<b>2,239,880</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	6	23,388	23,369
<b>Total Current Liabilities</b>		<b>23,388</b>	<b>23,369</b>
<b>Total Liabilities</b>		<b>23,388</b>	<b>23,369</b>
<b>Net Assets</b>		<b>3,231,017</b>	<b>2,216,511</b>
<b>Trust Funds</b>			
Settled Sum		20	20
Reserves	7	3,230,997	2,216,491
<b>Total Trust Funds</b>		<b>3,231,017</b>	<b>2,216,511</b>

The accompanying notes form part of these financial statements.



## Statement of Changes in Funds

### Savanna Fire Management Trust For the year ended 31 December 2023

	NOTES	SETTLED SUM \$	RETAINED TRUST FUNDS \$	RESERVE \$	TOTAL \$
<b>Statement of Changes in Funds</b>					
<b>2022</b>					
Balance as at 1 January 2022		20	-	1,727,619	1,727,639
Total Comprehensive Income/(Loss)		-	488,872	-	488,872
Transfer to Reserves	7	-	(488,872)	488,872	-
<b>Balance as at 31 December 2022</b>		<b>20</b>	<b>-</b>	<b>2,216,491</b>	<b>2,216,511</b>
<b>2023</b>					
Balance as at 1 January 2023		20	-	2,216,491	2,216,511
Total Comprehensive Income/(Loss)		-	1,014,506	-	1,014,506
Transfer to Reserves	7	-	(1,014,506)	1,014,506	-
<b>Balance as at 31 December 2023</b>		<b>20</b>	<b>-</b>	<b>3,230,997</b>	<b>3,231,017</b>

## Statement of Cash Flows

### Savanna Fire Management Trust For the year ended 31 December 2023

	NOTES	2023 \$	2022 \$
<b>Cash Flows from Operating Activities</b>			
Investment Income Received		170,796	45,842
Other Income Received		4,723	141,860
Accounting and Audit Fees Paid		(25,514)	(24,121)
SFM Program Distributions Paid		(2,744,388)	(3,416,942)
Sundry Fees Paid		(12,075)	(14,626)
Trustee Fees Paid		(46,295)	(39,043)
<b>Net Cash Provided by/(Used in) Operating Activities</b>		<b>(2,652,754)</b>	<b>(3,307,030)</b>
<b>Cash Flows from Investing Activities</b>			
Payment for Financial Assets		(8,275,000)	(1,000,000)
Proceeds on Sale of Financial Assets		6,690,000	-
<b>Net Cash Provided by/(Used in) Investing Activities</b>		<b>(1,585,000)</b>	<b>(1,000,000)</b>
<b>Cash Flows from Financing Activities</b>			
Contributions Received		3,456,303	4,158,075
<b>Net Cash Provided by/(Used in) Financing Activities</b>		<b>3,456,303</b>	<b>4,158,075</b>
<b>Net Cash Movement</b>			
Cash and Cash Equivalents at Beginning of Financial Year		909,729	1,058,685
Net Increase/(Decrease) in Cash Held		(781,451)	(148,956)
<b>Cash and Cash Equivalents at End of Financial Year</b>		<b>128,278</b>	<b>909,729</b>



# Notes to the Financial Statements

## Savanna Fire Management Trust For the year ended 31 December 2023

The 2023 financial statements cover Savanna Fire Management Trust ("the Trust") as an individual entity. The Trust is a discretionary Trust, established and domiciled in Australia.

The financial statements were authorised for issue on 27 March 2024 by the directors of the Trustee company.

### 1. Summary of Significant Accounting Policies

#### Basis of Preparation

This general purpose annual financial report is for the 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 a not-for-profit entity for financial reporting purposes under AASB 1060 General Purpose Financial Statements - Simplified Disclosures. Significant 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 accruals 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 tax 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. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

#### 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 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 with gains or losses being recognised in the unrealised asset 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 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. 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. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and option pricing models.

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.

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. All other financial assets are classified as current assets.

#### d) Receivables

Receivables corresponds to amounts receivable in relation to investment income and distributions. 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 gains control, economic benefits are probable and the amount of the contributions can be measured reliably.





#### Investment Income

Investment income comprises interest, dividends and managed fund distributions. Interest income is recognised using effective interest method and includes interest from cash and cash equivalents. Dividend and distribution income from financial assets at fair value through profit or loss are recognised in profit or loss 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 refunds of franking credit income and refunds of Goods and Service Tax credits from the ATO to the Trust. They are recognised on an accruals basis.

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

#### g) Payables

Payables comprise fees for professional services rendered for the current reporting period but paid post period-end and are measured at fair value.

#### h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

#### i) Functional and Presentation Currency and Rounding

These financial statements are presented in Australian dollars, which is the Trust's functional currency amounts. Amounts in the financial statements have been rounded off to the nearest dollar.

#### j) Expenses

All expenses are accounted for on an accruals 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.

#### Trustee Fees

Trustee fees are payments for services rendered for the provision of Trustee services, including Trust compliance with constitutional and statutory requirements.

#### Audit and Accounting Fees

Audit and accounting fees relate to payments made or accrued for the preparation and audit of annual financial statements and the review of compliance to the Trust Deed.

#### Consulting Fees

Costs incurred in obtaining advice for Committee and the Trustee.

#### Legal Fees

Legal fees relate to payments made for advice for the Trustee.

#### SFM Program Distribution

Payments made to the Indigenous Land and Sea Corporation for the Savanna Fire Management Program.



#### Interest Expense

General interest charges related to Business Activity Statements.

#### k) Total Funds

#### Settled Sum

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

#### l) Retained Trust Funds

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

	2023 \$	2022 \$
<b>2. Auditor's Remuneration</b>		
Compliance Assurance	3,256	1,915
Financial Statement Audit	4,120	2,537
<b>Total Auditor's Remuneration</b>	<b>7,376</b>	<b>4,452</b>

No fees were paid to KPMG for non-audit related services for the period ended 31 December 2023.

	2023 \$	2022 \$
<b>3. Cash and Cash Equivalents</b>		
Perpetual Cash Account	128,258	909,709
Cash on Hand	20	20
<b>Total Cash and Cash Equivalents</b>	<b>128,278</b>	<b>909,729</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.

	2023 \$	2022 \$
<b>4. Receivables</b>		
<b>Current</b>		
Interest Receivable	15,397	-
Distribution Receivable	12,521	3,048
GST Receivable	236,764	71,351
<b>Total Current</b>	<b>264,682</b>	<b>74,399</b>
<b>Total Receivables</b>	<b>264,682</b>	<b>74,399</b>





	2023 \$	2022 \$
<b>5. Financial Assets Held at Fair Value Through Profit or Loss</b>		
<b>Current</b>		
Units In Unlisted Unit Trusts at Fair Value	2,011,444	1,255,752
<b>Total Current</b>	<b>2,011,444</b>	<b>1,255,752</b>
<b>Total Financial Assets Held at Fair Value Through Profit or Loss</b>	<b>2,011,444</b>	<b>1,255,752</b>

	2023 \$	2022 \$
<b>6. Payables</b>		
<b>Current</b>		
Accounting Fees Payable	15,400	13,750
Auditor's Remuneration Payable	7,988	9,619
<b>Total Current</b>	<b>23,388</b>	<b>23,369</b>
<b>Total Payables</b>	<b>23,388</b>	<b>23,369</b>

	2023 \$	2022 \$
<b>7. Reserves</b>		
<b>Analysis of Each Class of Reserve:</b>		
<b>General Reserve</b>		
Trust Capital - Opening Balance	2,216,491	1,727,619
Trust Capital - Movement	1,014,506	488,872
<b>Total General Reserve</b>	<b>3,230,997</b>	<b>2,216,491</b>
<b>Total Reserves</b>	<b>3,230,997</b>	<b>2,216,491</b>

	2023 \$	2022 \$
<b>8. Income Taxes</b>		
<b>Reconciliation of Effective Tax Rate</b>		
Profit/(Loss) before Tax from Continuing Operations	1,014,506	488,872
<b>Subtotal</b>	<b>1,014,506</b>	<b>488,872</b>
<b>Tax Expense/(Benefit) on Continuing Operations</b>		
Tax Rate (at 47%)	476,818	229,770
<b>Tax Effect of:</b>		
Non - Deductible (Income)/Expenses	(476,818)	(229,770)
<b>Total Tax Expense/(Benefit) on Continuing Operations</b>	<b>-</b>	<b>-</b>

## 9. 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 2023 or on the results and cash flows of the Trust for the year ended on that date.



## 10. 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 persons who were Directors of Perpetual Trustee Company Limited during the year or since the end of the year and up to the date of this report:

Directors during the year were:

- Andrew Baker
- Belinda Nicholas (appointed 1 May 2023)
- Mark Smith
- Paul Chasemore

#### 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) 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) Trustee Fees

The Trustee fees are calculated in accordance with the Trust Deed. The Trustee's fee is set at 1.056% pa (including GST) of the gross value of assets of the Trust. The Trustee is entitled to charge a minimum fee of \$30,000 (including GST) per annum. Administration costs are also charged, and both fees are disclosed in the statement of comprehensive income.

	2023 \$	2022 \$
<b>i) Trustee Fees</b>		
Trustee Fees	46,295	35,494





**Note 10. Related Party Transactions (Continued)**

**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.

	2023 \$	2022 \$
<b>ii) Investments</b>		
Investments in Unlisted Unit Trusts	2,011,444	1,255,752

**11. 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 2023

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 2023, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes give a true and fair view of the Trust's financial position as at 31 December 2023 and its performance for the year ended on that date in accordance with Australian Accounting Standards Simplified Disclosures;
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 2023 in accordance with the provisions of the Trust Deed.

Director: Mark J Smith

Dated: 27 March 2024





## Independent Auditor's Report

Savanna Fire Management Trust  
For the year ended 31 December 2023



## Independent Auditor's Report

To the members of 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).

In our opinion, the accompanying Financial Report of the Trust gives a true and fair view of the Trust's financial position as at 31 December 2023, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards - Simplified Disclosures Framework*.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2023;
- Statement of comprehensive income, Statement of changes in funds, and Statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- Trustee's declaration.

#### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 ethical 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 fulfilled our other ethical responsibilities in accordance with these requirements.





### Restriction on use and distribution

The Financial Report has been prepared for the purpose of fulfilling the Trustee's financial reporting responsibilities under the Trust Deed. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trustee and the members of the Trust and should not be used by parties other than the Trustee and the members of the Trust. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates to any person other than the Trustee and the members of the Trust or for any other purpose than that for which it was prepared.

### Responsibilities of the Trustee for the Financial Report

The Trustee is responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures Framework*.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error.
- iii. Assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. 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. They 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.

A further description of our responsibilities of the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our Auditor's Report.



### Report on the review of Trustee's Compliance with the Trust Deed

#### Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Trust has not complied, in all material respects, with the Trust Deed as evaluated against the requirements as set out in the Trust Deed dated 6 December 2016, throughout the year ended 31 December 2023.

#### Scope

The subject of our limited assurance engagement is whether anything has come to our attention that causes us to believe that the Trustee has not complied, in all material respects, with the Trust Deed as evaluated against the requirements as set out in the Trust Deed, throughout the year ended 31 December 2023.

#### Basis for Conclusion

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* (ASAE 3100) issued by the Auditing and Assurance Standards Board. We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- used our professional judgement to assess the risks that may cause material non-compliance with the Trust Deed as evaluated against the requirements as set out in the Trust Deed and to plan and perform the engagement to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Trustee has not complied, with the Trust Deed as evaluated against the requirements as set out in the Trust Deed;
- considered relevant internal controls when designing our assurance procedures; however, we do not express a conclusion on their effectiveness; and
- ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.





### Summary of Procedures Performed

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with the Trust Deed is likely to arise.

Our limited assurance conclusion is based on the evidence obtained from performing the following procedures:

- enquiries with relevant Trustee's personnel and observation of relevant processes to obtain an understanding of the Trustee's compliance framework and internal control environment to meet the compliance with the Trust Deed; and
- walkthroughs to obtain an understanding of relevant processes and activities that are undertaken to meet the compliance with the Trust Deed.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Accordingly we do not express a reasonable assurance opinion on compliance with the Trust Deed as evaluated against the requirements as set out in the Trust Deed.

### Inherent Limitations

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

A limited assurance engagement throughout the year ended 31 December 2023 does not provide assurance on whether compliance with the Trust Deed will continue in the future.

### Use of this Assurance Report

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 than that for which it was prepared.



### Responsibilities of the Trustee for Compliance

The Trustee is responsible for:

- the compliance activities undertaken to meet the compliance with the Trust Deed; and
- identification of the risks that threaten the compliance with the Trust Deed identified above being met and identifying, designing and implementing controls which will mitigate those risks and monitor ongoing compliance.

### Auditor's Responsibilities for Compliance

Our responsibility is to perform a limited assurance engagement in relation to the Trustee's compliance with the Trust Deed as evaluated against the requirements as set out in the Trust Deed, throughout the year ended 31 December 2023 and to issue an assurance report that includes our conclusion.

### Our Independence and Quality Management

We have complied with our independence and other relevant ethical requirements of the *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Australian Professional and Ethical Standards Board.

We have also complied with Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG  
Sydney  
27 March 2024

# APPENDIX 2

## INDEPENDENT AUDITORS REPORT

### Statement of Income and Expenditure

**Organisation Name:** Indigenous Land and Sea Corporation  
 ABN 59 912 679 254  
  
**Project Title:** Savanna Fire Management (SFM)  
 Perpetual Trustee Company Limited  
 as Trustee for Savanna Fire Management Trust  
  
**ILSC Reference Numbers:** ILSC Contract Number: 4606  
  
**Period of Report:** From 1 January to 31 December 2023

	Amount \$
<b>Income:</b>	
Quarter 1 SFM	292,345
Quarter 2 SFM	806,707
Quarter 3 SFM	673,489
Quarter 4 SFM	806,707
<b>Total Income:</b>	<u>2,579,248</u>
<b>Expenditure:</b>	
Fixed Head Office Overheads	175,790
<b>Direct Costs:</b>	
Staff Salaries & On-Costs	292,290
Office - Accom & Expenses	11,075
Recruitment	0
IT and comms equip	3,966
Conferences and meetings	25,158
Vehicle running costs	11,585
Fuel	2,013
Travel	41,426
Staff - Corporate Training	0
Marketing & Comms	9,245
<u>Total Direct Costs</u>	<u>396,758</u>
<b>Phase 1 PFAs:</b>	
Jawoyn Assoc	0
Kenbi/Bulgul (NAILSMA)	0
NLC Judbarra	0
Thamarrurr Development Corporation	0
Wagiman NLC	0
Wardaman NLC	0
<u>Total Phase 1 PFAs</u>	<u>0</u>
<b>Phase 2 PFAs:</b>	
Judbarra	130,500
NAILSMA Garawa	0
Wardaman	218,000
Thamarrurr Development Corporation	382,152
Tiwi Resources	450,974
<u>Total Phase 2 PFAs</u>	<u>1,181,626</u>
Third Party Service Providers	176,926
<b>Total Expenditure:</b>	<u>1,931,100</u>
<b>Surplus (Deficit) 2023</b>	<u>648,148</u>
<b>Unspent funds from previous years at 31/12/2022</b>	<u>514,635</u>
<b>Unspent funds 31/12/2023</b>	<u>1,162,783</u>

All figures are GST exclusive and prepared on an accrual basis

I certify that the information provided in the statement of income and expenditure is true and correct.



Dated: 16/01/2024

John Lionello, CA  
 Manager Finance - Financial Accounting and Reporting





Early dry season burning on Tiwi Island  
Credit David Hancock

## APPENDIX 3

INDIGENOUS LAND AND SEA  
CORPORATION, SAVANNA FIRE  
MANAGEMENT PROGRAM  
ANNUAL REPORT 2023



Australian Government  
Indigenous Land and Sea Corporation



The ILSC GROUP

PEOPLE. COUNTRY. OPPORTUNITY.



## 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.

Charles Darwin National Park, Darwin - Credit John Tann

## SAVANNA FIRE MANAGEMENT PROGRAM ANNUAL REPORT 2023

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## Introduction

The Indigenous Land and Sea Corporation’s (ILSC) 2023 Annual Report provides an overview of the seventh-year implementation of the Savanna Fire Management Program (SFM). This program, aimed at supporting fire management projects on Indigenous-held land in the Northern Territory (NT), has been instrumental in providing resources, training, and assistance for on-ground fire management, governance, and sustainable business development.

Through the SFM, the ILSC partners with project groups to deliver a range of opportunities and benefits for Indigenous communities. The program supports the establishment and operation of nature-based businesses, creating employment prospects, facilitating opportunities for the cultural practices, and promoting the care and preservation of the land, it plays a vital role in enabling Indigenous people to fulfil their aspirations for Country.

Projects funded through the SFM Program apply the Savanna Fire Management Methods, approved by the Clean Energy Regulator (CER) under the Carbon Farming Initiative Act 2011. These methods are deployed in areas receiving over 600mm annual rainfall, aiming to reduce greenhouse gas emissions from Late Dry Season (LDS) wildfires.

The SFM Program is funded by Ichthys LNG joint venture partners and operated by the ILSC. The Program is part of a broader voluntary offsets package agreed with the NT Government, pursuant to the environmentally and socially responsible

development of the INPEX operated Ichthys Onshore LNG facility.

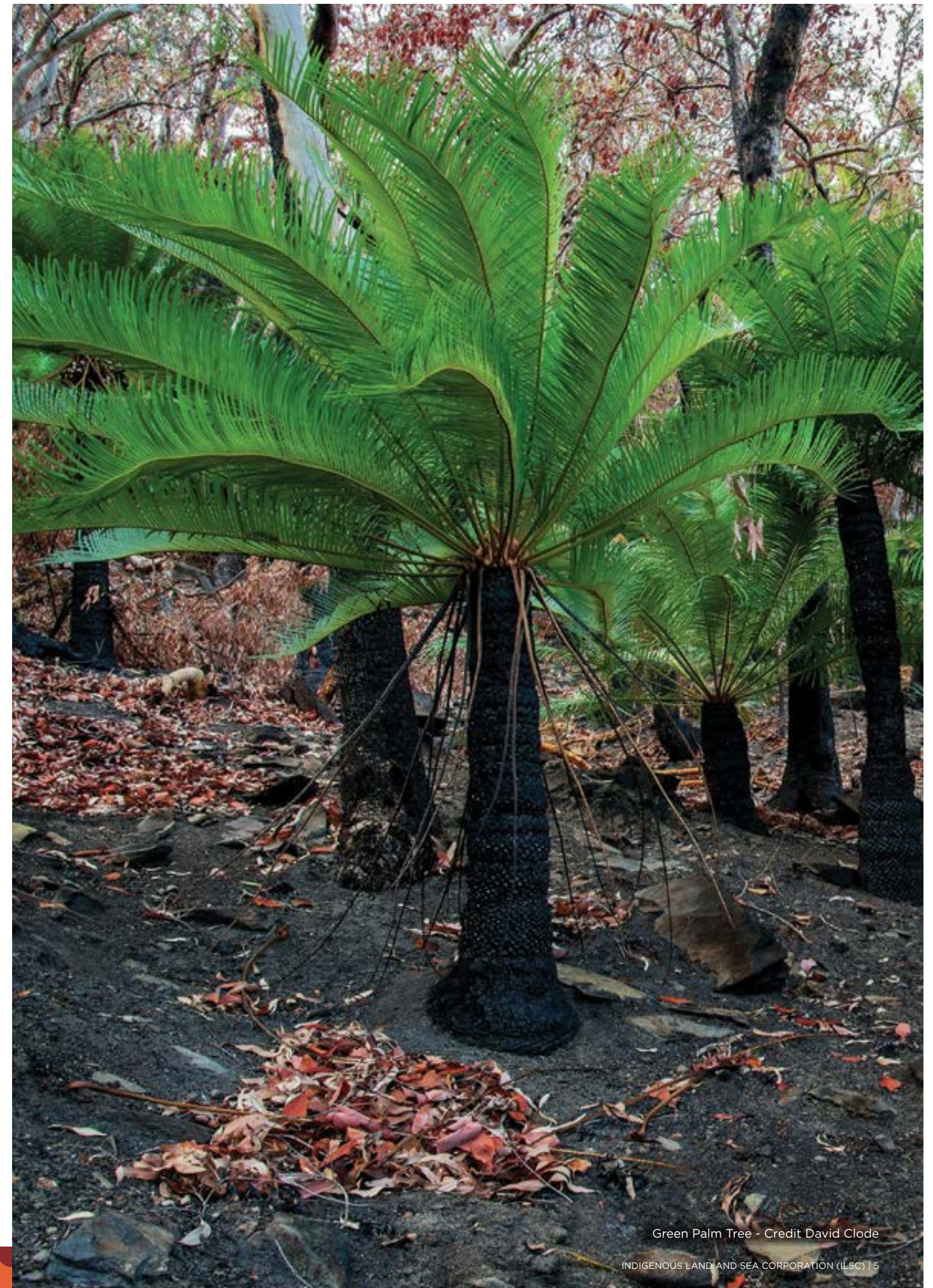
Program operating funds are provided to the ILSC via a discretionary trust managed by Perpetual Trustee Company Ltd (Perpetual). The collaboration between the ILSC and Perpetual began with the signing of the SFM Services Agreement on 12 December 2016, and operations commenced in April 2017.

In delivering the SFM Program, the ILSC utilises the funds in the coordination, training, start-up, and early operational costs for new projects, providing much-needed support for Indigenous groups with limited opportunities for business development and employment. This enables them to embark on carbon-based initiatives. By applying the approved Savanna Fire Management Methods, these projects aim to reduce the frequency and extent of late dry season fires, resulting in reduced greenhouse gas emissions compared to pre-project emission.

Savanna Fire Management involves the principles of

early dry season ‘cool’ patchwork burning, a method informed by the traditional Aboriginal fire management practiced across northern Australia. This method of land management is associated with a broad range of globally recognised social, environmental, and economic benefits to the communities in which SFM Projects operate. These benefits include:

- more meaningful employment opportunities and training on Country,
- culturally appropriate employment in fire management activities,
- improvements for biodiversity conservation,
- increased capacity for self-determination
- protecting cultural values,
- access to carbon industry development support and Indigenous-owned regional entity development,
- generation of Australian Carbon Credit Units (ACCUs).



Green Palm Tree - Credit David Clode





**“The Tiwi project also worked towards transitioning to their independence in 2024 after initially joining the SFM program in 2018.”**

## Summary of SFM Program Manager Activities in 2022

In 2023, the Northern Territory experienced an unprecedented fire season, with approximately 33 million hectares (330,000 square km's) burnt throughout the year. It is anticipated that up to 80% of the Northern Territory could be affected by fires before March 2024. This scale of fires had not been seen since 2017 and 2011.

Despite the challenging fire conditions, all SFM projects in the Northern Territory continued to make progress towards their goals. Whether transitioning out of the SFM program, commencing Phase 2 operations, or developing local governance structures, all groups achieved improved outcomes and results throughout 2023.

Some notable highlights of the year included the SFM Forum held at Lake Bennett in November, where participating groups had the opportunity to collaborate and plan their projects with peers and professionals from the carbon industry. The Tiwi project also worked towards transitioning to independence in 2024 after initially joining the SFM program in 2018.

The SFM program supported capability development through accredited training activities, including GIS training and mapping assistance from the Northern Australia Fire Institute (NAFI) at Charles Darwin University. Mapping and GIS capabilities are integral to these projects.

Prescribed burning efforts and subsequent ACCU generation varied among Phase 2 projects in 2023 due to early-onset fuel curing, which reduced the opportunity for Early Dry Season burns. Some projects, such as the Western Top End group, conducted significant amounts of aerial burning, while others, such as the Judbarra/Gregory project, faced difficulties in implementing sufficient Early Dry Season burns.

While carbon abatement is just one of the many benefits of the program, positive ACCU generation can provide consistent income to project proponents. Funding through the SFM Program will be crucial in supporting groups during the learning phase and enabling ongoing capability and group capacity building for appropriate early season burning activities in a changing climate.

The current suite of Phase 2 projects are at various stages of development, with some exiting the program as planned while others continue to progress. Traditional Owners, the community and project partners were engaged extensively in 2023 to renew the Garawa project and transition the Wagiman project to a Phase 2 Project Funding Agreement (PFA) in 2024. The Judbarra/Gregory Project also underwent consolidation works aiming to achieve improved operational outcomes and greater engagement with Traditional Owners. These efforts are necessarily ongoing, while the 'SFM Communications Strategy' has proven valuable in promoting projects, effectively communicating with stakeholders and the wider audience. Additionally, the filming of the Tiwi Case Study is on schedule for completion and distribution in 2024. Articles promoting the SFM program have been published in the National Indigenous Times.

To align with the SFM Program's 5-year strategy, the development of carbon project guides in collaboration with the Indigenous Carbon Industry Network was progressed. 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.

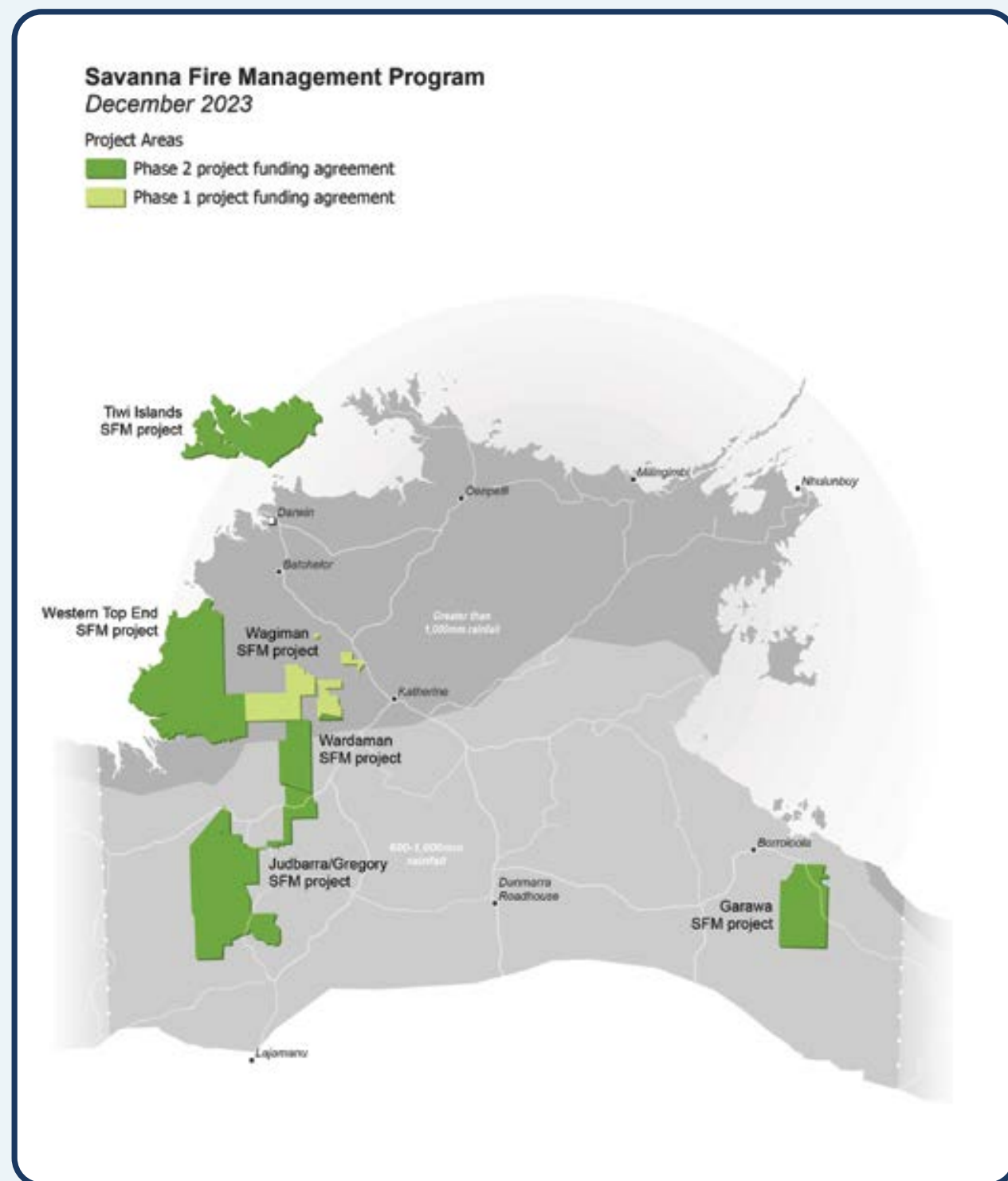
The SFM Program remains committed to supporting projects in achieving their goals, as reflected in the 2024 annual work program and budget, which includes funding for improved communications, standardised metrics for projects and strong governance implementation.



## Savanna Fire Management Program

January 2024

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



### Snapshot of 2023

**39,000 KM<sup>2</sup>**  
LAND MANAGED UNDER  
THE PROGRAM  
**IN 2023**

**8** INDIGENOUS  
RANGER GROUPS  
ENGAGED THROUGH  
THE PROGRAM

**69** INDIGENOUS PEOPLE  
TRAINED IN FIRE/CARBON WORK

**91** RANGERS  
EMPLOYED  
ON COUNTRY  
(MIX OF F/T AND CASUAL)  
**IN 2023**

**137,235.79**  
TOTAL ACCUS  
FROM SFM PROJECTS

**59,143.79** ACCUS  
**IN 2023** GENERATED  
(FROM 2022 YEAR)

**6** INDIGENOUS  
ORGANISATIONS  
DIRECTLY FUNDED THROUGH THE  
PROGRAM GENERATED FROM  
SFM PROJECTS



# Project Structure

## Phase 1 Project Funding Agreements:

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

Phase 1 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.

Prior to the execution of contracts and the appointment of a hosting organisation, extensive consultation takes place with Traditional Owners. Moving into Phase 2 requires 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:

Phase 1 SFM projects that meet the necessary commercial viability requirements can progress to Phase 2 and enter a project funding arrangement. During Phase 2, these projects become eligible to earn ACCUs after registering with the Clean Energy Regulator (CER).

Within the Phase 2 PFA, the SFM Program provides financial support for various savanna fire management operations. This includes fire management, planning, prescribed burning operations, and late dry season bushfire suppression. The PFA not only covers operational funding but also extends its support to project offset reporting, conducting audits under the Emissions Reduction Fund (ERF), and facilitating broader project development activities.

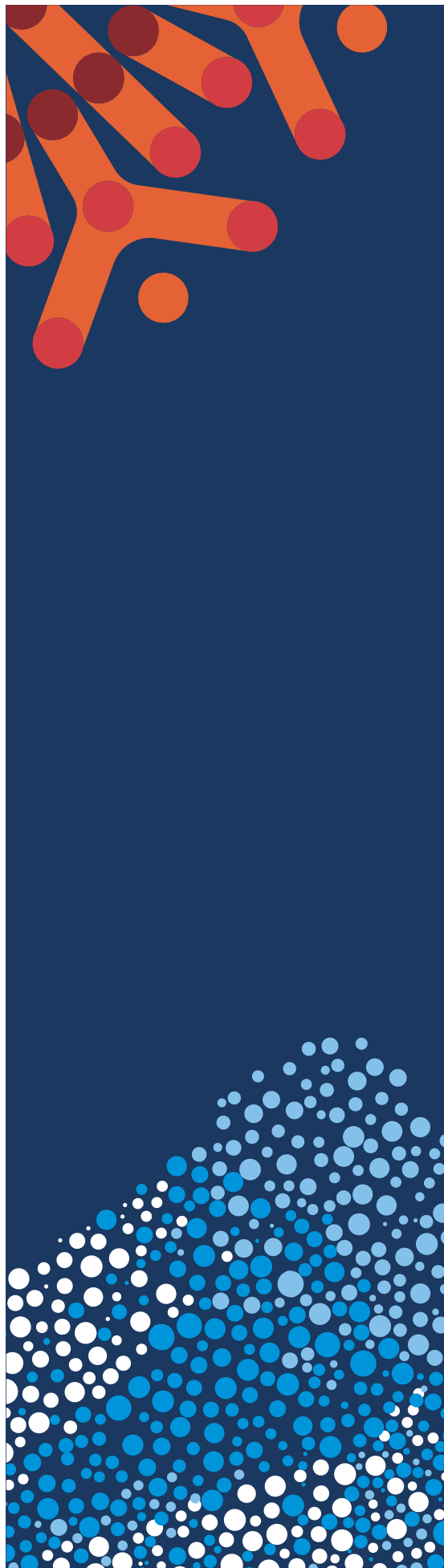
The aim of these Phase 2 PFAs is to establish sustainable Indigenous enterprises by fostering the growth and development of the project. By providing the necessary funding and resources, the SFM Program contributes to the establishment of a robust and self-sustaining Indigenous enterprise in the field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

## Summary of SFM Project outcomes in 2022

Phase	SFM Projects involved in the SFM Program over the calendar year 2023
1	Wagiman Project - Northern Land Council - feasibility assessment completed; S19 Agreement consultations undertaken and expected to be signed off early 2024
2	Wardaman - Northern Land Council- third year of operation
2	Tiwi Islands Fire Project - Tiwi Resources - sixth year of operation as an SFM Project. Proponents are preparing to transition to independent project management
2	Garawa Fire Project - NAILSMA -with a service agreement to NLC - fifth year of operation as a CER registered Project
2	Daly River/Port Keats Land Trust Project / Western Top End Project - Thamarrurr Development Corporation - Fourth year of operation as a CER registered Project
2	Judbarra Fire Project - ILSC - Fourth year of operation as a CER registered Project
2	Wardaman - Northern Land Council - Third year of operation as a CER registered Project

NT Savannah - Gulf Country





## Phase 1 Projects

### Wagiman Project: Phase I

**Land Management Group: Wagiman Rangers hosted by the Northern Land Council**

**PFA:** Phase 1 contract August 2021 - December 2025

A Phase 1 Project funding arrangement for the Wagiman Project began in May 2020. During the initial stages of the project, vegetation mapping was conducted to assess the feasibility of implementing the savanna burning methodology for ACCU production, and the results were positive. The Wagiman Project has successfully completed all milestones associated with the Phase 1 Project Funding Agreement and is now ready to move forward into Phase 2.

To progress into Phase 2, the Northern Land Council (NLC) was required to conduct Section 19 Land Use Agreement consultations, which took place in September. The proposal presented to the Traditional Owners was that the Indigenous Land and Sea Corporation serve as the Interim Project Proponent and the NLC act as the Project Operator, with the registration of a carbon business over the Land Trust.

The NLC continues to support the Traditional Owners in their consideration of the ILSC's proposal. While no agreement had been returned at the time of this report being prepared, the ILSC has been advised that Traditional Owner views on the matter are positive.

The registration of a Phase 2 program with the Clean Energy Regulator (CER) cannot occur until the consultations are finalised and the ILSC receives the necessary approvals.

The ILSC will continue to support the Wagiman Rangers in implementing the required fire management practices during the Early Dry Season (EDS) window of 2024 until a Phase 2 contract can be established.



Wagiman Rangers undertaking planning session at the ILSC SFM Forum





# Phase 2 Projects

## Wardaman Project: Phase II

**Land Management Group:** Wagiman Rangers

**PFA:** Phase 2 contract August 2021 – December 2025

**Registration:** ERF 170671

**Project Area:** 290,700 hectares

**ACCU's Generated (2022):** Zero ACCUs generated

**Training Received:**

- 3 Rangers completed NAFI satellite imagery training
- 5 Rangers completed in-house Raindance Operations training

**Ranger Participation:** 8 Rangers were employed on a casual basis

**Additional Activities:**

The Wardaman Project is currently in its third year of Phase 2 operations. Fire management responsibilities are carried out by the Wardaman Ranger group on the Menggen and Yibulyawun Aboriginal Land Trusts (ALTs). Since its registration with the Clean Energy Regulator (CER) in December 2021, the Wardaman Project has successfully implemented strategic fire management practices over three fire seasons across the Land Trusts, which encompass numerous sacred sites and areas of cultural significance.

During the 2023 Early Dry Season (EDS), the Wardaman Rangers collaborated with 17 Traditional Owners who provided oversight for fire management operations. Together, they worked diligently to implement the Wardaman Indigenous Protected Area (IPA) fire management plan. The Rangers also focused on engaging the local community and raising awareness about the Project. They developed informative flyers and installed signage to promote proper burning practices, emphasising the importance of conducting burns earlier in the dry season rather than later.

Efforts to enhance capacity building within the Ranger group continued, with three Rangers completing training in Northern Australia Fire Information (NAFI). Additionally, an in-house refresher training session on Raindance operations was held for five Rangers.

The Wardaman Indigenous Protected Area Aboriginal Corporation (WIPAAC) held a general meeting for its members in Katherine. During this gathering, the Rangers provided updates on the progress and activities of the Project to eighteen members. The group collectively reflected on the outcomes of the recent burning activities and engaged in discussions to extract valuable insights that will inform the planning process for the upcoming 2024 fire season.



Staging area at for Rangers and Traditional Owners to complete a week of aerial prescribed burning over Wardaman country.



Wardaman Rangers - Planning session ILSC SFM Forum



List of Wardaman IPA values and assets.





## Judbarra National Park Project: Phase II

### Land Management Groups:

- Timber Creek Rangers hosted by Northern Land Council
- Wardaman Rangers hosted by Northern Land Council
- Daguragu Rangers hosted by Central Land Council
- NT Parks & Wildlife Rangers, Northern Territory Government

**PFA:** Phase 2 contract January 2022 - December 2025

**Project Area:** 1,299,455 hectares

**ACCU's Generated (2022):** Zero ACCUs generated

**Training Received:** 9 Rangers completed QGIS Training

**Ranger Participation:** 4 Traditional owners were engaged as casuals

### Additional Activities:

The Judbarra Gregory Project operates on the Bilinarra - Judbarra, Nalipinkak, Wambardi, Winan Aboriginal Land Trusts for which the Ngarinyman, Karrangpurru, Nungali, Malngin, Wardaman, Ngaliwurru, Guridji, Jaminjung and Bilinara people are the Traditional Owners. The Traditional Owners and the Northern Territory Government via its Parks and Wildlife Commission, manage the Judbarra - Gregory National Park under Joint Management arrangements.

Late persistent rain and administrative complications impeded Early Dry Season burning efforts leaving the project area exposed to severe late dry season fires. Despite suppression efforts, a large portion of the project area was affected by hot late season fire. This has had a significant impact, not only on ACCU generation and the landscape as a whole, but the scale of the fires and prolonged suppression efforts took a physical toll on those involved.

By Law 13 legislation of the Territory Parks and Wildlife Conservation Act (1976) was gazetted in November 2022, and the ensuing permit signed by the project operator in early 2023, authorising savanna burning within the National Park to be delivered by the registered project operator for the



purposes of a carbon emissions reduction project.

Pre - Season fire planning was undertaken with a fire plan submitted and approved for EDS burning activities. Complicating these efforts was protracted ambiguity remaining over the responsibilities and compliance requirements under the recently signed By-Law permit. Despite the season's setback, the Judbarra Fire and Joint Management Committee's supported the projects continuance at meetings held in Timber Creek during November 2023.


To work through issues confronting the project, a stakeholder debrief was held in December comprising Northern & Central Land Council, ILSC, Parks and Wildlife Commission representatives. The objective of the debrief was to scrutinise the 2023 season with a view to strengthen future efforts. Discussion included project implementation (what worked and what didn't), operational coordination, project governance, key tasks and accountabilities and milestone delivery.

The debrief was largely productive with all agreeing that the project should be driven by Traditional Owners and should provide economic, social and environmental benefit, but also highlighted a number of challenges that faced the project. These being largely administrative centered on the Joint Management Agreement and By Law 13 compliance. Some headway was made late in 2023 towards a solution, with more to be done in 2024.

Despite efforts in 2023 to work with the project proponent to better engage with the project, it was agreed that the current contract with the project operator, should be varied to reduce their operational and governance responsibilities, and for them to focus on supporting activities within the project. The variation will see the NLC be responsible for the implementation of operational activities and supporting governance development. This compliments the NLC's role to support Traditional Owners of the project and will provide additional resources to do so.

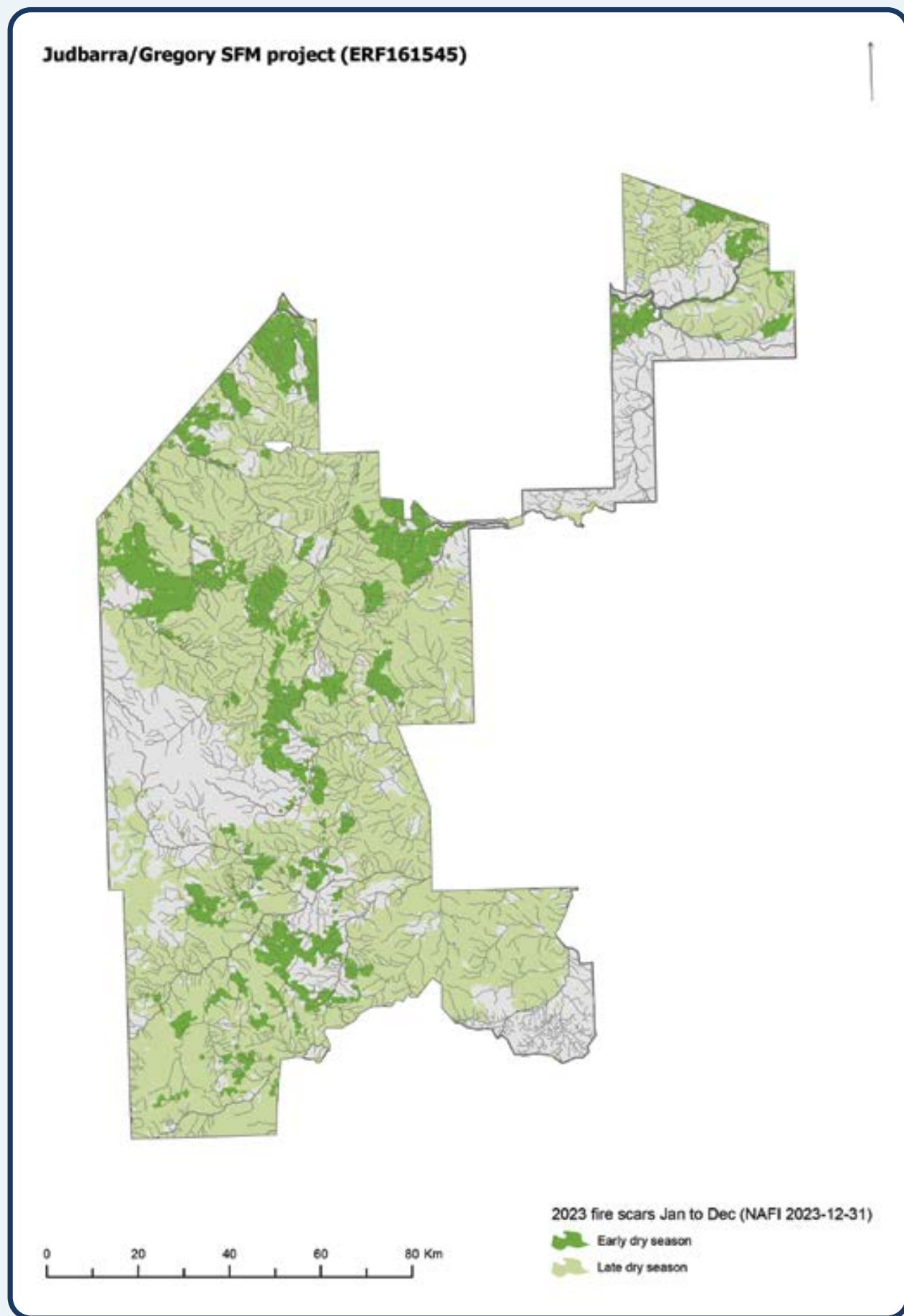
The Project remains conditionally approved by the Clean Energy Regulator, with outstanding cadastre issues obstructing unconditional registration. While the current registration status and ACCU generation are not ideal, it does present some options for the project, options which stakeholders are currently discussing.

Despite a tough year, Traditional Owners are enthusiastic about continuing the project and building their capacity to carry the project forward in the coming years.



Traditional Owner Phillip Snowy guiding aerial prescribed burning over the southern section of the Winan Aboriginal Land Trust, Gregory National Park.





## Western Top End SFM Project: Phase II

### Land Management Groups:

- ☉ Thamarrurr Rangers hosted by Thamarrurr Development Corporation
- ☉ Wudicupildiyerr Rangers hosted by Northern Land Council
- ☉ Peppimenarti Rangers hosted by Deewin Kirim Corporation
- ☉ Emu Point Rangers (emerging)

**Project Area:** 110,000 hectares

**PFA:** Phase 2 contract May 2020 – January 2024

**Registration:** ERF 160973

**ACCU's Generated (2022):** Zero ACCUs generated

### Training Received:

- ☉ 3 Rangers completed NAFI satellite imagery training
- ☉ 4 Rangers and staff completed QGIS training
- ☉ 8 Rangers completed Operational Fire training at the Bachelor institute

**Ranger Participation:** 35 Rangers are employed on a casual basis between January and July

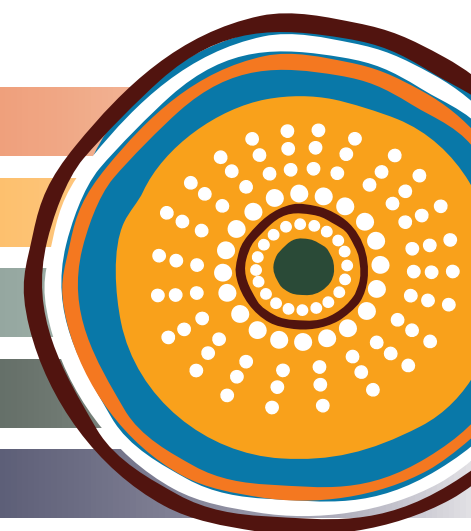
### Additional Activities:

The Western Top End (WTE) Fire Project, operating on the Daly River Port Keats Aboriginal Land Trust, was registered with the CER by Thamarrurr Development Corporation (TDC) in December 2020. Currently, in its fourth year of a Phase 2 Funding Agreement that began in April 2020, the project has made significant progress.

During the 2023 EDS, the WTE successfully implemented a fire management strategy for the fire season. Through aerial prescribed burning operations covering approximately 14,000 square kilometres and involving 100 hours of flight time, a network of burnt areas was created, greatly reducing the risk of LDS wildfires. More than 20 LDS fires were ignited in areas of high public access, allowing them to naturally integrate into existing fire scars, this effectively contained their spread.

To enhance the fire management capabilities of the WTE team, TDC enlisted the services of Batchelor Institute to provide operational fire training to eight rangers. Additionally, four Thamarrurr Rangers and WTE SFM staff attended QGIS training at Charles Darwin University's Northern Institute.

TDC now boasts a qualified Trainer & Assessor on its staff and plans to deliver training units focused on operating the Raindance Machine inside an aircraft, reading and understanding fire maps, strategies and tactics in remote firefighting.





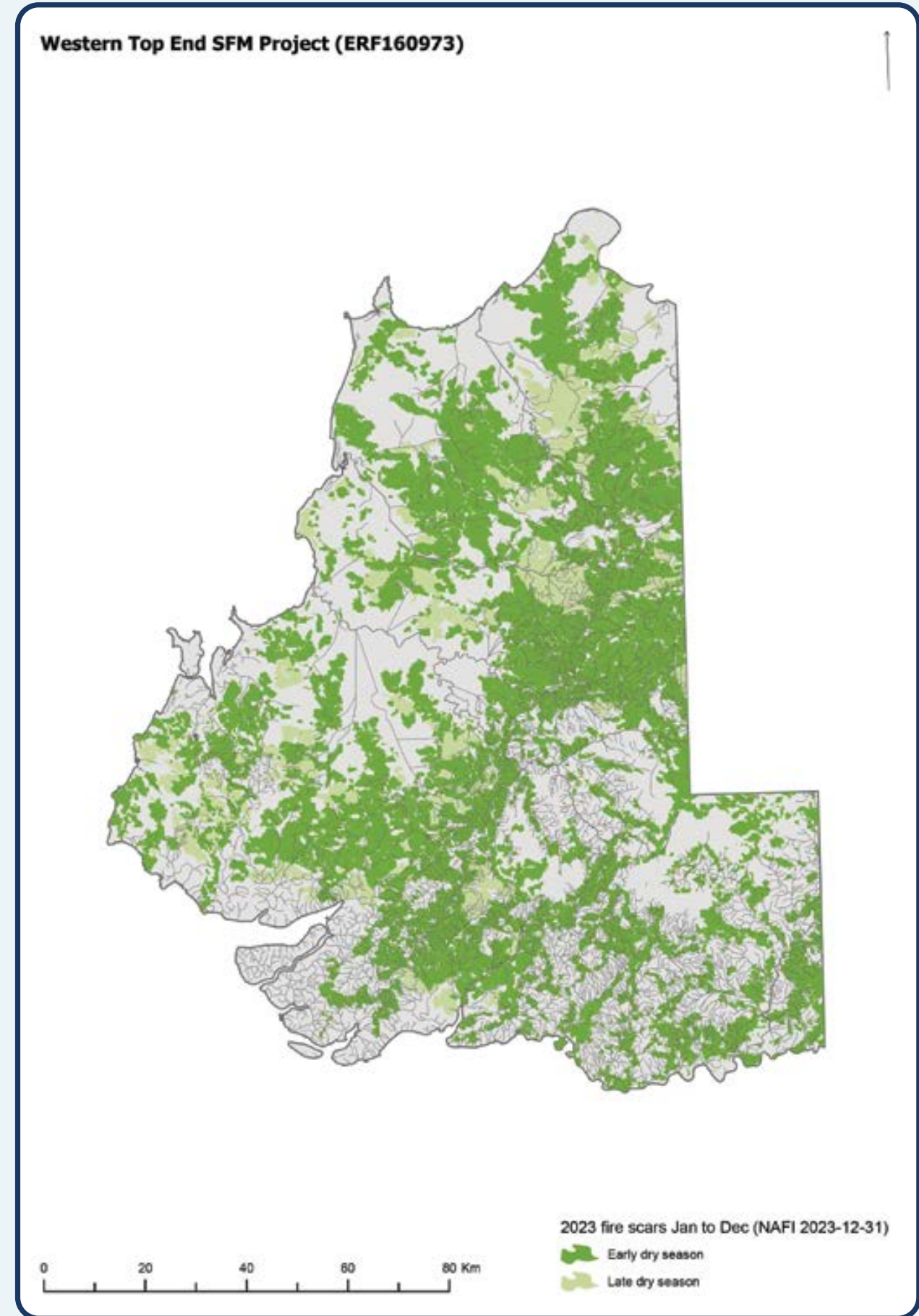
In collaboration with Territory Natural Resource Management (TNRM), TDC conducted a comprehensive aerial survey of Gamba Grass (*Andropogon gayanus*) in the project area. This survey identified 171 Gamba points, with a concentration observed around leased areas such as Elizabeth Downs and Djudian. The identified Gamba Grass sites were treated, and future monitoring will ensure effective management of Gamba Grass in the region.

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. This ensures that the project has the necessary structures in place to make important decisions.

Looking ahead, the WTE SFM team is considering options to continue the current program in partnership with the ILSC and INPEX beyond 2024. The current Phase 2 contract is set to conclude in early 2024.



Torsten Unnasch (TDC Project Officer) and Christine Tjemchiri (TDC Ranger) conducting APB





## Tiwi Project: Phase II

**Land Management Groups:** Tiwi Rangers hosted by Tiwi Resource Corporation

**PFA:** Second phase 2 contract July 2021 – March 2024

**Project Area:** 536,00 hectares

**ACCU's Generated (2022):** 59,149.79

### Training Received:

- 🔦 4 Rangers completed NAFI satellite imagery training
- 🔦 4 Rangers completed GIS training
- 🔦 4 Rangers completed tablet mapping training
- 🔦 8 Rangers completed Pyroshot operations training
- 🔦 4 Rangers completed Raindance operations training

**Ranger Participation:** 11 Rangers were directly involved

### Additional Activities:

The Tiwi Fire Project encompasses both Bathurst and Melville Islands, situated north of Darwin. Under the management of Tiwi Resource Corporation, they joined the SFM Program in 2018. Currently, the Phase 2 Project is nearing its completion, with the final milestone set for March 2024.

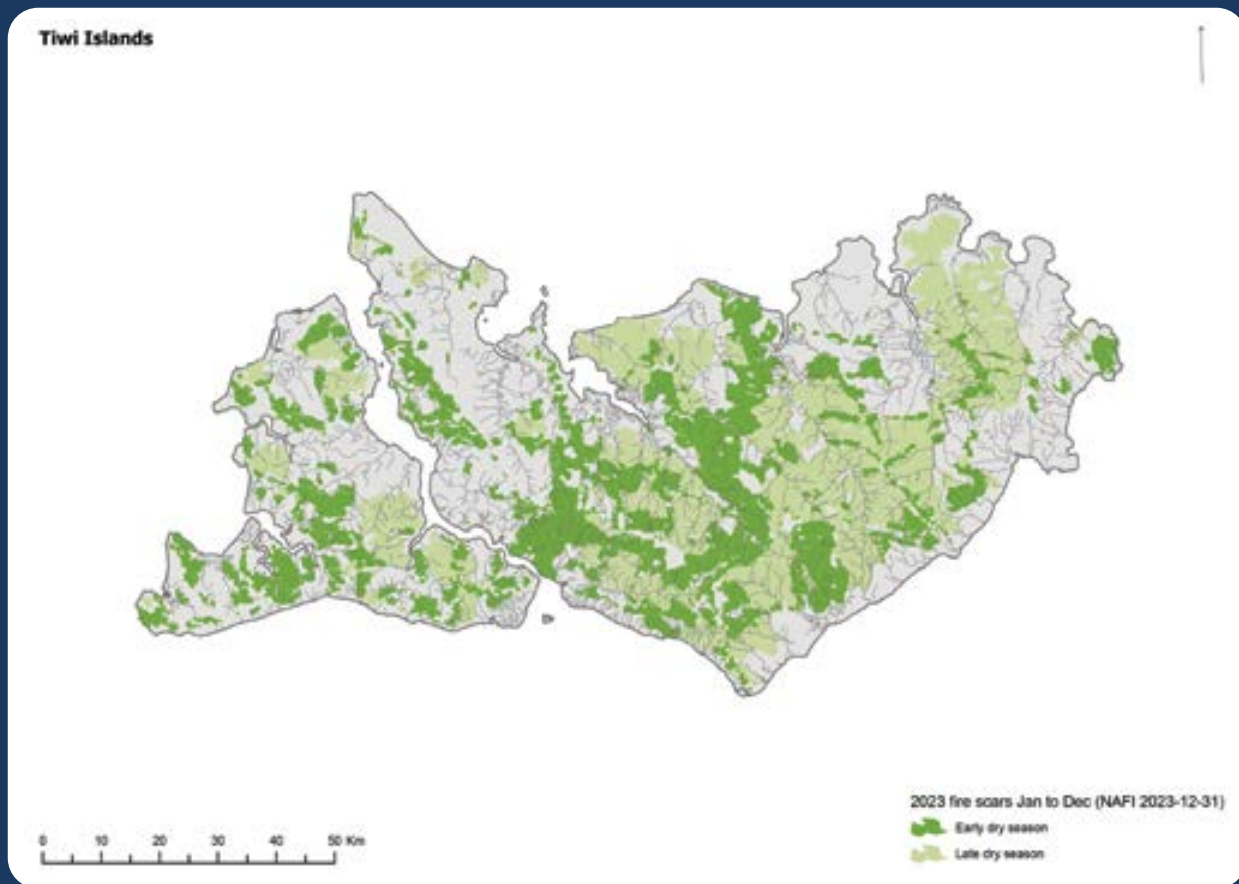
During the planning phase of the Early Dry Season (EDS), there was extensive consultation with approximately 30 Traditional Owners through formal fire planning meetings. Additionally, over 50 Traditional Owners and community members actively participated in fire roadshow events. These roadshows have proven to be highly successful in engaging the community, raising awareness about the advantages of early, cool burning, and highlighting the issues caused by late dry season hot fires. To further reinforce this message, rangers have been placing signs in prominent locations, providing clear instructions on when to burn and when not to.

As Tiwi prepares for their transition to independence, they have achieved significant progress. They have 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. These developments signify important milestones in Tiwi's transition into an independent Carbon business.



Map courtesy of Google Earth





## Garawa Project: Phase II

**Land Management Groups:** Garawa Rangers hosted by the Northern Land Council

**PFA:** Phase 2 contract May 2019 – December 2023

**Project Area:** 536,00 hectares

**Registration:** ERF130950

**ACCU's Generated (2022):** Zero ACCUs generated

### Training Received:

- ☀ 14 Rangers completed Work Safely around Aircraft and Operate Aerial Ignition Equipment in an Aircraft training
- ☀ 3 Rangers completed NAFI satellite imagery training
- ☀ 2 Rangers Completed GIS training

**Ranger Participation:** 27 Rangers are employed on a casual basis between January and July

### Additional Activities:

The Garawa fire project operates within the Garawa Aboriginal Land Trust, also known as Robinson River. The project area is remote, situated in the SW of the Gulf of Carpentaria. The remote location presents challenges for service delivery and staff retention, of which this program has experienced to some degree.

The seasonal engagement of a qualified and experienced fire management practitioner has played a crucial role in providing guidance and mentorship to the project participants. This has enabled them to plan and execute prescribed Early Dry Season (EDS) burning operations effectively. However, the absence of a dedicated individual during the majority of the Late Dry Season (LDS) has hindered wildfire suppression capabilities.

During planning meetings, the objectives of the prescribed burning activities are established. Flight lines are developed based on input from Traditional Owners, previous years' burning operations, and local features such as roads and rivers. Special considerations are given to cultural sites and the habitat of known populations of the Purple Crowned Fairy Wren (*Malurus coronatus*) in the south-eastern corner of the project area, where population surveys are being conducted.



Marbine Austral (Tiwi Ranger) operating the Raindance machine for an aerial prescribed burn. Credit David Hancock



To support the delivery of the 2023 fire program, 14 local casual staff were recruited and received certified training in Aerial Incendiary Operations. This enabled their participation in the season's burning activities. Collaborative efforts with neighbouring properties, Spring Creek and Pungalina Stations, led to the implementation of firebreaks in the northern sections of the project area to assist with containing LDS fires.

Through solid planning and proactive Early Dry Season (EDS) burning efforts, the impact of LDS fires encroaching into the project area was reduced. Despite compromising the project's baseline and ACCU generation, the EDS efforts successfully contained what could have been a catastrophic fire year.

Additional planning meetings identified priorities and aspirations of the fire committee, including upgrades for the ranger shed, workshops to strengthen project governance capacity, and an exchange program with Manmoyi in west Arnhem Land to facilitate knowledge exchange with the successful Warddeken savanna burning initiative.

The Phase 2 contract for this project concluded in December 2023, and the remote area and administrative compliance posed challenges for the current project proponent. To consolidate on-the-ground project delivery and administrative requirements, all parties agreed to arrange a new project management structure. The proposal for the Indigenous Land and Sea Corporation (ILSC) to become the project proponent, with the Northern Land Council (NLC) as the project operator for the next Phase 2 contract period, was agreed upon by Traditional Owners at a Section 19 contract renewal meeting held at Robinson River in mid-November 2023. This arrangement aims to streamline the project management process for the NLC, who host the Garawa Rangers, while also seeking greater engagement with the neighbouring Waanyi Garawa Indigenous Protected Area program within the SFM project.



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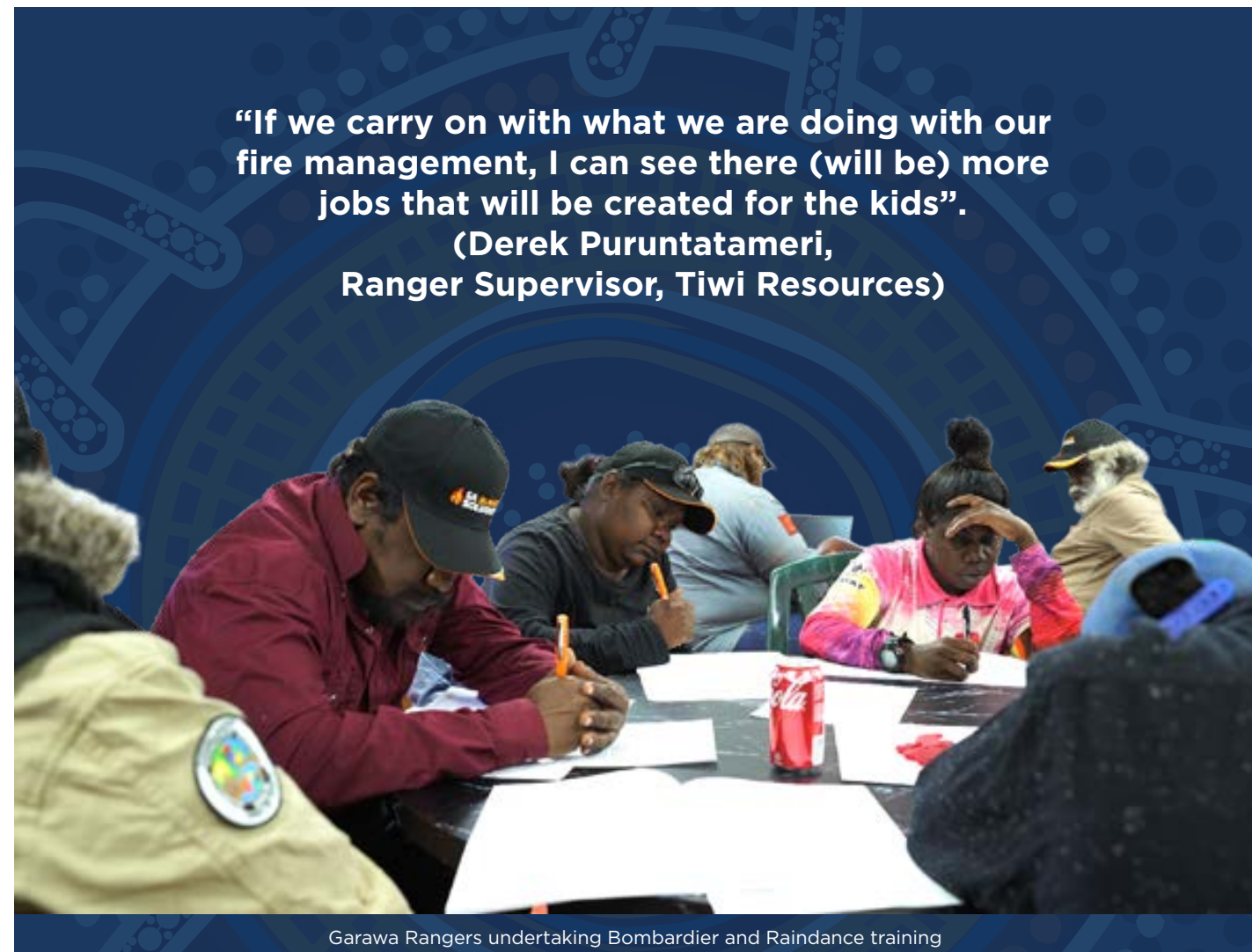
Macaulay Library ML65425361



Macaulay Library ML178965771

The Purple-crowned Fairy-wren is a specialist of dense riparian vegetation in northern Australia. It occurs as two subspecies. The western subspecies is found in the Kimberley Region of Western Australia and in the Victoria River District of the Northern Territory. The eastern subspecies occurs on rivers that drain into the Gulf of Carpentaria. It has an extremely patchy distribution and has declined in parts of its range.

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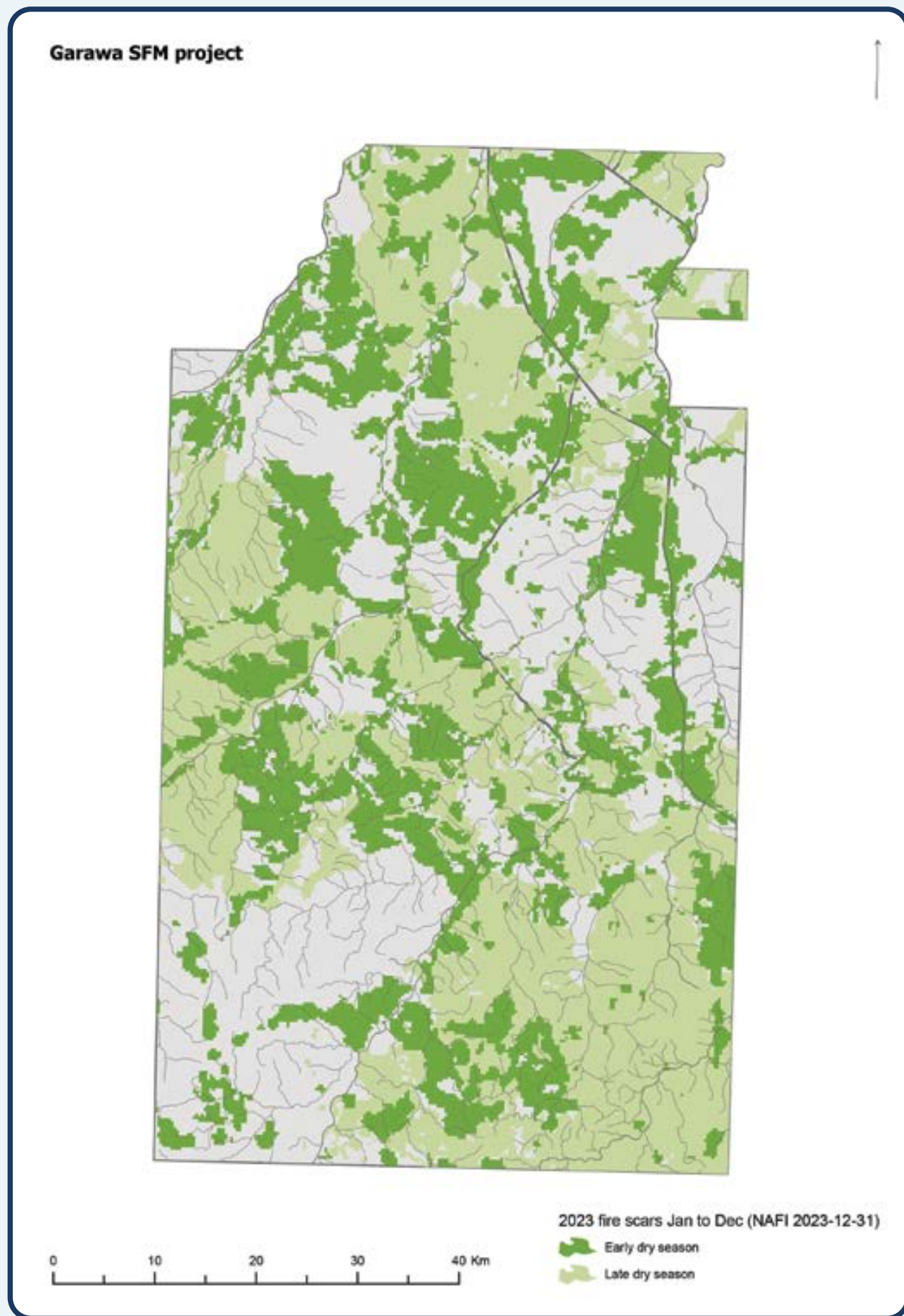


**“If we carry on with what we are doing with our fire management, I can see there (will be) more jobs that will be created for the kids”.**  
**(Derek Puruntatameri, Ranger Supervisor, Tiwi Resources)**

Garawa Rangers undertaking Bombardier and Raindance training







## ACCUs generated by SFM Program Operators

There are five SFM Projects registered and eligible for ACCU generation under the CER. Results from the 2023 fire season will not be known until Project Offset Reports are generated in March/April following the release of 2023 abatement calculations on SavBAT.

ACCUs credited to SFM Projects from 2021 to 2022.

PROJECT	Total ACCUs from 2020	Total ACCUs from 2021	Total ACCUs from 2022	PROPORTION ATTRIBUTED TO SFM FUNDING	Number of ACCUs to transfer to INPEX
Tiwi	44,269	Zero ACCUs generated	59,143.79	0	45,903(2022)
Garawa*	Zero ACCUs generated	Zero ACCUs generated	Zero ACCUs generated	0	0
Western Top End	33,823	Zero ACCUs generated	Zero ACCUs generated	82.5(2020)	27,691(2020)
Judbarra**	Zero ACCUs generated	Zero ACCUs generated	Zero ACCUs generated	0	0
Wardaman***	N/A	Zero ACCUs generated	Zero ACCUs generated	0	0
<b>TOTAL</b>	<b>78,092</b>	<b>0</b>	<b>59,143.79</b>	<b>N/A</b>	<b>73,594</b>

\* The Garawa project proponent has had difficulties establishing the carbon administration process with the CER. The proponent role will be transferred to the ILSC during 2024 enabling the ILSC to utilise its credit holding account for completion of earlier credit claims. It is expected that this will yield 10504 credits when finalised.

\*\* Following two successive difficult years for fire management the ILSC is in discussions with all parties regarding a potential reset administratively which will enable increased lifetime credit performance or the project.

\*\*\* Offset reporting for the Wardaman project is underway, it is anticipated that reporting in-hand will yield 8838 ACCUs for project activities.



## SFM Program Financial Summary 2023

INCOME	BUDGET	YTD ACTUAL	VARIANCE
Q1 SFM Payment	\$292,072	\$292,345	\$273
Q2 SFM Payment	\$806,707	\$806,707	\$
Q3 SFM Payment	\$806,707	\$673,489	\$133,218
Q4 SFM Payment	\$806,707	\$806,707	\$
<b>Total Payments</b>	<b>\$2,712,193</b>	<b>\$2,579,248</b>	<b>\$132,945</b>
<b>Balance held by SFM Program (1 Jan 2023)</b>	\$514,635	\$514,635	
<b>TOTAL INCOME</b>	<b>\$3,226,828</b>	<b>\$3,093,883</b>	
EXPENSES			
PHASE 2 PFAs	BUDGET	YTD ACTUAL	VARIANCE
	<b>\$2,157,143</b>	<b>\$1,181,626</b>	<b>\$975,517</b>
• <i>Judbarra Phase 2</i>	\$430,500	\$130,500	\$300,000
• <i>NAILSMA Garawa</i>	\$ 255,593	\$	\$255,593
• <i>Wardaman - Menggen</i>	\$189,000	\$218,000	\$29,000
• <i>Thamarrurr Development Corporation</i>	\$381,440	\$382,152	\$712
• <i>Wagiman (NLC)</i>	\$250,000		\$250,000
• <i>Tiwi Resources</i>	\$650,610	\$450,974	\$199,636

PHASE 1 PFAs	BUDGET	YTD ACTUAL	VARIANCE
	<b>\$229,000</b>	<b>\$</b>	<b>\$229,000</b>
• <i>Kenbi/Bulgul (NAILSMA)</i>	\$15,000	\$	\$15,000
• <i>Wagiman (NLC)</i>	\$14,000	\$	\$14,000
• <i>Waanyi (GARAWA)</i>	\$100,000	\$	\$100,000
• <i>Southern Beswick</i>	\$100,000	\$	\$100,000
<b>Third Party Service Providers</b>	<b>\$470,000</b>	<b>\$ 176,926</b>	<b>\$293,074</b>
<b>SFM Project Direct Costs</b>	<b>\$444,895</b>	<b>\$396,758</b>	<b>\$48,137</b>
Staff Salaries & On costs	\$290,647	\$292,290	-\$1,643
Office- Accommodation & Expenses	\$60,000	\$11,075	\$48,925
Recruitment	\$	\$	\$
IT and comms equip	\$8,000	\$3,966	\$4,034
Conferences and meetings	\$6,000	\$25,158	\$19,158
Vehicle running costs	\$8,000	\$11,585	\$3,585
Fuel	\$16,248	\$2,013	\$14,235
Travel	\$38,000	\$41,426	-\$3,426
Staff - Corporate Training	\$8,000	\$	\$8,000
Marketing & Comms	\$10,000	\$9,245	\$755
<b>ILSC Overhead Costs (fixed)</b>	<b>\$175,790</b>	<b>\$175,790</b>	<b>\$</b>
<b>TOTAL EXPENSES</b>	<b>\$3,476,828</b>	<b>\$1,931,101</b>	<b>\$1,545,727</b>

NT Gulf Country



## Summary of Variance from 2022 Budget

### Summary financial variance of 2023 budget.

Overall program expenditure was under the 2023 allocation. The following details significant variances in expenditure against the budget:

- A. SFM direct costs and wages were underspent due to recruitment of ILSC SFM staff positions. The shortfall in staff has restricted operations to core functions only.
- B. Both the Judbarra and Garawa Projects were underspent due to ongoing delivery issues with the program operator and administrative compliance complications with stakeholders.
- C. Wagiman transition into phase 2 was delayed with required s19 land-use consultations with NLC occurring in November 2023. Phase 2 is anticipated to commence in mid-2024.
- D. Travel, fuel and vehicle running costs were underspent due to reduced staffing capacity within the SFM team.
- E. Kenbi – Bulgul, Southern Beswick and Wanyi Garawa withdrawing from Phase 1 assessments.





# Performance Evaluation of the SFM Program

Performance evaluation of the Principles of the SFM Program.

SFM Program Principles	Notes	Evaluation
Avoiding negative reputational risk to key stakeholders and maximising the potential to reflect positively on the reputations of all stakeholders	The SFM Communications Plan continues to be a valuable resource for managing reputational risk and defining the roles and responsibilities of project partners in addressing potential issues. The SFM Program developed a comprehensive 2023 Communications Plan, which was carefully reviewed by the ILSC communications team. In collaboration with the SFM Program Manager, they have created a detailed schedule to highlight SFM achievements throughout the year. In 2023, the ILSC SFM forum received positive media coverage, with two features published in the National Indigenous Times. Furthermore, the filming of the Tiwi Case Study has been successfully completed and is slated for broadcast on multiple TV channels in 2024.	Excellent
Supporting and enabling the development of sustainable, viable Indigenous enterprises and the delivery of economic, environmental, social, and cultural benefits for Indigenous people:	Phase 2 Projects have successfully implemented the Savanna Fire Management methodology, resulting in achievements in sustainable development. Project operators work closely with Traditional Owners to develop fire management plans and carry out prescribed burning. This collaborative approach has not only delivered positive environmental outcomes but has also provided valuable opportunities to train and mentor future land managers, generate employment, and contribute to the growth of regional economies.	Good

**Excellent** = principles and purpose being met beyond expectations

**Good** = expectations of principles and purposes are being met

**Fair** = expectations of principles and purposes are not currently being met, but progress towards these is apparent.

**Poor** = expectations are not being met and look unlikely to be met.

SFM Program Principles	Notes	Evaluation
Providing business and employment opportunities for Indigenous people via SFM Project Operators;	<p>Employment opportunities for Indigenous Rangers created by the Program across the Projects include:</p> <ul style="list-style-type: none"> <li><b>Western Top End:</b> In 2023, there were 35 casual fire rangers employed between January and July to carry out fire operations. Additionally, 6 Rangers participate in the SFM Program and are employed on a permanent basis through separate funding.</li> <li><b>Garawa:</b> The number of casual ranger employees has seen a remarkable increase. Currently, 27 casual employees are engaged in delivering fire management activities. Furthermore, 9 full-time Garawa Rangers are employed through separate funding, supporting SFM actions on the ALT.</li> <li><b>Wardaman:</b> To support fire operations during the Early Dry Season, 9 Casual Rangers were employed, and an additional 8 casuals were involved throughout the year to support the SFM Project.</li> <li><b>Tiwi:</b> In 2023, the SFM program directly employed three dedicated full-time Indigenous Rangers.</li> </ul>	Excellent
<p>Promoting the use of sound land and environmental practices; and:</p> <p>Improving biodiversity outcomes through savanna fire management activity;</p>	<p>All Phase 2 SFM projects have integrated biodiversity objectives into their fire management plans and Healthy Country Plans. These objectives focus on safeguarding fire-sensitive vegetation and enhancing ecological health by implementing cool burning practices that promote pyrodiversity. Each SFM project has been actively involved in initiatives to measure and gain a deeper understanding of the interplay between their fire management strategies and biodiversity conservation.</p> <p>In the Western Top End project area, efforts have been made to collaborate with NAFI (North Australia Fire Information) and the Research Institute for Environment and Livelihoods (RIEL). Together, they are working on synthesizing a high-resolution vegetation type habitat map and conducting an ecological threshold analysis. This comprehensive assessment will enable the evaluation of ecological thresholds and provide insights into the trajectories and status of known ecological indicators.</p>	Good



SFM Program Principles	Notes	Evaluation
Spreading community and social benefits of the Ichthys Project beyond Darwin into regional areas of the Northern Territory;	<p>Pre-season fire management planning and implementation have created employment opportunities for Indigenous individuals residing in regional and remote areas. In the Western Top End region, multiple fire planning meetings were conducted involving Traditional Owners, Thamarrurr Development Corporation, Northern Land Council, ILSC, Bushfires NT, neighbouring properties such as Bradshaw Australian Defence Force Training Facility, and lease holders within the ALT.</p> <p>On Tiwi Island, the fire roadshow initiative continues to be successfully executed. These roadshows have proven highly effective in engaging the community, increasing awareness about the benefits of early, cool burning, and highlighting the negative impact of late dry season hot fires.</p> <p>The Wardaman community have adopted the messaging tactics employed by the Tiwi Island Savanna Fire Management Project. Wardaman rangers have collaborated to design informative flyers and signage, strategically placed throughout the Land Trust area, to raise awareness about the optimal timing for controlled burns.</p>	Good
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	<p>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 that includes:</p> <p><b>Wardaman:</b></p> <ul style="list-style-type: none"> <li>• Three Rangers received NAFI satellite imagery training.</li> </ul> <p><b>Western Top End:</b></p> <ul style="list-style-type: none"> <li>• Three Rangers completed NAFI satellite imagery training.</li> <li>• Four Rangers and staff members completed QGIS training.</li> <li>• Eight Rangers underwent Operational Fire training at the Bachelor Institute.</li> </ul> <p><b>Tiwi:</b></p> <ul style="list-style-type: none"> <li>• Four Rangers completed NAFI satellite imagery training.</li> <li>• Four Rangers received GIS training.</li> <li>• Four Rangers underwent tablet mapping training.</li> <li>• Eight Rangers completed Pyroshot operations training.</li> <li>• Four Rangers received Raindance operations training.</li> </ul>	Excellent

SFM Program Principles	Notes	Evaluation
Continued from previous page	<p><b>Garawa:</b></p> <ul style="list-style-type: none"> <li>• Fourteen Rangers completed Work Safely around Aircraft and Operate Aerial Ignition Equipment in an Aircraft training.</li> <li>• Three Rangers completed NAFI satellite imagery training.</li> <li>• Two Rangers completed GIS training.</li> </ul> <p>In 2023, the ILSC SFM forum was launched, providing an opportunity for more than 50 Indigenous Rangers to come together with scientific and business development experts. This three-day forum strengthened connections between the Rangers and project partners, fostering collaboration and knowledge exchange.</p>	Excellent
Minimising, managing and mitigating all relevant risks appropriately, particularly workplace health and safety risks;	<p>The SFM program prioritises risk management and exercises due diligence in all its endeavours. Prior to engaging in operational activities, all projects undergo a rigorous risk assessment process. This ensures that potential risks are identified and effectively managed.</p> <p>All individuals involved in fire management operations are employed by esteemed organisations such as the Northern Land Council, Central Land Council, Tiwi Resource Corporation, Thamarrurr Development Corporation, and North Australian Indigenous Land and Sea Management Alliance. These organisations have established comprehensive Work Health and Safety (WHS) policies, procedures, and systems in place to support the implementation of safety measures.</p> <p>The ILSC implements operational risk management procedures and upholds stringent WHS practices. It is mandatory for all SFM staff members to adhere to these procedures and practices, ensuring a safe working environment.</p> <p>In 2023, there were no reported incidents related to Work Health and Safety or environmental concerns.</p>	Excellent
Protection of Indigenous cultural and heritage sites.	<p>Extensive consultation takes place during the planning activities of the fire management process to ensure that Senior Traditional Owners are actively involved. Their valuable input and priorities are sought to guarantee the inclusion of culturally significant and environmentally sensitive sites within the project’s fire management plans.</p> <p>It is considered best practice to have an appropriate person, typically a Senior Traditional Owner, oversee burn operations and accompany Rangers during these activities, whether on the ground or in a helicopter. This approach ensures that the burning activities are conducted in alignment with the cultural protocols and practices that are unique to the specific area.</p>	Excellent



SFM Program Principles	Notes	Evaluation
Continued from previous page	Mapping data supports this process, visually representing fire hazards and risks that may impact these significant sites. This allows the groups involved to identify potential threats, develop strategies to mitigate them effectively and make informed decisions on how best to protect culturally significant areas.	Excellent
(i) generating ACCUs; and avoiding emissions and thereby having a positive impact on climate change mitigation.	ACCU generation has commenced for Projects registered with the CER; however, only one project, Tiwi, has been issued ACCUs in 2023 for previous operating years. All operational projects conducted early burning operations in 2023 to mitigate greenhouse gas emissions. The total ACCU generation for 2023 will be estimated once the calculations for the year are released through Savbat, which is expected between February and March 2024.	Fair



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**Good** = expectations of principles and purposes are being met  
**Fair** = expectations of principles and purposes are not currently being met, but progress towards these is apparent.  
**Poor** = expectations are not being met and look unlikely to be met.

Fire and Weeds Planning meeting held on the 17th of March 2023 at Warrumiyanga bringing together Traditional Owners, Rangers and natural resource managers from Darwin to work on the Tiwi SFM Fire Management Plan.



Fire planning with Garawa IPA Rangers and family groups in Robinson River.





ILSC SFM Forum



2023 ICIN SFM Forum

**“It has been great to come and learn more about what we as rangers can do in different areas”  
(Murnkurru Murnkurru Gurindji ranger Jerone Bernard)**

**“ In terms of the meeting here, it was pretty good to catch up with people in person instead of the telephone. We get much more input and a deeper knowledge on some of the topics. We are really enjoying it and the location is great”**

**(Torsten Unnasch, Fire Manager for Thamarrurr Development Cooperation)**





The ILSC GROUP

## APPENDIX 4

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 the ILSC in October 2023 that the Provisional Trust Fund Allocation for 2024 is **\$3,613,769.00** (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 from 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>CPI<sub>n</sub></i>	CPI % published Sept 2023 (weighted National average)	135.3
<i>CPI<sub>n-1</sub></i>	CPI % published Sept 2022 (weighted National average)	128.4
<i>Sum</i>	$Hn = Hn-1(175,590) \times CPI_n (135.3) / CPI_{n-1} (128.4) = 175,590 \times 1.053 = Hn (\$185,025)$	

#### 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.

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

<b>Judbarra NP Phase 2 PFA (contracted with NAILSMA)</b>					
<b>2024</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
<b>Payments</b>	\$120,000	\$100,000	\$100,000	\$100,000	\$420,000
<i>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.</i>					

<b>Western Top End Phase 2 PFA (contracted with Thamarrurr Development Corporation)</b>					
<b>2024</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
<b>Payments</b>	\$225,852	\$268,236	\$106,236	\$53,836	\$654,160
<i>Activities funded(proposed): Fire operations, capital items (vehicles, equipment), aerial fire management, helicopter hire, Fire Management Officer, casual Rangers, firefighting equipment, PPE, governance 650development, fire management planning meetings administration, carbon reporting, Emu Point Healthy Country Plan Ranger Program Prospectus, roadmap to independence plan. <b>NOTE – this is an indicative budget only and will likely change in the coming weeks once a figure can be determined.</b></i>					



<b>Wardaman – Menggen ALT</b>					
<b>2024</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
<b>Payments</b>	\$100,000		\$60,000	\$29,000	\$189,000
<i>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.</i>					

<b>Wagiman – Upper Daly &amp; Wagiman ALT (*proposed new project)</b>					
<b>2024</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>TOTAL</b>
<b>Payments</b>	-	\$180,000	\$100,000	\$100,000	\$430,000
<i>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</i>					

**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.

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



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

The SFM Program has challenges in regards capacity of local governance structures and suitable entities to undertake the “project proponent” role within a PFA contract. To assist the development of capacity in this area, \$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
<b>TOTAL EXPENSES (GST excl.)</b>	<b>\$3,613,769.00</b>
GST	\$361,376.9
<b>TOTAL (GST incl.)</b>	<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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# Perpetual

## CONTACT INFORMATION

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

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### SUSTAINABLE INVESTMENT FOR COMMUNITIES

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

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

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

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