

Perpetual Private

SAVANNA FIRE MANAGEMENT TRUST

Trustee's Annual Report
for the year ended 31 December 2019

Perpetual Trustee Company Limited
ABN 42 000 001 007
AFSL 236643



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.

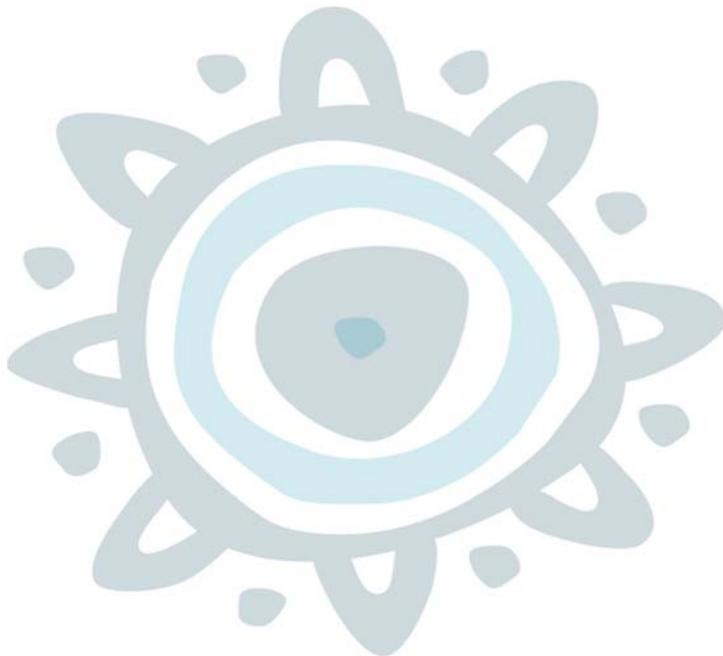
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INTRODUCTION

The Savanna Fire Management Program (SFM Program) was established in December 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 agreed to provide the funding for the SFM Program and has supported the establishment of the Savanna Fire Management Trust (the SFM Trust) with Perpetual Trustee Company Ltd (the Trustee) to hold the funding and deliver the SFM Program.

As required by the Deed of Trust, the Trustee engaged the services of the Indigenous Land and Sea Corporation (the Program Manager) in December 2016 to deliver the SFM Program with Aboriginal and Torres Strait Islander Corporations in the Northern Territory.

This is the third annual report of the SFM Trust since the SFM Program commenced. It outlines how the SFM Trust purposes were advanced, includes details of the expenditure of the SFM Trust and an evaluation of the SFM Program against objectives during 2019.

The following documents are provided as appendices to the SFM Trust Annual Report:

- Savanna Fire Management Trust Financial Report
- Savanna Fire Management Trust Auditor's Report
- Savanna Fire Management Program Annual Report 2019

PROGRAM PURPOSES

The SFM Program has the following purposes:

- Protection of the environment by greenhouse gas emissions avoidance through savanna fire management activity.
- Improving biodiversity outcomes through savanna fire management activity.
- Spreading community and social benefits of the Ichthys LNG project beyond Darwin into regional areas of the Northern Territory.
- Providing business and employment opportunities for Indigenous people via savanna fire management project operators.
- Generating Australian carbon credit units (ACCUs).
- Protection of Indigenous cultural and heritage sites.



SFM PROGRAM HIGHLIGHTS

- The equivalent of 26,876 Australian Carbon Credit Units (ACCUs) were credited to INPEX in December 2019. The result of fire operations funded by the SFM Program on the Tiwi Islands during 2018.
- A second Phase 2 funding agreement to support active fire operations on the Garawa Aboriginal Land Trust (ALT) with the Northern Australian Indigenous Land and Sea Management Alliance Ltd (NAILSMA).
- Continuation of the Phase 2 funding agreement supported active fire operations on the Tiwi Islands with Tiwi Resources and employed 4.5 full time equivalent indigenous staff to work on fire management.
- The SFM Program have supported Tiwi Resources to develop a threatened mammal monitoring program to inform the impacts of fire on threatened species. This work with Charles Darwin University builds capacity of Indigenous Rangers to monitor impacts of savanna fire management on matters of national environmental significance under the EPBC Act 1999 on the Tiwi Islands.
- A new Phase 1 funding agreement was entered with Northern Land Council for a savanna fire management project in Judbarra National Park.
- SFM Program meetings at Judbarra National Park (for the Judbarra and Wardaman projects) included 25 Indigenous participants at Barnanggaya, 26 at Bullita and 49 at Paperbark Yard. Traditional Owners were thankful to have an opportunity to reconnect with culturally significant areas and reflected that intergenerational knowledge transfer was an extremely valuable outcome of the meeting.
- A new Phase 1 funding agreement was entered with Jawoyn Association for a savanna fire management project on the Mangarrayi and Southern Beswick Aboriginal Land Trusts.



SFM TRUST

FINANCIAL POSITION

Overview

During 2019 the SFM Trust received income to the value of \$2,129,380 from INPEX Operations Australia Pty Ltd and distributions and interest to the value of \$41,062.

The trustee made distributions to the SFM Program Manager to the value of \$1,602,035 including GST, and paid trustee fees to the value of \$30,442. Audit and accounting fees were \$6,561.

Overall, the financial position of the trust at 31 December 2019 is strong with total net funds held in trust \$1,343,144 including cash and cash equivalents to the value of \$267,343,

The main assets held by the trust are cash and investments in managed funds.

The complete financial position of the trust as at 31 December 2019 can be seen in the Financial Report (Appendix 1).

Cash

In accordance with section 3(b) of the SFM Trust Investment Policy, *the Trustee should maintain funding received and not yet distributed in secure, low-risk, interest-bearing term deposits, cash or enhanced cash*. In accordance with the Deed of Trust, SFM Trust funds which are required for distribution are held in an interest-bearing cash account.

As of 31 December 2019, \$267,323 was held in interest-bearing cash accounts, with an annual return of \$13,800.

Investments

Funds which are not required for distribution are held in Managed Funds. At 31 December 2019 \$1,284,485 was held in Managed Funds. In accordance with section 2 of the SFM 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 annual return from Managed Fund investments was \$27,262.

Liabilities

At 31 December 2019 the SFM Trust had current liabilities of \$219,134. Of this amount, \$211,634 related to invoices from the SFM Program Manager.

Expenses

During the financial year the SFM Trust incurred expenses of \$37,003 relating to accounting, audit, and trustee fees.

Distributions

The SFM Trust distributed \$1,602,035 to the SFM Program Manager to run the SFM program. This includes income to the SFM Program Manager of \$1,456,396 and GST of \$145,639.



During 2019, the SFM Trust was not registered for GST. As such, the Trust has not claimed any GST credits and therefore all expenditure incurred by the SFM Trust has been presented inclusive of GST except where stated.

Operating surplus

The Trust had an operating surplus of \$489,022 in the 2019 Financial year.

CONTRIBUTIONS

In accordance with the SFM Contribution Agreement the SFM Trust received total contributions from INPEX in 2019 of \$2,078,456. This being the contractually agreed and defined amount for calendar year 2019.

APPLICATIONS

For clarification the Net Income of the SFM Trust is taken to be the annual profit of the SFM Trust. That is, income less expenditure. Net Income for the 2019 year as per the Annual Financial Report is \$489,022. The net income of the SFM Trust for the year was retained within SFM Trust capital and was not distributed to beneficiaries Accordingly, the Trustee has not made any applications in 2019.

TRUSTEE BUDGET AND ACTUAL EXPENDITURE

The expenditure of the SFM Trust funds by the Trustee for the calendar year are stated below, along with the original administration budget:

Description	Trustee Administration Budget	Actual Amount (per Income Statement)
Auditor's Remuneration	\$4,476	\$4,561
Accountancy Fees	\$9,700	\$2,000
Subject Matter Expert	\$50,000	-
SFM Program Distributions	\$1,602,035	\$1,602,035
Trustee Fees	\$30,070	\$30,442
Sundry Expenses	-	\$1,320
Total	\$1,696,281	\$1,640,358

SFM TRUST DISTRIBUTIONS

The following amounts were distributed to the SFM Program Manager during 2019:

Distributions received by SFM Program Manager	Amount	GST	Total
Quarter 1	-	-	-
Quarter 2	\$582,177	\$58,218	\$640,395
Quarter 3	\$681,825	\$68,182	\$750,007
Quarter 4	\$192,394	\$19,239	\$211,633
Total Distributions for the year	\$1,456,396	\$145,639	\$1,602,035

SFM PROGRAM

2019 ANNUAL WORK PLAN

SFM Program Focus

As per the Annual Work Plan and Budget for 2019, the intended focus for year three of the SFM Program was to:

- Develop Phase 2 operational projects in areas that have completed Phase 1 projects.
- Further develop other Phase 1 projects.

SFM Program Activities

The ILSC, as SFM Program Manager, planned to conduct the following activities in 2019:

- Negotiate Phase 1 PFAs with suitable EOI respondents
- Negotiate Phase 2 PFAs with projects that have completed Phase 1 and deemed feasible
- Monitor and support Project Operators as required
- Assist and coordinate relevant groups to apply for participation in the SFM Program
- Continue to develop transparent and equitable assessment approaches to negotiate new Phase 1 and Phase 2 SFM Projects according to the Selection Criteria
- Conduct high level commerciality tests for groups completing Phase 1 PFAs
- Develop and implement a monitoring and evaluation process to assess the impact of savanna fire management on environmental values within each Phase 2 PFA
- Report regularly to the Trustee in accordance with requirements outlined in SFM Services Agreement (particularly Section 12)
- Design, develop, publish, and distribute communications materials
- Continue to develop program systems, policies and procedures
- Continue to develop and implement Communications Plan agreed with INPEX and Trustee
- Continue to support and develop SFM Program staff

PROJECT FUNDING AGREEMENTS

The SFM Program Manager (Indigenous Land and Sea Corporation) 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 (EOI) 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 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 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 are generated.

SFM PROGRAM BUDGET AND ACTUAL EXPENDITURE

The 2019 SFM Program Annual Work Plan and Budget is approved by the Trustee at the start of each Financial year. The following table summarises the actual spend by the SFM Program Manager as compared to the budget.

INCOME	Budget 2019	Actual 2019	Variance
Balance at 1 January 2019	\$781,472	\$781,472	–
Quarter 1 Trustee payment	–	–	–
Quarter 2 Trustee payment	\$582,177	\$582,177	–
Quarter 3 Trustee payment	\$681,825	\$681,825	–
Quarter 4 Trustee payment	\$681,825	\$192,394	(\$489,431)
Income received from Trustee	\$1,945,827	\$1,456,396	(\$489,431)
Total Income	\$2,727,299	\$2,237,868	(\$489,431)

EXPENSES	Budget 2019	Actual 2019	Variance
Overhead costs (fixed)	\$155,346	\$155,346	–
Direct costs	\$472,488	\$439,358	(\$33,130)
Phase 1 PFAs	\$859,412	\$577,594	(\$281,818)
Phase 2 PFAs	\$1,160,052	\$860,052	(\$300,000)
Third party service providers	\$80,000	\$29,491	(\$50,509)
Total Expenditure	\$2,727,298	\$2,061,841	(\$665,457)

Expenditure Variances

Overhead costs were in line with the budget (as expected given these are fixed costs).

The actual spend on Direct Costs was 7% lower than budgeted.

Spending was \$281,818 under budget with Phase 1 PFAs, and \$280,000 under budget with Phase 2 PFAs. The reasons for under spending on Phase 1 and Phase 2 PFAs is explained in more detail in the SFM Program Evaluation below.

The budget for third party service providers was only partially utilised (34% of the budget).

Portion of Trust Funds put towards Phase 2 PFAs

The total SFM Trust Funds held by the SFM Program Manager for the year was \$2,237,868. Payments made by the SFM Program Manager under Phase 2 PFAs was \$860,052. Therefore, the portion of Trust Funds which were put towards Phase 2 PFAs was 38% (up from just 21% last year).

SFM PROGRAM PERFORMANCE

Each year in its preparation of the annual report, the Trustee is required to prepare an evaluation of the performance of the SFM Trust and the SFM Program. The evaluation must have regard to the SFM Program Annual Work Plan and Budget.

The Trustee may also conduct an interim annual review to provide a framework for, and support for the Trustee's ongoing monitoring of the SFM Program. The purpose of the interim annual review is also to assist the Trustee and the SFM Program manager prepare for a milestone program review to be undertaken in 2021.

In the absence of an interim annual review being undertaken in 2019, in making its evaluation of the SFM Program in 2019 the Trustee presents answers to the following questions regarding the third year of the SFM Program operation:

- Did the SFM Program achieve the objectives of the 2019 Annual Work Plan and Budget?
- Did the SFM Program advance the SFM Program Purposes in 2019?

The following table is a summary of the progress achieved under each of the SFM Projects in comparison to planned progress.

EXPRESSIONS OF INTEREST	PLANNED PROGRESS	ACTUAL PROGRESS
Northern Land Council (Judbarra NP)	Commence Phase 1 in 2019	As planned
Jawoyn Association	Commence Phase 1 in 2019	As planned
Wardaman – Menggen ALT	Commence Phase 1 in 2019	Postponed until 2020
Wagiman ALT	Commence Phase 1 in 2019	Postponed until 2020
PHASE 1 PROJECTS	PLANNED PROGRESS	ACTUAL PROGRESS
NAILSMA Garawa ALT	Transition to Phase 2 in 2019	As planned
NAILSMA Waanyi Garawa ALT	Transition to Phase 2 in 2019	Continued at Phase 1
Thamarrurr Development Corporation	Transition to Phase 2 in 2019	Continued at Phase 1
Anindilyakwa Land Council	Postpone Phase 1 to 2020	As planned
PHASE 2 PROJECTS	PLANNED PROGRESS	ACTUAL PROGRESS
Tiwi Land Council	Continue Phase 2 in 2019	As planned



Phase 1 PFAs

The following engagement with original respondents was expected in 2019:

- NAILSMA – continue Phase 1 and commence Phase 2
- Thamarrurr Development Corporation - continue Phase 1 and commence Phase 2
- Anindilyakwa Land Council – remain in contact with SFM Program and commence Phase 1 in 2020

New potential projects were invited through a second Expression of Interest (EOI) process in 2018. It was anticipated that this process would lead to two or three new Phase 1 PFAs in late 2018 and early 2019. Groups with EOIs and likely to commence Phase 1 in 2019 included:

- Northern Land Council for Judbarra National Park
- Jawoyn Association
- Wardaman Association

The total projected expenditure for Phase 1 PFAs for 2019 was \$859,412.

Phase 2 PFAs

Tiwi Resources would continue in Phase 2 and was expected to generate carbon credits in 2019.

The following groups commenced Phase 1 in 2018 and were expected to transition to Phase 2 in 2019:

- NAILSMA
- Thamarrurr Development Corporation

Total expenditure projected for Phase 2 PFAs in 2019 was \$1,160,052.

Third Party Service Providers

The SFM Program Annual Work Plan and Budget included expected expenditure of \$80,000 to engage third party service providers in year three to provide the following services:

- Anti-bribery and corruption training to SFM project operators.
- Vegetation mapping for projects.
- Support for a carbon industry forum in Darwin in February 2019.
- Support for consultation processes required to establish community consensus for funding agreements.
- Development and implementation of a monitoring and evaluation process to assess the impact of Phase 2 projects on environmental values.

Actual spend on third party service providers in 2019 was \$50,509 below budget. This was mainly due to costs for Vegetation mapping for Judbarra being pushed over to 2020, and community meetings being covered by Phase 1 agreements.



Direct Costs

The actual spend on Direct Costs was 7% lower than budgeted, which is not a significant variance. The main areas of underspending were:

- Staff salaries & on costs - \$10,094 underspend (but only 3.4% under budget)
- Conferences and meetings - \$1,199 underspend (15% under budget)
- Fuel - \$1,915 underspend (24% under budget)
- Travel - \$8,866 underspend (18% under budget)
- Staff corporate training - \$6,500 underspend (only 19% of budget was spent)
- Marketing and comms - \$3,700 underspend (18.5% under budget)



PROGRAM EVALUATION

During its third year of operation, the SFM Program delivered significant progress with savanna fire management project operations. Two new projects were added to the Savanna Fire Management Program, five projects were delivered as planned, two projects continued in Phase 1 and two projects were postponed to continue during 2020. An underspend in the SFM Program budget of \$665,457 or 24% is demonstrative of the SFM Program manager's conscientious application of Savanna Fire Management Trust resources.

A significant milestone that occurred during 2019 was the first transfer of ACCUs to the SFM Trust contributor since the commencement of the Savanna Fire Management Program. The equivalent of 26,876 ACCUs were credited to INPEX in December 2019, which resulted from fire operations funded by the SFM Program on the Tiwi Islands during 2018.

During 2019 the SFM Program also funded two Phase 2 fire management projects with Tiwi Resources on Tiwi Islands and the NAILSMA on the Garawa ALT, an increase from 1 project in 2018. Despite a very hot and dry year, ACCUs have been generated on the Tiwi Islands, however due to a late fire on the Garawa ALT it is likely only a small amount of ACCUs will result from 2019 fire operations there.

During 2019 new Phase 1 SFM Project funding agreements were entered with Northern Land Council for a SFM project in Judbarra National Park, and with Jawoyn Association for a savanna fire management project on the Mangarrayi and Southern Beswick Aboriginal Land Trust.

Also, in direct alignment with SFM Program purposes, Tiwi Resources with support of the SFM Program and in partnership with Charles Darwin University commenced a research and monitoring program to inform the impacts of fire on nationally threatened species on the Tiwi Islands. This research builds the capacity and knowledge of Indigenous Rangers to monitor impacts of savanna fire operations on matters of national environmental significance under the *Environment Protection and Biodiversity Conservation Act 1999* (Cwth).

Extensive consultation with Traditional Owners is a key feature of the social benefits of the SFM Program, particularly leading up to and during the formative Phase 1 period of projects. Traditional Owners are consulted regarding which Indigenous business forms the SFM project proponent of behalf of their community, the mapping of cultural sites, threatened species, conservation significance, fire breaks and fire management.

Employment of Traditional Owners is also a key social benefit of the SFM Program. During 2019 the SFM Program manager reported the following employment outcomes:

- Fire planning and fire management on Garawa ALT provide temporary employment for 19 Traditional Owners in the early dry working alongside Waanyi Garawa Rangers.
- Continuation of the phase 2 funding agreement supported active fire operations on the Tiwi Islands with Tiwi Resources and employed 4.5 full time equivalent indigenous staff to work on fire management.
- SFM Program meetings at Judbarra National Park (for the Judbarra and Wardaman projects) included 25 Indigenous participants at Barnanggaya, 26 at Bullita and 49 at Paperbark Yard. During these meetings the Traditional Owners expressed appreciation for the opportunity to reconnect with culturally significant areas and reflected that intergenerational knowledge transfer was an extremely valuable outcome of the meeting.

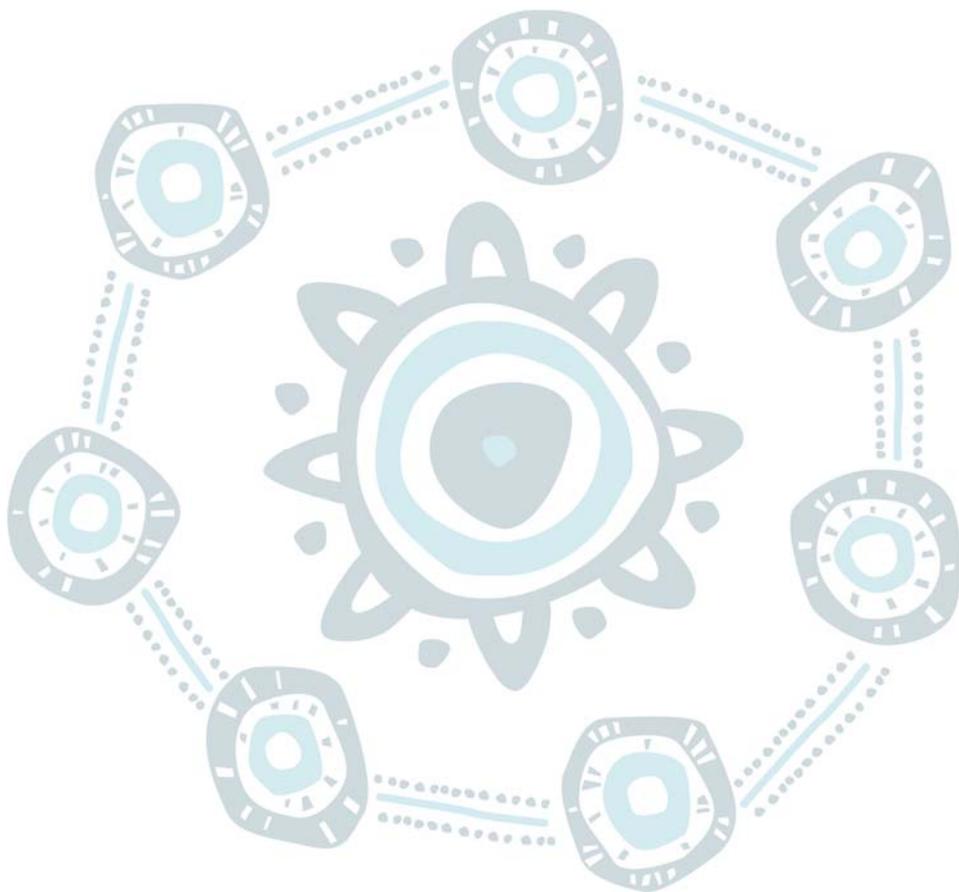
The SFM Program made significant progress to advance the purposes of the SFM Trust during its third year of operation; two new projects were added to the SFM Program, ACCUs were transferred to the SFM Trust contributor, a biodiversity monitoring program was established, whilst the SFM Program Manager applied a conscientious approach to the application of SFM Trust funds for the SFM Program purposes.

APPENDICES

APPENDIX 1 – FINANCIAL REPORT

APPENDIX 2 – INDEPENDENT AUDITORS REPORT

APPENDIX 3 – SAVANNA FIRE MANAGEMENT PROGRAM ANNUAL REPORT 2019



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

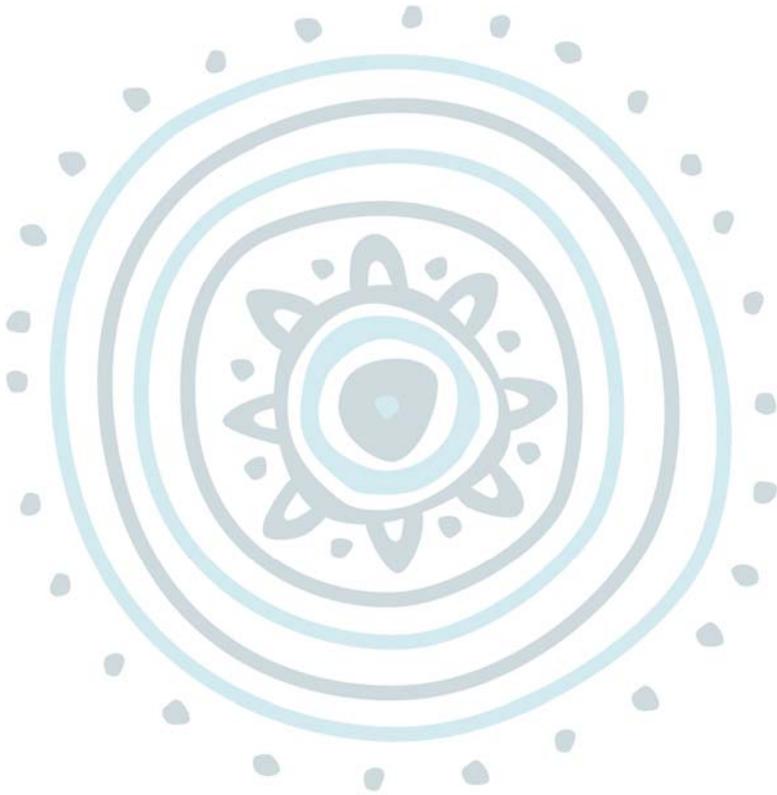
The 'Sustainable Investment for Communities' design included throughout this annual report represents community members and Perpetual coming together to help achieve community goals through sustainable, long-term trust and investment management.

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.

This design theme was created by Gilimbaa Indigenous Creative Agency.

APPENDIX 1 – FINANCIAL REPORT



SAVANNA FIRE MANAGEMENT TRUST

FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

SAVANNA FIRE MANAGEMENT TRUST

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SAVANNA FIRE MANAGEMENT TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
INCOME		
Contribution received	2,078,456	2,040,000
Distributions received	27,262	17,849
Fee refund	7,700	-
Interest received	13,800	4,581
Net gain on disposal of investments	73	-
Net gain/ (loss) in fair value of investments	2,089	(3,961)
	2,129,380	2,058,469
 LESS EXPENDITURE		
Accountancy fees	2,000	12,450
Auditors' remuneration	4,561	4,476
SFM Program distributions	1,602,035	1,790,014
Sundry expense	1,320	-
Trustee fees	30,442	30,075
	1,640,358	1,837,015
 NET OPERATING SURPLUS	489,022	221,454
Other comprehensive income	-	-
 TOTAL COMPREHENSIVE INCOME FOR THE YEAR	489,022	221,454

The accompanying notes form part of these financial statements.

SAVANNA FIRE MANAGEMENT TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	267,343	789,334
Other receivables	4	10,450	8,726
TOTAL CURRENT ASSETS		277,793	798,060
NON-CURRENT ASSETS			
Financial assets held at fair value through profit or loss	5	1,284,485	594,324
TOTAL NON-CURRENT ASSETS		1,284,485	594,324
TOTAL ASSETS		1,562,278	1,392,384
LIABILITIES			
CURRENT LIABILITIES			
Other payables	6	219,134	538,262
TOTAL CURRENT LIABILITIES		219,134	538,262
TOTAL LIABILITIES		219,134	538,262
NET ASSETS		1,343,144	854,122
TRUST FUNDS			
Settled sum		20	20
Reserves	7	1,343,124	854,102
TOTAL TRUST FUNDS		1,343,144	854,122

The accompanying notes form part of these financial statements.

SAVANNA FIRE MANAGEMENT TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Investment income received		25,539	22,048
Other income received		21,500	-
SFM program distributions paid		(1,923,163)	(1,257,252)
Trustee fees paid		(30,442)	(30,075)
Accounting and audit fees paid		(4,561)	(14,927)
Sundry fees paid		(1,320)	-
Net cash provided by (used in) operating activities	9b	(1,912,447)	(1,280,206)
Cash flows from investing activities			
Payments for purchase of investments		(900,000)	-
Proceeds from sale of investments		212,000	-
Net cash provided by (used in) investing activities		(688,000)	-
Cash flows from financing activities			
Contribution received per Contribution Agreement		2,078,456	2,040,000
Net cash provided by financing activities		2,078,456	2,040,000
Net increase (decrease) in cash held		(521,991)	759,794
Cash and cash equivalents at beginning of financial year		789,334	29,540
Cash and cash equivalents at end of financial year	9a	267,343	789,334

The accompanying notes form part of these financial statements.

SAVANNA FIRE MANAGEMENT TRUST

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Settled sum \$	Reserves \$	Total \$
Balance at 1 January 2018	20	632,648	632,668
Net comprehensive income	-	221,454	221,454
		-	-
Balance at 31 December 2018	20	854,102	854,122
Balance at 1 January 2019	20	854,102	854,122
Net comprehensive income	-	489,022	489,022
Balance at 31 December 2019	20	1,343,124	1,343,144

The accompanying notes form part of these financial statements.

SAVANNA FIRE MANAGEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 Basis of Preparation

In the opinion of the trustees, the trust is not a reporting entity. The financial statements of the trust have been prepared as special purpose financial statements for use by the trustee and to fulfil the trustee's duties under the trust deed to prepare financial statements.

(a) Statement of Compliance

This special purpose financial statement has been prepared for distribution to the Trustee and to satisfy the requirements of the Trust Deed. The accounting policies used in the preparation of this report are, in the opinion of the Trustee, appropriate to meet the needs of the Trustee.

The requirements of Accounting Standards issued by the Australian Accounting Standards Board and other professional reporting requirements do not have mandatory applicability to the Trust in relation to the year ended because the Trustee has determined that the Trust is not a reporting entity. However, the Trustee has determined that in order for the financial statements to present fairly the Trust's results of operations and state of affairs, the requirements relating to the measurement, recognition and classification of assets, liabilities, revenue and expenses should be complied with, except as noted in these policies as a result of the requirements of the Trust Deed.

The financial report does not include the disclosure requirements of the following pronouncements having a material effect:

- > AASB7: Financial Instruments: Disclosures
- > AASB110: Events after the Reporting Period
- > AASB132: Financial Instruments: Presentation

As the Trust is not a reporting entity, the Trust does not comply with IFRS. The accounting policies have been applied consistently to all periods presented in these financial statements. The financial statements were approved by the Trustee on the date of signing of the Trustees' Declaration.

(b) Basis of Measurement

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

(c) Functional and Presentation Currency

These financial statements are presented in Australian dollars, which is the trust's functional currency.

It was concluded that judgements made by management in the application of Australian Accounting Standards did not have a significant effect on the financial report. No estimates with a significant risk of material adjustment in the next year were noted.

2 Summary of Significant Accounting Policies

The accounting policies that have been adopted in the preparation of the financial statements are as follows:

(a) Fair Value of Assets and Liabilities

The trust measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

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 (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

SAVANNA FIRE MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of Significant Accounting Policies (Continued)

(a) Fair Value of Assets and Liabilities (continued)

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.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

(b) Financial Instruments

Initial recognition and measurement

Financial assets are recognised when the entity becomes a party to the contractual provisions of the instrument. 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, and transaction costs are recognised as expenses in profit or loss immediately.

Subsequent measurement

Financial instruments are subsequently measured at fair value. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted. Changes in carrying amounts as a result of subsequent measurements are included in the profit and loss.

(c) New and amended accounting standard adopted by the Trust

The following Australian Accounting Standards have been adopted by the Trust for reporting period beginning 1 July 2018.

AASB 9 Financial Instruments

AASB 9, approved in December 2014, replaced the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2019. The Trust expects that the application of AASB 9 will have no impact on future financial statements.

(d) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are available for early adoption for annual periods beginning after 1 July 2018 and have not been applied in preparing these financial statements. Those which may be relevant to the Trust are set out below. The Trust does not plan to adopt these standards early.

SAVANNA FIRE MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of Significant Accounting Policies (Continued)

(d) New standards and interpretations not yet adopted (continued)

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

AASB 15 is effective for the Trust for annual reporting periods beginning on or after 1 January 2019. The Trust is assessing the potential impact on its financial statements resulting from the application of AASB 15.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 clarifies and simplifies the income recognition requirements that apply to Not-for-Profit entities, in conjunction with AASB 15. AASB 1058 supercedes all the income recognition requirements relating to private sector Not-for-Profit entities, previously in AASB 1004 Contributions. The requirements of AASB 1058 more closely reflect the economic reality of Not-for-Profit entity transactions that are not contracts with customers. The timing of recognition depends on whether such a transaction gives rise to a liability or other performance obligation.

AASB 1058 is effective for annual reporting periods beginning on or after 1 January 2019. The Trust is assessing the potential impact on its financial statements resulting from the application of AASB 1058.

AASB 16 Leases

AASB 16 Leases removes the lease classification test and requires all leases (including operating leases) to be brought onto the balance sheet. The definition of a lease is also amended and is now the new on/off balance sheet test for lessees.

The future recognition of lease expenses will change, with more expenses recognised in the early periods of a lease, and less in later periods, as there will be a change from the straight-line expense currently recognised to front-ended finance charges. There will also be a change in lease expense classification from recognising operating expenses to recognising financing costs and amortisation.

AASB16 is effective for annual reporting periods beginning on or after 1 January 2019. Early adoption will be permitted for entities that also adopt AASB 15 Revenue from contracts with customers.

The Trust is not currently intending to adopt this standard early and the extent of the impact has not been determined.

(e) Other Receivables

Other receivables comprise income earned for the current reporting period but received post year-end and withholding tax paid that can be refundable upon lodging the annual income tax return.

(f) 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 twelve 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

(g) Revenue Recognition

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

Investment income comprises interest and distributions from managed funds. All investment income is recognised on an accruals basis.

SAVANNA FIRE MANAGEMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

2. Summary of Significant Accounting Policies (Continued)

(h) Other Payables

Other payables comprise fees for professional services rendered for the current reporting period but paid post year-end.

(i) Rounding of Amounts

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

	2019	2018
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Cash on hand	20	20
Perpetual cash account - F05724	267,323	789,314
	267,343	789,334
4. OTHER RECEIVABLES		
CURRENT		
Investment income receivable	6,331	4,607
TFN withholding refundable	4,119	4,119
	10,450	8,726
5. FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		
NON-CURRENT		
Investments in managed funds	1,284,485	594,324
6. OTHER PAYABLES		
CURRENT		
Accountancy fees payable	6,000	4,001
Auditor's remuneration payable	1,500	1,500
SFM program payable	211,634	532,761
	219,134	538,262
7. RESERVES		
Analysis of Each Class of Reserve:		
Trust Capital	1,343,124	854,102
Movements during the year:		
Opening Balance	854,102	632,648
Net comprehensive income	489,022	221,454
	1,343,124	854,102

SAVANNA FIRE MANAGEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. RELATED PARTY TRANSACTIONS

Related Parties

(a) Trustee

One of the co-trustees, 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 subsidiaries who will perform services for the Foundation. The fee for these services is paid out of the management fee paid to the Trustee.

(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
 Andrew Wallace
 Chris Green (resigned 17 October 2018)
 Mark Smith (appointed 17 October 2018)
 Rebecca Nash (resigned 27 September 2019)

(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 end of the previous financial year 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.

	2019	2018
	\$	\$

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 1.06% per annum on the capital value of the Trust (after taking account of GST and reduced input tax credits) with a minimum monthly administration fee of \$2,500 and is disclosed in the statement of comprehensive income.

Value of related party transaction	30,442	30,075
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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.

Value of related party transaction	1,284,485	594,324
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SAVANNA FIRE MANAGEMENT TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	\$	\$
9. CASH FLOW INFORMATION		
(a) Reconciliation of cash		
Cash at the end of financial year as included in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash	20	20
Cash at Bank	267,323	789,314
	267,343	789,334
	267,343	789,334
(b) Reconciliation of net surplus for the year to net cash flows from operations		
Profit for the year	489,022	221,454
Non-cash flows in profit:		
(Gain) on disposal of investments	(73)	-
Contribution received per Contribution Agreement	(2,078,456)	(2,040,000)
(Gain)/ Loss in fair value of investments	(2,089)	3,960
Changes in assets and liabilities:		
(Increase) in other receivable	(1,725)	(382)
Increase/ (decrease) in other payables	(319,127)	534,762
	(1,912,447)	(1,280,206)
Net cash provided by (used in) operating activities	(1,912,447)	(1,280,206)

SAVANNA FIRE MANAGEMENT TRUST

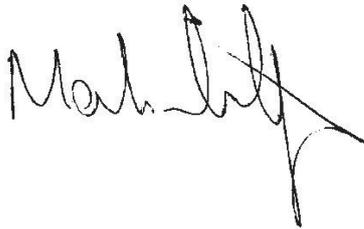
DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY

The directors of the trustee company declare that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In accordance with a resolution of the directors, the directors of the trustee company declare that:

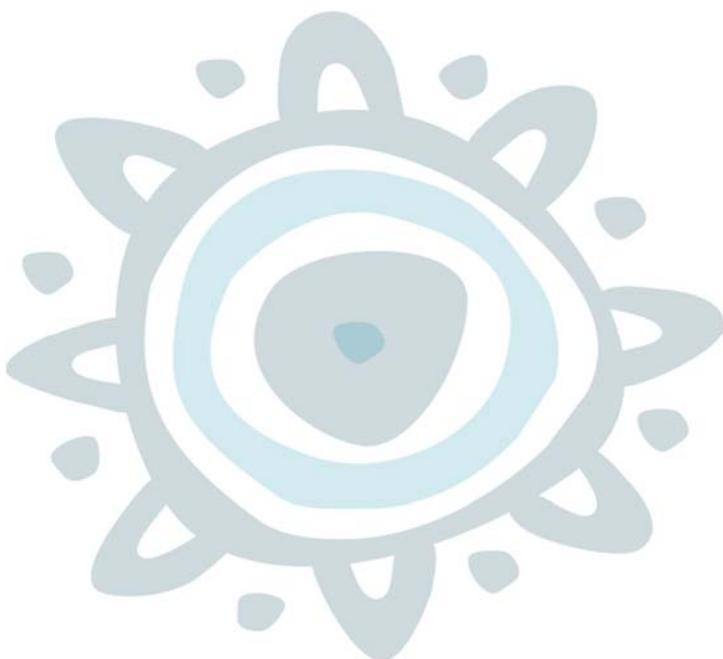
1. the financial statements and notes which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes present fairly the trust's financial position as at 31 December 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements;
2. in the directors' opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.
3. the financial statements and notes are in accordance with the requirements of the Trust Deed.

Director

A handwritten signature in black ink, appearing to read 'Mark [unclear]', written over a horizontal line.

Dated: 23 March 2020

APPENDIX 2 – INDEPENDENT AUDITORS REPORT



SAVANNA FIRE MANAGEMENT TRUST

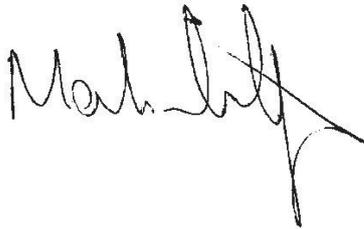
DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY

The directors of the trustee company declare that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In accordance with a resolution of the directors, the directors of the trustee company declare that:

1. the financial statements and notes which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income and cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes present fairly the trust's financial position as at 31 December 2019 and its performance for the year ended on that date in accordance with the accounting policies described in Note 2 to the financial statements;
2. in the directors' opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.
3. the financial statements and notes are in accordance with the requirements of the Trust Deed.

Director

A handwritten signature in black ink, appearing to read 'Mark [unclear]', written over a horizontal line.

Dated: 23 March 2020



Independent Auditor's Report

To the Trustee 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 presents fairly, in all material respects, the financial position of the Trust as at 31 December 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the basis of preparation described in Note 1 to the financial statements.

The **Financial Report** comprises:

- Statement of financial position as at 31 December 2019
- Statement of comprehensive income, Statement of changes in funds, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration of the Trustee Company.

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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – Basis of preparation and Restriction on use and distribution

We draw attention to Note 1 of the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the Trustee of Savanna Fire Management Trust in meeting the financial reporting requirements of 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 of Savanna Fire Management Trust and its Beneficiaries and should not be used by or distributed to parties other than the Trustee of Savanna Fire Management Trust and its Beneficiaries. 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 of Savanna Fire Management Trust and its Beneficiaries or for any other purpose than for which it was prepared.



Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- the preparation and fair presentation of the Financial Report in accordance with the financial reporting requirements of the Trust Deed
- implementing necessary internal control to enable the preparation of a Financial Report that is free from material misstatement, whether due to fraud or error
- 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:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. 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 the Financial Report.

A further description of our responsibilities for 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. This description forms part of our Auditor's Report.

Report on Trustee's Compliance with the Trust Deed

Opinion

In our opinion, the Trustee of Savanna Fire Management Trust has complied, in all material respects, with the requirements of the Trust Deed dated 12 December 2016 for the year ended 31 December 2019.

Responsibilities of the Directors for Compliance

The Directors of the Trustee are responsible for complying with the requirements of the Trust Deed dated 12 December 2016.



Auditor's responsibilities for Compliance

Our responsibility is to express an opinion on the Trustee's compliance with the Trust Deed, based on our audit conducted in accordance with the Applicable Standards on Assurance Engagements. Our audit has been conducted to provide reasonable assurance that the Trustee of Savanna Fire Management Trust has complied, in all material respects, with the relevant requirements of the Trust Deed for the year ended 31 December 2019.

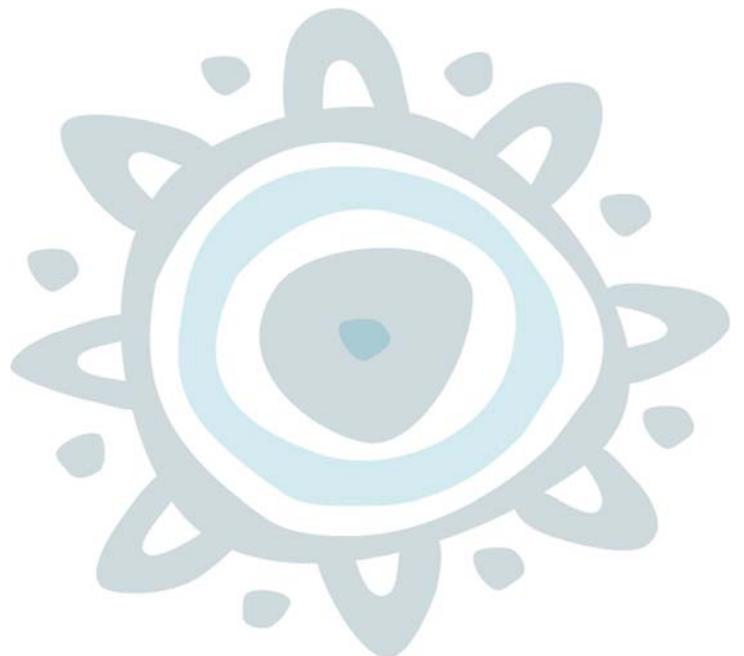
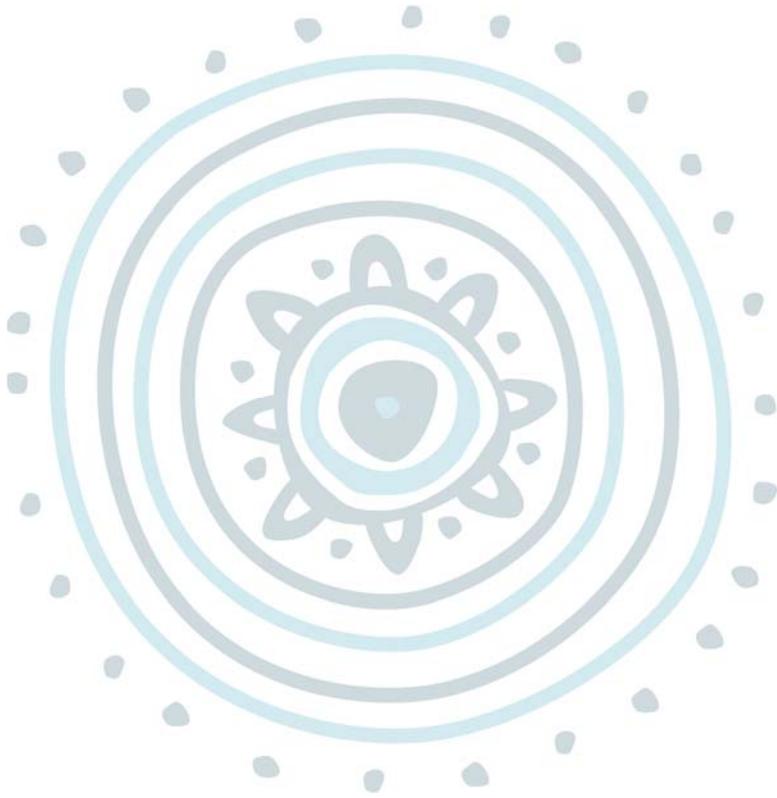
Our procedures included examination, on a test basis, of evidence supporting compliance with the requirements of the Trust Deed. These tests have not been performed continuously throughout the period and were not designed to detect all instances of non-compliance.

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

KPMG

Andrew Reeves
Partner
Sydney
23 March 2020

APPENDIX 3 – SAVANNA FIRE MANAGEMENT PROGRAM ANNUAL REPORT 2019





SAVANNA FIRE MANAGEMENT PROGRAM | **ANNUAL REPORT 2019**



Australian Government
Indigenous Land and Sea Corporation



The ILSC GROUP

PEOPLE. COUNTRY. OPPORTUNITY.



An Indigenous Ranger conducting early dry season burning activities on Tiwi Islands.

INTRODUCTION

This annual report describes the third year of the ILSC's implementation of the Savanna Fire Management Program (SFM Program), to establish new savanna fire management businesses on Aboriginal Land in the NT during 2019.

Savanna fire management and reduction of emissions from fire is an exciting opportunity for Indigenous people to establish land management businesses, create jobs, facilitate cultural practices and care for their country. In recognition of this, the Indigenous Land and Sea Corporation (ILSC) is collaborating with INPEX Operations Australia (INPEX) and Perpetual Trustee Company Ltd (Perpetual) to deliver the SFM Program, supporting the development of new savanna fire management projects on Aboriginal Lands of the NT. Projects funded through the SFM Program apply Savanna Fire Management Methodologies to reduce greenhouse gas emissions from wildfires and increase carbon stored in the landscape in areas that receive over 600mm annual rainfall.

The SFM Program is resourced by INPEX on behalf of Ichthys LNG joint venture partners via a discretionary trust (SFM Trust) managed by Perpetual. INPEX committed these funds as part of a voluntary agreement with the NT government to offset greenhouse gas emissions associated with the Ichthys onshore LNG facility in Darwin.

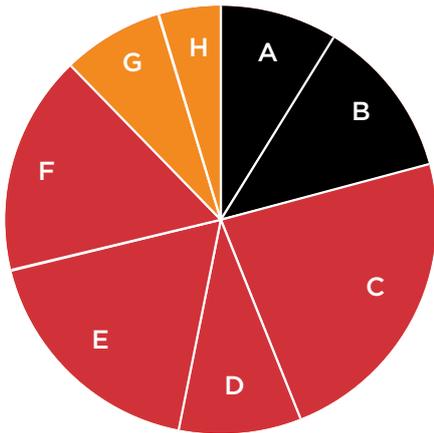
INPEX appointed Perpetual to manage the SFM Trust, the ILSC and Perpetual entered the SFM Services Agreement on 12 December 2016, and operations commenced in April 2017.

The SFM Program represents an extension of ILSC engagement in the savanna carbon Industry that started in the early 2010's with business development support for the Arnhem Land fire project and the establishment of the Fish River project as a demonstration site and the first savanna fire project in Australia to earn carbon credits. The ILSC is also engaged with ongoing research, and project development in other Australian states through the 'Our Country Our Future' grants program. Note, the ILSC was formerly known as the Indigenous Land Corporation (ILC), the new name came into effect on February 1 2019, following changes to the Aboriginal and Torres Strait Islander Act to enable the Corporation to support Indigenous projects that provide access to and benefit from sea resources.

The ILSC, as Program Manager of the SFM Program, is pleased with achievements and progress described in this report, which includes the commencement of a new generating project, consultation and engagement in project development with over 100 Traditional Owners, significant advances in new project development over 1.3 million hectares, and the protection of biodiversity values including nationally threatened species.

SUMMARY OF SFM PROGRAM MANAGER ACTIVITIES IN 2019

Implementation of the SFM Program has progressed as expected in the third year of operation with an ongoing focus on establishing the SFM Program and engagement with Indigenous organisations that have expressed interest in working with the SFM Program to develop their fire project (referred to as EOI respondents). Key achievements include commencement of the second agreement to support active fire operations ('Phase 2' Project Funding Agreement) with NAILSMA on the Garawa Aboriginal Land Trust (ALT), continuation of the Phase 2 Project Funding Agreement with Tiwi Resources, and ongoing engagement with each EOI respondent to either implement fire project planning and viability assessments ('Phase 1' Project Funding Agreements), or to confirm, update and develop their application for funds from the SFM Program.



STATUS AND SIZE OF SFM PROJECTS

A: Garawa:	521,700 Ha
B: Tiwi:	726,800 Ha
C: Thamarrurr:	1,398,200 Ha
D: Jawoyn:	551,000 Ha
E: Waanyi Garawa:	1,093,200 Ha
F: Judbarra:	1,000,400 Ha
G: Wagiman:	448,400 Ha
H: Wardaman:	283,400 Ha

*Status and size of SFM Projects: black sections indicate **Phase 2** Projects, red indicate **Phase 1** Projects and orange indicate **Phase 1 Projects to commence in 2020**.*

A key focus of the SFM Program is to assist new groups to engage with the broader fire management and carbon network of technical experts and practitioners. The SFM Program have assisted and encouraged groups to access expertise through Phase 1 projects to help develop their own projects and to learn from neighbouring groups already engaged in carbon projects. The SFM Program has built strong networks through the Darwin Centre for Bushfires Research, NT Government Biodiversity staff, Bushfires NT, the Northern Land Council and others to assist groups obtain information in developing a sustainable SFM project.

The SFM Program supported and helped organise the second annual North Australian Savanna Fire Forum held in Darwin in February 2019. The event was attended by all current and some prospective SFM project operators, providing the opportunity for networking and engagement with government, research and industry development specialists.



Rangers from across the Daly River/Port Keats Aboriginal Land Trust discussing operational needs as part of the Phase 1 Project Funding Agreement with Thamarrurr Development Corporation.



Traditional Owners and Rangers meeting at Bullita to discuss carbon abatement on Judbarra National Park.

Organisational governance is a key area of development for successful carbon enterprises on Indigenous-held land. A key objective of the funding for projects in Phase 1 is to develop a culturally appropriate entity that can manage an ongoing carbon enterprise. Funded groups are supported to work through land ownership issues, cultural responsibilities, land management aspirations, funding models and income distribution. The SFM Program assists groups to plan consultation meetings, provides support to gather Traditional Owners from the wider region, and encourages the inclusion of key partners to help groups work through issues. The SFM Program supports the involvement of neighbouring Indigenous carbon projects to support peer to peer learning in developing appropriate governance systems. Phase 1 funding beneficiaries must develop a robust governance model in order to establish a sustainable long-term enterprise. Groups starting from scratch may require significant time to learn about administration, governance, WH&S and the management of a fire project.

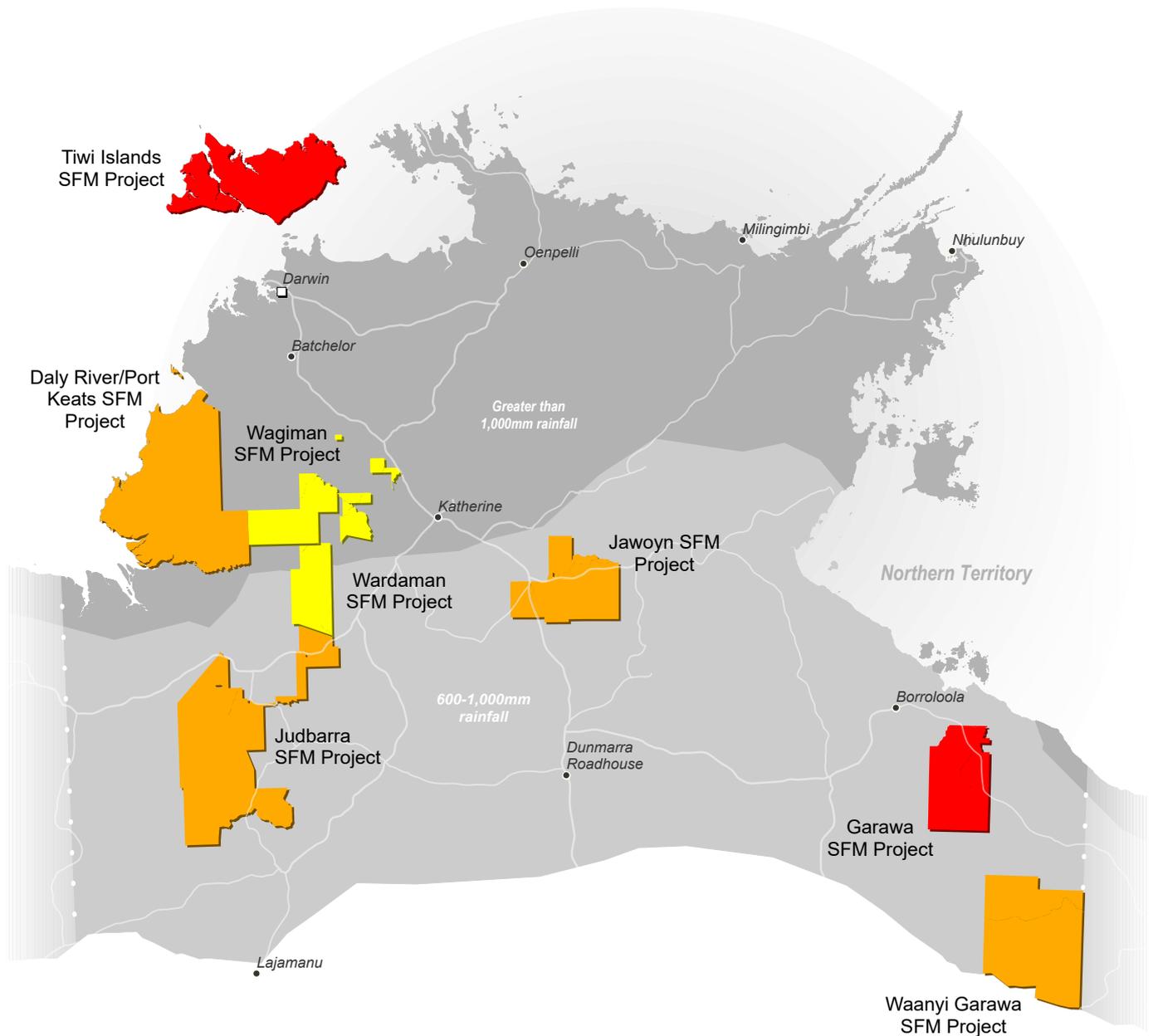
An integral part of the SFM Program Manager's role is to implement policies and procedures that will support the safe and successful implementation of the Program. Whilst the ILSC has relevant policies and procedures that are adhered to, some additional ones have been developed to meet the specific needs of the SFM Program, including:

- > Remote travel safety plans
- > Standard operating procedures for fire projects
- > SFM Program application forms including program information and guidelines for new EOIs
- > Independent assessment of internal and external experts to advise the SFM Program Manager on project feasibility and project needs for the Phase 2 transition for project operators
- > Fire and Carbon communications material

The SFM Program finalised the initial EOI round that was commenced by INPEX in 2012. Original EOI respondents that wished to pursue an interest in joining the SFM Program applied for funds and provided more information regarding their organisation and capacity in fire management. The SFM Program opened a new (currently open-ended) EOI round for funding applicants and contacted relevant organisations directly about prospective new projects. These EOIs have resulted in the development of additional Phase 1 Projects including the large Judbarra National Park project in 2019. Working with these groups and the continuing EOI respondents provided work to absorb SFM Program staff capacity for engagement through 2019 and into 2020 without the need for active marketing of the Program to other potential new project applicants. SFM Program staff met with all these prospective project operators to discuss project needs and to further develop their fire management projects. It is expected that several of these groups will commence Phase 1 SFM Projects during 2020. The SFM Program staff will work closely with applicants in ensuring that well-advised SFM projects are developed that adhere to the SFM Program principles and SFM Program purposes.

SUMMARY OF THE OUTCOMES OF ALL SFM PROJECTS IN 2019

During 2019 the SFM Program worked with seven groups representing lands spread across the Northern Territory Top End. The map below shows the location of project areas during 2019, showing projects in the EOI phase, funded Phase 1 projects and the funded Phase 2 projects.



Savanna Fire Management Program December 2019

- Project areas by phase (ILSC December 2019)**
- Phase 1 Project Funding Agreement (active in 2020)
 - Phase 1 Project Funding Agreement (current)
 - Phase 2 Project Funding Agreement (current)

22-Jan-2020
ILSC Map No. 3109



Australian Government
Indigenous Land and Sea Corporation

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This map is provided without warranty of any kind, either express or implied.
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This map remains the property of the ILSC and may not be copied by any means.
GDA2020 GALCC Coordinate System coordinate system based on the GDA2020 Datum



Bringing Traditional Owners together on country facilitates cultural knowledge transfer, such as at this camp at Paperbark Yard in August 2019.

Phase 1 Project Funding Agreements

Thamarrurr Development Corporation – Thamarrurr Project

Thamarrurr Development Corporation (TDC) have progressed with their Phase 1 Project Funding Agreement (PFA). This Agreement includes neighbouring landowners and Wudicupildiyerr and Peppimernati Indigenous Ranger groups working on the Daly River/Port Keats Aboriginal Land Trust. This Phase 1 SFM PFA with TDC was executed in April 2018 and is due to be finalised in early 2020 as TDC progress to a Phase 2 Project Funding Agreement.

During early 2019, the Thamarrurr Phase 1 PFA, covering the Daly River/ Port Keats ALT, was delayed by a dispute with the NLC over matters unrelated to the SFM Program. Following the resolution, SFM Program staff travelled to Wadeye to organise recommencement of the Phase 1 Project Funding Agreement (PFA). Further meetings were held in the final quarter of 2019 to facilitate transition to a Phase 2 Project in early 2020 and subsequently seeking the consent of Traditional Owners for a Land Use Agreement in order to register an emissions avoidance project with the Clean Energy Regulator.

NAILSMA – Waanyi Garawa Project

The Waanyi Garawa Phase 1 PFA agreement funded NAILSMA to develop projects on two Land Trusts; the Garawa ALT and the Waanyi Garawa ALT. Work with Traditional Owners of the Garawa ALT was successful in leading to the progression to a Phase 2 PFA in 2019. However, Traditional Owners of the Waanyi Garawa ALT indicated that they are not ready to proceed to a Phase 2 agreement at this stage. The SFM Program terminated the Phase 1 PFA contract during Q4 but will be ready to consider a new Phase 1 agreement in relation to the Waanyi-Garawa ALT in the future when Traditional Owners are ready to proceed.

Jawoyn Association – Mangarrayi and Southern Beswick Aboriginal Land Trust Project

Jawoyn have submitted an EOI for a Phase 1 PFA and discussions are ongoing to structure a project on the Southern Beswick and Mangarrayi ALTs. A Phase 1 SFM Project was executed in early 2019. The Phase 1 project will focus on developing a fire management plan particularly around pastoral interests in the area and will be completed by mid-2020. Unfortunately, the ranger group in this area has recently gone through significant changes in governance and management. As a result, Phase 1 activities have not progressed in 2019. Consultation during 2020 will explore opportunities to reinvigorate the project.



Traditional Owners meeting on-country to talk about the Savanna Fire Management Program and carbon abatement at Judbarra National Park as part of the Phase 1 PFA with NLC.

Northern Land Council – Judbarra National Park Project

A Phase 1 SFM Project was delivered in Judbarra National Park (Aboriginal Land Trust under a 99-year lease) during 2019. Three large meetings have been held on-country within the area to inform Traditional Owners and other stakeholders about the requirements of a savanna fire management project and emissions avoidance projects. The meetings were to develop fire project management models and seek consensus for a phase 2 project. Attendees included representatives from Traditional Owners, Parks and Wildlife, NLC and Central Land Council (CLC). The meetings were held at Barnanggaya, Bullita and Paperbark Yard to facilitate attendance from Traditional Owners for each broader region of the Park. At each meeting, unanimous support was obtained for a Land Use Agreement for the purposes of a fire project on the Park. Meetings were attended by key Traditional Owners, Parks and Wildlife Managers and Rangers, Indigenous Ranger Groups, CLC and NLC.

Staff from Darwin Centre for Bushfires Research at Charles Darwin University attended all three meetings on Judbarra National Park and provide training in fire management tools including 3D modelling of fire behaviour.

Judbarra National Park extends south into an area managed by CLC, however the majority lies within areas under the jurisdiction of NLC. In consultation

with all parties it was decided that the NLC is a suitable SFM Project Operator for the Park. The park operates under joint management governance arrangements with shared decision-making processes between the Traditional Owners and the NT Parks and Wildlife Service. The SFM Project enhances the joint management principles and is an exciting opportunity for the joint management partners to manage fire and enhance the environmental and cultural values of the Park.

An operations meeting and risk assessment for Judbarra National Park was completed on 27 September in Darwin. Key representatives from ILSC, NLC, CLC and Parks and Wildlife attended. A draft Project Contract including budget, work plan and project roles and responsibilities has been drafted for consultation in preparation for undertaking a Phase 2 PFA in 2020.



Fire planning for 2019 on Melville Island with Traditional Owners, Rangers and other stakeholders.

Phase 2 Project Funding Agreements

Tiwi Resources – Tiwi Islands Project

Tiwi Resources completed their early dry season fire management at the end of July and actively suppressed unmanaged fires where practicable in the late dry season. Due to unseasonably hot and dry conditions in the NT Top End in 2019 there were a large number of late dry season fires across the region including Tiwi Islands. The fire mitigation activities supported by the SFM Program reduced the impact of this weather scenario on the Tiwi Islands, it is therefore expected that credits have been successfully generated in contrast to many other projects this year. The resulting number of credits will be calculated in early 2020 once fire maps are validated. Tiwi Resources have been supported through the SFM Program to develop a threatened mammal monitoring program to inform the impacts of fire on nationally threatened species. This work involves collaborating with researchers from Charles Darwin University and will build the capacity of Indigenous Rangers to monitor impacts of Savanna Fire Management Project on Matters of National Environmental Significance listed under the EPBC Act 1999 on the Tiwi Islands. A report by

Dr Hugh Davies from CDU discussing results of this work funded by the SFM Program is presented in Appendix 1 of this annual report.

“Burning early in the dry season will also help to keep Tiwi plants and animals healthy”

*Gibson Farmer Illortaminni
(Chairman – Tiwi Land Council)*

Tiwi Resources agreed to an allocation of 26,876 ACCUs to INPEX in 2019 proportionate to the financial contribution of the SFM Program to the 2018 fire season. This represents the first transfer of ACCUS to INPEX as a result of project activities funded by the SFM Program (63.61% of Tiwi Resources fire management costs were covered by the SFM Program in 2018).

NAILSMA – Garawa Project

NAILSMA have completed a Phase 1 PFA and transitioned to a Phase 2 PFA on the Garawa Aboriginal Land Trust in the south-eastern Gulf area, south of Borroloola, over an area of approximately 14,900km².



Waanyi Garawa Rangers alongside SFM Program staff determine burn patterns according to fire history and fuel loads at the Garawa ALT fire planning meeting in March 2019.

During 2019 the early season burning was finalised during July on the Garawa Aboriginal Land Trust (Garawa ALT). Aerial operations were supported with a generous in-kind contribution from Bush Heritage Australia, who made their National Fire Manager available to assist the Garawa Rangers in implementation of early season fire activities. Nineteen Traditional Owners were employed through NLC as casual workers and nine full-time Rangers were paid to undertake prescribed burning activities. During the 2019 wet season the Garawa ALT was in the path of tropical cyclone Trevor, which felled substantial numbers of trees over vehicle tracks making access difficult. This meant that roadside burning in the early dry season was not possible to the extent planned. Fire management training was provided to twelve Indigenous participants.

A grader was hired through an agreement with a local Indigenous organisation (Mungoorbada Aboriginal Corporation) to install fire breaks on Garawa ALT. A fire that couldn't be controlled in August (late dry season) burnt 17% of the Project Area. This has likely tipped the project into a greater than pre-project average burn scenario, and therefore it is unlikely that the Project will earn carbon credits in 2019. The Rangers require significant capacity building to be able to respond to late season fires quickly and effectively. This will be a key focus of project activities for the next few years.

Active Expressions of Interest

Wardaman - Menggen ALT

Wardaman have agreed to continue developing a Phase 1 PFA with the SFM Program. Wardaman Rangers and Traditional Owners attended a meeting at Barnanggaya in June to further discuss and understand the SFM Program and carbon abatement projects in order to provide free and informed consent as required by the Clean Energy Regulator. It is expected that a Phase 1 project will commence in early 2020.

Wagiman (Upper Daly Aboriginal Land Trust and Wagiman ALT)

Wagiman have requested to establish a Phase 1 PFA with SFM Program staff discussing the Program at several Wagiman meetings. Wagiman Traditional Owners have agreed to Northern Land Council hosting the Phase 1 SFM Project activities on their behalf. This project will commence in early 2020.

ACCUs generated by SFM Program Operators

During 2018 the SFM program supported one operational project, Tiwi Resources. As described in the steps below, the results of the 2018 fire season are collated by the Australian Government and released as the 2018 SavBAT update in the first half of 2019. Tiwi Resources determined that they had achieved 42,250 credits, submitted their report, and this amount was added to their Australian National Register Emissions Units (ANREU) account. Following assessment of the relative contribution to the project from various funding sources, the SFM Program and Tiwi Resources agreed that 63.31% of the project was funded by the SFM Program. This was agreed to be equivalent to 26,876 credits, which Tiwi Resources transferred to INPEX in December 2019.

In 2019 the operational Phase 2 SFM Projects were the Tiwi Islands and Garawa Projects. These projects completed a substantial amount of fire management work in 2019. Due to extreme fire conditions in the late dry season of 2019 there were several late season wildfires that are likely to impact the emissions avoidance projects in both areas and result in a modest crediting year. The amount of abatement from these projects will be determined following the release of the 2019 SavBAT update in 2020.

The following steps are followed for savanna fire carbon projects to access credits:

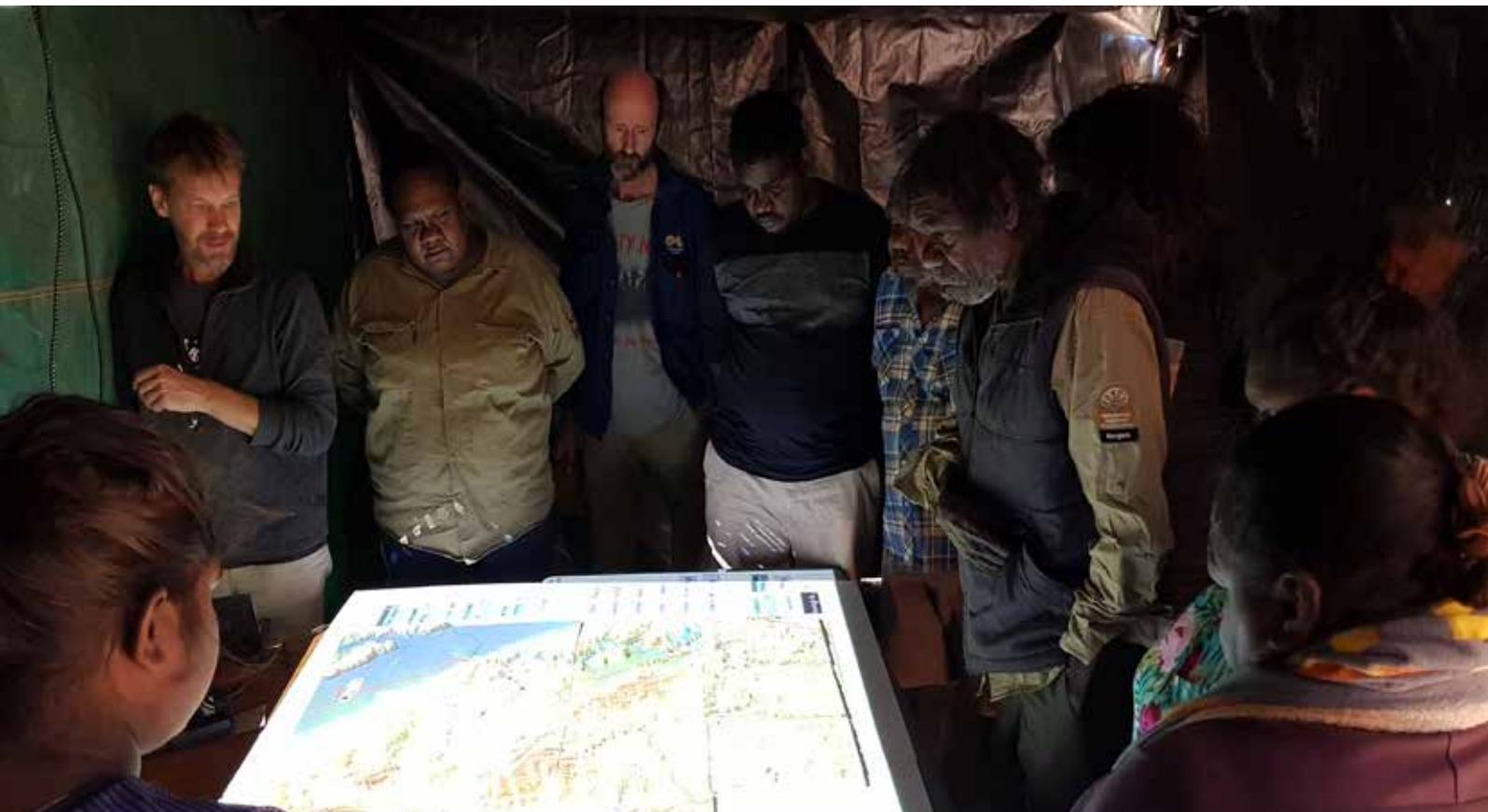
1. SAVBAT UPDATE MID-FEBRUARY

SavBAT is the abatement calculation tool used to estimate emission reductions for all ERF savanna fire management projects. It uses Landsat imagery processed by the Northern Australia Fire Information (NAFI) service (funded by Commonwealth of Australia, through the Department of the Environment and hosted by Charles Darwin University) to determine abatement from changes in fire management.

Landsat imagery is updated and processed commencing from the end of each calendar year and hence the updated version of SavBAT is usually ready by mid-February to late March of the following year. This update represents the official fire map for the previous year and is used by projects to compare against the project baseline and calculate the difference which represents the tonnes of CO₂^e abated.

2. PROJECT OPERATOR (E.G. TIWI) PREPARES POR (IDEALLY BY MID-MARCH)

A Project Offsets Report (POR) contains specified information pertaining to the savanna



Wagiman Rangers at the Daly River/Port Keats end-of-year fire meeting discussing fire management success in 2019.

fire management project in accordance with the Methodology Determination the project operates under. The report will typically include: project description including location, description of fire management activities and subsequent abatement results.

3. AUDIT (IF REQUIRED)

To uphold the integrity of Australian Carbon Credit Units (ACCUs) projects must undergo a specified number of scheduled audits across the crediting period which is specified by the Clean Energy Regulator at project declaration.

All scheduled audits will need to establish reasonable assurance that the calculation of carbon abatement achieved by a project for the reporting period is accurate. The audit report is submitted alongside the proponent's offsets report to the Regulator whereby credits can be issued once the Application for ACCUs has been approved.

4. POR SUBMITTED TO REGULATOR (USUALLY MARCH / APRIL)

For the reporting years where an audit is not required proponents must also complete and submit project offsets reports to the Clean Energy Regulator at the end of each reporting period.

Project proponents have up to six months from the end of the reporting period to submit their project offsets report. As mentioned above, applications for ACCUs can be made at the same time as the project offsets report using the Certificate of entitlement including the offsets report form.

5. REGULATOR APPROVAL OR REVIEW (END OF JUNE)

The Clean Energy Regulator may take up to approximately 90 days to assess a project's offsets report. ACCUs can only be issued to a project once a report is received and assessed.

6. CREDIT DISTRIBUTION AGREED (MID-JUNE)

The distribution of credits for projects funded by the SFM Program is in accordance with the percent of funding and resources used to deliver the project that was provided through the SFM Program.

7. CREDITS TRANSFERRED FROM TIWI TO INPEX ANREU ACCOUNT (END OF JULY)

Credits to be distributed to INPEX will be transferred from either the ILSC or the Project Operator's Australian National registry of Emissions Units (ANREU) account.



Wardaman Rangers and Traditional Owners with Charles Darwin University using 3D fire modelling at the Judbarra Barnanggaya meeting in June.

SFM PROGRAM FINANCIAL SUMMARY 2019

INCOME			
Q1 SFM Payment		-	
Q2 SFM Payment		\$582,177	
Q3 SFM Payment		\$681,825	
Q4 SFM Payment		\$192,394	
Total Payments (2019)		\$1,456,396	
Balance held by SFM Program (1 Jan 2019)		\$781,472	
TOTAL INCOME		\$ 2,237,868	
EXPENSES			
	BUDGET	YTD ACTUAL	VARIANCE
PHASE 2 PFAs	\$1,160,052	\$880,052	\$300,000
> <i>Tiwi Resources</i>	\$610,052	\$610,052	\$0
> <i>NAILSMA Garawa</i>	\$270,000	\$250,000	\$20,000
> <i>Thamarrurr Development Corporation</i>	\$280,000	\$0	\$280,000
PHASE 1 PFAs	\$859,412	\$577,594	\$281,818
> <i>Thamarrurr Development Corporation</i>	\$146,712	\$110,034	\$36,678
> <i>NAILSMA</i>	\$84,450	\$67,560	\$16,890
> <i>Northern Land Council (Judbarra NP)</i>	\$390,500	\$370,000	\$20,500
> <i>Jawoyn Assoc.</i>	\$97,750	\$30,000	\$67,750
> <i>Wardaman Assoc.</i>	\$60,000	\$0	\$60,000
> <i>Wagiman (NLC)</i>	\$80,000	\$0	\$80,000
Third Party Service Providers	\$80,000	\$29,491	\$50,509
SFM Project Direct Costs	\$472,488	\$439,358	\$33,130
Staff Salaries & On costs	\$301,080	\$290,986	\$10,094
Office - Accommodation & Expenses	\$50,400	\$50,359	\$41
IT and comms equip	\$2,000	\$1,300	\$700
Conferences and meetings	\$8,000	\$6,801	\$1,199
Vehicle (4x4) lease	\$25,008	\$24,892	\$116
Fuel	\$8,000	\$6,085	\$1,915
Travel	\$50,000	\$41,134	\$8,866
Staff - Corporate Training	\$8,000	\$1,500	\$6,500
Marketing & Comms	\$20,000	\$16,300	\$3,700
ILSC Overhead Costs (fixed)	\$155,346	\$155,346	\$0
TOTAL EXPENSES	\$ 2,727,298	\$2,061,841	\$665,457

A signed Statement of Income and Expenditure is included as an attachment to the report.

Summary of Variance from 2019 Budget

- > Thamarrurr project did not progress as budgeted (as described above) and therefore underspent \$316,678 in 2019. This expenditure will now occur in 2020.
- > Wardaman and Wagiman Phase 1 projects will now be executed in early 2020 resulting in an under spend of \$140,000 in 2019.
- > Jawoyn Phase 1 project has not progressed as described so is \$67,750 underspent.
- > NAILSMA Phase 1 contract was terminated without making the final payment of \$16,890 due to the Waanyi Garawa ALT withdrawing their interest to pursue a SFM project.
- > Third party service providers was \$50,509 below the budget mainly due to costs for Vegetation mapping for Judbarra being pushed over to 2020 and community meetings being covered by Phase 1 agreements.



PERFORMANCE OF THE SFM PROGRAM AGAINST THE PROGRAM PRINCIPLES

Spread social benefits and provide business opportunities to Indigenous people living in regional areas of the Northern Territory

All Phase 1 projects are carefully developed with local Indigenous enterprises where they exist, or are hosted through acceptable Indigenous businesses where a local organisation doesn't exist. Traditional Owners are consulted extensively about the proposed hosting organisation before contracts are executed. Where a hosting entity is being utilised, such as NAILSMA for the Waanyi Garawa project, then SFM funds are directed to help develop a locally owned and controlled Indigenous enterprise.

Community and social benefits for this quarter include:

- > Fire planning with community members and Traditional Owners, Rangers and other stakeholders on Tiwi Islands. This fire planning meeting brought together Traditional Owners from across the Islands to discuss traditional fire management and carbon abatement. The need to create protective firebreaks to prevent late fires impacting on threatened species and areas of conservation significance was discussed.
- > Fire planning and fire management on Garawa ALT provided employment for 19 Traditional Owners in the early dry season working alongside Waanyi Garawa Rangers. Training was also provided to Traditional Owners both formally and on-the-job, including in-kind operational support from Bush Heritage Australia.
- > The meetings at Judbarra National Park (for the Judbarra and Wardaman projects) included 25 Indigenous participants at Barnanggaya, 26 at Bullita and 49 at Paperbark Yard. The meeting activities included the senior Traditional Owners inviting the group to visit some important cultural sites that had not been visited for many years. Traditional Owners were thankful to have this opportunity to reconnect with culturally significant areas. Traditional Owners reflected that intergenerational knowledge transfer was an extremely valuable outcome of this meeting, particularly regarding traditional aspects of fire management. Young people were able to participate in fire management training through 3D modelling provided by CDU (also described in the Judbarra section of the Phase 1 commentary above) which was embraced by all participants.

Protect the environment through greenhouse gas emissions avoidance

During 2019 the SFM Program funded the Tiwi Island and Garawa ALT Phase 2 fire management projects. The result was a reduction in late season fire compared to the project's historic baseline. Despite a very hot and dry year, credits have been generated on the Tiwi Islands, however due to a late fire in August on the Garawa ALT, it is unlikely to have generated ACCUs in 2019.

The other projects in Phase 1 agreements have been supported to build knowledge about fire management and carbon abatement. During this time the support of the SFM Program will likely have contributed to more effective fire management activities, but no credits can be earned until projects are registered with the CER, which will generally occur during Phase 2.

The number of carbon credits generated by SFM Program projects will be determined following the end of the annual carbon abatement season on 1 January 2020. The current Phase 2 PFA with Tiwi has generated carbon credits and in 2019 saw the first ACCUs allocated to INPEX from the SFM Program.

“Old people taught us how to manage fire properly. Now we are passing that traditional knowledge on and also using new tools such as aerial burning”

*Clara Paddy
(Traditional Owner – Judbarra NP)*

The SFM Program is employing 4 Indigenous full-time staff to work on fire management on the Tiwi Islands. The Program also funds a shared full-time position with Thamarrurr Development Corporation as liaison officers to consult with the broader Traditional Owner group on the Daly River Port Keats ALT about the prospective fire/carbon project. Workshops are held with each project operator to enhance skills and knowledge of practical carbon projects. An annual Carbon forum is supported by the ILSC to enhance knowledge sharing across all stakeholders. The SFM Program maintains a network of carbon and fire management expertise to enhance overall Program delivery.



A helicopter takes Traditional Owners to visit culturally important sites on Judbarra National Park to develop fire management strategies for these significant areas in the lead-up to developing a robust fire management framework for a Phase 2 SFM Project.

“I took my daughter and granddaughter in the helicopter to see my mother’s country. We talked about fire, we could go and do light burning around the site to keep it safe. The whole place is special, that whole hill (Barnanggaya)”

*Basil Murrimal
(Wardaman Traditional Owner)*

PROTECT INDIGENOUS CULTURAL AND HERITAGE SITES

At the landscape level traditionally-managed fire is used to create firebreaks around habitation and special areas, to promote bushfood renewal and to clear undergrowth to facilitate travel. The more recent European fire management approach, which followed settlement by farmers and the displacement of Aboriginal people, generally aims to prevent any fire. This approach is now recognised to create the preconditions for catastrophic wildfire in Australia. Wildfires damage rock art sites and harm biodiversity values, including food and fibre resources and culturally significant species for Indigenous people. It is now widely recognised that healthy ecosystem functions in Australia’s remaining natural woodlands can only be restored with the reinstatement of Indigenous fire patterns in the landscape.



Tiwi Fire Ranger Willie Rioli presenting to a full auditorium at the 2019 Savanna Fire and Carbon Forum in Darwin, which was supported by ILSC and the SFM Program.

RISK MANAGEMENT AND WORKPLACE HEALTH AND SAFETY/ ENVIRONMENTAL INCIDENTS

The SFM Program is committed to risk management and due diligence. Each prospective project is subjected to a rigorous and collaborative risk assessment. This risk assessment framework is aligned to ILSC's risk management framework. Under this framework the risks and mitigation measures for each risk are developed by all parties involved in the project. Risks are scored as high to low and residual risk is acceptable if it can be reduced to a medium or low ranking. There are no residual project risks that are scored as high within the SFM Program to date.

ILSC have operational risk management procedures that are adhered to by SFM Program staff. The ILSC also works with individual project operators through a risk management process including an initial workshop and follow-ups to develop individual risk management plans for each project. Workplace Health and Safety Assessments are provided through each project in Phase 1 and recommendations are implemented in Phase 2 project activities.

The risk of negative reputational risk to key stakeholders has reduced from the early stages of the project. The SFM Program launch in June 2018 produced positive media resulting in a reputational benefit for all Program partners. In 2019, the SFM Program partners, ILSC, INPEX and Perpetual Trustee have continued to update the current Communications and Engagement Plan.

There were no reported WHS or environmental incidents related to the SFM Program in 2019.

➤ APPENDIX 1: PROTECTING BIODIVERSITY VALUES SUPPORTING CULTURE AND JOBS ON THE TIWI ISLANDS

A decline in small mammal and bird abundance and local species diversity over the last thirty years has been documented across the Northern Territory. Uncontrolled fires are considered one of the key drivers in this process, through simplification and homogenisation of the landscape. Improving outcomes for threatened species is a key and explicit rationale for management strategies for fire. Fire managers in savanna landscapes must therefore be prudent about the impact on threatened species that arise from their fire management activity.

Tiwi Islands Threatened Species and Fire Research Report - Dr Hugh Davies, Charles Darwin University

Over the past three decades, native mammal populations across the savannas of northern Australia have suffered significant and widespread decline (Woinarski et al., 2010). These declines have been linked to the loss of critical resources and exacerbated predation pressure (especially feral

cats) due to the higher incidence of large intense fires occurring since the breakdown of traditional burning practices and grazing by large herbivores (Ziembicki et al., 2014).

The Tiwi Islands are one of few remaining areas in Australia to retain a complete assemblage of native mammals. However, recent studies have suggested that while native mammal populations on the Tiwi Islands remain relatively healthy compared to most other areas of northern Australia, they may be exhibiting the initial signs of decline (Davies et al., 2018). These initial signs of mammal decline generally support the prevailing understanding of native mammal decline across Australia's tropical savannas: that frequent, high intensity fires and grazing by large introduced herbivores exacerbate the predation impact of feral cats by simplifying understorey structure and suppressing vegetation recovery after fire (Davies et al., 2017).

However, as there are multiple, interacting factors implicated in these declines, it is difficult to gauge the relative contribution of each, thereby creating uncertainty about the best approach to remedial management actions.



2019 field work

Previous research has demonstrated that feral cat densities vary substantially between areas of the Tiwi Islands. Building upon this research we established native mammal monitoring sites at four locations with the aim of determining how native mammal population demographics vary between varying combinations of the implicated threats (fire, cats and herbivores) (Figure 1).

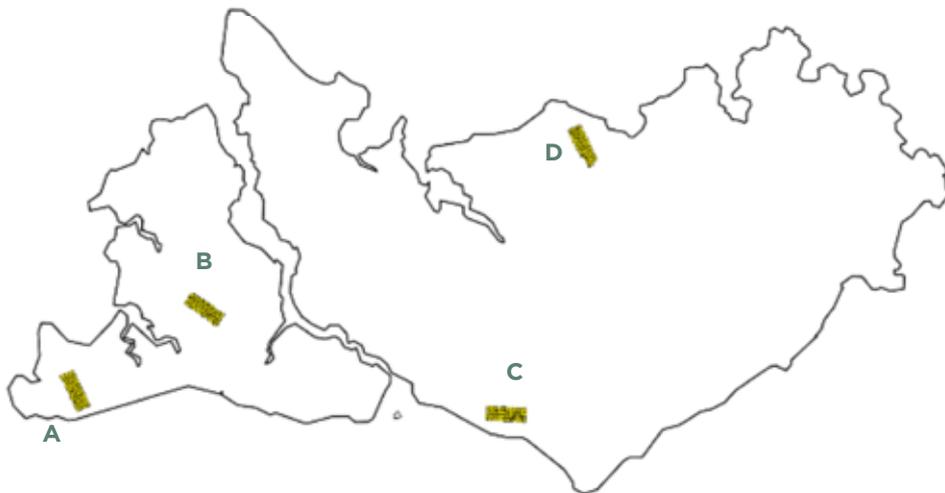
Figure 1: The location of the four native mammal monitoring sites.

SITE A = Low fire frequency, low feral cat density, no large herbivores;

SITE B = High fire frequency, low feral cat density, no large herbivores;

SITE C = High fire frequency, high feral cat density, grazing by large herbivores;

SITE D = Low fire frequency, low feral cat density, grazing by large herbivores.



We conducted intensive live-trapping at each of the four locations. Live-trapping involved a grid of 300 traps (75 cage traps and 225 Sherman traps) for four consecutive nights. The first round of live-trapping was conducted in June and repeated in October 2019. Each trapped animal was individually marked (using PIT tags and ear tags), weighed and had its reproductive stage recorded.

In total, we trapped 366 animals consisting of 162 individuals of 8 species (Table 1). Overall trap success was highest at Site B, located at Ranku on Bathurst Island (Figure 2). This is the site characterised by high fire frequency, low feral cat density and no large herbivores.

Figure 2: Trap success recorded at the four sites in 2019.

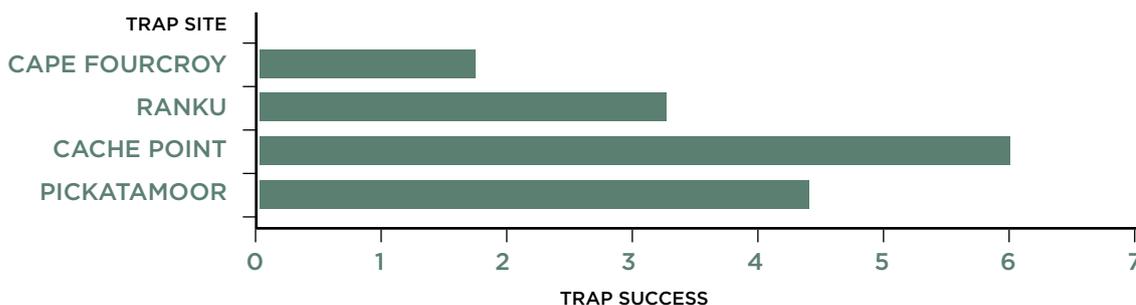


Table 1: A summary of the number of each species trapped on the Tiwi Islands in 2019. Asterisks indicate EPBC listed species.

COMMON NAME	SPECIES	# OF TIMES TRAPPED
Common brushtail possum	<i>Trichosurus vulpecula</i>	202
Northern brown bandicoot	<i>Isoodon macrourus</i>	111
Delicate mouse	<i>Pseudomys delicatulus</i>	25
Black-footed tree-rat*	<i>Mesembriomys gouldii melvillensis</i>	16
Pale field-rat	<i>Rattus tunneyi</i>	7
Butler's dunnart*	<i>Sminthopsis butleri</i>	2
Northern brush-tailed phascogale*	<i>Phascogale pirata</i>	1
Grassland melomys	<i>Melomys burtoni</i>	1



The SFM Program provides an important avenue for Traditional Owners to collaborate and determine the best fire management to preserve biodiversity values and culturally important areas while at the same time providing for socioeconomic benefits through employment and development of sustainable emissions avoidance projects.

Traditional Owner Engagement

The Tiwi Land Rangers provided vital assistance for this field work. Each live-trapping grid required a total of 6km of walking in order to access every trap. These traps needed to be checked within 2 hours of first light each morning, closed during the day, and then reopened each evening when temperatures cooled. Therefore, the trapping grid needed to be walked twice every day (12km). Tiwi Land Ranger and Tiwi Traditional Owner Colin Kerinauia provided vital field assistance while increasing his knowledge of trapping methods and animal processing (Figure 3a&b).



Figure 3a: Tiwi Land Ranger and Tiwi Traditional Owner Colin Kerinauia and CDU PhD student Cara Penton setting up a cage trap.



Figure 3b: Colin Kerinauia and Hugh Davies weighing a northern brown bandicoot.



Meetings on Judbarra National Park provided opportunities for over 100 Traditional Owners to visit culturally important sites in the area and determine appropriate fire management strategies to protect them.

This year we also built on our relationship with Tiwi College. Tiwi College sets a very high standard in remote education and provides a great opportunity to educate the younger Tiwi generation about the native mammal research we are conducting. In June 2019 we ran a class for the younger students of Tiwi College. In this class the students were taught about the different types of traps we use (Figure 4a). We also organised a quiz of camera trap images where the students had to identify what animal was in the picture and whether it was a Tiwi native or had been introduced from somewhere else. Following the quiz, the students made posters showing what animals you find on healthy Tiwi country and what animals you find in areas of unhealthy country (Figure 4b).



Figure 4a: Hugh Davies teaching young Tiwi children about why we have to protect native mammal on the Tiwi Islands.



Figure 4b: Hugh Davies and Tiwi College students with their posters demonstrating healthy and unhealthy Tiwi country.

A summary of the year's field work, as well as the latest research findings relating to feral cats was presented to Tiwi Traditional Owners from each of the eight land groups at the Tiwi Land Council and University of Melbourne Scientific Reference Committee meeting held in Wurrumiyanga on the 7th November 2019.

The Tiwi Land Rangers and Charles Darwin University researchers Hugh Davies and Cara Penton presented their collaborative work at the Territory Natural Resource Management conference held in Darwin on the 13th of November 2019.

This presentation highlighted the scientific and economic basis of the Tiwi burning program, and outlined how fire management is planned, implemented and monitored across the Tiwi Islands (Figure 5).



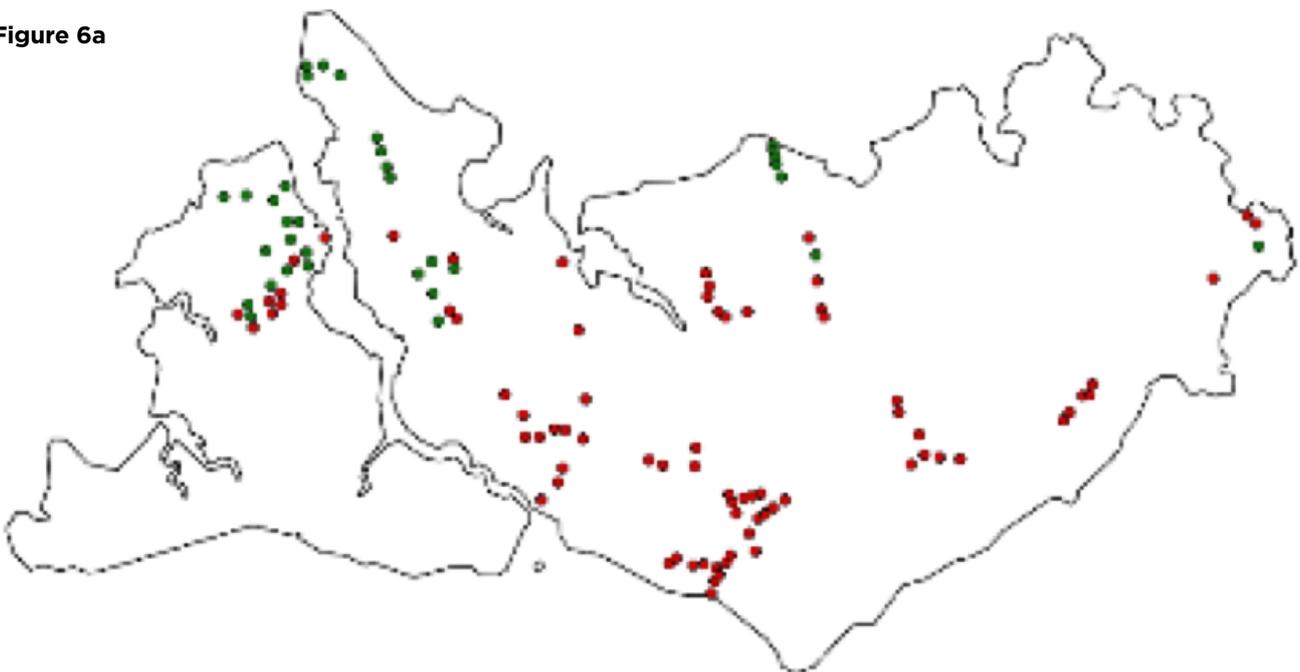
Figure 5: The Tiwi Land Rangers and Charles Darwin University researchers Hugh Davies and Cara Penton presenting at the Territory Natural Resource Management conference.

Planned uses of the data

The field work conducted this year will set the foundation of robust, longer-term monitoring of native mammal population trajectories on the Tiwi Islands. Such data will not only give a better understanding of how native mammals are persisting under varying environmental conditions (fire frequency, feral cat density and large herbivore presence) but contribute to our ability to predict the longer-term response of native mammal populations to varying land-use decisions on the Tiwi Islands.

Figure 6: We are relating all recent presence and absence records of the brush-tailed rabbit-rat (a) to a range of biophysical correlates (b) to predict the current distribution of this species across the Tiwi Islands (c).

Figure 6a



Current analyses

Feral cats are more abundant under severe disturbance regimes in an Australian tropical savanna

As feral cats pose a significant threat to many culturally and economically important species on the Tiwi Islands, it is vital that we increase our understanding of what influences their abundance and activity. A recent analysis (accepted for publication in *Wildlife Research*) demonstrated that on Melville Island, feral cats are more abundant and active in areas that have more severe disturbance, such as those that have experienced a higher frequency of severe fires and grazing by large introduced herbivores (buffalo and horse). This study suggests that fire management that reduces the frequency and extent of high severity fires, such as the approach to fire management that has recently been implemented across the Tiwi Islands could negatively influence feral cat populations and hence benefit native species. The benefits afforded to native species could be amplified by the concurrent removal of large introduced herbivores.

The distribution of the brush-tailed rabbit-rat (*Conilurus penicillatus*) on the Tiwi Islands

A robust understanding of the distribution of species underpins many aspects of biological inference and conservation decision-making. Such an understanding is essential to properly understand a species conservation status, as well the contraction or expansion of a species distribution due to threatening processes or the application of management. We are relating existing presence/absence data for the threatened brush-tailed rabbit-rat (Figure 6: a) to a range of biophysical correlates (Figure 6b) to then predict the current distribution of this species across the Tiwi Islands (Figure 6c).

Figure 6b

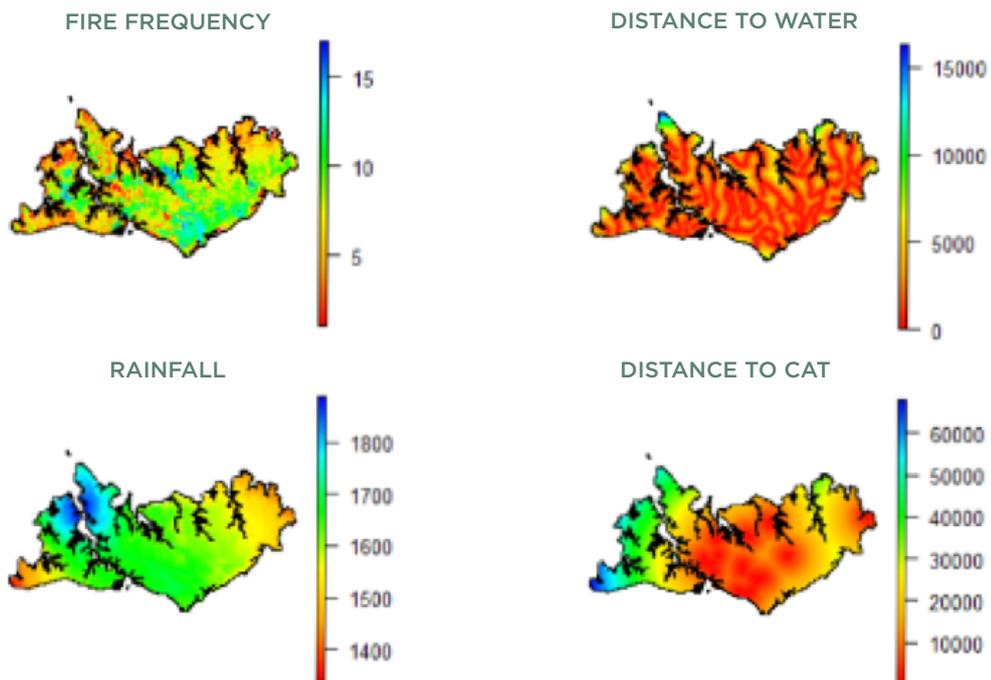
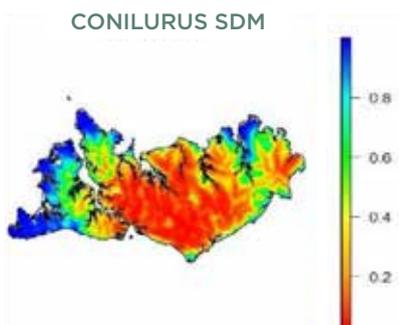


Figure 6c





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