**Explanatory Statement**

Issued by the authority of the Assistant Minister for Climate Change and Energy

*Carbon Credits (Carbon Farming Initiative) Act 2011*

*Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Avoidance) Methodology Determination 2025*

**Legislative Authority**

Subsection 106(1) of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (the Act) empowers the Minister to make, by legislative instrument, a methodology determination.

For the purposes of subsections 106(4) and (4AA) of the Act, in making the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Avoidance) Methodology Determination 2025* (the determination), the Minister:

* was satisfied that the determination complies with the offsets integrity standards (OIS);
* had regard to and agreed with the advice of the Emissions Reduction Assurance Committee (ERAC) given to the Minister under subsection 123A(2) of the Act;
* had regard to any adverse environmental, economic or social impacts likely to arise from the carrying out of the kind of projects to which the determination applies.

For the purposes of 106(4A) and (4B) of the Act:

* a project made in accordance with the determination would provide for eligible carbon abatement; and
* the determination complies with all of the OIS following advice from the ERAC.

In accordance with subsection 106(11) of the Act, the Minister published a copy of the advice from the ERAC on the website of the Department of Climate Change, Energy, the Environment and Water (the department).

**Purpose**

The determination enables projects that store carbon in living and dead biomass and avoid emissions through fire management to generate Australian carbon credit units (ACCUs). Strategic savanna fire management reduces greenhouse gas emissions by shifting the timing, frequency, and intensity of fires in Australia’s tropical savanna ecosystems from the late dry season to the early dry season.

The determination builds on the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Avoidance) Methodology Determination 2018* and aims to address the following:

* Scientific advancements—new research has improved our understanding and data on fire dynamics, carbon stocks, and emissions factors that can refine method accuracy.
* Consistency and integrity—ensuring alignment with the evolving requirements of the ACCU Scheme and international best practice.
* Scalability and equity—ensuring the methods support equitable access across project sizes and regions, and account for land tenure complexities.

The determination sets out the rules for calculating, crediting and reporting the abatement from undertaking eligible project activities for the purpose of creating ACCUs. It also sets out the rules for eligibility of projects to be credited for carbon sequestration and emissions avoidance, and specific notification and monitoring requirements.

**Background**

The Act enables the crediting of greenhouse gas abatement from emissions reduction activities across the economy. Greenhouse gas abatement is achieved either by avoiding emissions or by carbon sequestration. Carbon sequestration is the process of capturing atmospheric carbon and storing it in soil or trees. The process for establishing an offsets project, which is defined in section 5 of the Act, is set out in Part 3 of the Act. An offsets project must be covered by, and carried out in accordance with, a methodology determination.

A methodology determination sets out the requirements for a project to be an offsets project and establishes procedures for estimating abatement from eligible offsets projects, as well as the rules for monitoring, record-keeping, and reporting. Methodology determinations ensure that emissions reductions are genuine, real, and additional to business as usual.

Before making a methodology determination, the Minister must have regard to the advice of the ERAC, an independent expert panel established to advise the Minister on the integrity of methodology determinations. The Minister must not make or vary a methodology determination if the ERAC has advised that it does not comply with one or more of the OIS (set out in section 133 of the Act). In making a methodology determination, the Minister must be satisfied it complies with the OIS, and must have considered any adverse environmental, economic or social impacts likely to arise as a result of projects to which a methodology determination applies.

The rules in the determination meet the requirements of the OIS set out in section 133 of the Act.

1. **Additionality:** A method should result in carbon abatement that is unlikely to occur in the ordinary course of events (disregarding the effect of the Act).
2. **Measurable and verifiable:** A method involving the removal, reduction or emissions of greenhouse gases should be measurable and capable of being verified.
3. **Eligible carbon abatement:** A method should provide abatement that is able to be used to meet Australia’s international mitigation obligations.
4. **Evidence-based:** A method should be supported by clear and convincing evidence.
5. **Project emissions:** Material greenhouse gas emissions emitted as a direct result of the project should be deducted.
6. **Conservative:** Where a method involves an estimate, projection or assumption, it should be conservative.

Offsets projects carried out in accordance with a methodology determination and administered by the Clean Energy Regulator (the Regulator) can generate ACCUs which represent greenhouse gas abatement achieved by eligible offsets projects.

Accounting for abatement from fire management activities

In the determination, net abatement is the sum of two key components: emissions avoidance and carbon sequestration. Emissions from fires and sequestration of carbon during the project are compared to the baseline scenario. Calculations can be performed using the Savanna Carbon Abatement Model (SavCAM) or by following the equations in the determination.

*Emissions Avoidance*

* Abatement is calculated as the difference between baseline fire emissions and fire emissions in the project year.
* Abatement is adjusted using an uncertainty buffer, which accounts for inter-annual variability of fires and risk of over-crediting.
* The buffer is capped at 5% of average annual baseline emissions and the value for the uncertainty buffer is updated annually.
* If there is a year with negative abatement (e.g. more emissions released than avoided), credits are only issued again after the loss has been covered using buffer credits, and if needed, from positive abatement in future years.

*Sequestration*

* Abatement is calculated as the change in carbon stock in living and dead biomass compared to the average carbon stock during the baseline period.
* For the first year, it is the difference between current carbon stock and the baseline average.
* For subsequent years, it is the difference between the current and previous year’s stock.
* It is adjusted using a sequestration buffer (25% for 25-year permanence, 5% for 100-year permanence) to account for the risk of reversal.
* As with the avoidance component, negative abatement is carried forward and deducted from future positive abatement.

Both components are calculated separately for each project area and rainfall zone. Negative values in one area cannot offset positive values in another. Extensive science sits behind the parameters used.

**Operation**

Project proponents must make an application to the Regulator under section 22 or section 128 of the Act if they wish to have a savanna fire management project declared as an eligible offsets project under the determination. They must also meet the general eligibility requirements for an offsets project set out in subsection 27(4) of the Act, which include compliance with the requirements set out in the determination, and meeting the additionality requirements set out in subsection 27(4A) of the Act. The additionality requirements are the:

* newness requirement;
* regulatory additionality requirement; and
* government program requirement.

Subsection 27(4A) of the Act provides that a methodology determination may specify requirements in lieu of the newness requirement or the regulatory additionality requirements.

The regulatory additionality requirements under subsection 27(4A) of the Act apply to landfill gas projects covered by the determination. The government program requirement is provided for in the *Carbon Credits (Carbon Farming Initiative) Rule 2015* (the Rule).

**Impact and Effect**

This section summarises any likely impact and effects of the instrument.

**Consultation**

[This section to be completed post public consultation, including – results from public consultation, including but not limited to, the timeframe the exposure draft was open for consultation and the number of submissions received].

**Incorporation by Reference**

Paragraph 106(8)(b) of the Act provides that a methodology determination may make provision in relation to a matter by applying, adopting or incorporating, with or without modification, a matter contained in an instrument or writing as in force or existing from time to time.

The *Savanna Fire Management Methods (2025) Technical Guidance Document* is incorporated by reference in the determination as it is in force from time to time. As of [DD Month 2025], the *Savanna Fire Management Methods (2025) Technical Guidance Document* can be freely accessed via the department’s website.

The SavCAM is also incorporated by reference in the determination as it is in force from time to time. As of [DD Month 2025], the SavCAM can be freely accessed via the department’s website.

The *Relevant Weeds Risk spatial data layer* is incorporated by reference in the determination as it is in force from time to time. As of [DD Month 2025], the *Relevant Weeds Risk spatial data layer* can be freely accessed via the department’s website.

The *Savanna Fire Management High Rainfall Zone* and the *Savanna Fire Management Low Rainfall Zone* are incorporated by reference in the determination. The applicable version is the version published on the department’s website at the date the project was declared an eligible offsets project. As of [DD Month 2025], they can be freely accessed via the Department’s website.

The *Savanna Fire Management LDS Start Date and End Date spatial data layers* are incorporated by reference in the determination. The applicable version is the version published on the department’s website and in force on 30 June of the calendar year prior to the year being reported on. As of [DD Month 2025], they can be freely accessed via the Department’s website.

**Determination Details**

The determination is a legislative instrument within the meaning of the *Legislation Act 2003*. The determination commences on the day after it is registered on the Federal Register of Legislation.

Details of the determination are set out in **Attachment A**. Numbered sections in this explanatory statement align with the relevant sections of the determination. The definition of terms highlighted in ***bold italics*** can be found in section 5 or the applicable sections of the determination.

**Statement of Compatibility with Human Rights**

A Statement of Compatibility with Human Rights, prepared in accordance with the *Human Rights (Parliamentary Scrutiny) Act 2011*, is at **Attachment B**.

**ATTACHMENT A**

**Details of the Legislative Instrument**

Section 1 – Name

Section 1 sets out the full name of the determination as the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Avoidance) Methodology Determination 2025.*

Section 2 – Commencement

Section 2 provides for the determination to commence on the day after it is registered on the Federal Register of Legislation.

Section 3 – Authority

Section 3 provides that the determination is made under subsection 106(1) of the *Carbon Credits (Carbon Farming Initiative) Act 2011* (the Act).

Subsection 106(1) of the Act provides that the Minister may, by legislative instrument, make a certain type of determination.

Section 3A – Schedules

Section 3A provides that each instrument that is specified in the Schedule to the determination is amended or repealed as set out in the items in that Schedule, and any other item in the Schedule to the determination has effect according to its terms.

In practice, section 3A allows for the repeal of the 2018 determination via Schedule 3.

Section 4 – Duration

Section 4 provides the period that the determination is in force – in accordance with subparagraph 122(1)(b)(i) of the Act.

The determination will remain in force from the commencement date (the day after registration on the Federal Register of Legislation as per section 2) and the day before it would otherwise be repealed in accordance with subsection 50(1) of the *Legislation Act 2003*.

In practice, this means that the determination will be repealed on [31 September 2035].

Section 5 – Definitions

Section 5 provides definitions for various terms used throughout the determination. Where a term is not defined in the determination, it has the same meaning set out in section 5 of the Act. Under section 23 of the *Acts Interpretation Act 1901*, words in a legislative instrument in the singular number include the plural and words in the plural number include the singular.

Section 6 - Meaning of *fire season, early dry season* and *late dry season*

Subsection 6(1) provides that the ***fire seasons*** for the determination are the early dry season (EDS) and the late dry season (LDS).

A note to subsection 6(1) states that while there is also a wet season each year in northern Australia, it is not relevant for the purposes of the determination. This is because fire activity is generally negligible during the wet season. The definitions of the early and late dry seasons may overlap with the wet season, but only the dry seasons are considered fire seasons under the determination.

Subsection 6(2) defines the terms ***early dry season*** and ***late dry season*** for a particular area of land and calendar year.

* The early dry season means the period of the calendar year that is not late dry season for that area.
* The late dry season means the period that begins on the date specified for that area in the ***Savanna Fire Management LDS Start Date spatial data layer*** (paragraph (a)) and ends on the date specified in the ***Savanna Fire Management LDS End Date spatial data laye***r (paragraph (b)). These spatial data layers may specify uniform dates across all areas or different dates for different regions.

At the time the determination was made, the spatial data layers indicated that the late dry season begins on 1 August and ends on 31 December for all areas in both the high rainfall and low rainfall zones. However, it is anticipated that in future versions of the spatial data layers, the start and end dates of the late dry season may vary between regions if new science becomes available. Additionally, the end date of the late dry season for a particular area may fall in the following calendar year, meaning the late dry season could span across two calendar years.

Subsection 6(2) also defines the applicable version of the Savanna Fire Management LDS Start Date and End Date spatial data layers. The applicable version is the version published on the department’s website and in force on 30 June of the calendar year prior to the year being reported on. This incorporation is consistent with paragraph 106(8)(b) of the Act and subsection 14(2) of the *Legislation Act 2003*. As of [DD Month 2025], they can be freely accessed via the Department’s website.

Any updates to the timing of the late dry season will be automatically reflected in SavCAM for the relevant calendar years.

Section 7 – Meaning of *baseline period*

Subsection 7(1) sets out the general rule for determining the ***baseline period*** for an area of land under the determination. The baseline period is defined as the 20 calendar years immediately preceding:

* the calendar year in which the crediting period begins, for areas of land that were part of the project area identified in the ***section 27 declaration*** when the project was first declared an eligible offsets project (paragraph 7(1)(a)); or
* the calendar year in which a variation to the section 27 declaration took effect, for areas of land that were added to the project area at a later date (paragraph 7(1)(b)).

This ensures that the baseline period reflects the most recent 20-year period prior to the commencement of crediting for each area of land.

Subsection 7(2) provides that, for an area of land in a subdivided project area, the baseline period is the same as that of the original project area. This ensures continuity and consistency in baseline calculations following subdivision.

Subsection 7(3) provides that for an area of land in a transferring project area, the baseline period is preserved from the former determination. This maintains alignment with the historical baseline period already established under the former determination.

***Capacity building fire management*** is defined in section 5 as planned and intended early dry season burning that is conducted to enable land managers to develop knowledge, skills and processes relevant to early dry season fire management.

Subsection 7(4) applies to areas of land that are not a transferring project area where capacity building fire management was conducted prior to the project’s crediting period. If capacity fire management for capacity building has been carried out, the baseline period used for carbon calculations depends on how long the fire management lasted.

* If it lasted 6 years or less, the baseline is the 20 calendar years ending in the year the capacity fire management began.
* If it lasted more than 6 years, the baseline is the 20 calendar years before the project is registered.

This provision recognises the influence of long-term fire management activities on fire regimes and ensures that the baseline period reflects conditions prior to such interventions.

Section 8 – Updates to external documents as in force from time to time

The determination recognises that abatement estimates within the determination are underpinned by science that is undergoing continuing development and improvement. Accordingly, the determination makes reference to different documents as they are in force or existing from time to time as permitted by paragraph 106(8)(b) of the Act. Section 8 outlines the processes for updating these documents. Updates to these documents might include updates which reflect and incorporate improved science to inform more robust abatement calculations.

Subsection 8(1) provides that an updated document is only taken to be in force if it includes or is published with:

* an accompanying document stating the reason why the document has been updated and an outline of the process undertaken to update the document (paragraph 8(1)(a)); and
* if the Emissions Reduction Assurance Committee provided any advice relating the update of the document, a copy of that advice (paragraph 8(1)(b)).

Subsection 8(2) states that that if a document is republished with updates without meeting the requirements in subsection 8(1), the earlier version of the document remains in force.

Section 9 – Factors and parameters from external sources

Subsection 9(1) provides that if a calculation refers to a parameter that is defined or calculated by reference to an external document, the parameter to be used for the reporting period is the factor or parameter referred to, or calculated by reference to, the external document as in force at the end of the reporting period.

Subsection 9(2) states that subsection 9(1) does not apply if the determination stipulates otherwise, or if it is not possible to define or calculate these parameters by reference to the relevant external documents.

Accordingly, if a calculation in the determination depends on a value or rule from another document, then the relevant version of that document is the one that was in force at the end of the reporting period. This does not apply if:

* the determination specified a different version be used; or
* it is not possible to work out the value or rule from the version of the other document in effect at the end of the reporting period.

**Part 2— Savanna sequestration projects**

Section 10 – Savanna sequestration projects

Paragraph 27(4)(b) of the Act provides that the Regulator must not declare that an offsets project is an eligible offsets project unless the Regulator is satisfied that it is covered by a methodology determination. Paragraph 106(1)(a) of the Act provides for methodology determinations to specify the kind of offsets projects to which they apply.

Section 10 provides that the determination applies to an offsets project that satisfies each of paragraphs 10(1)(a), (b), (c) and (d). An offsets project that satisfies each of these is a ***savanna sequestration project***.

Paragraph 10(1)(a) provides that an offsets project must involve managing the burning of savannas in order to satisfy two objectives set out in subparagraphs 10(1)(a)(i) and (ii).

Savanna fire management must be carried out to meet the first objective set out in subparagraph 10(1)(a)(i) – to remove carbon dioxide from the atmosphere by sequestering more carbon in living biomass or dead organic matter than was sequestered during the baseline period. Section 54 of the Act defines ***sequestration offsets projects*** as projects that remove carbon dioxide from the atmosphere by sequestering carbon and/or avoiding emissions of greenhouse gasses from living biomass, dead organic matter or soil.

Savanna fire management must also be carried out to meet the second objective set out in subparagraph 10(1)(b)(ii) – to ensure there are less emissions of methane and nitrous oxide from the burning of savannas in the project area compared to the emissions that occurred in that area during the baseline period. Active savanna fire management leads to a greater proportion of cooler fires and fewer hotter fires. This avoids substantial emissions of methane and nitrous oxide then would otherwise occur.

Paragraph 10(1)(b) specifies that projects must not increase greenhouse gas emissions from other sources or alter the rate of the decomposition of organic carbon. For example, projects cannot increase stocking rates above those that would otherwise occur in the absence of the project, in an attempt to reduce fuel loads and hence modify fire activity. Further, projects cannot undertake activities that would increase the rate of decomposition of organic carbon. For example, projects cannot undertake activities that increase water content of soil or biomass, or increase the activity of termites or other organisms involved in decomposition.

Paragraph 10(1)(c) requires projects to be carried out in a savanna that is in either or both the high-rainfall zone, or the low-rainfall zone. These zones are defined by the relevant rainfall zone spatial data layers and provided for in section 5 of the determination.

Paragraph 10(1)(d) requires projects to be reasonably expected to result in eligible carbon abatement. This means there must be a reasonable expectation that the objectives in this paragraph can be met through a change in fire management activity, and this is likely to result in net positive abatement that can contribute to Australia’s international emissions reduction targets.

Subsection 10(2) provides that a project covered by subsection 10(1) is a ***savanna sequestration project***.

Subsection 10(3) provides that the determination does not apply to an offsets project that has been or could be covered by a savanna emissions avoidance determination – which deals with projects that involve undertaking savanna fire management activities with the *sole* purpose of avoiding emissions.

This is because the process for transitioning between methodology determinations in section 128 and 130 of the Act does not apply for projects wishing to move between emissions avoidance only and sequestration offsets projects as this process would not effectively allocate the project a 25-year or 100-year permanence period. However, subsection 10(3) does not prevent the transfer of savanna emissions avoidance only projects to the determination in accordance with sections 30A and 30B of the Rule.

**Part 3—Project requirements**

**Division 1—General**

Section 11 – Operation of this Part

Section 11(1) states that, for the purposes of paragraph 106(1)(b) of the Act, Part 3 of the determination set out the various requirements that must be met for a project to be an eligible offsets project. Paragraph 27(4)(c) of the Act states that the Regulator must not declare that a project is an eligible offsets project unless the Regulator is satisfied that the project meets these requirements.

Subsection 11(2) states that Division 6 of Part 3 specifies the requirements in lieu of the newness requirement and the regulatory additionality requirement for savanna sequestration projects for the purposes of subparagraphs 27(4A)(a)(ii) and (b)(ii) respectively.

Subsection 11(3) states that Division 7 of Part 3 specifies crediting periods for certain project types. These project types are restarting transferring project areas.

**Division 2—Project area**

Section 12 – Requirement to be in high or low rainfall zone

Section 12 requires all areas of land included in the project must be in either the high rainfall zone or the low rainfall zone or in both rainfall zones. This means that projects cannot be undertaken on an area of land that is not in either of the rainfall zones.

Section 13 – Requirement to maintain vegetation fuel types

Subsection 13(1) requires that each part of the project area must contain a vegetation fuel type as of the relevant date.

Paragraph 13(2)(a) requires each part of the project area to also continue to include an area of the vegetation fuel type.

Paragraph 13(2)(b) provides that if the project does not continue to include an area of the vegetation fuel type, that area must be removed from the project in accordance with section 16 as soon as practicable, and no later than the end of the relevant reporting period.

For section 13:

* the ***relevant date*** is the date of the section 22, section 29, or section 128 application in which the project area is first identified.
* the ***relevant reporting period*** is either the period during which an area of land in the project stops including a vegetation fuel type, or the period where the project proponent becomes aware that the area of land in the project stops including a vegetation fuel type. This means the relevant reporting period is the period in which the issue was identified.

Section 14 – Requirement to manage relevant weed species

Section 14 establishes the requirements and conditions under which a project area must be managed to control and eradicate ***relevant weed species***.

Subsection 14(1) establishes a requirement for each part of the project area to be free of all relevant weed species at the relevant date. Subsection 14(7) defines the relevant date as the date of the section 22, section 29, or section 128 application in which the project area is first identified.

Subsection 14(2) provides that each part of the project area must either:

* remain free of relevant weed species; or
* if relevant weed species are detected at a later date:
  + all aboveground biomass must be treated appropriately within 18 months of the weed being detected and must continue to be treated annually until the weed is eradicated; or
  + the affected land must be removed from the project in accordance with section 16, no later than the end of the reporting period during which the weed was first detected.

Subsection 14(3) provides that a transferring project area is considered clear of relevant weed species at the relevant date if all known infestations were treated appropriately within the 12 months prior.

Subsection 14(4) extends this provision to restarting transferring projects, which are also deemed clear if all known weed species were treated appropriately within the 12 months preceding the relevant date.

Subsection 14(5) defines appropriate treatment as requiring:

* application of herbicide to kill all aboveground biomass of the relevant weed species or mechanically removing the aboveground biomass of that weed species; and
* treatment carried out in accordance with any relevant Australian laws.

Subsection 14(6) provides that a relevant weed species is taken to be eradicated in an area when it has not been detected in that area for at least 24 months.

Section 15 – Project area not to contain previously removed areas

Section 15 provides that a project area part must not include any land that was:

* previously part of the same project or another project under this methodology determination or a savanna fire management determination; and
* removed in accordance with paragraph 13(2)(b) or 14(2)(b), or an equivalent provision under a savanna fire management determination.

This is intended to prevent the cycling of ineligible land back into projects, thereby maintaining the integrity of emissions reductions and sequestration outcomes.

Section 16 – Variations to project areas

Subsection 16(1) defines circumstances, after the start of the crediting period, when a savanna sequestration project can make variations to its project areas. The project proponent can apply to vary a project area by applying for a variation to the project’s section 27 declaration, provided the variation is (a) to add an additional project area, (b) to subdivide a project area into two or more subdivided project areas and/or (c) to remove an entire project area and not replace it.

A note to subsection 16(1) explains that project areas cannot be increased in size through applying for a variation to a section 27 declaration. Instead, an additional area can be added as a new project area through such a variation.

Subsection 16(2) states, for the purposes of the determination, if a ***project area*** is divided into two or more smaller project areas and the areas of land covered by all the subdivided project areas is identical to the area of land covered by the original project area, each smaller project area is considered to be a ***subdivided project area***.

**Division 3—Project activity**

Section 17 – Requirement to undertake savanna fire management

Subsection 17(1) provides that the project proponent must undertake planned burning in each project area in each calendar year. Annual planned burning using cooler, small early dry season fires, if done strategically, will reduce the number and size of large, high intensity late dry season fires. This will result in a reduction of greenhouse gas emissions and an increase in stored carbon. The risk of annual late dry season fires remains high in the absence of strategic annual fire management in the early dry season. Breaking up the fuel load across the landscape reduces the rate of spread of late dry season fires, resulting in fewer and smaller late dry season fires.

Planned burning that occurs predominantly in the early dry season that produces an age-class mosaic of burnt and unburnt patches across the landscape creates a discontinuous fuel load that slows or stops the spread of fires across the project area. Mosaic burning reduces the risk of occurrence and extent of late dry season fires, resulting in an increase in carbon sequestered in living biomass and dead organic matter and a reduction in greenhouse gas emissions.

Planned burning in the late dry season is permitted as this may include the use of fire to control unplanned fire activity, such as the burning of containment lines. The aim of these containment lines is to reduce the spread of unplanned fire, reducing the overall area burnt during the late dry season. Fire suppression activities are also permitted and proposed suppression approaches could be included in a project management plan.

Subject to meeting the requirement of subsection 17(2), the determination does not prescribe a particular type or amount of planned burning, enabling project proponents some flexibility as to how they conduct their savanna sequestration projects. The planned burning must meet the objectives of savanna fire management described in subsection 10. The objectives set out in section 10 of the determination are most easily achieved if the fire management results in an increase in fire activity in the early dry season and a decrease in fire activity in the late dry season. In most circumstances, this will result in a reduction in the overall fire frequency in the project area and a reduction in the total area burnt in the project area.

Subsection 17(2) provides that the planned burning undertaken during the permanence period, must ensure the pattern of past, present and future planned and unplanned burning for the remainder of the permanence obligation period in each project area will be expected to meet the objectives referred to in paragraph10(1)(a) (see paragraph (2)(d)). These objectives are to reduce emissions of greenhouse gases and increase or maintain stores of carbon in dead organic matter.

The pattern of burning must reasonably be expected to ensure the amount of carbon sequestered in the project area as a result of the project does not decrease significantly over the permanence obligation period (paragraph 2(e)). A significant decrease goes above what would happen due to reasonable variations in climate and should be mitigated through permanence obligations being met.

Subsection 17(3) acknowledges that proponents may not be able to achieve the annual planned burning for a project area in a particular project year due to circumstances beyond their reasonable control. Provided the proponent can demonstrate the failure to undertake planned burning in a particular year resulted from circumstances beyond their reasonable control, they have not contravened subsection 17(1). Under these circumstances, the proponent must provide the Regulator and an auditor a reasonable set of circumstances justifying why they were unable to undertake planned burning in accordance with the determination. The intention of this ‘reasonable control’ requirement is that the test would be the same as that applied under sections 82, 90 and 91 of the Act when determining whether particular conduct is within the reasonable control of the project proponent.

There are a number of circumstances beyond the proponent’s reasonable control that could prevent them from undertaking planned burning in a year, such as a late finish to the wet season that leaves vegetation too moist for planned burning for most or all of the early dry season, or extensive late dry season fires in the previous fire season. These late dry season fires may have burnt most of the project area or used a significant proportion of the fire management resources for the subsequent fire season. In this example, project proponents may be able to demonstrate suppression efforts during the large late dry season fires were consistent with subsection 17(2), and in meeting the objectives outlined in paragraph 10(1)(a). Another example would be if resources such as helicopters and rangers were unable to complete the planned burning for reasons beyond the proponent’s reasonable control.

Financial difficulty may not be considered as circumstances beyond the proponent’s reasonable control.

Subsection 17(4) provides that if the project area has been subdivided into two or more subdivided project areas in accordance with section 16, then, for the purposes of section 17(4), planned burning that occurred on the original project area before the area was subdivided may be considered to have occurred on the subdivided project area. That is, if in previous years planned burning was undertaken in the original project area in accordance with subsections 17(1), (2), and (3), then it will be assumed that these conditions have been met for each subdivided project area.

A note to section 17 acknowledges that in monitoring whether a project continues to meet the requirements of section 17, the Regulator will consider a range of information, including the project management plan in an offsets report under section 36 and the information in any SavCAM reports relating to the project.

**Division 4—Project management plan**

Section 18 – Requirement to prepare plan

Section 18 sets out the requirement for project proponents to prepare one or more project management plan for each calendar year of a savanna sequestration project. This requirement ensures that fire management activities are planned in advance and documented in a way that supports the delivery of abatement outcomes and compliance with the determination.

Subsection 18(1) requires that one or more project management plans be prepared each year that covers all project areas.

Subsection 18(2) states that an annual plan is referred to as a project management plan.

Subsection 18(3) requires that the project management plan for a particular project area must be prepared before any planned burning commences in that area for the year. This ensures that fire management is pre-planned and that the project is operating in accordance with the determination’s requirements.

Nothing in subsection 18(1) is intended to preclude a project proponent using another annual plan (such as a fire management plan) that it prepares as the project management plan provided it meets the requirements of the determination.

A single project management plan may relate to one or more project areas, providing flexibility for proponents managing multiple areas under a single project.

Section 19 – Updating or revising plan

Section 19 provides flexibility for project proponents to revise or update their project management plans throughout the year, recognising that fire management must often respond to changing environmental conditions and operational constraints.

Subsection 19(1) allows for updates or revisions to the project management plan at any time during the year to which the plan relates. This enables proponents to adapt their fire management strategies in response to factors such as weather variability, access limitations, or updated ecological priorities.

Subsection 19(2) requires that any revision or update must include the date on which the change was made.

**Division 5—Vegetation fuel type map**

Section 20 – Requirement to create and validate vegetation fuel type map

Section 20 provides that project proponents must create and validate a vegetation fuel type map for each project area within the savanna sequestration project. This requirement applies regardless of whether the project area was identified in the original section 22 application, a section 128 application, or was subsequently added to the project through a section 29 application.

Paragraph 20(a) requires that the vegetation fuel type map must be created and validated in accordance with the *Savanna Fire Management Methods (2025) Technical Guidance Document*. This document outlines the procedures for identifying and classifying vegetation fuel types, including the use of remote sensing, GIS tools, and field observations. It also provides guidance on how to determine whether a mapping unit is eligible or ineligible based on vegetation characteristics, presence of weed species, or land clearing.

Paragraph 20(b) requires that the vegetation fuel type map must be completed before the project proponent submits the first offsets report under the determination that relates to the relevant project area. This ensures the vegetation fuel type map is available to support the reporting of sequestration and emissions avoidance outcomes from the outset of the crediting period.

Section 21 – Revising vegetation fuel type map

Section 21 outlines the circumstances under which a vegetation fuel type map must or may be revised, and the requirements for validating the revised map.

Subsection 21(1) sets out the circumstances in which a project proponent is required to revise a vegetation fuel type map. Subsection 21(1) provides that the map must be revised if the proponent becomes aware that:

* a mapping unit was incorrectly classified in accordance with the *Savanna Fire Management Methods (2025) Technical Guidance Document* as containing a vegetation fuel type when it should have been classified as ineligible (subsection 21(1)(a)); or
* the classification of a mapping unit is not, or is no longer, in accordance with the *Savanna Fire Management Methods (2025) Technical Guidance Document* (subsection 21(1)(b)).

Proponents may become aware of mapping units being incorrectly classified through a range of scenarios including as part of their monitoring activities, audits, or other project assessments. The proponent must then update the map to reflect the correct classification.

Subsection 21(2) provides that a project proponent may revise a vegetation fuel type map if they become aware that a mapping unit previously classified as ineligible may now be classified with a vegetation fuel type, in accordance with the *Savanna Fire Management Methods (2025) Technical Guidance Document*. This allows for flexibility where vegetation conditions have changed or where new information becomes available but current measurements are still conservative.

Subsection 21(3) requires that any revised vegetation fuel type map must be validated in accordance with the *Savanna Fire Management Methods (2025) Technical Guidance Document*. A note to this subsection states that if the area of land being revised constitutes a material proportion of the total project area, the entire vegetation fuel map may need to be revalidated. The definition of a material proportion is provided in the *Savanna Fire Management Methods (2025) Technical Guidance Document*.

Subsection 21(4) sets out the timing requirements for completing revisions and validations for:

* revisions required under subsection 21(1), the revised and validated map must be completed before submitting the offsets report for the reporting period during which the issue was identified (paragraph 21(4)(a)); and
* all other revisions, the revised and validated map must be completed before submitting the first offsets report that uses the revised map (paragraph 21(4)(b)).

This ensures offsets reporting is based on accurate and validated vegetation fuel type data.

Section 22 – Vegetation fuel type map for subdivided project area

Subsection 22(1) provides that section 22 applies where a vegetation fuel type map has already been created and validated, or revised and validated (where necessary), in accordance with the determination for a particular project area, and that project area is subsequently subdivided into two or more subdivided project areas.

There are various reasons a project proponent may choose to subdivide a project area, such as to transfer part of the area to a new project, or to exclude areas that have been cleared or contain weed species.

Subsection 22(2) provides that the vegetation fuel type map for the original project area is taken to:

* be a single map that relates to each subdivided project area (subsection 22(2)(a)); and
* have been created and validated, or revised and validated in accordance with the determination (subsection 22(2)(b)).

**Division 6—Newness and additionality**

Section 23 – Requirement in lieu of newness requirement

Subsection 23(1) of the determination provides that subsection 23(2) specifies three possible requirements that can be used in lieu of the newness requirement in the Act, as provided for in subparagraph 27(4A)(a)(ii) of the Act.

The newness requirement is one of the ways the Act ensures ACCU methods only credit additional abatement.

Subsection 23(2) outlines three alternative requirements for savanna sequestration projects in lieu of the newness requirement:

* Paragraph 23(2)(a) requires that the project area be a ***transferring project area***. This recognises that proponents operating projects under a previous savanna emissions avoidance determination may transfer to the determination because the determination has measures in place to ensure it can appropriately calculate and credit additional emissions reductions for these types of projects with transferring project areas.
* Paragraph 23(2)(b) provides that the project area must not have had any project covered by a savanna fire management determination or by the determination undertaken in any part of the project area.
* Paragraph 23(2)(c) allows for a project area that has previously been part of a project under a savanna fire management determination or the determination, provided no ACCUs were issued in relation to any part of the project area during that time. This provision is intended to accommodate situations where a project was registered but revoked before any ACCUs were issued, allowing the area to be treated as new for the purposes of the determination.

These requirements in lieu of the newness requirement will allow most types of previous activity at a project site and meet the OIS because of the way in which the determination determines baseline conditions. These baseline conditions ensure only additional emissions reductions are calculated even in circumstances where there has been previous fire activity in an area.

A note following subsection 23(2) explains that where paragraph 23(2)(c) applies, some provisions of the determination will operate in a modified manner to account for the earlier project activity. These modifications are set out in subsection 23(3).

Subsection 23(3) specifies how certain provisions of the determination are to be applied differently for project areas that meet the condition in paragraph 23(2)(c):

* Paragraph 23(3)(a) provides that, for the purposes of subsection 13(3) (which relates to the relevant application date for determining vegetation fuel type eligibility), the section 22 or section 29 application in which the project area was first identified is to be disregarded. This allows the project to be treated as if it were newly registered under the determination.
* Paragraph 23(3)(b) provides that, for the purposes of subsection 26(1) (which defines a transferring project area), the earlier project from which a project transfers is to be disregarded. This ensures the project area is not treated as a transferring project area under the determination.
* Paragraph 23(3)(c) provides that, for the purposes of paragraph 3(1)(a) of Schedule 1 and paragraph 3(1)(a) of Schedule 2 (which relate to the calculation of uncertainty buffers and carry-over amounts), any values previously calculated for the project area are to be disregarded.

The effect of subsection 23(3) is to ensure that, aside from satisfying the requirement in lieu of newness, the earlier project is generally treated as if it had not occurred for the purposes of the provisions listed.

Section 24 – Requirement in lieu of additionality requirement

Subsection 24(1) provides that Subsection 24(2) specifies a requirement in lieu of the regulatory additionality requirement in the Act, as provided for in subparagraph 27(4A)(b)(ii) of the Act.

Subsection 24(2) of the determination states that a project must not include land where it is required by or under a law of the Commonwealth, a State or Territory to carry out fire management for the primary purpose of reducing emissions from fire or sequestering carbon in living biomass and dead organic matter.

The effect of section 24 (2) is that if a project proponent is required by or under a Commonwealth, State or Territory law to reduce emissions from fire or sequester carbon in living biomass and dead organic matter on that land, then the project will not meet the requirement in lieu of regulatory additionality. In this situation, the project cannot be declared an eligible offsets project, as it will not result in additional abatement. However, if a project is required by a Commonwealth, State or Territory law to undertake planned fire management for any other purpose, such as asset protection, then the project will not fail this eligibility requirement.

**Division 7—Projects that include transferring project areas**

Section 25 – Simplified outline of this Division

Section 25 provides a simplified outline of the Division.

This Division contains provisions for project areas that were previously part of a project covered by a savanna emissions avoidance determination or another project covered by the determination that seek to become a new savanna sequestration project. These project areas are known as transferring project areas.

A project area may be moved from one savanna sequestration project to another under section 23 of the Rule. In this case, the crediting period for the receiving project is adjusted in accordance with section 53 of the Rule to reflect the time already elapsed under the original project.

Where the original project is an emissions avoidance project covered by a savanna fire management determination, project areas may be transferred to a savanna sequestration project under the determination in two ways. Under section 30A of the Rule, all project areas from the original project may be moved, which requires revocation of the original project’s section 27 declaration – which is the declaration under section 27 of the Act that the project is an eligible offsets project. Alternatively, under section 30B of the Rule, only some project areas may be moved, which requires a variation of the original project’s section 27 declaration to remove the transferring areas.

Section 26 – Meaning of transferring project area and related definitions

Subsection 26(1) provides that a project area is considered a transferring project area if, immediately before becoming part of a savanna sequestration project under the determination, it was part of either a project covered by a savanna emissions avoidance determination or another project covered by the determination.

A note makes it clear that subsection 26(1) is modified in certain cases where the in lieu of newness requirement, as described in paragraph 23(2)(c), has been satisfied. In those cases, paragraph 23(3)(b) sets out how the modification applies.

Subsection 26(2) provides that a transferring project area’s former determination is the method that applied to the project it was part of most recently, before it became part of the current savanna sequestration project.

Subsection 26(3) provides that a savanna sequestration project is considered a restarting transferring project if it meets three conditions:

* When it was first approved, it included at least one transferring project area.
* The former determination for each transferring project area was a savanna emissions avoidance determination.
* Before the new project was approved, the Regulator either officially removed those transferring project areas from their original project or cancelled that project altogether.

Section 27 – Requirements for projects with transferring project areas

Section 27 sets out requirements that apply to savanna sequestration projects that include one or more transferring project areas. These requirements ensure continuity between the former determination and the determination.

Subsection 27(1) provides that for each transferring project area, the final calendar year for which the project area was reported on under the former determination and the first calendar year for which the project area is reported on under the determination must be consecutive. This ensures that there is no gap in reporting between the former project and the new savanna sequestration project.

Subsection 27(2) sets out an eligibility requirement specific to restarting transferring projects. It requires that such projects must be declared eligible in accordance with the process set out in section 30A or 30B of the Rule.

Subsection 27(3) modifies the application of certain definitions for restarting transferring projects. Specifically, for the purposes of the Savanna Fire Management High Rainfall Zone and Low Rainfall Zone spatial data layers, the reference to the date the project was declared an eligible offsets project is taken to be the date the project was declared eligible under the former determination.

Subsections 27(4), 27(5), and 27(6) provide exceptions to certain project area requirements under sections 13, 14, and 15 of the determination. These exceptions apply when a relevant decision on a transferring project area is made, and the relevant application indicates that the area of land will be removed from the project in accordance with section 16. Specifically:

* Subsection 27(4) provides that the requirement for a project area to include vegetation fuel types does not apply to land that will be removed.
* Subsection 27(5) provides that the requirement for a project area to be clear of relevant weed species does not apply to land that will be removed.
* Subsection 27(6) provides that the restriction on re-including previously removed land does not apply if the land will be removed again under section 16.

Subsection 27(7) defines the terms ***relevant application*** and ***relevant decision on a transferring project area*** as used in section 27.

* A relevant application includes a section 22 application, a section 29 application, or an application under section 128 of the Act.
* A relevant decision is a decision on such an application that results in a transferring project area becoming a project area, or part of a project area.

Section 28 – Crediting period for projects that include restarting transferring project areas

A note at the start of section 28 outlines that subsection 69(2) of the Act sets out the requirements for the crediting period for an eligible offsets project. Under paragraph 69(2)(a) of the Act, the default crediting period for a project covered by the determination is 25 years. However, paragraph 69(2)(b) of the Act allows for a different crediting period to be specified in the applicable methodology determination. Section 28 specifies a shorter crediting period for restarting transferring projects.

The note further provides that projects that have been restructured are subject to separate provisions under section 57 of the Act and section 53 of the Rule. These provisions outline how the crediting period is adjusted following a restructure of the project. In all other cases, the crediting period is determined in accordance with section 69 of the Act.

Subsection 28(1) specifies the adjusted crediting period for restarting transferring projects. The crediting period is reduced by the number of years the project area was already credited under a previous savanna emissions avoidance method.

Subsection 28(2) provides that in order to calculate how many years to subtract:

* Start from 1 January 2015, or the start date of the previous project’s crediting period—whichever is later.
* End on the date the project area officially became part of the new restarting transferring project.

The time between these two dates is the number of years the area was already credited.

That amount is subtracted from the standard 25-year crediting period for the new project. This ensures that the total time a project area is credited under savanna methods does not exceed 25 years, maintaining consistency and avoiding double-counting.

Section 28A – Vegetation fuel type map for transferring project area

Subsection 28A(1) provides the conditions for when the rules in the section are relevant. It applies only if:

* The project area is a transferring project area—meaning it was previously part of another savanna fire management project.
* A vegetation map or vegetation fuel type map was already created and validated for that area under the former determination (the method that applied before the area joined the current project).

In short, Section 28A is triggered when a transferring area already has a validated vegetation map from its previous project.

Subsection 28A(2) provides that the previously validated map is automatically accepted as a vegetation fuel type map under the current determination. It also clarifies that the pixels (individual units of the map) are treated as mapping units, which are the basic units used for calculating emissions and abatement. This ensures continuity and avoids requiring duplicate mapping work for areas that have already been properly mapped.

Subsection 28A(3) provides for how to interpret vegetation classifications from older maps. If a map created under a previous savanna emissions avoidance method refers to a vegetation class, that reference is now treated as referring to the corresponding vegetation fuel type, as defined in the Savanna Fire Management Methods (2025) Technical Guidance Document. This ensures consistency in terminology and classification across different versions of the method, allowing older maps to be used reliably under the new rules.

**Division 8—Project applications**

Section 29 – Information to include in section 22, 29 and 128 applications

Section 29 sets out the information requirements for applications made under section 22, section 29 or section 128 of the Act for savanna sequestration projects that include transferring project areas or areas where eligible capacity building fire management has been conducted.

A section 22 application is made under section 22 of the Act which section provides that a person may apply to the Regulator for the declaration of an offsets project as an eligible offsets project.

A section 128 application is made under section 128 of the Act and provides that a project proponent may, during a reporting period for an eligible offsets project, request the Regulator to approve the application of a specified methodology determination to the project. This allows proponents to transfer their projects to a new or updated methodology determination, where appropriate.

Subsection 29(1) applies to savanna sequestration projects that contain one or more transferring project areas. The section 22, 29 or 128 application must state that the project includes transferring areas, identify each transferring area, and provide the unique project identifiers of the projects from which those areas are being transferred.

Subsection 29(2) applies to savanna sequestration projects that include one or more areas where eligible capacity building fire management has been undertaken. The section 22 application or section 29 application must confirm the inclusion of these areas, identify each capacity building fire management area, describe the activities carried out in each, and provide supporting evidence—such as fire permits, burning records, or reports submitted to relevant authorities—that the activities have occurred.

**Part 4—Net abatement amount**

**Division 1—Preliminary**

Section 30 – Operation of this Part

For paragraph 106(1)(c) of the Act, Part 4 of the determination specifies the method for working out the net abatement amount for a reporting period for a savanna sequestration project that is an eligible offsets project.

Section 31 – Simplified outline of this Part

Section 31 provides a simplified outline of Part 4.

For the determination, carbon abatement is accounted for by estimating:

* the avoidance of emissions of greenhouse gases (methane and nitrous oxide) into the atmosphere; and
* the carbon dioxide that is removed from the atmosphere and sequestered in living biomass and dead organic matter in savannas.

Savanna sequestration projects are sequestration offsets projects, and therefore subject to permanence obligations in accordance with the Act. These obligations relate to maintaining credited carbon stocks for the duration of the permanence period. The Regulator has powers to require relinquishment of ACCUs that have been issued in relation to project areas where permanence obligations have not been met and carbon stocks have declined below those for which the project has been credited. Part 7 of the Act specifies the conditions under which carbon credits must be relinquished.

To work out the net abatement amount in relation to a reporting period for a savanna sequestration project, the project proponent must calculate the adjusted contributions from emissions avoidance and from sequestration of carbon each calendar year that ends during the reporting period and add these together. These calculations must be performed using SavCAM.

The calculations in the determination are made over whole calendar years. It is not possible to calculate abatement over a period shorter than one calendar year or over a twelve‑month period not beginning on 1 January. While it is not possible to calculate abatement over less than a whole calendar year, this does not prevent or impact projects being declared eligible at any date during the year. For example, if a project was declared eligible on 1 December, then the crediting period starts on that date (see sections 69-70 of the Act for exceptions). Even though the crediting period starts on December 1, the abatement is calculated for the entire calendar year, because that year ends within the reporting period. This approach ensures abatement is calculated and credited, for the first year following the end of the baseline period, ensuring no ‘gap’ year between the baseline period and the crediting period (the only exception being when capacity building fire management has occurred). Abatement calculations are also made for every calendar year that ends during the crediting period. In this example, the final 11 months of the crediting period will not have any abatement calculated. Nevertheless, the project would have had 25 full years of abatement calculated and credited.

If a project has more than one project area, the net abatement from emissions avoidance and sequestration must be calculated separately for each project area. These values can then be summed across all project areas being reported on. See subsection 34(2). It is not permitted to account for negative abatement in one project area by adjusting positive abatement in another project area. For project areas that span both the high and low rainfall zones, SavCAM will automatically account for each part of a project area that is in a single rainfall zone, then add the amounts for the different rainfall zones together.

When calculating the contribution to the net abatement amount from emissions avoidance, SavCAM calculations account for emissions for all fuel classes (that is, grass fuel, fine fuel, coarse fuel, and heavy fuel and the fire impacted proportion of living biomass). When calculating the contribution to the net abatement amount from sequestration, SavCAM calculations account for living biomass and dead organic matter that consists of coarse fuel and heavy fuel.

Section 32 – All calculations must use SavCAM

Section 32 provides that all calculations undertaken in accordance with Part 4 must be performed using SavCAM. This requirement ensures consistency, transparency, and scientific integrity in the quantification of greenhouse gas abatement under the relevant savanna fire management methods. The definition of SavCAM in section 5 makes it clear that SavCAM is incorporated as it is in force from time to time, so proponents must use the latest version of SavCAM subject to the clarifications in section 8 and 9 of the determination.

Section 33 – Overview of gases accounted for in abatement calculations

Paragraph 133(1)(e) of the Act requires all material emissions emitted as a direct consequence of carrying out the project to be deducted from the net abatement calculations.

Section 33 of the determination provides an overview of the emissions sources and carbon pools, and associated greenhouse gases relevant to working out the net abatement amount for a savanna sequestration project. The gases to be taken into account when calculating abatement are:

* methane and nitrous oxide emissions from the burning of flammable vegetation (fine, coarse, and heavy fuels, and the fire-impacted proportion of living biomass) in the project area during the baseline period and the reporting period; and
* carbon dioxide from the sequestration of carbon in living biomass and dead (coarse and heavy) organic matter.

Emissions from a number of specified sources are not accounted for in the net abatement calculations as these are immaterial when compared to fire emissions. These include emissions from decomposition and degradation of living matter in the dead organic matter and soil. Emissions from existing livestock are excluded from the calculations, provided their numbers don’t significantly increase because of the project. Emissions from fossil fuels used to carry out the project are also excluded, since they are considered too small to materially affect the results.

Termite emissions are excluded from the greenhouse gas assessment boundary because they are considered immaterial. While termite methane emissions may be higher in low-rainfall zones—due to greater termite density and lower fuel loads compared to high-rainfall zones—there is limited research on how fire regimes, soil types, and termite species affect these emissions. Fire remains the dominant source of methane in both zones (likely over 90%). Although termite emissions may vary slightly due to project activities, these changes are small relative to total termite emissions and cannot currently be quantified. Therefore, excluding termite emissions is considered reasonable for both rainfall zones.

**Division 2—Calculation of net abatement amount**

Section 34 – The net abatement amount, *A*

Subsection 34(1) sets out the calculation for determining the net abatement amount, *A,* for a calendar year in the reporting period. It is used to calculate abatement resulting from fire management for both emissions avoidance and sequestration of carbon in living biomass and dead organic matter.

The net abatement amount is equal to the sum of the adjusted contribution to net abatement from emissions avoidance and the adjusted contribution to net abatement from sequestration in each project area and each full calendar year that ends in the reporting period.

The adjusted contribution to net abatement from emissions avoidance must be calculated using either SavCAM or Schedule 1. The adjusted contribution to net abatement from sequestration must be calculated using either SavCAM or Schedule 2.

*Adjustments to calculations—multiple project areas*

Subsection 34(2) sets out how the net abatement amount is calculated for a project with more than one project area. This subsection provides that to determine the net abatement for the entire project, proponents must first calculate the value of net abatement for each project area (*A*) and then add these values together.

**Part 5—Reporting, record-keeping, monitoring and notification requirements**

Subsection 106(3) of the Act provides that a methodology determination may require the project proponent of a particular type of project that is an eligible offsets project to comply with specified reporting, record-keeping and monitoring requirements.

Under Parts 17 and 21 of the Act, a failure to comply with these requirements may constitute a breach of a civil penalty provision, and a financial penalty may be payable.

Part 5 of the determination provides any additional reporting, record-keeping and monitoring requirements that project proponents must adhere to. These are in addition to any requirements specified in the Act and the Rule.

**Division 1—Offsets report requirements**

Section 35 – Operation of this Division

Section 35 states that for the purpose of paragraph 106(3)(a) of the Act, this Division outlines the specific information that must be included in an offsets report for a savanna sequestration project that has been declared an eligible offsets project. Paragraph 106(3)(a) of the Act provides that a methodology determination may require project proponents to include specified information relating to the project in each offsets report about the project.

A note to the section makes it clear that there are other reporting requirements in the Rule that proponents should also be aware of.

Section 36 – Information that must be included in offsets reports

Section 36 sets out the information that must be included in each offsets report submitted to the Regulator.

Subsection 36(1) provides that the information in paragraphs (a) to (h) must be included for each project area.

Paragraph 36(1)(a) provides that offset reports must include a statement that the project area was not varied during the reporting period, and did not result from a variation, except in accordance with section 16. Section 16 outlines the rules for varying project areas, including subdivision.

Paragraph 36(1)(b) applies where a project area was added to the project during the reporting period as a result of a variation to the section 27 declaration and is being reported on for the first time. In such cases, the proponent must include a statement confirming this is the first report for that area.

Paragraph 36(1)(c) applies to subdivided project areas being reported on for the first time and provides that the offsets report must include:

* a statement that the project area is a subdivided area and is being reported on for the first time; and
* the date on which the relevant variation to the section 27 declaration took effect.

Paragraph 36(1)(d) requires inclusion of each abatement report generated by SavCAM for each project area; and if a project area is a newly reported subdivided area, the corresponding subdivision report generated by SavCAM.

Paragraph 36(1)(e) applies where the project proponent is required to monitor the project area under section 40. In such cases, the results of the monitoring must be included in the offsets report.

Paragraph 36(1)(f) applies where monitoring is not required under section 40. In such cases, the proponent must provide a statement indicating, to the best of their knowledge, whether any relevant weed species are present in the project area.

Paragraph 36(1)(g) requires a declaration that livestock density in the project area has not increased as a result of the project. This ensures that abatement is not achieved through increased grazing pressure, which could undermine environmental outcomes.

Paragraph 36(1)(h) applies where relevant weed species have been eradicated and requires the offsets report to include a map of the affected area and evidence that the weeds were permanently removed.

Subsection 36(2) provides that, for each project area and each calendar year of the reporting period, the offsets report must include detailed information about fire management activities and planning.

Paragraph 36(2)(a) applies where planned burning was carried out. The offsets report must include:

* a statement confirming that planned burning occurred;
* a description of the location, timing, and extent of the burning;
* an indication of whether, and to what extent, the burning satisfied the requirements of section 17. Section 17 lists requirements for carrying out savanna fire management. These requirements ensure that burning meets the objectives of paragraph 11(1)(a) of the determination to sequester carbon and avoid emissions of methane and nitrous oxide.

Paragraph 36(2)(b) applies where planned burning was not carried out. The offsets report must include:

* a statement confirming that no planned burning occurred; and
* an explanation of the reasons why it was not undertaken. Under subsection 17(3), if the failure to conduct planned burning was due to circumstances beyond the proponent’s control, the project does not become ineligible.

Paragraph 36(2)(c) requires the inclusion of the project management plan prepared in accordance with section 18 for each project area and for each calendar year of the reporting period. If the plan was revised or updated during the year, paragraph 36(2)(c)(ii) requires a proponent to include either the revisions or updates, or the revised or updated plan.

Paragraph 36(2)(d) requires the inclusion of the baseline carbon stock and carbon stock at the end of the calendar year for each project area. This value is calculated using SavCAM.

Subsection 36(3) specifies that if a project proponent was required or elected to create or revise one or more vegetation fuel type maps under Division 5 of Part 3 during the reporting period, the proponent must include the following information in their offsets report:

* A statement confirming one or more vegetation fuel type maps were created or revised during the reporting period, and information on which vegetation fuel type maps were created and or revised including when this occurred and for which project area or areas – paragraph 36(3)(a) and paragraph 36(3)(b).
* For each map that was created or revised, the proponent must include:
  + a copy of the map that was created or revised and validated (if required) in accordance with the provisions in Division 5 of Part 3 – subparagraph 36(3)(c)(i);
  + if the map was created, a map that shows the boundaries of the rainfall zones referred to in section 5 in relation to the created vegetation map – subparagraph 36(3)(c)(ii);
* for any map that was revised, a statement explaining the reasons why the map required revision – subparagraph 36(3)(c)(iii);
* the ERF audit report, as applicable, relating to the validation of the vegetation fuel type map – subparagraph 36(3)(c)(iv). The ERF audit report is defined in subsection 36(7) of the *National Greenhouse an Energy Reporting Act 2007*.

Subsection 36(4) specifies that if, during the reporting period, any project area (including a subdivided project area) was removed from the project as a result of section 13 or 14, the offsets report must include, for each such project area:

* a statement that the project area was removed, including when the removal occurred and which area was affected – paragraph 36(4)(a) and (b); and
* the portion of the cumulative net abatement amount that was attributable to sequestration in the removed project area, calculated in accordance with section 10 of Schedule 2, up to the end of the year before the area was removed – paragraph 36(4)(b).

Subsection 36(5) applies in circumstances described in paragraph 9(2)(b), where a factor or parameter is defined or calculated for a reporting period by reference to an instrument or writing as in force from time to time, but the factor or parameter has not been calculated in accordance with the relevant instrument as in force at the end of the reporting period. In such cases, the offsets report must include the:

* versions of the instrument or writing that were used – paragraph 36(5)(a);
* start and end dates for each version used – paragraph 36(5)(b); and
* reasons why it was not possible to define or calculate the factor or parameter using the version in force at the end of the reporting period – paragraph 36(5)(c).

Subsection 36(6) requires that if a relevant weed species is detected in any project area during the reporting period, the offsets report must include, for each such project area:

* a statement that a relevant weed species was detected – paragraph 36(6)(a);
* the location of weed-affected areas in geospatial format – paragraph 36(6)(b);
* evidence of when and how the weed species was first treated – paragraph 36(6)(c);
* evidence of continuing treatment of the weed species – paragraph 36(6)(d);
* if and when the weed species is eradicated, a statement of that fact and supporting evidence – paragraph 36(6)(e); and
* if any area is removed from the project due to the detection of weed species, details of that removal – paragraph 36(6)(f).

**Division 2—Record keeping requirements**

Section 37 – Operation of this Division

Paragraph 106(3)(c) of the Act provides that a methodology determination may require project proponents to adhere to specified record keeping requirements for an eligible offsets project to which it applies.

Section 37 states that for the purpose of paragraph 106(3)(c) of the Act, Division 2 of Part 5 sets out the record-keeping requirements for a savanna sequestration project that is an eligible offsets project.

A note to section 37 states that other record-keeping requirements are set out in the Rule.

Section 38 – Record keeping requirements

Section 38 sets out the record-keeping requirements for project proponents in relation to the calculation of the net abatement amount.

Section 38 specifies that the project proponent must retain records of each SavCAM record-keeping report. These reports are generated by SavCAM and provide a record of the data inputs and assumptions used in the calculation of net abatement. Additionally, section 38 requires the project proponent to retain all data files used when calculating the net abatement amount.

**Division 3— Monitoring requirements**

Section 39 – Operation of this Division

Paragraph 106(3)(d) of the Act provides that a methodology determination may require project proponents to adhere to specified requirements to monitor an eligible offsets project to which it applies.

Section 39 states that for the purposes of paragraph 106(3)(d) of the Act, Division 3 of Part 5 sets out monitoring requirements for savanna sequestration projects that are eligible offsets projects.

A note to section 39 states that other monitoring requirements are set out in the Rule.

Section 40 – Monitoring requirements

Section 40 specifies that a project proponent for a savanna sequestration project must comply with the monitoring requirement instructions listed in the that section as part of a table.

A table sets out instructions for the monitoring requirements with which a project proponent must comply when carrying out a project under the determination. There is a requirement that project proponents must monitor for the presence of relevant weed species.

Relevant weed species are weeds which, where present, are known to result in more severe fire behaviour compared to the fire behaviour in any of the vegetation fuel types for which abatement calculations are made in the determination. For example, where relevant weed species are present, fires are likely to burn at greater intensities than in areas where there is an absence of relevant weed species. This results in more greenhouse gases being emitted to the atmosphere and less carbon being sequestered in dead organic matter for fires in areas where relevant weed species are present compared to from fires in areas where relevant weed species are absent.

Section 14 specifies requirements to manage relevant weed species. Section 16 specifies how project areas can be subdivided, and how this process can be used to remove areas containing relevant weed species from the project; to ensure the project remains an eligible offset project under the determination.

The table in section 40 provides that monitoring for relevant weed species must occur as detailed in the *Savanna Fire Management Methods (2025) Technical Guidance Document*. The frequency of monitoring must be consistent with the requirements in the ***Relevant Weeds Risk spatial data layer*,** if available, or otherwise the *Savanna Fire Management Methods (2025) Technical Guidance Document*.

However, the table in section 40 also specifies that these monitoring requirements are only applicable if the *Savanna Fire Management Methods (2025) Technical Guidance Document* provides the relevant instructions on how to monitor for relevant weed species.

**Division 4— Notification requirements**

Section 41 – Operation of this Division

Section 41 states that operation of Division 4 of Part 5 of the determination. For the purposes of paragraph 80(1)(b) of the Act, Division 4 sets out the notification requirements that apply to a savanna sequestration project that is an eligible offsets project.

Section 42 – Notification requirements

Section 42 provides that if a relevant weed species is detected in a project area for the first time, the project proponent must notify the Regulator within 60 days of becoming aware of the detection. The notification must include the:

* date on which the weed species was detected; and
* name of the weed species detected.

**Part 6—Partial reporting**

Section 43 – Partial reporting

Section 43 provides that for the purposes of section 77A of the Act, an overall project may only be divided into parts that consist of one or more whole project areas.

The effect of subsection 77A(1) of the Act is that project proponents may divide a project into two or more parts and report on those parts as if they were projects in their own right. Each of these parts can be reported on separately. For example, a proponent of a project under the determination may choose to divide the project so it can combine multiple smaller projects or land areas into a single, larger project, or for partial reporting or other reasons.

Subsection 77A(2) of the Act provides that the division of the overall project must comply with such requirements (if any) as are set out in the applicable methodology determination for the overall project. The effect of section 77A of the Act is that, if an overall project is divided in this manner, the project proponent must provide the Regulator an offsets reports for the period for which the project is divided, as if each part into which the project has been divided were an eligible offsets project in its own right. An offsets report is not required for the entire, undivided project. Section 77A of the Act does not otherwise impact on when offsets reports are required.

**Schedule 1—Emissions avoidance—calculation of adjusted contribution to net abatement amount for a calendar year**

**Division 1—Preliminary**

Clause 1 – Simplified outline of this Schedule

Clause 1 provides a simplified outline of Schedule 1. While simplified outlines are included to assist readers to understand the substantive provisions, the outlines are not intended to be comprehensive. It is intended that readers should rely on the substantive provisions.

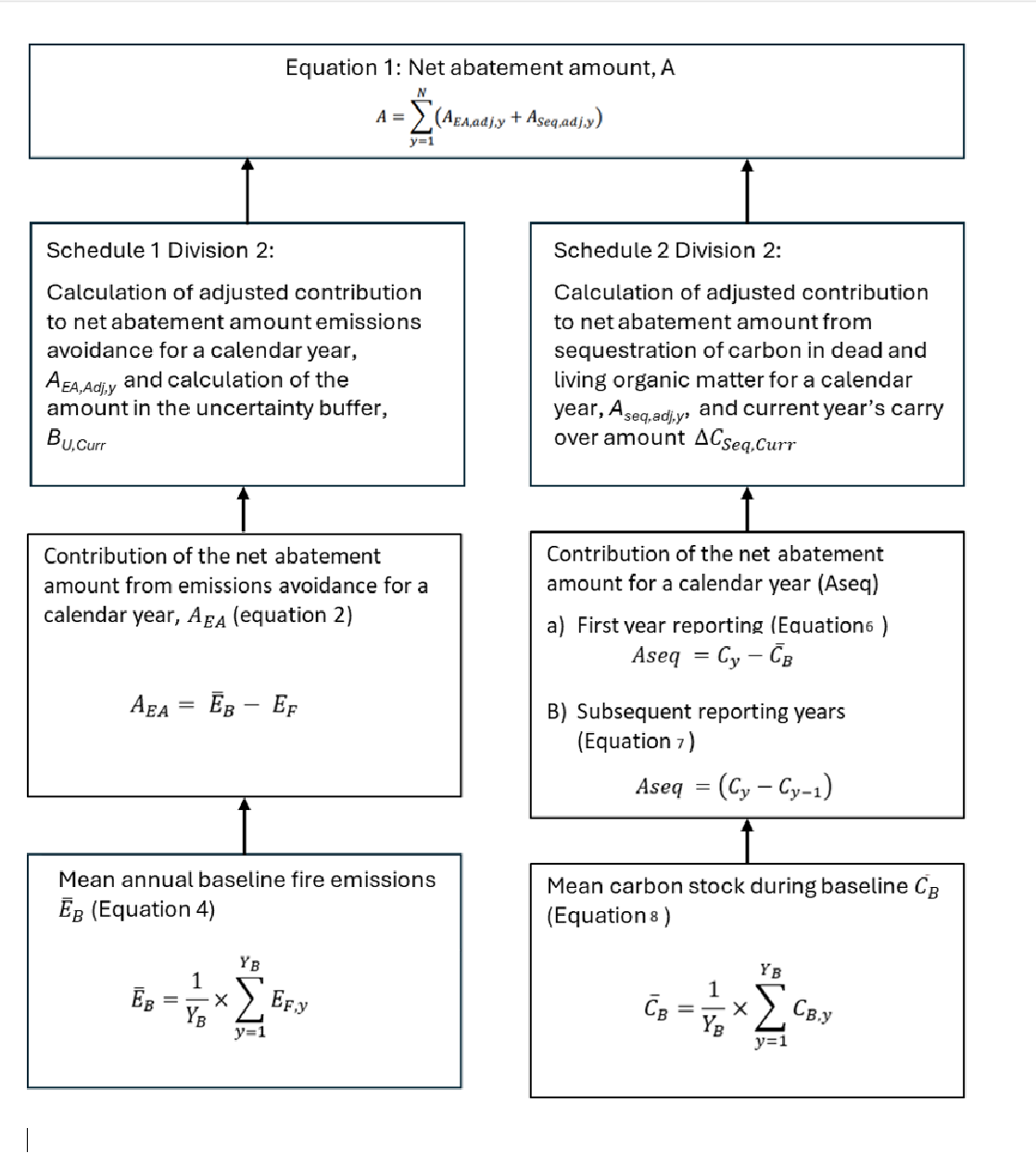
To calculate the net abatement amount for a project area, the first step is to determine the emissions avoided during the calendar year (*AEA*). This is done by subtracting the actual emissions from savanna burning in that year from the mean annual emissions over the baseline period.

Next, the adjusted contribution to net abatement (*AEA,adj*) is calculated by allocating part of *AEA* to an uncertainty buffer. This buffer accounts for the risk that emissions in some years may exceed the baseline average. The buffer generally starts at zero—unless the area is a transferring project area—and is capped at 5 per cent of the mean annual baseline emissions (*BU,Cap*). When *AEA* is negative, the buffer is reduced; when *AEA* is positive, the buffer is increased, up to the cap. Projects which continuously perform well would meet the threshold for the uncertainty buffer cap within the first few project years and not need to continue to contribute to the buffer. In total, the uncertainty buffer for most projects will be 5% by the end of the project’s crediting period, therefore acting as an overall discount to ensure the method is conservative.

The cap and other values linked to the baseline period are recalculated annually and may change due to updates to referenced documents, revisions to the vegetation fuel type map, or changes to project area boundaries.

* Figure 2 provides a flow chart of the calculations for calculating the adjusted contribution to net abatement amount. SavCAM processes these steps automatically.

**Figure 2 Net abatement amount calculations flow chart**

  
**Division 2— Calculations**

Clause 2 – Calculation of adjusted contribution to net abatement amount from emissions avoidance for a calendar year, AEA,adj

Paragraph 34(1)(b) provides that the adjusted contribution to the net abatement amount from emissions avoidance for each calendar year *y*, is determined in Schedule 1.

Net annual abatement is adjusted to manage inter-annual variability in avoided emissions and the risk of the project containing some year(s) with emissions that are higher than the baseline mean annual emissions. Adjusting the net annual abatement in each project area reduces the risk of over-crediting of projects.

Clause 2 provides that in order to calculate this adjusted contribution from emissions avoidance for a particular calendar year y, it is necessary to:

* Calculate the previous year’s uncertainty buffer (*BU,Prev*) in tonnes CO₂-e, in accordance with clause 3 (paragraph 2(a))
* Calculate the contribution to the net abatement amount from emissions avoidance (*AEA*) for the calendar year, in tonnes CO₂-e, in accordance with clause 4 (paragraph 2(b))
* Calculate the uncertainty buffer cap (B*U,Cap*) for the project area for the calendar year, in tonnes CO₂-e, in accordance with clause 5 (paragraph 2(c))
* Determine which set of conditions in the table set out within the clause applies to the project area for the calendar year (paragraph 2(d))
* Based on the applicable row of the table, calculate both the adjusted contribution to net abatement (AEA,adj) for the calendar year, in tonnes CO₂-e; and the current year’s uncertainty buffer (BU,Curr) for the project area, in tonnes CO₂-e (paragraph 2(e))

There are two notes. Note 1 explains that Division 3 provides adjustments to the calculation methods where a project area:

* spans both high and low rainfall zones (see clause 10); or
* has been divided into two or more subdivided project areas (see clause 12).

Note 2 states that if the vegetation fuel type map is revised during a reporting period under section 21 of the determination, the version of the map in force at the end of the reporting period must be used for all calculations relating to that period—including the current year’s uncertainty buffer, the uncertainty buffer cap, and baseline-related amounts. However, any uncertainty buffer calculated for a previous year using an earlier version of the map is not recalculated using the revised version.

The examples and flow diagrams, below, describe how the table in clause 2 calculates the adjusted contribution to net abatement and the value of the current year’s uncertainty buffer. All possible scenarios are summarised in the decision tree and the examples, below, and adhere to the rules in the table in clause 2.

The adjustment applied to net annual project abatement in the table in clause 2 considers whether the:

* value in the uncertainty buffer at the end of the previous calendar year (*BU,Prev*) was more or less than zero or not;
* capped uncertainty buffer value has been achieved; and
* net annual project abatement is greater or less than zero.

When the value of the uncertainty buffer at the end of the previous calendar year was greater than, or equal to, zero but less than the capped value, and net annual abatement is greater than zero, then a contribution from net abatement is made to the uncertainty buffer. This contribution is a maximum of 10% of the total net annual abatement from emissions avoidance, such that the amount in the uncertainty buffer does not exceed the uncertainty buffer cap value.

If the contribution to the net abatement amount from emissions avoidance for any calendar year in the crediting period is a negative amount, the adjusted contribution to the net abatement amount from avoided emissions for the calendar year is taken to be zero. This net negative abatement is accounted for by the amount in the uncertainty buffer. If a negative amount remains in the uncertainty buffer, this is accounted for in subsequent calendar year(s) before further credits are issued.

An exception to this occurs when the sum of the net abatement amount from emissions avoidance and the amount in the uncertainty buffer from the previous year sum to a value greater than the value for the uncertainty buffer cap. In this case, the adjusted net abatement amount from emissions is the sum of the net abatement amount and the uncertainty buffer from the previous year, less the value for the uncertainty buffer cap.



**Examples: Calculation of adjusted contribution to net abatement amount from emissions avoidance**

*Each example corresponds to a row in the table in clause 2 of Schedule 1.*

*For all examples the uncertainty buffer cap is equal to 4,500 t CO2-e.*

*Example 1 – Row 1 of table*

The net abatement from emissions avoidance this calendar year is -300 t CO2-e and the value of the uncertainty buffer at the end of the previous calendar year was 4,000 t CO2‑e. Row 1 of the table applies because the sum of these amounts (3,700 t CO2­-e)­ is less than the uncertainty buffer cap (4,500 t CO2­-e). Using the right-hand columns of the table, the adjusted net annual abatement is zero and the value of the uncertainty buffer at the end of this calendar year is 3,700 t CO2‑e.

*Example 2 – Row 2 of table*

The project area being reported on has transferred from the *Carbon Credits (Carbon Farming Initiative—Emissions Abatement through Savanna Fire Management) Methodology Determination 2015*, and brought with it from the previous year an uncertainty buffer of 6,000 t CO2-e. The net abatement from emissions avoidance this calendar year is -300 t CO2-e. Row 2 of the table applies because the condition has been met: that is, the sum of these amounts (5,700 t CO2­-e) is greater than the uncertainty buffer cap (4,500 t CO2­-e).

The adjusted net annual abatement is the sum of the net abatement for the year plus the previous year’s uncertainty buffer, minus the uncertainty buffer cap. That is: (-300) + (6,000) – (4,500) = 1,200 t CO2-e.

The value of the uncertainty buffer takes on the value of the uncertainty buffer cap (4,500 t CO2-e).

This example results in an adjusted contribution to the net abatement amount from emissions avoidance, which is positive, even though the actual net abatement for the project for the calendar year was negative.

*Example 3 – Row 3 of table*

The net abatement from emissions avoidance is 500 t CO2-e and the value of the uncertainty buffer at the end of the previous calendar year was -800 t CO2-e. Row 3 of the table applies because the condition has been met: that is, the sum of these amounts (‑300 t CO2­-e) is less than zero.

The adjusted net annual abatement is 0 t CO2-e.

The value of the uncertainty buffer takes on the value of the sum of the net abatement and the value of the previous year’s uncertainty buffer: (-800) + (500) = -300 t CO2-e.

In subsequent years, the uncertainty buffer must become positive before the adjusted contribution to the net abatement from emissions avoidance for the project area for the project year will be positive.

*Example 4 – Row 4 of table*

The net abatement is 20,000 t CO2-e. The value of the previous year’s uncertainty buffer is -1000 t CO2-e. Row 4 of the table applies because two conditions have been met. Firstly, these two values sum to a positive number, 19,000 t CO2-e. Secondly, 10% of the summed value (1,900 t CO2-e) is less than the uncertainty buffer cap (4,500 t CO2-e).

Therefore, the adjusted contribution to the net abatement from emissions avoidance is 90% of the sum of the net abatement and the value of the previous year’s uncertainty buffer. That is: 0.9 x (20,000 -1000) = 17,100 t CO2-e.

The uncertainty buffer for the current year is equal to 10% of the sum of the net abatement and the value of the previous year’s uncertainty buffer. That is: 0.1 x (20,000 -1000) = 1,900 t CO2-e.

*Example 5 – Row 5 of table*

The net abatement is 65,000 t CO2-e. The value of the previous year’s uncertainty buffer is negative at – 1,000 t CO2-e. Row 5 of the table applies because, two conditions have been met. Firstly, these two values sum to a positive number, 64,000 t CO2-e. Secondly, 10% of the summed value (6,400 t CO2-e) is greater than the uncertainty buffer cap (4,500 t CO2-e).

Therefore, the adjusted contribution to the net abatement from emissions avoidance is the net abatement plus the value of the uncertainty buffer for the previous year, less the value of the uncertainty buffer cap. That is, 65,000 + (-1000) – 4,500 = 59,500 t CO2-e.

The value of the uncertainty buffer for the current year is equal to the value of the uncertainty buffer cap (4,500 t CO2-e).

*Example 6 – Row 6 of table*

The net abatement is 20,000 t CO2-e. The value of the previous year’s uncertainty buffer is 2,000 t CO2-e. Row 6 of the table applies because the condition has been met: that is, the sum of 10% of the net abatement and the value of the previous year’s uncertainty buffer is less than the uncertainty buffer cap (4,500 t CO2-e). That is: 2,000 +2,000 = 4,000.

Therefore, the adjusted contribution to the net abatement from emissions avoidance is 90% of the net abatement. That is: 0.9 ´ 20,000 t CO2-e = 18,000 t CO2-e.

The value of the uncertainty buffer for the current year is equal to 10% of the net abatement added to the previous year’s uncertainty buffer. That is: 2,000 + 2,000 = 4,000 t CO2-e.

*Example 7 – Row 7 of table*

The net abatement is 65,000 t CO2-e. The value of the previous year’s uncertainty buffer is positive at 1,000 t CO2-e. Row 7 of the table applies because the condition has been met: that is, the sum of 10% of the net abatement and the value of the previous year’s uncertainty buffer is greater than the uncertainty buffer cap (4,500 t CO2-e). That is: 6,500 + 1,000 = 7,500.

Therefore, the adjusted contribution to the net abatement from emissions avoidance is the net abatement plus the value of the uncertainty buffer for the previous year, less the value of the uncertainty buffer cap. That is, 65,000 + 1000 – 4,500 = 61,500 t CO2-e.

The value of the uncertainty buffer for the current year is equal to the value of the uncertainty buffer cap (4,500 t CO2-e).

Clause 3 – The previous year’s uncertainty buffer, *BU,Prev*

Clause 3 of defines the value of the uncertainty buffer for the previous year, *BU,Prev* for the purposes of paragraph 2(a) and subject to clause 12. Clause 12 provides for how to calculate the previous year’s uncertainty buffer when a project area is divided into subdivided project areas.

Paragraph 3(1)(a) specifies that if it is the first calendar year of the project, or the uncertainty buffer was not calculated under a former determination, then the value for *BU,Prev* is zero.

A note states that the uncertainty buffer might have been calculated as the current year’s uncertainty buffer *BU,Curr*under the determination or the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Emissions Avoidance) Methodology Determination 2025* or the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Emissions Avoidance) Methodology Determination 2018* or the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management— Sequestration and Emissions Avoidance) Methodology Determination 2018*, or as the amount *Ry* under the *Carbon Credits (Carbon Farming Initiative—Emissions Abatement through Savanna Fire Management) Methodology Determination 2015*.

Subclause 3(2) provides that if the project had been reported on for that year, the relevant value for the purposes of paragraph 3(1)(a) is the value reported in the offsets report.

A note states that paragraph 3(1)(a) can be modified in some cases in line with paragraph 23(2)(c) of the determination. That is, if the requirement in lieu of the newness requirement set out in paragraph 23(2)(c) of the determination is met, disregard any value for the uncertainty buffer that might have been calculated for the project area referred to in paragraph 23(2)(c) of the determination, in accordance with subparagraph 23(3)(c)(i) of the determination. As a result, for projects affected by this provision, the value for the uncertainty buffer *BU,Prev* in the first calendar year under the determination is taken to be equal to zero. This applies in the situation where a project had been undertaken in the project area or part of the project area, but no ACCUs have been issued in relation to any part of the project area while it was covered by any such methodology determination.

Clause 4 – The contribution to the net abatement amount from emissions avoidance for a calendar year, AEA

Clause 4 provides a definition of *AEA,* and sets out equation 2 used to determine the contribution to the net abatement amount in tonnes CO2e from the avoidance of emissions for a calendar year. The contribution to the net abatement amount from the avoidance of emissions for a calendar yearis the difference between the mean annual baseline fire emissions for the project area and the fire emissions for the project area for the calendar year,

The mean annual baseline emissions for the project area are calculated in accordance with clause 6, and the fire emissions for the project area for the calendar year parameter is provided by SavCAM.

Clause 5 – The uncertainty buffer cap for a calendar year BU,Cap

Clause 5 sets out equation 3 used to calculate the value of the uncertainty buffer cap, for the project area for a given calendar year in tonnes of CO2e. The uncertainty buffer cap must be calculated for each calendar year being reported on, as the value may change if there are updates to input parameters used to calculate the mean annual baseline fire emissions.

The uncertainty buffer cap is equal to 5% of the mean annual baseline fire emissions for the project area, which in turn are calculated using clause 6.

Clause 6 – Mean annual baseline fire emissions

Clause 6 provides that mean annual baseline fire emissions are calculated using equation 4 for project areas, or parts of project areas, located in either the low-rainfall or high-rainfall zones.

equation 4 calculates the mean annual baseline fire emissions by multiplying two values:

* The first is equal to 1 divided by the number of years in the baseline period.
* The second is equal to the total fire emissions for the project area (in tonnes of CO₂-e) from all the years in the baseline combined. This can also be calculated by SavCAM.

For projects that have not been registered under a former determination, *YB* will be 20 years. For transferring projects, *YB* in the equation will vary depending on whether the project area (or project area part) is in the low rainfall or the high rainfall zones, to reflect the number of years in the baseline period (15 years and 10 years respectively).

The mean annual baseline fire emissions must be recalculated each calendar year as the value may change if there are updates to input parameters.

**Division 3— Adjustments to calculations**

Clause 7 – Adjustments resulting from project area spanning rainfall zones

Clause 7 provides that if the project area spans both rainfall zones, then the adjusted contribution to the net abatement amount from emissions avoidance, *AEA,adj*, must be calculated separately for each project area part, and then these values are summed to determine the adjusted contribution to the net abatement amount from emissions avoidance for the whole project area.

As a result, any positive or negative amounts to be carried forward for the following year (the uncertainty buffer for the project area are at clause 2) must be calculated and forwarded separately for each project area part.

These values cannot be used to adjust similar values for other project areas, such as cancelling out negative values in one project area by using positive values from another project area.

Because adjusted abatement is zeroed in instances of negative abatement, amounts summed from each project area cannot be negative. Negative abatement within a project area is carried over to the adjusted abatement calculation for that project area in the next calendar year. It is important for the calculations that the abatement amounts remain linked to specific project area parts.

**Example: Adjustments resulting from project area spanning rainfall zones**

A project has two project area parts – one in the high rainfall zone and one in the low rainfall zone.

The project area part in the high rainfall zone is that described in example 4 in clause 2 of Schedule 1 of this Explanatory Statement.

The project area part in the low rainfall zone is that described in example 3 in clause 2 of Schedule 1 of this Explanatory Statement.

In summary:

Rainfall Zone *AEA BU,Prev AEA,adj BU,Curr*

High 20,000 t CO2-e -1000 t CO2-e 17,100 t CO2-e 1,900 t CO2-e.

Low500 t CO2-e -800 t CO2-e 0 t CO2-e -300 t CO2-e

In this project area, for the reporting year there is a negative amount in the uncertainty buffer in the project area part in the low rainfall zone, and a positive amount in the uncertainty buffer in the project area part in the high rainfall zone. The positive amount in the uncertainty buffer in the high rainfall project area part cannot be used to remove the negative amount in the uncertainty buffer for the low rainfall zone project area part. Each project area part is treated like a separate project area for the duration of the crediting period.

Clause 8 – Adjustments resulting from lack of fire activity

Subclause 8(1) specifies that clause 8 only applies when there has been a lack of fire activity during a calendar year (early dry season fire or late dry season fire).

Subclause 8(2) provides that if no planned burning was carried out in a project area during a calendar year, the fire emissions for that year are assumed to be equal to the mean annual baseline fire emissions for that area.

This means that instead of calculating actual emissions for that year, the method uses a default value based on historical fire activity. This approach ensures consistency in reporting when no fire management activities take place.

Clause 9 – Adjustments resulting from subdivided project areas

Clause 9 applies when a project area has been divided into two or more subdivided project areas. It provides that immediately after the subdivision occurs, the value of the previous year’s uncertainty buffer for the project area *BU,Prev* which is required to determine the net abatement amount form emissions avoidance in Clause 2 will be equal to *BU,Prev,Subdiv*. Clause 9 provides that equation 5 will determine the value of *BU,Prev,Subdiv*.

equation states that *BU,Prev,Subdiv* is equal to the multiplication of two values:

* The first value is equal to the mean annual baseline fire emissions for the subdivided project area (in tonnes CO2-e) divided by the mean annual baseline fire emissions for the project area – where both are calculated in accordance with clause 6.
* The second value is equal to the previous year’s uncertainty buffer for the original project area as given by subclause 3(1) as if the project area had not been divided.

Clause 9 determines the proportion of the value in the uncertainty buffer from the original project area attributed to each subdivided project area. For each subdivided project area, the proportion used to distribute the uncertainty buffer value is the mean annual baseline emissions for the subdivided project area compared to the mean annual baseline emissions for the original project area. This allocation of the uncertainty buffer to subdivided project areas only occurs in the year immediately after the original project area was subdivided into two or more subdivided project areas.

**Schedule 2— Sequestration—calculation of adjusted contribution to net abatement amount for a calendar year**

**Division 1—Preliminary**

Clause 1 – Simplified outline of this Schedule

Clause 1 provides a simplified outline of Schedule 2.

Section 34 of the determination sets out the net abatement amount for a reporting period. This requires calculating the adjusted contribution to the net abatement amount for the project area from sequestration of carbon in living biomass and dead organic matter for a calendar year, *ASeq,adj*. It allows for either SavCAM or Schedule 2 to be used to calculate this parameter. Schedule 2 provides instructions on how to calculate *ASeq,adj*.

The initial step is to calculate the unadjusted sequestration amount (*ASeq*). For the first reporting year, this is the difference between the carbon stock at the end of the year and the average carbon stock during the baseline period. For later years, it is the difference between the carbon stock at the end of the year and that of the previous year.

*ASeq* is then adjusted to produce *ASeq,adj* by subtracting any negative abatement carried over from the previous year. A further adjustment is made to account for the risk of reversal and permanence period discount factors that would normally apply under section 16 of the Act. Although these factors are set to zero under the Rule for projects covered by the determination, a corresponding sequestration buffer is applied to ensure equivalent treatment. These adjustments do not apply to emissions avoidance abatement.

Baseline-related values are recalculated annually and may vary due to updates to referenced documents, revisions to the vegetation fuel type map, or changes to project area boundaries.

Figure 2 above provides a flow chart of how the adjusted contribution to net abatement amount from sequestration is calculated and how it feeds into the calculation of the net abatement amount for a savanna sequestration project for a reporting period.

**Division 2— Calculations**

Clause 2 – Calculation of adjusted contribution to net abatement amount from sequestration of carbon in living biomass or dead organic matter for a calendar year, *ASeq­,adj*

Clause 2 provides for how to calculate the adjusted contribution to the net abatement amount arising from sequestering carbon in dead organic matter during the calendar year *ASeq,adj.*

To calculate the adjusted contribution to the net abatement amount from sequestration (*ASeq,adj*) for a specific project area, project area part, and calendar year for the purposes of paragraph (b) of the definition in subsection 34(1), the following steps must be followed:

* Calculate the previous year’s carry-over amount (***Δ****CSeq,Prev*) in tonnes CO₂-e, in accordance with clause 3. Negative carry-over values exist if the previous calendar year’s net sequestration abatement was negative. This could occur if the sequestration abatement for the previous calendar year was negative, or if earlier calendar years had a negative sequestration abatement amount that had not totally been accounted for in subsequent calendar years.
* Calculate the sequestration contribution (*ASeq*) for the calendar year in tonnes CO₂-e, in accordance with clause 4.
* Determine the sequestration buffer (*BSeq*), in accordance with clause 5 of the Schedule. The sequestration buffer corresponds to the permanence period discount number and risk of reversal buffer number that applies to the sequestration component of the net abatement amount, but not to the avoided emissions component of the net abatement amount.
* Identify which set of conditions in the relevant table applies to the project area for the calendar year.
* Based on the applicable row of the table in clause 2, calculate the:
  + adjusted sequestration contribution (*ASeq,adj*) for the calendar year, in tonnes CO₂-e; and
  + current year’s carry-over amount (*ΔCSeq,Curr*) for the project area, in tonnes CO₂-e.

The table in paragraph 2(e) specifies the appropriate approach for adjusting the value of *ASeq* calculated in clause 4.

The amount *ASeq* *­*represents the change in the amount of carbon that is taken to be sequestered in living biomass and dead organic matter, and in particular, in coarse fuel and heavy fuel, in the project area during the current calendar year. A value of *ASeq* that is less than zero represents a reversal of sequestration for the current calendar year. This does not detract from the adjusted contribution to net abatement amount from sequestration for the current calendar year, *ASeq,adj*, nor from the net abatement amount for the reporting period, *A*. However, the negative number is carried forward to the following calendar year, and contributes to the amount *DCSeq,Prev* for the following calendar year.

When *DCSeq,Curr* is zero, there is no need to carry the amount *DCSeq,Prev* for the following calendar year is set to zero.

Note 1 in clause 2 makes it clear that Division 3 outlines adjustments to the calculation methods that apply in circumstances where:

* a project area spans both high and low rainfall zones (see clause 8);
* no relevant fire activity has occurred in the project area between the start of the crediting period and the end of the calendar year (see clause 9); and
* a project area has been divided into two or more subdivided project areas (see clause 10).

Note 2 makes it clear that if the vegetation fuel type map is revised during a reporting period under section 21 of the determination, the revised version of the map—as in force at the end of the reporting period—must be used for all calculations relating to that period, including those linked to the baseline period (see subclause 10(1)). However, values calculated in previous years, such as the carry-over amount and *CSeq,Prev*, are not updated to reflect the revised map.

**Examples: Calculation of adjusted contribution to net abatement from sequestration and the current year’s carryover amount for the project area** (from table in clause 2)

*In both examples, the contribution to the net abatement amount from sequestration for the project area for the calendar year, ASeq, is 5,000 t CO2-e, and the permanence period is 25 years*

*Example 1 – Row 1 of table*

The previous year’s carry‑over amount for the project area, *DCSeq,Prev* is equal to zero. Row 1 of the table applies because the condition has been met. That is, *ASeq* + *DCSeq,Prev* ³ 0: i.e. 5,000 + 0 = 5,000 t CO2-e.

The value of the adjusted contribution from sequestration, *ASeq,adj*, is calculated according to Row 1 of the table. Firstly, the sequestration buffer is determined from clause 5 of Schedule 2 – for a project with a 25-year permanence period, the sequestration buffer is equal to 0.25. Secondly, the equation provided in Row 1 is used to determine *ASeq,adj*. The calculation in this example is: (1-0.25) x (5,000 + 0) = 0.75 x 5,000 = 3,750 t CO2-e.

The current year’s carry‑over amount for the project area, *DCSeq,Curr*, takes on the value of zero. This value becomes the previous year’s carry‑over amount for the project area, *DCSeq,Prev*, for the following year. Only negative abatement is carried forward to following year calculations.

*Example 2 – Row 2 of table*

The previous year’s carry‑over amount for the project area, *DCSeq,Prev* is -7,000 t CO2-e. Row 2 of the table applies because the condition has been met. That is, *ASeq* + *DCSeq,Prev* < 0: i.e. 5,000 + -7,000 = -2,000 t CO2-e.

The value of the adjusted contribution from sequestration, *ASeq,adj*, is calculated according to Row 2 of the table. The value is equal to zero.

There is no sequestration abatement for this calendar year, as the positive contribution to the net abatement amount from sequestration is less than the negative value of the previous year’s carry-over amount.

The current year’s carry‑over amount for the project area, *DCSeq,Curr*, is the sum of the contribution to the net abatement amount from sequestration and the previous year’s carry‑over amount for the project area. That is: 5,000 + (-7,000) = -2,000 t CO2-e. This value becomes the previous year’s carry‑over amount for the project area, *DCSeq,Prev*, for the following year.

Clause 3 – The previous year’s carry over amount, *DCSeq,Prev*

Clause 3 defines how to calculate the previous year’s carry-over amount, *DCSeq,Prev* for the purposes of paragraph 2(a) but subject to clause 10. If the project area was subdivided during the calendar year, then the value for *DCSeq,Prev* must be calculated in accordance with clause 10.

A note makes it clear that in some years, the sequestration contribution (*ASeq*) may be negative—for example, if carbon previously stored in dead organic matter or living biomass is released. While this negative value does not reduce the adjusted sequestration contribution (*ASeq,adj*) or the overall net abatement amount (*A*) for that year, it is carried forward into the next year’s calculations as the previous year’s carry-over amount (***Δ****CSeq,Prev*). This carry-over amount, which is either zero or negative, reduces any positive sequestration credited in future years.

Subclause 3(1) defines the value for *DCSeq,Prev* as being the value of *DCSeq,Curr* calculated in the previous calendar year. If *DCSeq,Curr* was not calculated in the previous calendar year, then the value of *DCSeq,Prev* is zero. For project areas transferring from emissions avoidance projects, this value is always equal to zero for the first calendar year under the determination.

Subclause 3(2) provides that, for paragraph (1)(a), if the project was reported on for the previous calendar year then the relevant value is the value reported in the offsets report.

A note to this subclause notes that paragraph (1)(a) can be modified in some cases in line with paragraph 23(2)(c) of the determination. That is, if the requirement in lieu of the newness requirement set out in paragraph 23(2)(c) of the determination is met, then, in accordance with subparagraph 23(3)(c)(ii) of the determination, disregard any values that might have been calculated in relation to the project area referred to in paragraph 23(2)(c) of the determination. This applies in the situation where a project had been undertaken in the project area or part of the project area, but no ACUs have been issued for any part of the project area while it was covered by any such methodology determination.

Clause 4 – The contribution to the net abatement amount from sequestration for a calendar year, *ASeq*

Clause 4 defines the value of the contribution to the net abatement amount from sequestration for a project area for a calendar year, *ASeq*, in tonnes CO₂-e.

For the first reporting year, the net carbon stock change is calculated using equation 6, which determines the difference between current years carbon stock and the mean annual baseline carbon stock.

For subsequent reporting years, equation 7 sets out the calculation for determining the contribution to the net abatement amount in tonnes CO2-e from the sequestration for a calendar year, for subsequent reporting years. The contribution to the net abatement amount from the sequestration for a calendar yearis the difference between the current years carbon stock and the previous year’s carbon stock.

Clause 5 – The sequestration buffer

Clause 5 defines the sequestration buffer that is to be applied to the sequestration abatement. This combines the effects of the risk of reversal buffer number and permanence period discount number that ordinarily apply in relation to sequestration offsets projects. The risk of reversal buffer number and permanence period discount number values are set to zero in section 9B of the Rule*.* The sequestration buffer effectively re-applies those discounts, but only to the abatement due to sequestration. That is, all 25-year permanence period projects have a 25 % sequestration buffer, and receive 75 % of their sequestration abatement. All 100-year permanence period projects have a 5% sequestration buffer, and receive 95 % of their sequestration abatement. The sequestration buffer accounts for the risk that carbon sequestered as a result of the project does not remain permanently in the landscape.

This discount does not apply to the abatement due to the avoidance of emissions.

Clause 6 – Mean baseline carbon stock for project

Clause 6 provides that the mean annual baseline carbon stock is calculated using equation 8 for project areas, or parts of project areas, located in either the low-rainfall or high-rainfall zones.

For project that have not been registered under a former determination, *YB* is 20 years. For transferring projects, *YB* in the equation will vary depending on whether the project area (or project area part) is in the low rainfall or the high rainfall zones, to reflect the number of years in the baseline period (15 years and 10 years respectively).

**Division 3–Adjustments to calculations**

Clause 7 – Adjustments resulting from project area spanning rainfall zones

Clause 7 specifies that if the project area spans both rainfall zones, then the contribution to the net abatement amount from sequestration, *ASeq,adj*, must be calculated separately for each project area part, and then these values summed to determine the contribution to the net abatement amount from sequestration for the whole project area. Each project area part contains an area wholly within either the high rainfall zone or wholly within the low rainfall zone.

As a result of clause 7, positive or negative amounts to be carried forward for the following year (the carry-over amount for the project area at clause 2– *∆CSeq,Prev*) must be calculated and forwarded separately for each project area part. If such amounts are negative for one project area part, the negative does not detract from any positive abatement that might arise in the other project area part. If such amounts are positive for one project area part, the positive does not cancel out any negative abatement that might arise in the other project area part. This means that positive or negative abatement in one project area part cannot be used to offset negative or positive amounts for other project area parts.

Each year, *∆CSeq,Prev* can be positive or negative, and is required for calculation of the following year’s abatement. Values for each project area part cannot be used to adjust values for other project area parts or other project areas. For example, if for a calendar year, the value for *∆CSeq,Prev* is positive in the project area part representing the high rainfall zone, this cannot be used to cancel out a negative value for *∆CSeq,Prev* for the project area part representing the low rainfall zone.

It is important for the calculations that the abatement amounts remain linked to specific project area parts.

Clause 8 – Adjustments resulting from lack of fire activity

Subclause 8(1) specifies that clause 8 only applies when there has been a lack of fire activity during a calendar year (early dry season fire or late dry season fire).

Subclause 8(2) provides that if no planned burning was carried out in a project area during a calendar year, the carbon stock at the end of that calendar year are assumed to be equal to the carbon stock at the end of the previous calendar year.

Clause 9 – Adjustments resulting from subdivided project areas

Clause 9 is relevant when a subdivided project area is first reported on, and provides for how the following amounts are calculated for the subdivided project area:

* the previous year’s carry‑over amount, *DCSeq,Prev* – see subclause 9(1) and equation 9 and
* the adjustment value for the previous year’s carbon stock from the original project area that is attributed to each subdivided project area – see subclause 9(2) and equation 10

In both cases, the amount attributed to each subdivided project area is a proportion of the relevant amount for the original project area, where the proportion is equal to the ratio of the baseline carbon stock in the subdivided and original project areas.

Clause 10 – Attribution of cumulative net abatement amount to a project area being removed from the project

Clause 10 applies when a project area (including a subdivided project area) is removed from a project to comply with the eligibility requirement of subclause 14 of the determination, or for another reason.

For example, a project area must be removed if it contains a relevant weed species not being actively managed, or if it has been cleared of all vegetation fuel types listed in the *Savanna Fire Management Methods (2025) Technical Guidance Document*. In this example, for the project to remain an eligible offsets project, the project area must be removed from the project. This may require subdivision to isolate the cleared or weed infested area in accordance with sections 14and 16, so that one project area complies with the eligibility requirements.

If a project area is removed from a project in this manner, the reporting requirement of subsection 36(4) applies, and requires, among other things, the offsets report to include the portion of the cumulative net abatement amount that was attributable to sequestration in the removed project area, as calculated in accordance with this provision.

The calculation is performed using equation 11, which determines *ACumulative*, the portion of the cumulative net abatement amount that can be attributed to sequestration for a project area that is being removed from the project. If the value for *Aseq,Cumulative* as from a previous offsets report for an earlier project area which has since been subdivided, the amount attributable to the project area being removed is calculated in accordance with equation 12.

This amount will be used by the Regulator when the project’s declaration of eligibility under section 27 of the Act is varied to remove the non‑compliant project area.

Clause 11 – Adjustments for transferring projects

Subclause 11(1) ensures projects transferring from the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Abatement) Methodology Determination 2018*to the determination are credited appropriately for sequestration that occurred prior to transferring, however the model did not allow the sequestration to be calculated.

equation 13 sets out the method for calculating the contribution to the net abatement amount from sequestration for the first reporting year under the determination for a transferring project.

The equation calculates the net abatement amount as the difference between the:

* net carbon stock at the end of the calendar year, as modelled using SavCAM; and
* mean baseline carbon stock, calculated in accordance with equation 8 of the determination.

This result is then adjusted by the sum of *Aseq* values reported under the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Abatement) Methodology Determination 2018*,representing the cumulative sequestration credited to the project prior to transferring.

Clause 11(2) provides adjustments for calculations for projects transferring from an emissions avoidance methodology determination to this methodology determination. The intent is to ensure that projects transferring from an emissions avoidance methodology determination to the determination are credited for carbon sequestration that has occurred above the baseline scenario.

equation 14 sets out the method for calculating the contribution to the net abatement amount from sequestration for the first reporting year under the determination for projects that were previously credited only for emissions avoidance.

The contribution to the net abatement amount is calculated as the difference between the:

* net carbon stock at the end of the calendar year, as modelled using SavCAM; and
* mean baseline carbon stock, calculated in accordance with equation 8 of the determination.

**Schedule 3—Revocations**

Item 1

This item revokes the *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Emissions Avoidance) Methodology Determination 2018.*

**ATTACHMENT B**

**Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

*Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Avoidance) Methodology Determination 2025*

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Overview of the Legislative Instrument**

Subsection 106(1) of the Carbon Credits (Carbon Farming Initiative) Act 2011 (the Act) empowers the Minister to make, by legislative instrument, a methodology determination.

The *Carbon Credits (Carbon Farming Initiative—Savanna Fire Management—Sequestration and Emissions Avoidance) Methodology Determination 2025* (the determination) sets out the method for estimating abatement from eligible savanna sequestration and emissions avoidance projects. The project activity will result in an increase in the amount of carbon sequestered in dead organic matter and living biomass and a net reduction of greenhouse gas emissions from savanna fires.

Project proponents wishing to implement the determination must make an application to the Clean Energy Regulator and meet the eligibility requirements set out under the determination. Offsets projects approved by the Clean Energy Regulator can generate Australian carbon credit units, representing emissions reductions from the project.

**Human rights implications**

This Legislative Instrument does not engage any of the applicable rights or freedoms.

**Conclusion**

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

**The Hon. Josh Wilson MP**

**Assistant Minister for Climate Change and Energy**