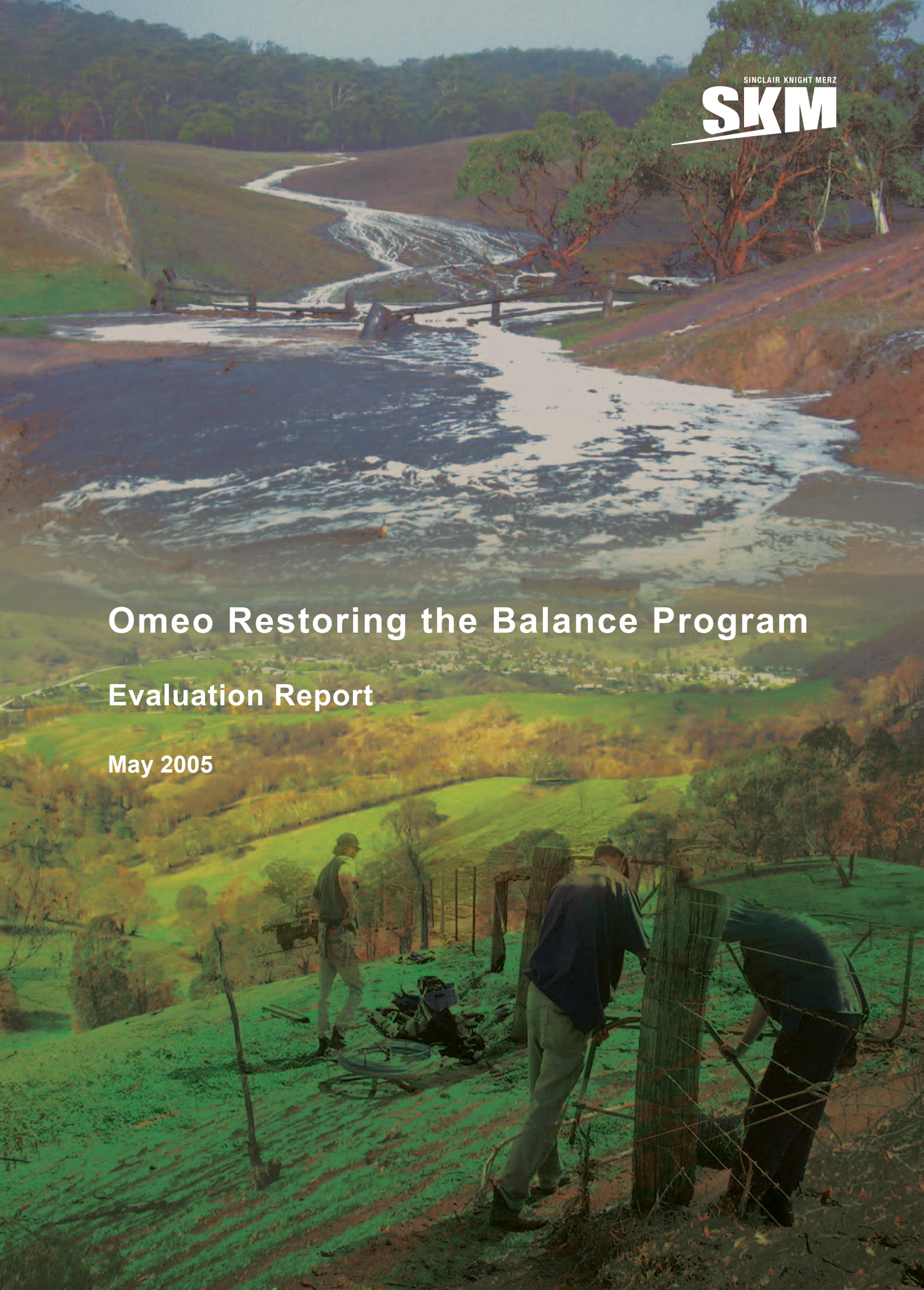

SINCLAIR KNIGHT MERZ

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Omeo Restoring the Balance Program

Evaluation Report

May 2005

Omeo Restoring the Balance Program

EVALUATION REPORT

- Final Report
- 20 May 2005

Evaluation: Omeo Restoring the Balance Program

- Final Report
- 20 May 2005

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- ORDC - the Evaluation Steering Committee
- Local community
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- East Gippsland Catchment Management Authority
- Rural Finance Corporation
- East Gippsland Shire
- Other parties contacted who also willingly provided their time and input into assessing the success of the Program and the lessons learned for the future.

Foreword

This report sets out the findings, conclusions and recommendations from an evaluation of the Omeo Restoring the Balance flood recovery Program. The report includes:

- An executive summary which is designed as a summary of the whole report and which can be read as a stand alone short report
- The main report which provides the complete detail on the evaluation process and findings and can be read independently of the executive summary
- A number of supporting appendices,

Readers interested in the detail of the evaluation should read the main report. Readers interested in a shorter overview can read the executive summary.

Executive Summary

The Omeo Regional Development Committee (ORDC) commissioned an evaluation of the Omeo Region *Restoring the Balance Program* (the Program). The evaluation aims were to:

- Determine the worth, efficiency and effectiveness of the Program in addressing environmental issues in the region and assisting the community to secure its economic and social future
- Comment on the value of the Program as a model for more general application based on the objectives and effectiveness of the component programs and their acceptance and implementation by the community
- In collaboration with agency staff and the community, provide an assessment of the administrative arrangements involved in delivering the Program
- Make suggestions for on-going evaluation of the longer-term outcomes of the Program.

Background to the Program

The areas of the Upper Tambo Valley, from Tambo Crossing north to Omeo and East to Benambra - known as the Omeo Region - were severely affected by floods that occurred in East Gippsland in June 1998. Prior to the floods the area was subject to several years of drought, low commodity prices, particularly for wool and Ovine Johnes disease. The area was also deeply affected by the closure of the timber mill at Swifts Creek and the base metals mine at Benambra and the rationalisation of government services such as Shire amalgamations and the withdrawal of a regional presence by agencies such as VicRoads and Telstra.

On the 27 October 1998, the Victorian Government announced a package of measures designed to:

- Assist rural landowners in the area to reverse environmental degradation
- Inject resources and energy into a region experiencing severe financial hardship
- Look at ways to enhance the long-term viability of land use and the community.

The Program's agenda was aimed at responding to the urgent disaster recovery needs in the area, injecting resources to assist community financial recovery, protecting the region's natural resource base, restructuring the agricultural sector so that it could be economically viable and securing the long term sustainability of the community. The Program comprised five major components that were developed to address these goals:

- Perennial pasture establishment project –to support the establishment of permanent pastures on vulnerable slopes dominated by annuals and on areas denuded by flood and drought
- Land rehabilitation project – which sought to prevent the loss of soil from land considered unsuitable for agriculture in the Omeo region

- Land aggregation project – aimed to restructure the agricultural sector in the Omeo region to improve farm productivity
- Land Reforestation - to prevent soil loss affecting the sustainability of agriculture in the region
- Environment and Land Use Consultancy (generally known as the Arup report after the lead consultant) – this report, an integral component of the *Restoring the Balance Program,* was completed in October 2000. Originally its scope was to investigate ways to improve the agricultural sectors use of resources. It was subsequently expanded to include options for the environmental, social and economic development of the whole region and seen to provide an overarching framework in developing a more long-term sustainable community.

The Program was developed in broad outline only. Funding came directly from State Cabinet to the Gippsland Region with broad-based objectives. The development of implementation policies and procedures including; assessment guidelines for staff, protocols for minimum standards to apply to works and application and assessment forms and reports was left for development in the region. Delegations of authority were made to regional staff to enable efficient development and delivery of the programs.

The Program was developed in reaction to the physical disasters of extended drought and flood. It was clearly understood that the first task of government was to help the community respond to a situation that was overwhelming. Deliberate efforts were made to inject resources and capacity into the community to get the response moving. For these reasons, the most cost-effective measures were not always taken in preference for ones that quickly generated local activity, income support and employment.

The Program was formulated to provide flexibility to respond to the recovery needs of the community. As such, the planning and implementation activities included a continuous improvement process and a number of key principles evolved and were applied during implementation of the Program components. These included:

- Local delivery
- Flexibility to customise to local needs
- Stabilise and support without creating dependency
- Underwrite program investment risks with a ‘use/buy local’ concept. This included the use of local contractors and sourcing supplies locally including the development of local resources where necessary
- Integrate initiatives under a ‘whole of community’ strategy
- Concentrate funding on a defined area and not spread resources too thinly
- Promote the opportunities and invest in the willing.

These principles, which underpinned the Program's implementation, provide the foundation of the proposed future model for regional and local sustainable development.

The announcement of the Swifts Creek mill closure in September 2000 created further concern for the new Victorian government about what could be done to mitigate job losses in the Omeo community. Completion of the Arup report in October 2000, provided a timely option for the government to respond. The expressed need for coordination support for implementation of the initiatives identified in the Arup report, led to opportunities for additional implementation resources and funding for community development in the Omeo region.

The confluence of the new government, a significant new structural change issue and the availability of a clear community development plan led to a refined program and the ability for government to further the sustainable development of the Omeo region.

Evaluation approach

The evaluation is based on a modified version of the recognised Targeting Outcomes of Programs (TOP) evaluation framework.

The evaluation sought to identify:

- Whether the Program has increased the resilience of the Omeo regional community
- What the key factors were that influenced this ability to increase regional resilience.

The evaluation also identified features that have been found in sustainable and resilient regions in the economic and community development literature. Key indicators of sustainable communities were used to test the effectiveness of the Program in meeting its overall goals. The indicators were also used to determine the data requirements for monitoring the on going effectiveness of the Program in the region.

Changes in regional profile and activity post the Program

The Arup report defined long-term sustainability to mean:

- No further loss of population
- No further reduction in community infrastructure and services
- Creation of opportunities for employment generation in the short and long term
- Creation of a platform for regional growth, where regional growth would include economic, community and cultural growth.

Underlying these objectives is a fifth objective related to a sustainable environment that is reflected in maintaining productive land and catchment health, based on reduction of soil erosion, improved water usage practices and the return of marginal grazing land to native vegetation.

This evaluation attempts to assess the changes in the published data that relate to the above Arup sustainability requirements. The report notes the difficulty encountered as there was no systematic base line or post program data collected. However, some important conclusions can be drawn:

- That while the regional population has continued to fall, this has included people leaving but has also seen new residents entering and former residents returning to the region.
- The level of educational qualifications in the region is higher than the state average which is known to be a good indicator of a more sustainable community
- The number of agricultural businesses has fallen but the average size has grown suggesting the potential for more profitable operation
- The region has seen a growth in new business, potentially increasing the diversity of the regional economy
- There has been additional employment created in both existing and new businesses. However, changes to a few larger traditional industries that has reduced employment has masked the new employment creation
- The number of visitors to and travellers through the region is rising
- While still potentially vulnerable, the region has largely sustained its community services infrastructure and services to date.

While not focussed on testing the outcomes from the Program directly, the available information suggests that the region is broadly meeting the requirements that the Arup report suggested that were necessary for long-term sustainability.

Program Findings

The overall findings indicate that the Program met its original objectives to:

- Assist the community to respond to an accumulation of disasters
- Inject resources and capacity into the region quickly
- Improve the longer term capacity and resilience of the region.

A summary of the key Program benefits and outcomes is provided below:

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- **Table 1 Key Program Outcomes and Benefits**

BENEFIT	OUTCOME
Investment:	▪ Involved a net government investment of $11.477 m ▪ Created additional direct investment in the Omeo region of $19.594 million ▪ Direct benefit-cost 1.7 times the investment
Employment:	▪ Employed 5 full time and 7 part time Departmental staff ▪ Created casual employment for 100 local people ▪ Utilised 16 local contractors ▪ Established 15 local nurseries ▪ Provided at least 70 direct job years of employment
Community Participation	▪ 18 new volunteer groups formed ▪ 795 community participants ▪ 10 government departments and agencies including the EGSC ▪ 644 individual projects
Land Rehabilitation - 19,520 hectares of land was treated as follows	▪ 1511 hectares returned to crown land ownership ▪ 4720 hectares sown to new pasture ▪ 3957 hectares of intensive rehabilitation works ▪ 5910 hectares of land aggregated involving 20 purchasers ▪ 3422 hectares replanted to vegetation or protected under covenant and land management agreements.
Land use and enterprise change	▪ Net farming enterprise reduction 19 properties ▪ Percentage farm enterprise reduction 11% ▪ Average cost of farming enterprise change $168,500

The evaluation found that the individual components of the Program were delivered cost effectively and provided a range of successes to the region. There were some limitations in both design and delivery although these were often a result of the need to get quick results and provide an early stimulus to the region. These limitations usually provided opportunities for improvement in future programs that are discussed in the main report. Successes include by component:

Pasture Improvement

- Changes in fertiliser regime, by participants either applying fertiliser more frequently or fertilising previously unfertilised pasture
- The purchase of a seed drill which supported improved cultivation practices, improved the timing for pasture establishment and increased its reliability
- The injection of funds and the 'buy local' emphasis stimulated economic activity at a very timely stage

- Significant short term economic benefits through almost $400,000 paid to landholders and circulating through the local economy, via contractors and suppliers and supplemented by the spending of personnel employed on the program
- Bringing forward investment in pasture improvement and initiating investment that might not otherwise have taken place

Land Rehabilitation

- Improved knowledge of good land rehabilitation works
- Improved understanding of the benefits of stock exclusion in vulnerable areas, although observations indicated not all landholders were restricting stock from these areas
- Majority commitment to land management agreements
- Community and contractors gaining new skills
- Local employment opportunities and sustained expansion of the earthworks contracting sector
- Construction of wild dog fences
- The provision of examples of works which, if implemented across the region, could provide catchment level improvements
- Low program delivery expenses.

Land Aggregation

- Landholders wanting to leave farming and/or in non-viable situations allowed to exit 'with dignity'.
- Increased scale and commercial viability of 20 farms.
- Re-establishment of a market for land in the district.

Land Reafforestation

- Stimulation of the local economy through payments to contractors, suppliers and their employees.
- 1900 ha of private land rehabilitated and/or under protective management, with land management agreements.
- 1500 ha of land that was not suited to agriculture returned to the Crown.
- Community and contractors gained new skills in rehabilitation of degraded land

Implementation of the Arup Report

- Increases in community capacity including additional enterprises, employment, skills, volunteer groups and planning activities
- Increased participation in community projects and groups

- Increased understanding of the bigger picture and ability for the community to co-operate and work together strategically
- Establishment and/or reconstitution of strong on going community planning and development groups
- Improvements in key community infrastructure
- Development of succession processes for community groups to encourage participation and reduce burn out
- Collaboration between community volunteers and state and local government resident 'experts'
- Increased business collaboration as well as competition to improve profitability and sustainability.

Strengths of the Program

The key strengths of the Program relate to local control and delivery, including:

- *Local delivery.* The local delivery allowed a rapid response to the disaster that was designed to meet the local community needs. The approach provided flexibility and opportunities to adapt and continuously improve delivery so that the majority of the community needs were met in a timely manner
- *Local control of resources and implementation.* This provided flexibility in delivery, allowing:
  - resources to be switched to meet emerging as well as long term needs
  - adaptation of the service delivered to address conditions on the ground
  - employment of local resources subject to reasonable guidelines
- *Local management/co-ordination.* This encouraged local participation including the ability to leverage program resources and funding through in kind support. A secondary and very important benefit of this is the ability to develop local community capacity and skills
- *Rapid disaster recovery.* Assistance for disaster recovery is mandatory and a rapid response is necessary. Local delivery of the Program provided an effective process for both the early mandatory disaster recovery and for the on-going development of regional resilience and sustainability.

Limitations of the Program

The limitations in the Program largely relate to the requirement for an urgent response and hence the limited time to develop *a priori* plans including;

- The Arup report which addressed broader regional planning was largely independent of the other program components although there was scope to learn from the findings of those components

- The urgency of implementation reduced the opportunities for innovation in service delivery and meant that many of the land management activities were not undertaken at the optimum time and/or were not done within the framework provided by property or whole farm plans
- The short term nature of the land management programs meant that they were unable to fully take advantage of the momentum for change in land management that they facilitated. This was particularly true for land aggregation, which involved difficult decisions by landholders and had to overcome a high initial level of community scepticism and resistance.
- Progress reporting and project information was less formal, reflecting the local nature of most of the program participants.
- Project selection reflected, to some extent, community capacity to deliver so that there was no guarantee that the projects reflected needs based priorities; although all projects addressed clear regional needs.
- Program participants were largely self selected which again did not guarantee that the highest priority members of the community benefited. This was reflected in the Land Aggregation program where some farmers who were eligible and would have benefited, missed out because of caution in considering applying.
- There was limited environmental, social or economic monitoring or benchmarking in place to objectively assess changes associated with the various programs.
- A major shortcoming of the Program has been that it has not clearly lifted the resilience of farming systems. Observations of management practices also suggest that farming systems are no better adapted to the frequent dry conditions and feed deficits experienced in the district.
- While there were numerous participants in the land management programs, pasture improvement and land rehabilitation activities, they still left many important areas of land untreated and vulnerable to erosion during extreme rainfall events and/or drought.

Future Model

Based on the evaluation findings a model is proposed for providing regional assistance in both disaster situations and periods of significant and disruptive change.

This model reflects the successes of the Program and mitigates the limitations and could be used to meet both disaster and key strategic opportunity needs.

Local Government is responsible for regional development and has a clear risk assessment and response and recovery coordination and support role for emergency management. Local Government would be the responsible agency for developing the local area plans, for coordinating implementation and for implementing relevant actions subject to State Government funding support.

The key steps are:

- **Step 1. Local area opportunity-risk assessment**, including risks of natural disaster and major structural change and identification of significant development opportunity.
- **Step 2. Local area plan** designed to address the documented risk or opportunity. On this basis Local Area Plans (LAPs) would only be undertaken where there was a recognised risk of significant natural disaster, a known issue with local structural change that would cause significant hardship or a known major development opportunity which the region wished to participate in. LAPs will need to be consistent with broader regional plans and strategies. LAPs will need to accommodate initiatives to assist enterprises and individuals that want to re-establish themselves or develop new areas or to exit from the area they are in. LAPs will include detailed actions, responsibilities, time lines, performance measures and reporting requirements. They will involve a range of implementation entities including but not limited to relevant state government department and agency regional staff, Catchment Management Authorities, community bodies and regional private sector organisations.
- **Step 3. Implementation of the plan** would depend on the specific event. It is important for LAPs to address high level policy objectives as a guide for implementation. The proposed LAPs would provide the blueprint for a response incorporating the two high level objectives - restructure and redevelopment. The LAP would provide the programs for delivering a suite of more specific actions to meet these two high level objectives..
  While the Local Government Authority would be responsible for co-ordination of overall regional implementation and for relevant specific initiatives, the range of implementation agencies and bodies set out in the LAP would be responsible for their own areas. The LAPs would detail actions, responsibilities, time lines, performance measures and reporting requirements.
- **Step 4. Reporting** would include monitoring and evaluation of the success of the LAP implementation in meeting its objectives, specific and broad based outcomes and financial accountability statements.. Reports would be provided at whole of government level against the top down government outcome requirements together with agency reports indicating agency specific outcomes and resource allocation.
  Data could be collected to provide measures related to a set of indicators that could be established to measure the on-going effectiveness of the Programs and to allow an on going monitoring of sustainability and/or community resilience.

Overall Conclusions

The evaluation has found that:

- The Program objectives were soundly based as indicators and drivers of increased regional sustainability

- The process of continuous improvement led to the development and use in Program implementation of key principles that provide a guide for future regional and local sustainable development programs
- The Program components were implemented cost effectively
- The components of the Program also met their own objectives subject to the broader objectives of providing on the ground resources in a timely manner. Given time to plan, the Arup report component would have been the first element providing strategic guidance for the on the ground works. However, the limitations of the order of the Program components was mitigated by the experience of the people involved
- The overall Program has contributed significantly to community sustainability in the region and to the community's resilience in the face of hardship and capacity to tackle the issues involved as indicated in the response to the 2003 bush fires.
- Further progress and activity is required to improve the financial and environmental resilience of farming systems and farming enterprises. Much of the agricultural land across the district remains vulnerable to prolonged rainfall and feed deficits as well as to erosion during extreme rainfall events.
- The Program provided a sound approach to developing a robust, sustainable and regionally based community response and recovery program for a range of future regional shock situations.

Recommendations

Recommendations form an important component of this evaluation and are provided at the end of each chapter in the main report. These recommendations are provided to guide effective program design and delivery and to promote business improvement.

Chapter 3 provides the major recommendation from the evaluation for a regional model for planning and delivering government programs and initiatives to meet community needs.

1 Introduction

The Omeo Regional Development Committee commissioned an evaluation of the Omeo Region *Restoring the Balance* Program (the Program). The evaluation aims were to:

- Determine the worth, efficiency and effectiveness of the Program in addressing environmental issues in the region and assisting the community to secure its economic and social future
- Comment on the value of the Program as a model for more general application based on the objectives and effectiveness of the component programs and their acceptance and implementation by the community
- In collaboration with agency staff and the community, provide an assessment of the administrative arrangements involved in delivering the Program
- Make suggestions for on-going evaluation of the longer-term outcomes of the Program.

1.1 Scope of the evaluation

The evaluation was asked to assess the potential long term outcomes of the Program based on the early results. The evaluation team considered long-term to mean at least 10 years. On this basis initial assumptions about long-term outcomes over a further 8 to 10 years or more needed to be made on the best information available. More detailed assessment of the results over the longer period requires continued data collection and analysis. On this basis, the scope of the evaluation was to:

- Provide insights into the activities needed to address economic, environmental and social issues in a rural community
- Assess the benefits of a co-ordinated input from local agencies that deliver various aspects of government's service to rural communities and determine how this approach is viewed by the community
- Evaluate the value of the approach taken by the North East Gippsland Environmental and Land Use Consultancy in:
  - building community understanding of issues
  - encouraging involvement in developing and achieving goals for their future well-being
  - building a capacity for self-determination
- Make recommendations on the data requirements for an on-going evaluation of the Program outcomes
- Make recommendations for future delivery of large scale programs.

1.2 Background to the Program

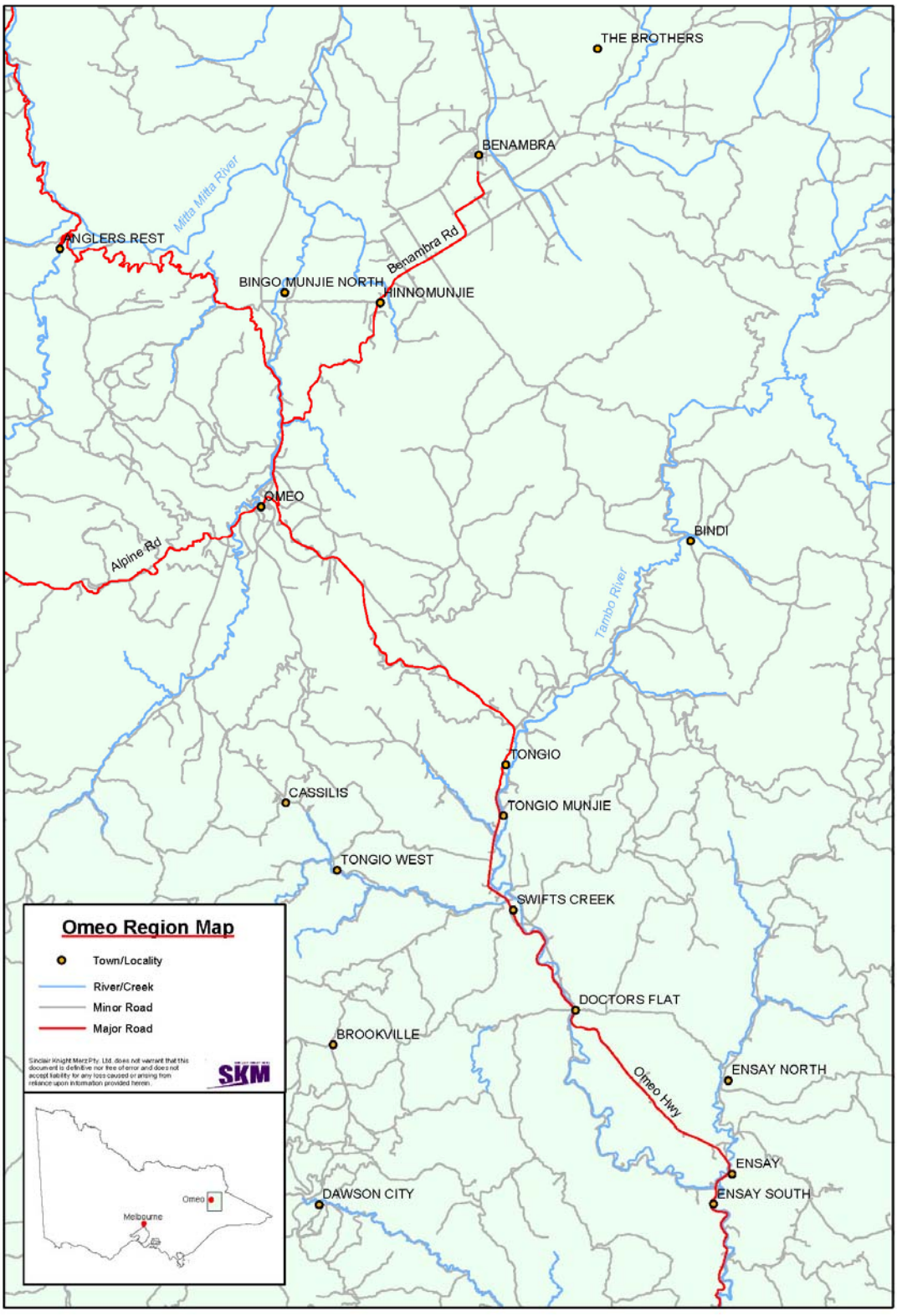
The areas of the Upper Tambo Valley, from Tambo Crossing north to Omeo and East to Benambra (known as the Omeo Region-Figure 1) were severely affected by floods that occurred in East Gippsland in late June 1998. Prior to the floods the area was subject to several years of drought, low commodity prices, particularly for wool and Ovine Johnes disease. The area was also deeply affected by the closure of the timber mill at Swifts Creek and the base metals mine at Benambra and the rationalisation of government services such as Shire amalgamations and the withdrawal of a regional presence by agencies such VicRoads and Telstra.

On the 27 October 1998, the Victorian Government announced a package of measures designed to firstly, assist rural landowners in the area to reverse environmental degradation, secondly, inject resources and energy into a region experiencing severe financial hardship and thirdly, to look at ways to enhance the long-term viability of land use and the community.

The Program's broad agenda was aimed at responding to the urgent disaster recovery needs in the area, injecting resources to assist community financial recovery, protecting the region's natural resource base, restructuring the agricultural sector so that it could be economically viable and securing the long term sustainability of the community. Five major projects were developed to address these goals, including:

- Perennial pasture establishment project –to support the establishment of permanent pastures on vulnerable slopes dominated by annuals and on areas denuded by flood and drought
- Land rehabilitation project – which sought to prevent the loss of soil from land considered unsuitable for agriculture in the Omeo region
- Land aggregation project – aimed to restructure the agricultural sector in the Omeo region to improve farm productivity
- Land Reforestation - to prevent soil loss affecting the sustainability of agriculture in the region
- Environment and Land Use Consultancy (generally known as the Arup Report after the lead consultant) –This report was seen as an integral component of the *Restoring the Balance Program*. The Environment and Land Use consultancy (Arup) report was completed in October 2000. Originally its scope was to investigate ways to improve the agricultural sectors use of resources. It was subsequently expanded to include options for the environmental, social and economic development of the whole region and seen to provide an overarching framework in developing a more long-term sustainable community.

Figure 1 The Omeo Region



The programs were developed in broad outline only. Funding came directly from State Cabinet to the Gippsland Region with broad-based objectives and descriptions of required outcomes. The development of implementation policies and procedures including; assessment guidelines for staff, protocols for minimum standards to apply to works and application and assessment forms and reports was left for development in the region. Delegations of authority were made to regional staff to enable efficient development and delivery of the programs.

1.2.1 Program Objectives

The programs were developed in reaction to the physical disasters of extended drought and flood. It was clearly understood that the first task of government was to help the community respond to a situation that was overwhelming. Deliberate efforts were made to inject resources and capacity into the community to get the response moving. For these reasons, the most cost effective measures were not always taken in preference for ones that generated local activity, income support and employment quickly.

The first four natural resource based program components above were reacting to the disaster. The fifth component (Arup Study) was designed to take a pro-active approach looking towards long-term sustainability for the region. This component was designed to provide a planning structure for the whole Program. However, because of the imperative to respond to the disasters, the availability of natural resource management expertise on the ground and the process of appointing a consultant, this was the last element of the program to commence once the natural resources programs were under way.

These points are critical to effective evaluation of the five program components. This evaluation is focussed on all these program components, and analyses them against the original re-active objectives, then makes recommendations for a pro-active approach in future.

1.3 Evaluation Approach

The evaluation is based on the recognised Targeting Outcomes of Programs (TOP) evaluation framework (see Appendix A). This framework and process are based on principles and ideas that have been developed over some 25 years by Bennett.. The process is referred to as the “Bennett's Hierarchy” approach.

The TOP framework is based on the assumption that in developing and evaluating a program there are the same seven levels that have to be considered. These are:

- **Participation, Activities and Resources**- The program activities, the various strategies and events used to involve, inform, educate or train the target audience. These activities include content, style and delivery. The resources provided to plan, promote, implement and evaluate

the programs. These resources will include those involved in direct delivery, marketing and communications and support roles including research to ensure the programs are relevant and well founded in science.

- **Participant's reactions -** The type of programs and their delivery will impact on the participation in them and in the reaction to them. The aim is to provide programs (interventions of any kind) that attract and retain participants and that create the level of interest and enthusiasm to want to try the proposed initiatives and bring them into general practice
- **KASA** (Knowledge, Attitude, Skills and Aspiration) - These programs provide knowledge and skills to implement 'best practice' and create aspirations and attitudes that inspire and encourage participants to put their knowledge into practice
- **Practices -** Through education, training, extension and demonstration programs individuals and groups adopt practices that achieve social, environmental and economic (SEE) outcomes
- **Social, environmental and economic objectives and outcomes-** The objectives and outcomes the program aims to achieve and provide.

The current project required the evaluation of the outcomes of a program that was largely complete as far as significant external initiatives were concerned. A modified 'TOP'[1] evaluation approach was used to reflect this, as follows:

1) Program objectives: what were original program objectives
   Process: document the decision making processes used and how programs were delivered
2) Implementing the program: The process of implementation including the funding provided
3) Program evaluation capacity: Utilising the TOP evaluation levels to assess the extent the program SEE objectives have been met and the reasons why or why not they have or have not been achieved. This top down approach can then be used to determine better ways of undertaking the program to meet the objectives
4) Program evaluation: social, economic and environmental outcomes: Conclusions based on an assessment of program effectiveness against original objectives
5) Recommendations: recommendations for future pro-active programs for implementation elsewhere.

In essence the modified Bennett hierarchy is used firstly to test how effective and efficient the original program was and secondly to develop a pro-active program that can be

[1] Targeting Outcomes of Programs (TOP) developed by Claude Bennett and Kay Rockwell

implemented elsewhere. Program features that worked effectively are noted in the report. These features have been incorporated into the recommendations for future programs.

A key requirement of the evaluation is to establish whether the implementation and outcomes of the Program offer any insights into the development of a model regional development program designed to assist in both recovery and on-going sustainable development after a disaster, significant structural adjustment or other economic, social and/or environmental 'shock' to the regional community. On this basis, the evaluation sought to identify whether the:

- Program has increased the resilience of the Omeo regional community in coping with adversity
- Evaluation can provide insights into the key factors that influenced this ability to increase regional resilience to survive and thrive. While a key consideration was identifying factors that were developed or increased as part of the program, the evaluation also sought to identify key factors that were intrinsic to the community.

The evaluation also identified issues and features that have been found in sustainable and resilient regions in the economic and community development literature.

History shows that no town, region or state (or company) has a 'right' to survive but must want to and must work at surviving. Survival needs a community to be flexible, adaptable and innovative. The community needs to provide the amenities and goods and services its members and the broader market needs now and into the future which may not be those that it has produced or provided to date.

The literature[2345] provides a range of measures that differentiate sustainable communities from others. A key selection of these is documented below. The extent to which these measures are reflected in the Omeo region community and the extent they were established or enhanced by the activities of the Program is considered in the evaluation findings.

1.3.1 Potential Measures for a Sustainable Community

A review of the literature on sustainable communities was undertaken and a number of necessary, but not sufficient, measures of a sustainable community were distilled from them[6789]. The

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2 Holley, Anne-Marie, Williams, Julie, Cavaye, Dr Jim, *Community Development Scoping Study* Geoffrey Gardiner Dairy Foundation Limited September 2002.

3 Plowman, Ian, Ashkanasy, Neal M, Gardner, John, Letts, Malcolm, *Innovation in Rural Queensland - Why some towns thrive while others languish*, December 2003.

4 *Indicators for Sustainable Regional Development*, Ada Ian and Blore David ,

5 *Small Towns: Big Picture - Social Sustainability Indicators and the Arts*, Maureen Rogers

6 Holley, Anne-Marie, Williams, Julie, Cavaye, Dr Jim, *Community Development Scoping Study* Geoffrey Gardiner Dairy Foundation Limited September 2002.

measures are used as a hypothesis on the requirements for a sustainable community and are tested based on the findings of the evaluation. The measures include:

- Belief in self help-sustainable communities want guidance and possibly seed funding to do things themselves, not government or anyone else to come in and do it for them
- Strong local leadership rather than strong local leaders-people in authority can stifle innovation by following precedence and formal processes, leadership (a broader concept than leader) should encourage it
- A strong collaborative culture leading to co-operation and participation
- Willingness to experiment, respond to opportunities and not to fear failure
- Development of partnerships and networks within and outside the region
- Development of a clear vision and an ability to stay with the process
- Keeping a clear view of the big picture while focussing on the specific actions-achieve by bite sized chunks.

In addition more sustainable communities exhibit some important characteristics including:

- Diversity in every dimension
- More 'experts' and less formal leaders and supporters
- Higher average levels of educational qualifications
- A more well travelled population with an outward focus-ideas coming from outside
- Greater participation in decision making and more decentralised decision making
- Processes for getting people involved but not bleeding them dry
- Processes for change in community groups and community leadership-a freshness in management and leadership
- Celebration of their creative and artistic achievements
- Buying locally, caring about others in the community and communicating effectively
- Welcoming competition and being able to both collaborate and compete.

The above characteristics also provide an indication of some of the key statistics that are needed to assess the extent that these criteria are reflected in the community and, by extension, the potential sustainability of the community. These include such data as the:

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7 Plowman, Ian, Ashkanasy, Neal M, Gardner, John, Letts, Malcolm, Innovation in Rural Queensland - *Why some towns thrive while others languish*, December 2003.

8 *Indicators for Sustainable Regional Development*, Ada Ian and Blore David

9 *Small Towns: Big Picture - Social Sustainability Indicators and the Arts*, Maureen Rogers

- Mix of regional industry and occupations
- Educational qualifications
- Extent of in and out migration
- Proportion of the population engaged in community activities/groups and the proportion who have held office within these groups. Information on the policies for leadership change is also important with an emphasis on policies that encourage fixed term positions and turnover of office bearers
- Number and type of creative opportunities and the extent of take up
- Range of local goods and services and the prices relative to the nearest alternative service centre
- Extent of complementary and competitive businesses-the level of clustering
- Level of support provided to new businesses
- Number and type of ideas generating forums.

Some of the above can be collated from regular and periodic public data sources such as the ABS Census although the data may not fit the specific region. Others will need specific data collection by regional census or survey. Consideration should be given to approaches to the ABS for data to be collated for the specific region and also to include a regional census to collect additional data.

1.3.2 Evaluation method

The evaluation methodology included the collection, collation and analysis of data, review of relevant reports and other literature and both structured and unstructured discussions with key stakeholders and both participants and non-participants in the program. A key evaluation tool was the development and use of consistent checklist survey instruments for stakeholder/participant discussions. The approach aimed to ensure consultation data is consistent and as comprehensive as possible.

The evaluation methodology is documented in detail at Appendix B - Detailed Methodology.

1.4 Regional Profile

The Omeo region has a small population of people, 1,342 in the 2001 census, spread over a large area. The region includes Omeo, the main regional centre, and neighbouring towns of Benambra, Swifts Creek and Ensay. Other small population areas include Tambo Crossing and Glenn Wills. The region mostly comprises agricultural land and, geographically, is quite large. The people of the region are dispersed throughout and associate themselves with the individual towns more than the region. The region is bounded by crown land on all sides, has only four major roads linking in or out and can be quite easily defined.

Omeo was the headquarters for the former Omeo Shire. The former Shire office building has subsequently been converted for a range of community purposes, including the East Gippsland Shire Business Centre. Omeo, together with Benambra, which is a small settlement to the north east, are described as being 'Above the Gap'. This area is part of the catchment of the Murray Darling Basin. Swifts Creek and Ensay are 'Below the Gap' and are a part of the catchment of the Tambo River.

The Arup study team assessed the following characteristics of the study area:

- Agriculture
- Tourism and business
- Community and infrastructure.

The assessment was based on a review of census and other regional data, relevant reports, consultation with key stakeholders, fieldwork and satellite imagery. The assessment used the census data up to 1996, the then latest data, which was already some 3 to 4 years out of date and did not reflect the full impact of the drought, OJD and/or the flood.

The Arup report included a summary of the key characteristics of the study area. The ideal would be to be able to use this summary as a baseline to test the impacts of the program and in particular to assess changes pre and post Arup in the key summary indicators.

The Arup report defined long-term sustainability to mean;

- No further loss of population
- No further reduction in community infrastructure and services
- Creation of opportunities for employment generation in the short and long term
- Creation of a platform for regional growth, where regional growth would include economic, community and cultural growth.

Underlying these objectives is a fifth objective related to a sustainable environment that is reflected in maintaining productive land and catchment health based on reduction of soil erosion, improved water usage practices and the return of marginal grazing land to native vegetation.

Currently providing pre and post program statistics is not straight forward. Where statistics appear available such as census data, unemployment data, education and training data and health data, there are a range of issues that make comparative measurement difficult such as:

- Timeliness of data. A lot of data (such as Census data) is not made available until some time after its collection. This makes specific cause and effect links for particular initiatives difficult

to tease out quantitatively, although the more general issue of testing changes in community resilience for whatever reason is still possible

- Changes in collection area. The Omeo region has suffered this; for example the original Census SLA comprised the old Omeo Shire up to 1996 had Bruthen added in 2001. Decentralised planning requires data to be produced for the logical 'community of interest' region rather than some administrative area. On this basis, data gathering agencies will need to be encouraged to collate data to meet regional needs
- Use of snap shot data needs to consider not only ageing but also the other underlying drivers of population change
- Difficulty in defining and developing appropriate indices
- Difficulties in including qualitative and quantitative data
- Changing regional circumstances including:
  - Climatic conditions
  - Disease
  - Natural disasters
  - Changes in international prices/exchange rates so that values of agricultural production might fall even though the underlying business drivers are sound and the numbers and productivity has increased.

As an indication of the issues, the following sections of the report include a comparison of the Arup figures with the current or latest position and point out some of the issues in this comparison.

1.4.1 Agriculture

The region comprises approximately 269,000 ha privately owned and under grazing licences. There are approximately 160 separate farming businesses. Production is based predominantly on store cattle for on selling to fat cattle producers and feedlots and sheep grazing for wool and fat lamb production. Most properties are mixed operations although, statistics show a gradual shift has occurred from a majority of sheep enterprises to a majority of cattle based operations. Some stud cattle and sheep operations are also in operation and are very successful.

The value of agricultural production fell from some $29.2 million in 1997 to some $26.5 in 2001. Over that period the gross figures show a fall in the value of sheep products, $10.5 million in 1997 to $6.1 million in 2001 and a slight rise in the value of cattle from $13.1 million to $ 14.6 million.

The numbers of sheep and lambs increased in the ten years to 1997 by some 10% in the SLA but then fell dramatically by some 44% to just over 150,000 in 2001. Cattle numbers rose by over 30% in the ten years to 1997 and then fell some 41% to some 48,000 in 2001. Wool production fell

similarly over the 1997 to 2001 period to just over 760,000 kg. The area sown to pasture also fell to just under 40,000 hectares or 31%.

The region also contains a small number of vineyards, with two wineries operating. There is little other form of agriculture in the region. While the region is gradually developing a tourism industry, it is predominantly a pastoral economy. At the time of the Arup study, the region did not exhibit the diversity noted in sustainable regions in the literature[10]. The Arup report recognised the need to diversify the economy and the extent to which this has been achieved is considered in the evaluation.

The Arup report noted that nearly half the farms in the Omeo region at the time of the study were too small to provide a sufficient profit to support a family and needed off farm income to continue. The report also noted stocking rates and income per hectare was half the level of other beef and wool areas.

The Arup report notes some fundamental issues for the region in terms of:

- Small property size and scale of operation
- Relatively high land value in relation to productive capacity
- Relatively low conversion of rainfall to feed and feed to product
- Low enterprise diversity, which makes the businesses and the community vulnerable to commodity price fluctuations
- Low off-farm income which reflects an under-developed off-farm economy
- Large areas of marginal land being farmed without appropriate land capability fencing. The report notes that this increases long-term management costs including weed control, and inhibits effective pasture utilisation and improvement.

In addition to specific issues the Arup Report notes some more general issues related to the region's underlying comparative advantage including:

- Distance from, and ability to respond to, markets
- High freight costs for both inputs and end products
- The time and cost of wild dog protection
- The time and cost of weed control
- The short growing season.

[10] See examples footnoted earlier

The issues identified together with the argument that more diversity increases sustainability, suggest a strong case for significant industry restructuring, Further, this observation would support the agricultural programs being put in place under the Program without the added exigencies of drought, OJD and flood.

The Arup report noted that the number of agricultural holdings in the broader East Gippsland SLA statistical area was approximately 353 farms in 1996/7 (ABS Survey 1996/7) while in the Omeo region from the earlier surveys (ABS Shire of Omeo) fell from 301 in 1970 to 163 in 1992 (ABS Data). The holdings in the Balance of East Gippsland SLA have fallen from the approximately 353 to 213 (Some 40%) between 1997 and 2001.

This data is likely to reflect real amalgamations of farms and changes of land use but again additional information is needed to inform the bald statistics to determine what has happened at local levels and why.

Agricultural employment has fallen in terms of numbers employed from some 240 in 1996 to 200 in 2001 although it has remained the same in proportional terms at some 30% of total employment. This compares with some 23.5 % in the SLA.

The age of farmers is increasing with the average age of farmers estimated at 65. There are only 6 farmers in the region known to be less than 40 years old.

Adjustments need to be made to allow the impacts of short-term movements in prices to be smoothed out or eliminated. In addition the interpretation of the figures needs to consider the regional trends in terms of state and national trends and then to assess the local impacts on the regional performance.

1.4.2 Tourism and Business

The region has a moderate tourism and business sector. The population of approximately 1300 can support only a modest number of service businesses. Tourism businesses are reliant on travelling visitors. The Great Alpine Road runs directly through the towns of Ensay, Swifts Creek and Omeo and is the major source of travelling visitors. Since the road sealing over its full length, tourism traffic has shown a significant increase, with a resultant growth in tourism businesses.

Figures (see Chapter 8) suggest that tourism is a growth sector in the region.

The general regional tourism statistics produced by the Bureau of Tourism Research (BTR) and the ABS tend to be quite limited at a regional level. The BTR figures are based on national surveys which significantly increases statistical variation as they are disaggregated to regional and local areas. International visitation can be particularly misleading at the regional level due to very small

sample responses. ABS accommodation figures do not survey all types of accommodation on a regular basis and only businesses with an accommodation greater than 15 rooms are surveyed. This excludes all the current accommodation in the Omeo region. The Program co-ordinator recognised these short comings and developed an innovative visitor assessment approach based on periodic surveys and traffic counts. The limited access routes to Omeo make this approach a cost effective option. The approach interpolates between periodic regional surveys and estimates numbers and expenditure. The first survey indicated tourism expenditure in the region of approximately $ 8 million per year. Peak visitation occurs over the summer and autumn periods and drops off significantly over spring and winter. Business observations support this. The initial survey estimated approximately 260,000 travelling visitors annually. Subsequent information suggests that the numbers are growing with a strong positive trend.

At a more local level, statistics of visitors requesting information at the Visitor information Centre showed a steady rise until the 2003 fires.

The evaluation has considered the impact of the growth of visitors to the region in terms of the development of the tourism industry and of the region as a destination. The growth of the tourism industry is important in terms of assisting in diversifying the regional economy The increased tourist and travelling visitors to and through the region help support a bigger and more diverse service sector than there would be based on the resident population. This offers both direct and indirect economic and social benefits to the resident community through such aspects as increased choice, increased regional income and increased regional employment both in kind and level. The growth of the tourism industry has also led to new operators coming into the region and to former residents returning.

1.4.3 Community and Infrastructure

The region's population of some 1342 people (2001 census) shows a decline from 1986 of some 226 people or 14%. The median age of the population in the East Gippsland Balance SLA is increasing (now 40), which is a similar trend to that being observed across the whole of the East Gippsland Statistical Division. Additionally, there is a fall in the population in the age bracket of 15-19 to 30-34. The figures demonstrate an ageing community which is having difficulty maintaining its youth and principal workforce drivers and associated young families. School attendance numbers further demonstrate this fact.

The sustainable community measures discussed in section 1.3.1 also tend to have a slightly older population, with a decline in the 20 to 29 year age group and to a lesser extent in the 15 to 19 age group, reflecting the young people who have left to study or for employment reasons. Some regions have developed strong policies and strategies designed to retain young people in these age groups. Other regions have seen the exodus for study and initial employment as a positive in expanding

horizons and have concentrated their efforts on providing opportunities to attract them back with young families in the post 30 age groups. The aim of this is to both bring in new blood through the partners and children and to bring back people with local connections at the peak of their economic life with fresh ideas and experiences.

On this basis a decline in the late teens and twenties population may not be an issue. Therefore, while policies to allow young people the choice to stay are probably beneficial, attempts to actively discourage young people moving could be counter productive. The key issues should be to ensure the region is known as a good place to raise young children and provide opportunities and support for young families.

The region's infrastructure has been built on volunteerism. There is a very high number of per capita volunteers who maintain services (usually taken for granted) such as ambulance, fire and emergency services, town and sporting club services, cemetery maintenance and town beautification. These tasks are increasingly falling onto fewer and older hands as the population ages. Volunteer burn-out is a real and emerging issue.

Employment is spread across agriculture, tourism and business and the service industry such as government and semi government organisations. Over the years the number of people employed in agriculture has decreased whilst tourism, business and service industries have increased.

The SLA labour force more or less declined in line with population, while in the Omeo region the decline was much higher (17.1% to 11.5%). This in part would reflect one off events such as the closing of the sawmill and mine with the consequent flow on and as such indicates one of the limitations of using the straight statistics for comparison. The additional employment created by the Program would not have been reflected in the census. However, the statistics do reflect the dangers of a less diverse economy with a reliance on a few industry sectors. This is particularly true where key industry sectors are reliant on fixed resources and on the global market. A more diverse economy would tend to be less vulnerable and show a more even employment situation. As noted, the evaluation considers the implication of this issue and the way the Program has assisted in achieving greater regional diversification.

One key positive for the region is the on going increase in educational qualifications in the region despite a falling population. This is one potential measure of sustainability. The number of residents with postgraduate qualifications increased from 29 in 1991 to 36 in 1996 (24% increase) and again to 40 in 2001 (11% increase). Residents with Bachelor degrees increased from 75 to 117 over the same period and with Advanced Diploma, Diploma or Certificate from 377 to 425. As a proportion of the population, residents with qualifications rose from some 25% to 31%. Greater educational attainment is an indicator of a more sustainable region as noted above. There is also

considerable evidence that regions with a strong educational base do better than those without. The demonstration of this in the region is a positive indicator.

The increase in numbers and the proportion of the population with post secondary qualifications is also likely to be an indicator of a more outward focus, a more experienced population and an increase in the proportion of 'experts' in the population to provide the strong leadership required for sustainability.

The region is reasonably well serviced by infrastructure such as local government representation , medical services , two primary schools, a secondary school and TAFE facilities . Department of Sustainability and Environment offices are located in Swifts Creek. The region suffered an exodus of people when government services were amalgamated in the early 1990s. The people who moved were often the backbone of community volunteer groups. On their leaving, the rest of the community have picked up the slack which has caused an additional burden.

Given the emphasis on a broad base of 'expert' leadership in the literature, any reduction in regional service provision is a potential problem. The emphasis on retaining services in the Omeo region in the Arup report was clearly important to the Program's sustainability objectives. Consideration is given to the impact of the Program in maintaining services and service providers in the region.

1.5 Report Audience

This program evaluation is directed at both the local community, which will be expected to take increased responsibility for the program’s implementation and the relevant government agencies, which will be expected to develop improved models for the program’s implementation in other situations.

2 Overall Outcomes/Conclusions

2.1 Conclusions from the Evaluation

The Program was designed to deliver services at the regional level based on an assessment that was reflected in broad objectives set by the Government of the day. The Government determined what was needed to assist the region get back on its feet. Having identified the needs, the Government provided the funds and discretion to the regional agencies to decide how the needs would be met most effectively and to implement the service delivery plan they developed.

The planning and implementation activities included a continuous improvement process and a number of key principles (or learnings) evolved that were applied during implementation of the Program components. These included:

- Local delivery
- Flexibility to customise to local needs
- Stabilise and support without creating dependency
- Underwrite program investment risks with a 'use/buy local' concept. This included the use of local contractors and sourcing supplies locally including the development of local resources where necessary
- Integrate initiatives under a 'whole of community' strategy
- Concentrate funding on a defined area and do not spread resources too thinly
- Promote the opportunities and invest in the willing.

The overall conclusion from the evaluation is that the basic thrust of the Program has been successful in enhancing regional capacity. The increased regional capacity is demonstrated by the increased range and activity of community projects and the increased willingness for different groups within the community to work together. In a broader way it is reflected in continuing development of the region despite on-going drought and the severe bush fires in 2003. Participation in the Program provided a renewed purpose that has built increased community resilience.

2.1.1 Program Findings

The overall findings indicate that the Program met its original objectives to:

- Assist the community to respond to an accumulation of disasters
- Inject resources and capacity into the region quickly
- Improve the longer term capacity and resilience of the region.

A summary of the key Program benefits and outcomes is provided below (Table 2.1). Further detail is provided at Appendix C.

Table 2.1: Summary of Program Outcomes

BENEFIT	OUTCOME
Investment:	■ Involved a net government investment of $11.477 m ■ Created additional direct investment in the Omeo region of $19.594 million ■ Direct benefit-cost 1.7 times the investment
Employment:	■ Employed 5 full time and 7 part time Departmental staff ■ Created casual employment for 100 local people ■ Utilised 16 local contractors ■ Established 15 local nurseries ■ Provided at least 70 direct job years of employment
Community Participation	■ 18 new volunteer groups formed ■ 795 community participants ■ 10 government departments and agencies including the EGSC ■ 644 individual projects
Land Rehabilitation - 19,520 hectares of land was treated as follows	■ 1511 hectares returned to crown land ownership ■ 4720 hectares sown to new pasture ■ 3957 hectares of intensive rehabilitation works ■ 5910 hectares of land aggregated involving 20 purchasers ■ 3422 hectares replanted to vegetation or protected under covenant and land management agreements.
Land use and enterprise change	■ Net farming enterprise reduction 19 properties ■ Percentage farm enterprise reduction 11% ■ Average cost of farming enterprise change $168,500

Since the late 1990's the region has been subjected to continuing dry conditions and the largest bushfires (in area) since 1939. While these events have detracted from some of the potential benefits of the Program, the community has demonstrated strength and resilience to ongoing pressures that it did not previously have.

The development of the Arup report provided a blueprint for further regional recovery and development and was the catalyst for individual sector plans and a number of new projects. This resource was also particularly important in providing a well thought out plan and series of activities to assist the restoration and redevelopment after the fires.

In addition to the demonstrated success of the Program, a number of lessons can be learnt. The Arup report was developed after the bulk of the on ground works were committed and more or less complete. This lagging of the Arup report provided an opportunity to 'learn' from the results of the prior agricultural program and also to feed into the parallel land aggregation component. This opportunity was not taken.

However, the later presentation of the Arup report has meant that key proposals in the report were included in the formal or informal plans of bodies in the region and/or were progressed by the project coordinator. In some cases the plans have remained and are continuing to be implemented even though the original community 'body' has changed, leading, in some cases, to limited recognition of the origins of the proposal. This process has also meant that an original proposal has been reworked and improved or extended by the new 'champion' or in other cases reduced to fit technical or funding feasibility.

The requirement to expedite on ground works also meant that works were carried out based on sound intuitive environmental and farming practice but to some extent without the whole of catchment/region framework that a plan would have provided. Ideally, and subject to time being available, the regional plan would be put in place first.

The imperative to implement activities that provided early cash income in the region also meant that the formal regional management and reporting structures were developed in arrears of the action rather than in front. The rapid response also appears to have meant that, at least in some cases, reporting and information flows remained at an informal level. While this was adequate to keep the local community informed and to ensure effective project management among the direct project participants, it did not always satisfy the less direct stakeholders. Although the evaluation indicates that program activities were carried out efficiently and funds were spent appropriately, prudence suggests that more formal reporting processes need to be in place to ensure good governance and that appropriate accountability both happens and is seen to happen.

In addition, the speed of implementation seems to have meant that the bulk of the early activities were initiated and coordinated by state government agencies. The Shire was involved but not as overtly actively. In principle, close involvement of the local government authority should strengthen and add value to a regional community capacity building program.

2.1.2 Strengths

The key strengths of the Program were:

- **Local delivery**. The local delivery allowed a rapid response to the disaster that was designed to meet the local community needs. The approach provided flexibility and opportunities to adapt and continuously improve delivery so that the majority of the community needs were met in a timely manner
- **Local control of resources and implementation**. This provided flexibility in delivery, allowing:
  - resources to be switched to meet emerging as well as long term needs
  - adaptation of the service delivered to address conditions on the ground

- employment of local resources subject to reasonable guidelines

- **Local management/coordination**. This encouraged local participation including the ability to leverage program resources and funding through in kind support. A secondary and very important benefit of this is the ability to develop local community capacity and skills
- **Rapid disaster recovery**. Assistance for disaster recovery is mandatory and a rapid response is necessary. Local delivery of the Program provided an effective process for both the early mandatory disaster recovery and for the on-going development of regional resilience and sustainability.

2.1.3 Limitations

The limitations largely relate to the requirement for an urgent response and hence the limited time to develop *a priori* plans and systems including;

- The Arup report which addressed broader regional planning was largely independent of the other program components although there was scope to learn from the findings of those components
- The urgency of implementation reduced the opportunities for innovation in service delivery and meant that many of the land management activities were not undertaken at the optimum time and/or were not done within the framework provided by property or whole farm plans
- The short term nature of the land management programs meant that they were unable to fully take advantage of the momentum for change in land management that they facilitated. This was particularly true for land aggregation, which involved difficult decisions by landholders and had to overcome a high initial level of community scepticism and resistance
- Progress reporting and project information was less formal reflecting the local nature of most of the program participants
- Project selection reflected to some extent community capacity to deliver so that there was no guarantee the projects reflected needs based priorities, although all projects addressed clear regional needs
- Program participants were largely self selected which again did not guarantee the highest priority members of the community benefited. This was reflected in the Land Aggregation program where some farmers who were eligible and would have benefited missed out because of caution in considering applying
- There was limited environmental, social or economic monitoring or benchmarking in place to objectively assess changes associated with the various programs.

2.2 Land Management Programs

The land management programs were considered to deliver significant benefit at a very timely stage. Many farmers commented that the programs were valuable as they got the community moving forward again. The sudden influx of money, activity and skills allowed farmers to be pro-active in the Program in their community. The community had a sense of 'getting on with the job' instead of being overwhelmed by the impact of drought, floods and disease.

The Program was directly responsible for the community's increased capacity to assist the fire suppression and recovery effort during and after the 2003 bushfires. The catchment protection initiatives under the Program continued as part of the bushfire recovery effort. The expansion in earthworks contracting as the result of land rehabilitation activities under the Program, meant there were more local machines and operators to construct control lines and assist in post-fire rehabilitation activities.

Better farmers in the district have not gained many new skills, but appreciated the opportunity to bring forward pasture improvement activities that was afforded by the financial support provided by the Program. The Land Rehabilitation program has given some participants motivation to continue to participate in waterway management activities, wild dog fencing and protection of remnant vegetation. After a cautious start, the Land Aggregation program was successful in that it improved the scale and commercial viability of 20 farming enterprises and allowed 17 operators to exit farming in an orderly and dignified manner.

The rapid deployment of on the ground works achieved the key objective of providing encouragement to farmers to start quickly to rebuild their farms and provided an important new source of income and employment. The farm aggregation program achieved its main objectives of allowing some older farmers to retire with dignity, assisted in kick starting a stalled regional agricultural land market and allowed the transfer of marginal and sometimes degraded farming land to environmental plantings.

The land management programs suggested that generous cost-sharing approaches to natural resource management can stimulate a considerable level of on-ground activity. The initial stimulus of financial support also created momentum for further works to be undertaken beyond the conclusion of the programs. Such cost-sharing approaches are typically justified on the basis of the public and private benefits that may accrue from the activity, with the level of public investment greater where public benefit is greater (and private benefit smaller). Public investment in the Pasture Improvement program was smaller (on a per hectare basis) because of the greater private benefit from improved productivity. Under the Land Rehabilitation and Land Reafforestation programs there were less private benefit and a wider range of public benefits, including water quality protection and biodiversity protection/restoration.

Providing incentives is not the only way to encourage change. The land management programs also incorporated activities that sought to improve farmer skills, change attitudes towards rehabilitation of degraded land and protection of remnant vegetation and influence management practice. However, given the difficult financial position of many farmers at the start of the program, financial incentives were very important in initiating action.

There is some concern that financial incentive based approaches can engender an unhealthy level of dependency, with landholders becoming unwilling to improve management practice without financial support. This would be likely where financial incentives were the only method of achieving change. Programs also need to include activities that build social capacity such as developing demonstration properties and running best practice groups etc. if practice change is to be sustained in the long term.

Employing local people through NRE was very effective in building relationships in the community. Having a small number of staff responsible for the program meant it was cost effective, but made the workload heavy at times.

. Based on the evaluation findings and recommendations we conclude that if farming operations in the Omeo region are to be much more financially and environmentally resilient then 'Agricultural' programs such as those recommended in the Arup report should be implemented. A range of activities are required to:

- Assist business planning and efforts to improve profitability
- Improve farm productivity through better farming practice
- Increase farm scale by expanding some enterprises and facilitating the exit from farming of those who wish to do so
- Assist diversification into more profitable enterprises and/or those that are better suited to the climate and geographic constraints and opportunities faced in the region.

These activities should be implemented through small discussion groups. One or a series of demonstration 'farms' could be established to help adapt and evaluate improved management practice recommendations.

Good farming practice in the area will include:

- Farm planning, paddock sub-division and land class fencing to enable better control of grazing to maintain groundcover in areas vulnerable to erosion, modify stock camping behaviour, improve the perennial content of pastures, increase feed utilisation and exclude stock from rehabilitated waterways and areas of remnant vegetation. The use of stock containment areas during prolonged drought must be included in farm planning to help protect sown and native perennial pastures from overgrazing
- Tactical grazing to balance the needs of pastures and livestock and to maintain groundcover in areas vulnerable to erosion
- Nutrient management so that losses of nitrogen and phosphorus through product removals are balanced by inputs from fertiliser and pasture legumes
- Construction of off-stream watering or hardened on-stream watering points, where stock are able to water without destabilising fragile land and fouling water.

2.2.1 Social

Government needs to recognise the burden placed on smaller populations to maintain provision of services taken for granted in larger populations. For example, the local ambulance and fire services are provided by members of the community.

As noted above, ideally a sustainable community should have a stable or growing population as one of its objectives. As indicated, the Omeo region suffered considerable hardship over the 1996-2001 inter-censual period including between 1996 and 1998 so that the actual population may have already declined by 1998 (the timing/snap shot issue). More detailed understanding of the drivers of population change, short and long term, would be needed for a comparative assessment. It may be possible to get a better indicative measure of the change in population over the next census period as the effects of the Program develop. With small regional populations which may be declining or fluctuating as people move in and out of the region for a variety of reasons, there needs to be processes for engaging new people in community activity.

The approach adopted in implementing the Arup report included supporting the active community groups and encouraging implementation of the recommendations that had community support and interest. This ensured that the required outcomes were largely achieved.

A second approach was to formalise the recommendations into an on-going plan so that key recommendations that were unable to be implemented in the short-term would not be forgotten and could be picked up at a later stage. This approach also had the benefit, as noted earlier, that plans could be modified or fine tuned to reflect changed circumstances and target current needs better.

Documentation of implementation activities in a structured plan that is periodically reviewed has also assisted in:

- Succession planning for community groups
- Supporting new committees and groups
- Ensuring some element of continuity without stifling innovation.

The community support approaches adopted have been successful in ensuring that key outcomes have been achieved including the introduction of new members to leading community groups such as the Omeo Region Business and Tourism Association. The ability to 'renew' community groups and include new members is an important requirement for developing the innovation and flexibility needed for an adaptive and sustainable community.

This approach to targeting potential winners and leaders in the community has been a feature of the program throughout**.** In a small community the importance of individuals and the roles that they play in starting and sustaining programs is particularly significant.

The project overall has been very much in line with the Victorian Government's current approach to community building, which places particular emphasis on the role of social capital and partnerships. Community building works by engaging local people in developing a shared vision, in developing a range of community initiatives, in building local skills and participation and in encouraging social and cultural diversity.

Increasingly the Commonwealth and State Governments require a regional development strategy and actions to provide a structure and rationale for funding and other support. The strategy needs the support of the Local Government Authority and the broader regional community. A sound regional strategic development plan provides confidence to the various levels of government as well as providing a blueprint for community action.

In addition, if the community provides voluntary and in kind support, the government provides seeding resources and, where required, 'expert' assistance both by funding a facilitator and through the support of relevant regional staff, there is scope to develop a cost effective and efficient process for service planning, development and delivery at the regional and local level by a form of mutual collaboration.

The region has made a strong start in developing collaborative planning and implementation processes to deliver projects that meet identified community needs. It is important to build on the start it has made. A key part of this is the recognition that there is a continuing need for a community facilitator. Appointment of a facilitator provides scope to continue broad community participation in community and economic development potentially increasing the effectiveness and reducing the cost of local service provision.

Local government is the responsible agency for local and regional development and as such, should be the body to employ appropriate regional and/or local community development coordinators. These should not be seen as full time permanent positions but should be available until the community is confident that it has the structures and processes in place to operate either without assistance or with occasional ad hoc assistance on a project by project basis. Changes in circumstances such as additional major natural disasters or substantial economic structural change may require the input of an additional period of facilitation assistance. As such, the role should be seen to be flexible and adaptive to changes in regional condition.

A process for monitoring and evaluating the success of the role should be established. Success could be measured by improvements in regional service provision through such aspects as more relevant program design, better targeting, effective and efficient awareness of, and access to, services mechanisms, volunteer and in kind community leverage and collaborative support for relevant funding submissions

As there is potential to replicate this model in other municipalities if it offers improved services and/or lower costs there may be scope for the Omeo region to be a pilot for a broader program..

2.2.2 Environmental

The primary goals of the Program included providing assistance to rural landowners in their efforts to reverse environmental degradation and examining ways to enhance the long-term viability of land use. The four land management programs have successfully completed an impressive portfolio of on-ground works and capacity building activities that were directed to this end. Over 19,000 ha of land has been affected in some way by the programs, through:

- Rehabilitation of land that had been degraded by erosion
- Native vegetation restoration, particularly on land that is not suitable for agriculture
- Enacting land management agreements to protect sensitive areas, including native vegetation remnants, rehabilitated gullies and waterways etc.
- Perennial pasture establishment
- Property aggregation, layout modification and general farm development.

In addition to this, significant areas of farming land have been protected from wild dogs by the erection of wild dog fences along boundaries with public land.

The works undertaken were based on sound concepts for more sustainable farming systems. The programs attempted to achieve a better match between land use and management and land suitability. Degraded land was rehabilitated. An attempt was made to take this and other land that was not suited to agriculture out of production. Remnant vegetation was fenced. Land management

agreements were developed to help ensure that sensitive areas were either not grazed or not grazed inappropriately. Perennial pastures were established to improve production, maintain groundcover and reduce the risk of erosion.

The programs also sought to leave a legacy of improved skills in pasture establishment and degraded land rehabilitation and a greater commitment to environmental outcomes from agricultural land.

Improving scale and commercial viability through property aggregation also helps to avoid the almost inevitable environmental decline that occurs in unviable farms.

Despite the impressive scale of the works undertaken and their sound conceptual basis, it is not clear that there has been any substantial improvement in resource condition as a result of the Program. This reflects several factors, as follows.

- **Inadequate environmental monitoring** – one of the key deficiencies of the program was that there has been limited investment in environmental monitoring at both farm and catchment scales. There is only limited baseline information available, which mostly relates to catchment scale indicators such as water quality. There is no regular program of farm scale groundcover, water quality or vegetation condition monitoring to detect changes in resource condition over time
- **Scale of land use and management practice change effected** – given their time frame, the capacity of the landholders and the level of government investment, the program could not hope to have effected change in land use or management practice across the entire Omeo region. While over 19,000 ha of land was influenced by the four land management programs over their three year duration, there remain significant areas of degraded and vulnerable land requiring similar works. Resource condition change at the catchment level will be achieved once there has been changes in vegetation cover and management practice across the region's landscapes
- **Time frame for program delivery** – the time frame for delivering the land management programs was driven by the broader program agenda to provide a financial stimulus to help the community recover. This meant that there were time pressures to undertake works as soon as possible. This had two implications, namely that some works (especially perennial pasture establishment) were not undertaken at the optimum time and that works were not placed in a farm or property management context before being undertaken. This meant that pasture establishment and revegetation were not always as successful as they might otherwise have been. It also meant that opportunities to address the influence of farm layout on land management, through realignment of fencing to land class boundaries, paddock subdivision and construction of off-stream watering points, for example, were not taken

- **On-going dry conditions** – relatively dry conditions have prevailed in the Omeo region for much of the time since the programs commenced operation. This has reduced the success of pasture and native vegetation establishment and contributed to on-going feed deficits. Facing pressure to feed stock and with limited financial capacity to purchase fodder, some landholders have also allowed stock to overgraze recently sown perennial pastures and to access fenced areas from which stock were to be excluded. These practices may compromise the long-term environmental outcomes from the works
- **Physical difficulties in sowing pastures** – new sowings of perennial pasture were not always targeted towards steeper land classes with poor pasture cover, but to more trafficable mid-slope areas. This means that some of the country that is most vulnerable to erosion remains untreated
- **Mis-match between land management practice and climate** – prolonged periods of rainfall and feed deficit are two features of the Omeo region. Despite this, the area's farming systems do not appear to be well adapted to these conditions. Rather than lot-feeding stock in containment areas, many farmers allow livestock full access to the property during dry periods so that they can utilise any feed that is available. This reduces groundcover and exposes hill slopes to erosion during intense rainfall events, as well as greatly increasing the effort required for hand feeding. It also exposes any perennial grasses to continuous and selective grazing, to which they are not well adapted and which will ultimately result in their displacement by winter growing annuals
- **Episodic nature of large scale erosion events –** large floods and erosion events only occur irregularly. The real test of the works undertaken is not whether they slightly reduce soil loss during typical years, but whether they reduce environmental degradation associated with a major flood event.

Improved environmental outcomes from the land management programs could be achieved by addressing several of the issues raised in the preceding discussion. The main areas for change include running the program over a longer period, developing and demonstrating good land management practices and better incorporation of whole farm planning principles and practices into program delivery.

Observations indicate that if land management agreements (LMAs) are not backed up with on-going compliance monitoring and enforcement, they may be of little long-term value in protecting native vegetation or erosion prone land. When faced with pressure to feed stock, some landholders are clearly willing to breach agreements, particularly if compliance is not monitored. This suggests that further work is required to build landholder 'ownership' of the activities subject to the LMA, so that they are less likely to breach them. It also means that advisers must anticipate the threats to such agreements and help landholders develop alternative tactics (e.g. to provide feed during prolonged dry periods).

2.2.3 Economic

The four land management programs injected over $7.1 million into the local economy through on-ground works and payments to contractors, suppliers and local labour. Some of the additional $3.8 million spent on administering the program was also circulated through the local economy. The programs provided an important initial stimulus to the local economy and also helped to improve its resilience.

The programs also helped to improve the commercial viability of individual farming operations. This was particularly true for those purchasing land through the Land Aggregation program. Based on average figures, it enabled purchasers to increase livestock numbers by about 2000 dse (dry sheep equivalents) and will have shifted them much closer to commercial scale. On-going dry conditions and some deficiencies in grazing practice mean that all of the potential gains from perennial pasture establishment have not been realised. However, livestock carrying capacity and profitability should have increased as the result of these actions.

Funds allocated to the programs were generally expended efficiently. Management expenditures were less than 30% of the total program budget in all four agricultural/land management programs.

The public investment component of most activities was relatively high, however this is consistent with the broader socio-economic and environmental objectives of the programs and the limited financial capacity of the landholders at the commencement of the program. The cost of works appear to be broadly similar with those for similar works undertaken elsewhere.

The process of allocating funds directly to the region allowed the regions to make decisions quickly and act immediately. This was very important in the immediate post-disaster situation. However, in hindsight, some of the investment was not as strategic as it might have been and did not necessarily capture the full range of potential environmental benefits.

The Land Aggregation program managed by the Rural Finance Corporation (RFC) achieved many of its initial objectives. It helped some 17 farmers to make an orderly and dignified exit from farming, helped to restart the regional rural land market and went some way to increasing the scale of some farm holdings. However the short duration of the program meant that it did not fully realise its potential.

Weaknesses in the program included the lack of any requirement to develop whole farm planning especially in conjunction with the prospective new owners who were often neighbouring land owners. There were also concerns about the ability to sell the final land parcels that led to a short purchase period and limited the take up of the land aggregation component as well as concerns about the commercial probity of the RFC being land purchasers, managers, vendors and financiers. This multiple responsibility could effect the perception or actuality of acting in a completely

objective manner throughout all transactions. However, it should be noted that all the participants consulted were very positive about the RFC's approach and professionalism and had no issues with the process.

The Arup report's tourism and business initiatives have been adopted by the ORBTA as part of their strategic plan. These initiatives are being progressively implemented. Measurements of visitors to the Omeo region based on a range of measures including an innovative method using traffic data developed under the Program, inquiries at the Visitor Information Centre and general industry perceptions suggest an increasing number of visitors to the region. These local data suggest that the sealing of the Great Alpine Road and the continuing development of Omeo as a tourist destination are starting to pay off.

2.3 Impact of the Restoring the Balance program on the community sustainability criteria

The Arup report had a clear objective of increasing the sustainability of the Omeo region. This section looks at the successful elements of the Program that should have supported the community sustainability criteria discussed in chapter 2. These include:

- Increased diversity of the economy - Arup investigated:
  - The potential for increased agricultural diversity including the opportunities for new crops and animal husbandry. At this stage the combination of soil, climate and distance from markets has reduced the scope for these types of developments although as the regional tourism market develops some opportunities such as increased viticulture and associated wine making may become more attractive. However, while the major agricultural activity will remain the same, there is scope to build on the current broad acre pastoral activities to spread the risk across beef, prime lamb and wool and to differentiate the regional product through branding
  - Ways to develop additional tourism and service activity
- Attraction of new people into the region as operators of tourism and service businesses including new accommodation, food services and retail operations
- Processes for introducing new people as members and office bearers of community organisations allowing the introduction of new ideas while maintaining on going objectives and consistency in operations
- Maintenance of regional services which has assisted in maintaining the number of regional 'experts'
- Higher than average post secondary and tertiary qualifications.

2.4 Summary of broad program conclusions

The evaluation indicates that the Program has largely met its original objectives to:

- Assist the community to respond to an accumulation of disasters
- Inject resources and capacity into the region quickly
- Improve the longer term capacity and resilience of the region.

The process of providing resources and funds directly to the region and requiring the region to develop the detail of the Program based on broad objectives and required outcomes led to a more flexible and better targeted Program with more community acceptance and ownership.

The process also provided opportunities for continuous improvement and led to the development and use in Program implementation of key principles that provide a guide for future regional and local sustainable development programs.

However, the speed of response meant that some elements of the program development and delivery could have been improved. In particular, given more time the Arup report component should have preceded the agricultural components and provided a strategic framework for the on the ground activities. While this is important for any new program and is addressed in the next chapter it is not a criticism of the current Program that needed to be implemented quickly and provide an immediate response to be effective.

With more time, consideration could have been given to determining better baseline data and establishing adequate environmental, social and economic monitoring to be able to measure the benefits of the program initiatives over time. The development of improved data collection, collation, analysis and interpretation for program monitoring is still a requirement for the Omeo region as well as for any new program for other regions.

It is important to acknowledge the establishment and/or strengthening of the ‘permanent’ community development committee structure and processes that are assisting with on-going implementation of the Arup report recommendations. However, there is still a need for community coordination to achieve the full benefits of the implementation of the Arup report and the development of a sustainable Omeo region community.

3 Recommendations for the Future

This chapter draws on the findings and overall conclusions from the evaluation and discusses the lessons learned that could assist in implementing successful programs elsewhere.

The chapter discusses governance issues followed by a proposed model that builds on the very real strengths of the Program but also addresses some of the weaknesses

3.1 Governance models

The current program followed a regional implementation governance model where overall program objectives and required broad outcomes were determined by the Government but the service delivery was delegated to the region for implementation. The advantages of this include:

- Responsiveness in terms of meeting real needs quickly
- Flexibility in terms of being able to adapt service delivery to continue to achieve the government's outcomes where needs are more diverse in practice, provide an ability to adapt to changing needs during the program life and/or adapt initiatives to specific needs where there are differences across different segments or pockets of the community
- Opportunities for a broader environmental, social and economic response and better co-ordination across departmental agencies.

The approach requires:

- A clear understanding of the need or opportunity the program is responding to
- A pre-prepared action plan
- Appropriate monitoring and reporting to ensure accountability to Government and to all key stakeholders
- A regional service delivery capacity.

An alternative approach is to develop and control programs centrally. This would include determining specific needs and requirements to meet broader government policy and outcomes centrally and documenting program details including eligibility, application requirements, application evaluation and all reporting and monitoring procedures.

The advantages of this approach tend to be clearer audit trails and accountability.

Disadvantages can include:

- Narrower program design, potentially focussed on individual department/agency areas. This can mean that the broader overall policy outcomes are not met

- Delays in implementation while program documentation is developed and approved
- Increased administrative overheads
- Reduced flexibility and scope for adaptation
- Responses to meet program guidelines rather than to address community needs.

A key question is whether the advantages of a regionalised, more bottom up implementation, can achieve top down policy and outcome requirements and allow an appropriate level of accountability. The current evaluation suggests it can. The evaluation indicates that the program was successful in achieving most of the broader outcomes and that part of its success related to the in built flexibility. Weaknesses included:

- The speed and order of implementation which, inevitably given the needs for an immediate response to a crisis, developed the 'plan' after much of the on ground works were completed.
- The requirement to implement early farm based and natural resource management activities to demonstrate the government's concern about the disasters that had affected the region and to create an immediate social and economic benefit meant that catchment wide benefits were not achieved. Despite this, the actual works achieved significant success at the farm level and in meeting the overall objectives of the Program because of the experience and local knowledge of the implementing agencies and people
- In some cases limitations in reporting so that some stakeholders were unsure about project progress or felt left out of the loop.

3.2 Future Model

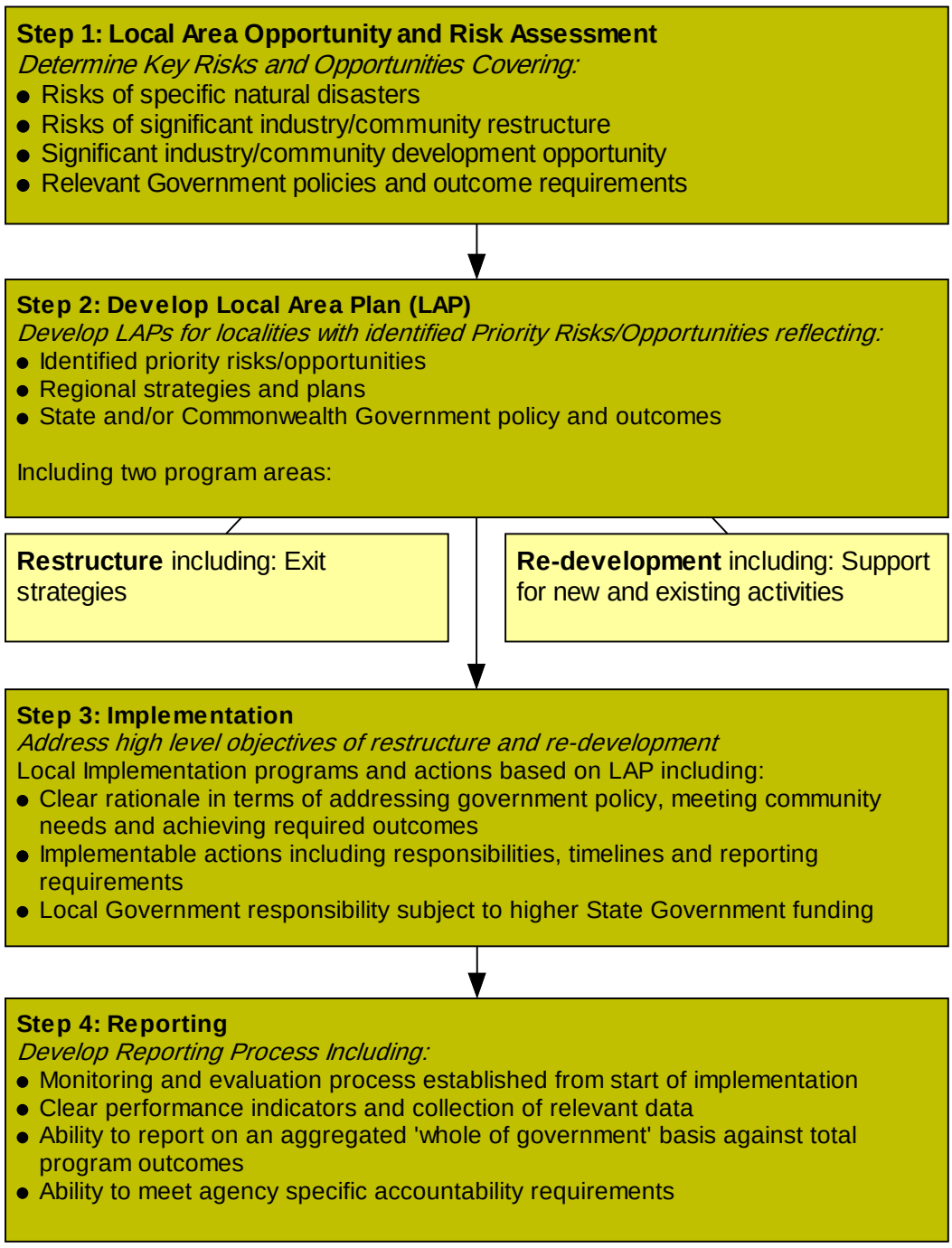
Based on the evaluation findings a model is proposed for providing regional assistance in both disaster situations and periods of significant and disruptive change.

This model reflects the successes of the Program and mitigates the limitations and could be used to meet both disaster and key strategic opportunity needs.

Local Government is responsible for regional development and has a clear risk assessment and response and recovery coordination and support role for emergency management. Local Government would be the responsible agency for planning, development, implementation and monitoring the model. The local authority would be responsible for developing the local area plans, for coordinating implementation and for implementing relevant actions subject to State Government funding support.

The model is illustrated in Diagram 3.1 and the key steps are set out below.

- **Diagram 3.1: Regional development model**



3.2.1 Step 1 Local area opportunity-risk assessment

Each local Authority would be encouraged to undertake an opportunity and risk analysis for their municipality. In many cases LGAs would have already done this at least in part or across a range

of reports including municipal economic development, tourism and sustainability strategies. The aim would be to list all the significant areas of opportunities and risk by type, location and priority.

The assessment need not be done all at once and key opportunities and risks are likely to be readily identified. It is proposed that this step would be a prerequisite for further funding. The requirements for this assessment would be predetermined centrally but are unlikely to be onerous. For example, assessments could indicate such aspects as the opportunity or risk, its relationship to Government policy, the potential benefit and cost involved, any specific group or groups disadvantaged and any links to other opportunities or risks. Again the task is not new and identifying and prioritising opportunities has been required for project specific Victorian government funding and municipal emergency risk assessment is a requirement of State Emergency Management. This proposal extends the process to providing a broader opportunity and risk assessment within a sustainable development framework.

This list would establish eligibility for specific funding.

3.2.2 Step 2 Local area plan

Step 2 is the development of a local area plan (LAP) for all areas of key opportunity and risk. Again this does not suggest local area plans for all localities in a municipality but only those that are subject to particular risk or offer particular opportunities. On this basis, a LAP would only be undertaken where there was a recognised risk of significant natural disaster, a known issue with local structural change that would cause significant hardship or a known major development opportunity which the region wished to participate in. For example, East Gippsland Shire has some 49 separate defined localities but there are probably only 5 or 6 that would require a LAP. In addition, not all LAPs need to be done at the same time.

The LAP process will need to be linked with regional planning. The LAP development would take into account relevant regional and catchment wide environmental, social and economic objectives and strategies to ensure that local plans are consistent with these and assist in meeting wider regional goals. Where appropriate, the LAPs would draw on information developed for the regional plans and strategies. In some cases, the LAP process may provide additional or more targeted information that indicates the need to amend or fine tune regional strategies and actions to meet local and regional community requirements.

Again the broad content of a LAP should be defined centrally to allow ease of comparison of opportunity and risk. Government policy requirements and consequent outcomes would be defined as part of this, together with monitoring and evaluation and reporting requirements to ensure the LGA addressed local data collection requirements and the need for clear performance reporting. It would also include a local delivery capacity assessment to meet the defined opportunity/risk. The

planning exercise would have a secondary benefit of potentially indicating the need to maintain or enhance existing resources including people, skills, technology (e.g. Communications), etc.

While it would be the responsibility of local government to prepare these LAPs, State government funding would be needed to fund their development and for implementation. As an indication, based on the Restoring the Balance Program, funding would require some $200-250,000 for the LAP and around $100,000 per annum for implementation coordination over a three year horizon. A total of say $500,000 to develop and implement a LAP to a stage where further implementation is taken over by the community.

The plans would be local and address the specific needs for the identified opportunity/risk. The LAPs would include input from a range of relevant entities in addition to the Local Government Authority, such as:

- The local community subject to appropriate facilitation support
- The Catchment Management Authority
- Relevant Departmental/Agency regional staff
- Regional private sector organisations.

The LAPs would need to address:

- **Restructure**: Issues where enterprises and/or individuals need or want to exit from existing activities due to natural disaster or structural change that they can no longer cope with. In these cases the plans would address the best way to reallocate resources and facilities from entities and individuals who wanted to exit their position to either existing members of the community or new entrants who could provide an economic, social and/or environmental return. The Land Aggregation program provided this element in the Restoring the Balance Program
- **Redevelopment**: Assistance for communities, enterprises and/or individuals who want to re-establish their activities or participate in new opportunities. In this case the plans would be concerned to provide facilitation services to assist these entities and individuals and probably some seed and/or demonstration funding.

LAPs will include detailed actions, responsibilities, time lines, performance measures and reporting requirements.

While availability of an agreed LAP would not be a requirement for disaster relief it could be a requirement for key opportunity funding and for local delivery of disaster programs. In addition, a LAP that builds on the municipal emergency management risk assessment to provide a broader assessment of, and plan for, longer term sustainable recovery could have considerable attraction.

3.2.3 Step 3 Implementation

Implementation of the plan would depend on the specific event. It is noted that at any one time a number of relevant events can be predicted such as industry structural change due to environmental requirements or long term global market trends while others, such as natural disasters, would be triggered by the event. The aim would be to have a clear response and recovery plan that meets Government policy and is designed to provide required outcomes in place.

It is important for LAPs to address high level policy objectives as a guide for implementation. The proposed LAPs would provide the blueprint for a response incorporating the two high level objectives - restructure and redevelopment.

The LAP implementation process would provide the programs for delivering a suite of more specific actions to meet these two objectives:

- Restructure: where enterprises and/or individuals have been 'overwhelmed' by natural disaster or structural change and need to exit from a situation that they cannot cope with. The 'buy back' component of the Restoring the Balance Program addressed this as does to some extent the Commonwealth 'Family Farm Restart Scheme'. Additional measures include financial, retirement and other counselling, possible relocation assistance and potentially later retraining and job placement programs
- Redevelopment: for enterprises, groups and individuals that want to re-establish and redevelop their activities or participate in new activities. Measures would include business planning and other business assistance programs, business counselling and mentoring programs, retraining to take advantage of new opportunities, new business start programs, development of enterprise centres and business incubators and potentially seed funding for new enterprises.

Most of the programs indicated above currently exist or have in the past. The key difference is that the suite of initiatives will be 'packaged' to meet pre-established objectives and produce identified outcomes both from an individual and community point of view. There is also an overlap of initiatives to both people wanting to exit their existing activities and people wanting to re-establish or develop new local/regional opportunities although the purpose and outcomes of the assistance will vary. As with the 'Land Aggregation' component of the Program some initiatives will benefit both types of people seeking assistance.

While the Local Government Authority would be responsible for co-ordination of overall regional implementation and for relevant specific initiatives, the range of implementation agencies and bodies set out in the LAP would be responsible for their own areas. The LAPs would detail actions, responsibilities, time lines, performance measures and reporting requirements.

3.2.4 Step 4 Reporting

Reports would be developed to allow monitoring and evaluation of the success of the LAP implementation in meeting its objectives, specific and broad based outcomes and financial accountability statements..

A key issue in reporting would be to ensure that data is collected that allows both whole of government and individual agency reporting and that allows outcome based reports and accountability reports.

On this basis, although funding and actions would be aggregated and delivered by the region, reporting may need to be disaggregated so that individual agency outcomes can be shown, and the outcome to resources used demonstrated, at the individual agency level.

Reports would therefore be provided at whole of government level against the top down government outcome requirements together with agency reports indicating agency specific outcomes and resource allocation. The hierarchical program indicator approach discussed in the next section would be designed to assist in this.

This reporting approach would provide data that meets service outcome monitoring requirements and agency accountability requirements.

A second requirement would be the development of a regional data collection and collation process that ensured relevant data was collated and stored in a compatible format for use by actioning parties across the region. This data would also be valuable for service planning purposes and for monitoring regional sustainability indices. In the model, the collation process would be undertaken by the Shire and include Shire wide data such as census data collected by the Shire supplemented by local data collected locally.

3.3 Measuring social, environmental and economic outcomes

The Arup report sets out a definition of sustainability that means no further loss of population or reduction in community infrastructure and services and the creation of opportunities that will provide employment for succeeding generations and a platform for long-term growth.

This definition suggests a series of potential SEE indicators that could be established to measure the on-going effectiveness of the Program. These indicators would be designed to measure the effectiveness and efficiency of the LAP implementation and would reflect the plan objectives. However, if these indicators are very general they may suggest that the objectives have been achieved irrespective of the outcomes or conversely it may be difficult to see when the objectives have been achieved as the outcomes may be more precise than the indicators.

In addition, the broad definition of community sustainability could result in a very large number of potential indicators as proposed in a number of sustainability studies. There are dangers in proposing a large number of indicators as there may be confusion in sheer numbers. There may be apparent contradictions and 'trade offs' which are difficult to understand and may not allow the wood to be seen for the trees. There could also be difficulties in presenting them in a meaningful way.

Based on the above, consideration should be given to developing a hierarchical process based on selecting a relatively small number of indicators where the data is reasonably readily available at each level in the hierarchy. The number of indicators would vary with circumstance but could include 6 to 8 indicators at the local level which are similar too or congruent with a similar number of regional indicators. A further 6 to 8 more detailed indicators would be defined for each activity stream. For example, agriculture (which could be split into traditional and non-traditional either at the same level or as a further step down in the hierarchy), tourism, other business and community sector (which again could be split into more detailed categories as noted with agriculture) and perhaps cultural. Culture is suggested as the 2002 State of the Regions report[11] noted the correlation between regional culture and technology and innovation and economic development.

For example the following broad indicators could be plausible at both the highest local and regional level although the magnitude would vary:

- A growing population say back to the levels of the 1980s or say 20% higher than at present.
- A strong and viable pastoral sector as demonstrated by all farms providing an appropriate income to allow investment in environmental management and planning for retirement. This may need to be reflected in stocking rates but potentially income could be developed in aggregate through a confidential survey.
- A more diversified economy based on say a given increase in tourist and other businesses employment say 30% increase.
- Reduction in marginal land (for example the higher less productive land that was reafforested and returned to the Crown under the Program) by an agreed percentage by type
- Elimination of erosion through increased treatment of eroded gullies and revegetation of hills and less accessible land say currently 10% treatment to 100% treated, with water quality in all streams meeting EPA water quality objectives.
- Increased employment opportunities reflected in a lower than state average unemployment say 20% lower than the State on average
- Growth of community infrastructure and services by say one third.

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[11] *State of the Regions Report* prepared for the Australian Local Government Association, NIEIR 2003

At the next level, again regionally and at the local level, population indicators could look at more detailed demographics that indicate the changing health of the region and its ability to sustain or grow population such as:

- Retention rates of younger people or the growth in young family households. It may be more healthy for a region to lose some of its young people who leave to go to University, gain experience in the metropolitan area or overseas etc. but be sufficiently attractive in terms of employment opportunity, community services etc to attract them back and others when they settle down with young families
- The proportion of working to non working population
- The proportion of frail aged
- Relative income levels
- Relative educational level
- The cultural mix within the community measured by say proportion of non-Australian born.

Appropriate indicators would be developed for each category as noted above.

It should be noted that a number of these measures reflect the community sustainability criteria from the literature as summarised in Chapter 2. Additional data could be collected to provide measures related to all these criteria to allow on going monitoring.

4 Pasture Improvement

4.1 Program Objectives

The Pasture Improvement Program was developed to help landholders establish perennial pastures on agricultural land that was most vulnerable to soil erosion. Its target was to establish 10,000 ha of new perennial pasture in the East Gippsland region, concentrating on the Upper Tambo and Omeo areas (target ~4000 ha).

The program addressed both social and natural resource management issues. The social imperative had three main dimensions. The program was firstly intended to stimulate economic activity within the district. Funds were provided to local farmers to support perennial pasture establishment, which would then circulate through the local economy via payments to contractors and suppliers. The program also sought to stimulate a more pro-active approach to land use and management practice among the local farming community. Some landholders had been trapped by the succession of climatic and disease challenges and poor commodity prices in a reactive mode of management. The availability of funds for pasture establishment provided an opportunity for them to bring forward activities that might otherwise have been deferred and/or to initiate activity that might otherwise not have proceeded. The program, along with the others, was also intended to stimulate social capacity, by increasing interaction within communities, helping them to re-engage with government and improving landholders' management skills.

The program also sought to improve the resilience of farming systems in the face of environmental and economic challenges. While there was a social dimension to this, the program was intended to contribute to improved environmental outcomes, through protection of agricultural soils from erosive water run-off events.

4.2 Implementing the program

$1 million was allocated to implement the Pasture Improvement program. Funds were dispersed through a grants scheme that offered financial incentives to landholders establishing perennial pasture. Staff and contractors were also employed to implement the program and help improve landholder skills in perennial pasture establishment and management.

Grants of $100/ha were provided to landholders for perennial pasture establishment in the first year of the program. Incentives were reduced to $60/ha in the second and third years (and offered to all landholders in the East Gippsland Shire). Payments were targeted towards class 3 (after Garret,

1993) or higher land[12]. The availability of financial incentives was extensively promoted within the area. A seed drill was purchased for community use.

One staff member was employed (by the Department of Natural Resources and Environment; NRE) to promote and manage the program and 5 part-time staff were employed to inspect and sign-off on funded works. An agronomist was engaged for two weeks to provide advice on pasture establishment and management. Recommended practice for pasture establishment and management was demonstrated at several field days[13].

4.3 Program evaluation: capacity

Although the program's target was to establish 4,000 ha of new perennial pasture in the Omeo region, its primary objective was to re-motivate farmers and help them develop farming operations that were more financially and environmentally resilient. To this end, the program invested in building the financial and technical capacity of landholders, as well as in efforts to improve the level of interaction between farmers in relation to pastures and pasture management.

Table 2 Participation, activities and resources

Resources	Quantity	Hectares	Expense ($k)	Income ($k)
Allocation				1000
Grants to Omeo region landholders over 3 yrs			412	
Grants to other East Gippsland landholders			381	
Program support overheads			247	
Support staff	1fte, 5pte			
Pasture improvement field days	8			
Pasture sown: total East Gippsland		11 028		
Pasture sown: Omeo region		4720		
Seed drills purchased	1			
Expressions of Interest: Omeo region	139			
Projects completed: Omeo region	105			
Landholders involved: Omeo region	96			

[12] Land Class 3 - Land with moderate risk of degradation. Special conservation practices required if used for cropping. Land use in higher classes is generally confined to grazing due to the risk of erosion with cultivation.

[13] Staff from NRE and its some of its predecessors had provided catchment management and agricultural extension services in the district for many years.

- **Table 3 Program Expenses**

	Net Program Expense ($k)	Hectares sown	Total costs per hectare	Average area sown per enterprise
Omeo region	574	4720	$122	49

Note:
Of the total payments made to landholders, $280,000 was paid to those in the **Omeo region** in 1998/99, with the remaining $513,401 paid to landholders in the whole East Gippsland region in 1999/2000 and 2000/01 ($132,316 to landholders in the **Omeo region**). Cost share was reduced from $100/ha to $60/ha after the first year of the program.

Net program expenses includes all 1998/99 overheads and 1999/2000/2001 overheads adjusted by **Omeo region** share of total grants paid.

Participant reactions

Participants were generally aware of the benefits of perennial pastures prior to the program and some had already successfully established such pastures. They perceived value in growing higher quality fodder and having pasture plants that provided better groundcover and protection against erosion. Participants reported that their involvement in the program broadened their experience and built their confidence in perennial pasture establishment. One appreciated the opportunity to build on their own successful work through the Rabbit Buster program by sowing perennial pasture on an exposed slope whose rabbit population had been contained. Another commented on what they considered to be the relatively high proportion of funds spent on on-ground works.

Reasons for non-participation varied. Some, particularly in the Benambra district, thought that they should not seek assistance until those who had been badly affected by the floods had been assisted. Others wanted to concentrate pasture sowings on more productive Class 1 and 2 land. Some people reported not knowing about the program until they later became involved through the East Gippsland *Bushfire Environmental Recovery Program*.

Knowledge, skills and attitudes

Participants reported that involvement in the program improved their knowledge of the establishment and management techniques for perennial pastures. The areas of knowledge highlighted included pasture varieties and new sowing equipment. Some landholders believed they now had the skills to establish and manage perennial pastures successfully. Others thought that they would still need to seek some advice and assistance from others, probably fellow landholders.

Most landholders that were interviewed expressed a shift in attitude such that perennial pastures were now considered a norm in land management. Many wanted to sow more perennial pasture, but had been frustrated by dry conditions and their consequent inability to take land out of production while establishing new pasture. Establishment rates were likely to increase if financial incentives were available (which at that time they were through the *Bushfire Environmental Recovery Program*). Landholders who were involved in group activities like Prograze, Beefcheque

and PPP indicated that these programs were of benefit and that they were more likely to participate in any new group learning activities.

A small number of landholders reported being interested in also trialing stock containment areas to reduce the incidence of overgrazing and its impact on groundcover and the persistence of sown pastures.

When asked if, '*any further works had been conducted unfunded*', 50% of respondents reported continuing with pasture improvement after incentives had been withdrawn. Of these, 30% (23) were continuing a pre-existing pasture improvement program. Even the respondents who were continuing with a pasture improvement program considered their current financial situation restrictive.

Management practice

The concept of pasture improvement was well known in the community prior to the drought. The resources available through the program helped to bring forward or initiate new investment in perennial pasture establishment. The purchase of a seed drill by Swifts Creek Landcare helped to change pasture establishment methods – from traditional cultivation techniques to spray-graze and pasture drilling techniques. It also helped to reduce the time required for pasture establishment and increase its reliability.

Some program participants changed their fertiliser regime, by either applying fertiliser more frequently or fertilising previously unfertilised pasture. As expected, they reported increased growth.

One participant in the evaluation had commenced fencing for a stock containment area, although this activity was not connected with the program.

4.4 Program evaluation: social, economic and environmental outcomes

4.4.1 Social outcomes

As part of the overall Program, the program helped to provide an immediate and sustained benefit to the Omeo region communities. The injection of funds and 'buy local' emphasis stimulated economic activity at a very timely stage. The financial stimulus and program activities improved motivation and built social capacity, in terms of knowledge, skills and the level of interaction between members of the community and between the community and government agencies.

Although landholders were generally aware of the potential benefits of perennial pastures and pasture improvement before the program was initiated, the program appears to have improved their capacity and confidence in pasture establishment and management. The program has helped to

bring forward investment in pasture improvement and initiate investment that might otherwise have not been made. Department staff believe that the program would have maintained momentum had it continued for longer.

Notwithstanding these important benefits, there is no sense that farming systems are significantly more resilient to the types of challenges that led to the program being developed in the first place. Management practice falls well short of that needed for a more resilient farming system. Key areas where change is required include (after Johnston *et al.*, 2004):

- *Farm planning, paddock sub-division and land class fencing* – sown and native perennial grasses are vulnerable to the effects of continuous and selective grazing by livestock. Smaller paddocks (<25 ha) are required to give the control over grazing required to maintain good perennial grass composition. Sub-divisional fencing needs to separate different classes of land and different aspects, so that groundcover can be managed and feed utilised more effectively. Waterways should be fenced and alternative stock watering arrangements made to reduce contamination of water supplies and bank erosion in streams and gullies. Implementation of fencing needs to be carried out within the framework of a whole farm or property plan.
- *Tactical grazing* – continuous and set stocking results in poor pasture utilisation and loss of perennial species from sown and native pastures. Grazing needs to be managed to balance the needs of pastures and livestock and to maintain groundcover in areas vulnerable to erosion. Improved utilisation should allow stocking rates to increase; which is essential if income from farming is to be improved.
- *Nutrient balance* – losses of nitrogen and phosphorus through product removals need to be balanced by inputs from fertiliser and pasture legumes. Initial improvements in fertility may be required to ensure establishment success and early productivity in sown pastures[14].
- *Stock containment areas* – the use of stock containment areas during prolonged drought helps to protect sown and native perennial pastures from overgrazing. It helps to maintain groundcover on vulnerable hill slopes and reduces the time spent feeding stock.

The Arup report noted that landholders face several practical difficulties in implementing such recommendations, including the capital cost, the difficulties in fitting them in with multiple block farming systems and the relatively small farm size and consequent low income.

[14] The cost of fertiliser must be balanced against the potential productivity improvements. In some settings, particularly with hill country pastures, it may be uneconomic to achieve the level of fertility required to maintain good pasture growth (see Avery *et al*. 2005).

4.4.2 Environmental outcomes

The program addressed important paddock-scale environmental issues. Well-managed, sown perennial pastures and grazed native grasslands should maintain groundcover at levels that will reduce the incidence of soil erosion in all but very dry years; (Avery *et al.*, 2005), help to reduce the incidence and spread of pasture weeds and slow the rate of soil acidification. Perennial pastures are particularly important on the more readily degraded land classes for these reasons.

Management practice on some properties may lead to these outcomes. However, the evidence of inspections carried out as part of this evaluation and other work in the district by project team members[15] suggests that this would be the exception rather than the rule. The management practice changes outlined above would need to be adopted for a sustained improved in environmental outcome at even the paddock scale.

At a catchment scale, the environmental outcomes of the Pasture Improvement program would be difficult to detect, even if there were appropriate monitoring systems in place. The most vulnerable areas (land classes 4-6) were not always targeted due to difficulties in pasture establishment. The program ran for only three years and treated no more than 2% of farming land in the district. Such a small change could not be expected to alter catchment scale environmental outcomes.

The continuing low rainfall has exacerbated the challenge in achieving any significant environmental outcome from the program. These conditions have reduced establishment success and contributed to overgrazing of sown paddocks by farmers with limited feed supply.

4.4.3 Economic outcomes

The program provided a significant short term economic benefit, through the almost $600,000 of financial assistance paid to landholders and passed through the local economy, via contractors and suppliers. This was supplemented by the spending of personnel employed on the program. The financial and psychological stimulus provided by the whole program helped to bring forward investment in pasture improvement and initiate investment that might not otherwise have taken place.

The longer-term benefits of the program cannot be quantified on the available information. While increased productivity would be expected with pasture improvement, there is no data to enable a comparison of post program stocking rates or profitability with pre-program benchmarks (~7 dse/ha; Arup report). In any case, the prolonged dry conditions experienced in the district are likely to have reduced the productive advantage of pasture improvement.

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[15] Whole farm planning work as part of the regional fire recover program.

At $16/dse (after Arup), then for every 1 dse/ha increase in stocking rate as the result of the Pasture Improvement program, the net increase in gross margin for the district as a whole would be approximately $110,000, or $1.1 million over 10 years. Adopting recommended practice for management of sown and native perennial pastures should result in increased productivity and profitability[16]. However, while sowing and maintaining perennial pastures can improve income, typical farming operations also need to increase in scale substantially to be financially sustainable. Typical farm size would need to at least double at current stocking rates to provide sufficient income to support a second generation (Arup report).

The proportion of allocation delivered through grants to farmers in the Pasture Improvement program was the lowest of the three land management programs (Chapters 5 and 7). Around 72% of the total allocation was delivered as grants to landholders, which is similar to the percentage investment in on-ground works in the Land Rehabilitation and Land Reafforestation programs.

The cost of the program per unit area of works undertaken was the lowest of the three land management programs ($186/ha).

4.4.4 Program successes include:

- Changes in fertiliser regime, by participants either applying fertiliser more frequently or fertilising previously unfertilised pasture
- The purchase of a seed drill which supported improved cultivation practices, reduced the time for pasture establishment and increased its reliability
- The injection of funds and the 'buy local' emphasis stimulated economic activity at a very timely stage
- Significant short term economic benefit through almost $800,000 paid to landholders and circulating through the local economy, via contractors and suppliers, and supplemented by the spending of personnel employed on the program
- Bringing forward investment in pasture improvement and initiating investment that might not otherwise have taken place.

4.4.5 Opportunities and limitations of the program include:

- Program interventions were over such a small area that they could not be expected to alter catchment outcomes
- Some program activities were not undertaken at the optimum time or under near-optimum conditions. As a result they were not all as successful as they might otherwise have been

[16] Although the associated fencing, pasture sowing, fertiliser application and stock purchase expenses may

- Sowing and maintaining perennial pastures can improve income. However, to be financially viable, typical farming operations also need to increase in scale or to be supported by off farm employment
- On-going improvement in farm practice requires the incorporation of whole of farm planning concepts into farm layout and management
- Well managed paddocks and properties can be used as examples of what can be achieved
- Linking to the finding that participants thought that they would seek advice and assistance from fellow landholders, the establishment of a regional collaborative farm improvement program.

4.5 Recommendations

Recommended practices for more sustainable pastures

1) Public investment in establishment of perennial pastures should only be provided where they form part of a process of implementing a whole farm or property plan. The plan should be prepared in conjunction with a trained facilitator and consider land classes, paddock sub-division, distribution of native vegetation, pasture types and land degradation issues, among other things.
2) Public investment in establishment of perennial pastures should be supported by extension programs that ensure landholders have or develop the management skills to sustain them and effectively utilise the fodder that they grow. Key areas of recommended practice include:
   - whole farm or property planning
   - fencing to allow separate management of sown pastures, grazed native grasslands, other native vegetation, waterways and different aspects
   - partial de-stocking and establishment of stock containment areas in times of prolonged rainfall deficit and feed supply shortage
   - construction of off-stream or hardened in-stream watering points
   - application of moderate levels of fertiliser, consistent with plant requirements, at least balancing exports in products and supported by periodic soil testing
   - tactical grazing to meet the needs of stock and pastures, utilise feed and maintain groundcover on slopes that are vulnerable to erosion;
3) Public investment in perennial pasture establishment should not be confined to the more vulnerable land classes. Improving the productive capacity of the most resilient land may provide the best (private) return on investment. This could add to the economic stimulus provided by such a program and may help to reduce grazing pressure on the more vulnerable hill country paddocks.

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create capital and cash flow constraints, particularly in the absence of public cost share.

4) Public investment in pasture improvement must recognise that achieving a more resilient system requires more than the establishment of perennial pastures. There are other significant capital expenses required to take best advantage of such investments, including; sub-divisional fencing and construction of off-stream watering points and stock containment areas. Increasing the scale of typical farming operations is also essential in the Omeo region to improve their profitability and financial resilience.
5) Improved management of native grasslands may be a better alternative for steep hill country management than sowing 'improved' pasture species. If applied correctly, recommended management practice should help to improve the perennial component of grazed native grasslands, increase productivity and maintain adequate groundcover.
6) The credibility of a pasture improvement program should not be compromised by institutional requirements to be seen to be 'doing something'. If such a program is required to provide an initial financial stimulus, it should be delivered by participation in planning and infrastructure development (e.g. sub-divisional fencing). Pasture establishment should only be attempted at times of year and in seasons when it is more likely to be successful and not simply to meet an arbitrary institutional milestone.
7) Achieving catchment-scale environmental improvements through pasture establishment requires a prolonged investment to achieve catchment-scale change in land use and/or management practice. The limited financial resources of farmers and operational challenges associated with having establishing perennial pastures 'out of production' for a period, mean that no more than 5-10% of a farms could be sown in any one year. Five to ten year programs are more likely to achieve something close to landscape scale change. Incentive rates and the level of extension support provided could taper off as the program progressed.
8) Monitoring and benchmarking information should be collected to assist with the evaluation of similar programs. Information needs have several dimensions, as follows:
    - the extent and quality of different pasture types and their management
    - groundcover levels, particularly at critical times of year (e.g. late autumn)
    - surface water flow and quality at key locations
    - stocking rates, animal numbers and wool and meat production
    - pasture management practice before and after a program
    - farm financial information, including gross margin, cash flow and return on investment;
    - program expenditure, including on grants, operating expenses, program delivery and administration
    - participation in and response to extension and group activities.
9) If farming operations in the Omeo region are to be much more financially and environmentally resilient then 'Agricultural' programs such as those recommended in the Arup report should be implemented. A range of activities are required to:

- assist business planning and efforts to improve profitability
- improve farm productivity through better farming practice
- increase farm scale by expanding some enterprises and facilitating the exit from farming of those who wish to do so
- assist diversification into more profitable enterprises and/or those that are better suited to the climate and geographic constraints and opportunities faced in the region.

Where possible, these activities should be implemented through small discussion groups. One or a series of demonstration 'farms' could be established to help adapt and evaluate improved management practice recommendations.

Photo Gallery

- **Full Drought- Feb 1998**

- **Full Flood: Exposed hillsides were vulnerable in the heavy rainstorms**

- **Effects: Soil movement and loss**

- **Bushfires**

- **Lakes Entrance outfall**

- **Revegetation Works**

- **Pasture Establishment**

- **Remnant Vegetation Protection**

- **Omeo – Greening Up Again**

- **Bairnsdale Advertiser September 2001**

Creek students gain valuable experience

- **Bairnsdale Advertiser May and July 2001**

Business confidence growing

Martin and Florence DeVries are well know in the Omeo township for their preservation and restoration of historic buildings. They are currently restoring an old local house as part of their bed and breakfast business. (PS)

With Omeo beginning to move forward in leaps and bounds, Omeo artist Terry Petersen and his wife Ann have purchased the Omeo Newsagency and amalgamated it with Petersen's Gallery. Ann is pictured with the wide range of unique souvenirs that are available at the shop. (PS)

- **Bairnsdale Advertiser June 2002**

Swift's Creek 'Poet's Path' receives grant

Five students take up challenge

5 Land Rehabilitation

5.1 Program Objectives

The goal of the program was to prevent soil loss from land in the Omeo region identified as being unsuitable for agriculture. No specific targets were set in relation to either the area of land rehabilitated or the natural resource outcomes that were sought.

The program was driven by a similar suite of natural resource management and socio-economic imperatives to the Pasture Improvement program. The primary short-term objectives of the program were to stimulate economic and social capacity within the Omeo region communities. This and other *Restoring the Balance* programs were intended to help the community regain the initiative in their 'struggle' with difficult climatic and economic conditions.

The Land Rehabilitation program was also intended to leave a legacy of reduced soil loss, improved water quality and retained or enhanced biodiversity. These outcomes were to be achieved through the fencing, rehabilitation and protective management of erosion-prone lands, actively eroding gullies and waterways and patches of remnant vegetation.

5.2 Implementing the program

The initial allocation to the program was $2.5 million. The strong community response resulted in the program being oversubscribed; a further $0.7 million was transferred into it from the Land Reafforestation program. Grants of up to $1500/ha were provided for rehabilitation activities.

The typical issues addressed by the program included: erosion and soil movement into waterways, degradation of plant communities in remnant vegetation on private land, inappropriate land management and poor farm productivity and profitability. Landholder participation typically required a trade-off, with a commitment to fence and protectively manage remnant patches of native vegetation being linked with public investment to rehabilitate degraded agricultural land.

All sites included in the program were subject to either a Land Management Agreement (LMA) or a Trust for Nature (TFN) covenant on title[17]. Sites offered by landholders were inspected by departmental staff to assess their suitability and where they fitted in with regional priorities. Larger patches of native vegetation were assessed by Trust for Nature staff for their conservation value prior to inclusion in the program.

[17] All sites over 7 ha in area. Administration costs for smaller areas were prohibitive. Land Management Agreements were enacted under section 169 of the *Conservation, Forests and Lands Act.* Protection for large patches of remnant vegetation was achieved through a covenant on title, through the Trust for Nature.

Two staff members were employed to manage and implement the program. A total of 15 contractors were engaged to undertake fencing and/or earthworks. A 'buy local' policy was implemented, which meant that local contractors and suppliers were used in preference to those from other areas. Contractors and suppliers generally responded in kind, by not excessively inflating their prices.

The types of works undertaken as part of the Land Rehabilitation program included:

- gully rehabilitation with dams, grass chutes, diversion banks, earthworks, fencing and revegetation
- fencing and revegetation of waterways
- wild dog fencing
- pest plant and animal control
- fencing and revegetation of erosion-prone hill slopes.

5.3 Program Evaluation: Capacity

In common with other *Restoring the Balance* programs, the primary objective of the Land Rehabilitation program was to re-motivate farmers and help them to develop more financially and environmentally resilient farming operations. This program was most concerned with improving the financial capacity of landholders to undertake works that would, in the longer term, provide better environmental outcomes from agricultural land use in the district.

Table 4 Participation, activities and resources

Resources	Quantity	Hectares	Expense ($k)	Income ($k)
Allocation				2500
Transfer from Land Reafforestation				718
Grants to Landholders over 3 yrs			2284	
Program support overheads			864	
Other expenses			71	
Support staff	2 fte			
Local contractors utilised	16			
Local nurseries developed	15			
Erosion control projects under LMA's	215	600		
Land protected under TFN covenants	31	3357		
Wild dog fencing	35 km			
Expressions of Interest	72			
Projects completed	246			
Landholders involved	48			

Table 5 Program Outcomes

Net Program Expense	Hectares protected	Total costs per hectare	Average area protected per enterprise
3218	3957	$813	82

5.3.1 Participant Reactions

Landholders were slow to engage in this program, as there was an initial resistance to the native vegetation protection trade-off. The program gained momentum after several of the leading landholders participated and demonstrated the benefit that could be achieved. That the program was oversubscribed by almost 30%, demonstrates the positive community response.

Participants that were interviewed were generally pleased with the works undertaken as part of this program. The implementation approach was considered to be practical and effective. Many were encouraged by the large public investment in fencing and set aside larger areas of native vegetation than they initially thought would be necessary. Most of the interviewed participants appreciated the fencing of native vegetation in areas to be subject to Trust for Nature covenants, particularly where wild dog fences were constructed along their most vulnerable boundary.

Less than half of the interviewed participants indicated that they would have undertaken some form of rehabilitation work without the funding available under the program. All agreed that the funding had expedited such works.

Several respondents expressed displeasure at the loss of access to water as the result of earthworks or gully fencing[18]. Fencing was not usually associated with construction of off-stream watering points.

Non-participants that were contacted did not participate because they had no native vegetation to fence off. Some reported not knowing about the opportunities that existed or thought they were not affected and so did not seek assistance.

5.3.2 Knowledge, skills and attitudes

All landholders interviewed believed their knowledge of good land rehabilitation works had improved through the program's activities. They reported understanding the benefits of restricting stock access to vulnerable areas to reduce the risk of erosion and maintain or improve water quality. Most were committed to implementing the Land Management Agreements - by

[18] Although landholders were always involved planning processes prior to rehabilitation works being undertaken.

maintaining fences and restricting grazing. However some landholders reported that they would utilise feed in fenced paddocks rather than see their stock suffer further during severe feed shortages.

Landholders were confident that they could recognise when a gully stabilisation structure was failing, although not all recognised that it was their responsibility to maintain them.

Most landholders contacted thought the primary off stream erosion sites had been rehabilitated and that further works were not currently required. A few disagreed and considered that some of their streams needed similar earthworks. They were waiting to gain assistance from the East Gippsland Catchment Management Authority for this. Only one respondent reported undertaking further land rehabilitation works after the Program's completion.

The limited enthusiasm and near absence of perceived need for further rehabilitation works probably reflects a situation in which: a) the 'easy' work has been undertaken and where further work will come at increasingly greater cost to the landholder; and b) those works are highly dependent on the available of high levels of public cost share.

Contractors also reported that they gained new knowledge and skills through the project. Earthworks contractors gained knowledge and skills for construction of erosion control structures. Other members of the community gained new skills in seed collection, propagation and tree establishment.

5.3.3 Management Practice

There were few specific changes in management practice reported by landholders. Several reported being better able to manage stock with new paddock divisions based around the land rehabilitation fencing. Funding of wild dog fencing encouraged several landholders to further invest in the protection of their livestock through linking program-funded fences along their boundary line.

While landholders may aspire to undertake further rehabilitation works, few appear likely to do so without substantive public investment. The capital and (to a lesser extent) opportunity cost are relatively high, particularly in a context in which farm income remains modest due to on-going dry conditions and the (often) small scale of operations.

Observations made during the landholder interview process indicate that some landholders are not keeping stock out of the rehabilitated areas. This was a response to feed shortages and, sometimes, to lack of access to water. It appeared that in some instances stock were allowed continuous access to the fenced areas, despite this not being permitted by their LMAs.

5.4 Program Evaluation: social, economic and environmental outcomes

5.4.1 Social Outcomes

The general social outcomes from the program were similar to those for the Pasture Improvement program, in that it helped to stimulate the local economy, improve landholder knowledge and skills and increase the level of interaction within the community. The larger scale of this program and the nature of the works undertaken meant that it provided a greater stimulus to the community and increased the skills and knowledge of a somewhat different group.

The level of investment in physical works and labour intensive nature of some of them (e.g. fencing, tree nursery work and tree planting) meant that the program provided business and employment opportunities for the local community that would not otherwise have been available. The revenue and income from these activities circulated in the economy and improved the prosperity of the broader community. Earthmoving contractors were able to update their equipment, which played an important role during the 2002/03 bushfires. They also gained skills, which meant that they would be able to assist or guide landholders undertaking further rehabilitation works on their own initiative. The capacity of fencing contractors also expanded. This meant that there was local capacity to service the demand created by fire damage to fences in 2003. Other local residents gained work and business experience in seedling production and/or tree planting.

Construction of wild dog fencing gave an added sense of security for some landholders who had experienced significant stock losses.

Recommended management practices for rehabilitated areas

There remain several areas where management practice should be improved if the rehabilitation works are to achieve the intended long-term environmental outcomes, including:

- *Controlled stock access to rehabilitated areas* – continuous stock access to 'rehabilitated' areas is likely to destabilise them and reduce the long-term environmental benefit. While, in many cases, it should be possible to maintain some stock access, this should be for relatively short periods. Grazing with relatively large mobs of stock for short periods will ensure that feed is utilised, but help to avoid long term damage to soils and vegetation
- *Off-stream watering* – in at least some instances, stock are provided with access to rehabilitated areas because there are no alternative watering points. Riparian and gully fencing needs to be accompanied by construction of off-stream watering points
- *Farm and property planning* – farm or property planning should provide a framework in which issues of access to water and different parts of the property are assessed and catered for. That this did not precede the Land Rehabilitation program (due in part to time constraints) may help to explain some of the problems with stock access and watering.

5.4.2 Environmental outcomes

As with the Pasture Improvement program, this program addressed important issues at both paddock and catchment scales. It sought to reduce or prevent further erosion from active gullies and vulnerable hill slopes. By doing this, the program sought to reduce sediment transport to streams and improve water quality. The program also sought to protect larger and more valuable patches of remnant vegetation, particularly from continuous stock access and associated weed ingress.

Where implemented correctly and stock access to rehabilitated areas is appropriately managed, the program is likely to achieve the environmental outcomes intended. Groundcover should be maintained in erosion prone areas, erosion should slow and the fencing of riparian buffers should reduce sediment transport to streams. Fencing and weed and pest control should provide conditions that suit natural regeneration in protected remnant vegetation.

The evidence from a limited number of site inspections is that grazing has not always been controlled to the extent required to achieve the potential benefits of the program. The need to access feed and water during very dry conditions has provided sufficient incentive for some landholders to disregard management recommendations and, possibly, the terms of land management agreements.

As previously noted there is insufficient monitoring in place to detect environmental outcomes from the program at a catchment scale. Landholders and agency staff report that the works targeted priority areas, with about half of the worst gullies rehabilitated. This may have an impact on water quality at the catchment scale, however there have been few or no weather events yet to stringently test their effectiveness.

5.4.3 Economic outcomes

The program provided a considerable short and medium term economic benefit. Over $3 million was injected into the Omeo region community over three years through grants to landholders and subsequent payments to contractors and suppliers and their employees and through departmental staff employed to implement the program. The program helped to establish or sustain earthworks and fencing contracting businesses, that were then able to circulate subsequent funds associated with fire fighting and bushfire recovery through the community. Contractors have also been able to win work in other areas within the Gippsland region.

The works undertaken as part of the program are likely to have little net impact on the profitability of farming enterprises. There is likely to be an opportunity cost associated with reducing grazing pressure in rehabilitated areas and patches of native vegetation. However, the fact that such areas are degraded or vulnerable to erosion suggests that the cost is likely to be small. Shelter, improved

water quality associated with the rehabilitation works and avoiding future expenditure on erosion control may (at least) partly offset this. Wild dog fencing will reduce stock losses on properties where it has been constructed and maintained effectively and would increase profitability. Improved fencing and gully rehabilitation should also add to property values.

The program has been delivered in a cost-effective manner, with program management 'overheads' contained to just 27% of the program budget. Average cost per hectare of land treated was $813, which is not excessive. However, over 80% of the area treated was fenced for protection of remnant vegetation, which suggests that the per hectare cost for rehabilitation of eroded lands was much higher than the average. Costs of implementing some examples of the rehabilitation works appeared to be in the range expected from other locations.

Program successes include:

- Improved knowledge of good land rehabilitation works
- Improved understanding of the benefits of stock exclusion in vulnerable areas, although observations indicated not all landholders were restricting stock from these area
- Majority commitment to land management agreements
- Community and contractors gaining new skills
- Local employment opportunities and sustained expansion of the earthworks contracting sector
- Construction of dog-proof fences
- The provision of examples of works which, if implemented across the region, could provide catchment level improvements
- Low program delivery expenses.

Opportunities and limitations of the program include:

- Longer term environmental outcomes will need: consistent control of stock access to rehabilitated areas across the region, off stream or hardened on-stream watering and improved whole farm planning
- Additional monitoring is required to detect catchment level improvements
- Improving landholder compliance with management agreements, particularly in relation to stock access to erosion prone sites during rehabilitation.

5.5 Recommendations

1) Public investment in land rehabilitation and remnant vegetation protection should be supported by extension activities designed to ensure there is ownership of the rehabilitation works and protected remnants, and understanding of the impacts of grazing on these areas and of ways of

safely grazing them and long-term commitment by landholders to their responsibilities under management agreements[19].

2) Gully fencing and rehabilitation and waterway fencing should be accompanied by construction of off-stream and/or on-stream hardened watering points to ensure stock maintain access to water. Such works should be undertaken within the framework provided by a farm or property plan.
3) Investment in capital works to rehabilitate degraded areas and/or protect remnant vegetation should initially be accompanied by management payments to offset opportunity costs associated with reduced grazing area and to reinforce landholder agreements to exclude stock.
4) Monitoring and benchmarking information is required to assist with the evaluation of similar programs. Most details were documented for the Pasture Improvement program (section 4.5), but some additional points are noted below:
   - vegetation condition and fauna populations in protected remnants;
   - landholder compliance with management agreements, particularly in relation to grazing of protected vegetation remnants and fenced gullies and waterways.
5) Local information on costs and benefits associated with the protection and restoration of native vegetation should be collated and disseminated to the community to help encourage additional works and improve compliance with management agreements.
6) Direct seeding techniques should be trialed as part of local work to adapt management practice recommendations from other areas, in an attempt to reduce the cost and improve the species composition of revegetated areas. If direct seeding can be used successfully, it would substantially reduce the public cost of future revegetation activities.

[19] These important features were part of the program.

6 Land Aggregation

6.1 Program Objectives

The relatively small size of typical properties in Omeo region was identified by Arup as a key factor in the lack of commercial viability of grazing enterprises. A BisCheck survey of the area found that fewer than 20% of properties were of sufficient scale to support a second generation (Arup). Increasing the scale of operations, along with improved productivity are keys to improving the sustainability of farming.

The program sought to assist with the restructure of the agricultural sector through property aggregation and supporting landholders exiting farming. The program's objectives had social, economic and environmental dimensions. The social objective was to allow those wishing to leave farming to exit with dignity. The program was also developed to stimulate the market for farming properties, aggregate non-viable holdings into viable agricultural units and improve the profitability of remaining in farm businesses. The program sought to protect intact native vegetation remnants that were then on private land and rehabilitate degraded areas.

6.2 Implementing the program

The program was implemented by the Rural Finance Corporation (RFC) and was supported by the provision of exit grants for eligible sellers and an interest subsidy on loans for eligible buyers. Farmers were able to apply to exit farming through the program over the period October 1998 to December 1999. Participation was entirely voluntary and landowners were not required to sell to the RFC to receive exit grants or for buyers to utilise RFC loan facilities to receive interest rate subsidies. While the bulk of the property purchases and sales were undertaken by the RFC, some landowners sold independently.

The program comprised three main activities, as follows.

- *Land purchases* – those offering to exit farming could apply for a $30,000 farm exit grant from the RFC. This payment was in addition to the Commonwealth Government's Family Farm Restart Scheme's $45,000 exit payment. Purchase price for their land was based on the Valuer General's valuation. Sellers were given the option of excising their existing home and a small portion of land so they could continue to live and work locally.
- *Land improvements and tenure changes* - land that abutted Crown land and either supported native vegetation or was unsuitable for agriculture was fenced to exclude stock and restored to the Crown. This land and native vegetation and degraded areas on land that was not contiguous with public land were fenced, revegetated and/or rehabilitated (as required) as part of the NRE managed Land Rehabilitation and Land Reafforestation programs. Changes were reinforced with land management agreements or covenants on title. RFC improved fencing and water

supply, undertook weed control and fertiliser application works to prepare the remainder of the property for re-sale.

- *Land sales* - properties were placed onto the market by the RFC at a time when climatic conditions and commodity prices were good and interest rates were low. Properties were sold by tender, but only to farmers who were of a viable scale already or who would be made viable through purchase of this land. Farmers could tender for as many blocks as complemented their current enterprise. Land was sold in three releases, in October and December 2000 and in October 2001. With the exception of one property in the third release, all properties sold quickly.

Most properties were used for agistment during the resale period. Unoccupied houses that were in good condition were retained and maintained and were made available for short-term rentals

It was initially estimated that funding would be sufficient to turnover about 30 farms through the program. Property selection was intended to show that Government financial support was targeted towards reducing environmental harm and not to underwriting uneconomic farming practices.

6.3 Program Evaluation: Capacity

The program was implemented to help increase the commercial viability of farming, through increasing scale and improving productivity. It also aimed to provide an opportunity for willing landholders with less viable enterprises to leave the land with dignity.

- **Table 6 Participation, Activities and Resources**

Activity	Quantity	Hectares	Expense ($k)	Income ($k)
Properties purchased by RFC	17[1]	7421	5600	
Parcels sold	20	5910		7500
Land returned to crown		1511	500[2]	
RFC property development costs			1400	
Land Reafforestation program expenses on land returned to public ownership			544[3]	
RFC program administration			1418	
Exit grants			540[4]	
Interest rate subsidy			937	
Agistment and house rentals				195
Sub Totals			10 939	7695
Net Cost			**3244**	

Note:

1. RFC purchased 2 additional parcels of land totalling some 380 Ha that were adjacent to whole properties purchased to allow consolidation into reasonable holdings for sale.

2. Costs associated with fencing land returned to Crown.
3. Expenses associated with rehabilitation of land returned to the Crown are also accounted for in the Land Reafforestation program. They are included here to show the total cost of all activities associated with the Land Aggregation program. Cost includes cost of the physical works and *pro rata* management costs.
4. Two landowners sold their properties (both approximately 400 Ha) to purchasers other than the RFC. One received an exit grant making 18 exit grants in total. Both purchasers received interest rate subsidies.

Enterprise Change					
Purchased by RFC	Purchased independently	Total reduction	Sold to new ventures	Net enterprise reduction	Ave. Hectare increase
17	4(1)	21	2	19	296[2]

1. Includes two properties sold by owners to other purchasers than RFC and two parcels of land purchased by RFC to include with properties purchased to make attractive sale properties.
2. Increase in average size of post –aggregation properties relates only to those purchased from the RFC.

Average Property Values ($actual)					
Average Hectares Purchased	Price per Hectare	Development Costs per Hectare	Average Hectares sold	Price per Hectare	Net Price gain per Hectare
437	$755	$236	296	$1269	$278

Program Impact					
Total Enterprises in Omeo Region	Net Enterprise change	Net Enterprise change (%)	Net Program Expense	Ave Cost of Enterprise change	Cost/ha of enterprise change
160	19	11%	$3.2 million	$168,500	$437[1] $549[2]

1. Cost per ha of land purchased by RFC.
2. Cost per ha of aggregated land ultimately sold by RFC.

6.3.1 Participant reactions

Of those who purchased the land from the RFC:

- all believed that the RFC did a good job; they set it up and ran it well; they had a good communication strategy and they let people know about the program. The program coincided with a time where there were low interest rates and stock prices were reasonable
- all believed that the RFC did good work on the properties in the period between when they purchased them and put them up for sale
- most believed the tender system was the best approach
- one farmer described that what the RFC did, had an element of social work and would not have been carried out by real estate agents

- some believed that without the program they would not have had the opportunity to purchase additional land
- some were concerned that the rules excluded people from outside the community purchasing land and commencing farming
- some were critical of NRE's fencing of fragile land and were concerned that it stopped them accessing water, others believed it created a haven for vermin and wild dogs.

People were unsure and wary of the program in its initial stages and were concerned that it would erode the community and convert farming land back to forest. These concerns were allayed as the program rolled out.

For several farmers who wanted to expand, the land aggregation program presented a once-in-a-lifetime opportunity. The exit grant made retiring out of farming an attractive proposition for some.

Some landholders said that the program ran over too short a period and that farmers were not given enough information to help them make the decision of whether to exit farming or not. One said that if the Arup report had been released before the program commenced, farmers would have been in a better position to assess alternative land uses and then make a decision about exiting farming.

There were some comments on whether formal covenants were required, as they added to the cost and it was not clear whether the expense of monitoring to ensure compliance could be justified in the long term.

6.3.2 Knowledge, skills and attitudes

The program itself was not intended specifically to change landholders knowledge, skills or attitudes in relation to land management. However some participating farmers have taken on board the key improvements implemented in the program and extended these. Other farmers, that saw the work undertaken on the aggregated properties, were encouraged to do similar things on their own properties.

A number of the buyers have either invested in more property or are considering further investment to improve the scale of their operations.

6.3.3 Practices

Again, the program was not specifically designed to alter farmers land management practices. Some participants in the evaluation report that the results of wild dog fencing on aggregated land provided motivation to maintain them. It has also been observed that adjoining landholders have been improving their own properties.

6.4 Program evaluation: social, economic and environmental outcomes

The program reduced the total number of enterprises in the Omeo and Upper Tambo districts by 11%. It involved some 7421 ha of land, of which approximately 20% was returned to public ownership. The value of the remaining land increased as the result of the program, due in part to property developments that were undertaken.

The original objective of the program to aggregate 30 holdings was not achieved. The initial funding allocation appears to have been adequate to achieve this number, however the program would need to have been extended beyond its initial term. While the RFC were concerned at the time that there was insufficient demand to maintain the program, its staff now concede that if they opened the program again they would attract more participants.

Some participants were initially confused about the interest subsidy on offer. The program offered an overall subsidy which reimbursed interest payments at the subsidy rate as a lump sum in arrears. Some borrowers were expecting a rate subsidy that reduced their periodic interest payments.

There were some, in-principle, concerns about the role of the RFC as vendor, property developer, sales agent and potential financier. In practice these potentially conflicting roles were reportedly handled well. Consideration should be given to separation of these roles in future programs.

6.4.1 Social outcomes

The main social outcome of land aggregation was to allow people to exit farming 'with dignity'. Some thought that the program was helpful in that it avoided an impending situation where some landholders would have no choice but to exit farming.

Some people commented that the land aggregation program resulted in members of the community leaving the region and that this exacerbated a long-standing trend of population decline. Of the 17 landholders participating in the program, only three have remained in the district. However, most of the others were either absentee or had previously expressed a desire to sell and leave.

The loss of community members reduced social capacity in the sense that it made some voluntary organisations less viable. The Ensay Bowls Club, for example, became unviable after some of its remaining members left as a result of the Land Aggregation program. In the long-term, aggregation will increase farm viability and may help to sustain the community.

6.4.2 Environmental outcomes

The program *per se* was not specifically intended to deliver environmental outcomes. Property developments that were undertaken on aggregated land should lead to better environmental outcomes through improved groundcover, land class fencing and excising of land not suitable for

agriculture. Environmental outcomes for land that was restored to the Crown are reported under the Land Reafforestation program.

Improving the financial viability of farming enterprises may help to improve environmental outcomes. Few sub-commercial operators have the resources required to invest in improved management and native vegetation restoration in their own right. By necessity, many run down the natural capital of their properties. While there is no guarantee of improved management, it is more likely that financially viable properties will have better management and environmental outcomes than unviable ones.

6.4.3 Economic outcomes

This program achieved its objective of creating a market to sell land. Aggregated properties should be viable commercially, with good management. Improvements on the aggregated farms should have increased their productive capacity and lead to further improvements in profitability. Even at the district average stocking rate (7 dse/ha; Arup report), the typical increase in property size would allow enterprises to run an additional 2000 dse.

Program successes include:

- Landholders wanting to leave farming and/or in non-viable properties allowed to exit 'with dignity'
- Increased the scale and commercial viability of 20 farms
- Helped to re-establish a market for land in the district.

Opportunities and limitations of the program include:

- The time frame for the program could have been extended to allow more farmers to assess its benefits and take advantage of the opportunity
- Spread responsibility for various parts of the aggregation process between different parties to reduce the perception of conflict of interest.

6.5 Recommendations

1) For the establishment of a buy-back and resale scheme elsewhere, consideration should be given to:
    - the case for the buy-back scheme including family hardship, property market failure, environmental rehabilitation, employment creation and the potential demonstration effect
    - extending the time line of the scheme to allow for initial reservations to be overcome and for risk averse landholders to have time to make a considered judgement

- not having a single group manage the whole process from purchase and rehabilitation to finance and resale
- including formal whole farm planning into any rehabilitation activities or farm improvements made as part of the process and involving the new owners to help ensure their 'ownership' of the works undertaken.

7 Land Reafforestation

7.1 Program objectives

The program was developed as part of the broader *Restoring the Balance* emphasis on preventing soil loss from agricultural land within the Omeo region. Its specific goal was to fund the 'retirement' and protection of land that was considered to be unsuitable for agriculture. The program applied to land that formed part of properties purchased under the Land Aggregation Program. Some revegetated land was restored to the Crown, other areas were retained as part of properties that were resold to local landholders to help with property aggregation.

The program was driven by a similar suite of natural resource management and socio-economic imperatives as the other land management programs. The primary short-term objectives were to stimulate economic and social capacity within the Omeo region communities and help the community regain the initiative in their 'struggle' with difficult climatic and economic conditions.

The program was also intended to leave a legacy of reduced soil loss, improved water quality and retained or enhanced biodiversity. These outcomes were to be achieved through the fencing, restoration and regeneration of native vegetation cover in areas that were not suited to agriculture due to their susceptibility to erosion.

7.2 Implementing the program

The initial allocation to the program was $7.5 million. The typical issues addressed by the program included: erosion and soil movement into waterways, degradation of plant communities in remnant vegetation on private land, inappropriate land management and poor farm productivity and profitability. The program did not initially require landholder participation, as the works were undertaken on land purchased as part of the Land Aggregation program.

Land included in the program was either returned to the Crown or subject to a Land Management Agreement (LMA)[20]. Only land that was contiguous with public land was returned to the Crown. All other land was retained as part of aggregated farming properties and subject to a LMA.

Two staff members managed and implemented the program. A total of 16 contractors were engaged to undertake fencing, earthworks and/or weed spraying. Seedlings were sourced from 15 nurseries and over 100 local people were employed as tree planters. As with other elements of the Program, a 'buy local' policy was implemented, which meant that local contractors and suppliers were used in preference to those from other areas.

[20] As with the Land Rehabilitation program, Land Management Agreements were enacted under section 169 of the *Conservation, Forests and Lands Act.*

The types of works undertaken as part of the Land Rehabilitation program included:

- fencing and revegetation of erosion-prone hill slopes
- fencing of remnant native vegetation, including internal property fencing and wild dog fencing on new public land boundaries
- land capability assessment
- wild dog fencing
- pest plant and animal control.

7.3 Program evaluation: capacity

In common with other *Restoring the Balance* programs, the primary objective of the program was to re-motivate farmers and help them to develop more financially and environmentally resilient farming operations. This program was most concerned with separating out land that was considered to be unsuitable for agriculture – due either to vulnerability to erosion or its retention of native vegetation - from existing farming properties. These areas were then fenced for protection from grazing and, if necessary, rehabilitated. Some treated areas were included within aggregated farming land, but with the agreement of purchasers not to manage it for agricultural production.

Table 7 Participation, activities and resources

Resources	Quantity	Hectares	Expense ($k)	Income ($k)
Allocation				7500
Transfer to Land Rehabilitation				(718)
Funds spent on rehabilitation of land remaining in private ownership			2609	
Funds spent on rehabilitation of land restored to the Crown			419[1]	
Program support overheads & other expenses			912[1]	
Support staff	1 fte			
Local contractors utilised[2]	16			
Local nurseries developed[2]	15			
Local casual tree planters employed	100			
Land rehabilitated under LMAs		1211		
Native vegetation under LMAs		700		
Land returned to crown		1511		
Crown land revegetated		233		
Wild dog fencing	42 km			
Projects completed	246			
Cost			**3941**	

1. Costs for land returned to crown (on-ground works and pro rata management costs are also accounted in the Land Aggregation program.
2. Also included in report on Land Rehabilitation program

Net Program Expense	Private land rehabilitated & under LMAs	Crown land rehabilitated	Average cost per hectare protected	Private land rehabilitation cost/ha	Crown land rehabilitation cost/ha
$3.94 million	1911	1511	$1152	$1366[1]	$277[1]

1. The assumption was made that program expenses were shared between private and public land in proportion to the total expenditure.

7.3.1 Participant reactions

The nature of the program meant that there were few direct participants, apart from contractors and their employees. Revegetation and rehabilitation activities were carried out on land that was purchased by the Rural Finance Commission. Land that was returned to private ownership was sold after completion of the works.

Purchasers of protected land that were interviewed as part of this evaluation were generally pleased with the fencing of remnant vegetation. Some felt that the resources put into reforestation of steep slopes was not justified, given the difficulties and cost of planting and the lack of success in some areas.

Purchasers and other landholders appreciated that fencing vulnerable slopes, revegetating them and allowing natural regeneration would help to protect them from erosion. However, some were concerned about what they considered to be the build up of weeds. Several suggested that pasture sowing and exclusion from grazing would be sufficient to reduce erosion.

7.3.2 Knowledge, skills and attitudes

Since landholders were not involved in the implementation of the program, there was no specific attempt to change their knowledge, skills or attitudes. Any change in these areas would have been to contractors and their staff, as discussed in relation to the Land Rehabilitation program (Chapter 5).

Site inspections carried out during this evaluation found that there was some grazing of revegetated areas, despite the land management agreements. While this is at least partly in response to the shortage of feed elsewhere on the property, it does suggest that some new owners lack commitment to the land management agreements for revegetated areas.

7.3.3 Practices

While the program was not specifically concerned with changing management practice, its success does require the new owners to comply with the conditions of their LMAs, particularly in terms of controlling stock access. While there is no comprehensive picture, it appears pressure from poor

feed supplies has meant that not all landholders are continuing to exclude stock from revegetated land.

7.4 Program evaluation: social, economic and environmental outcomes

7.4.1 Social outcomes

The social outcomes from the Land Reafforestation program were similar to those for the Land Rehabilitation program, in that the program helped to stimulate the local economy, improve contractor knowledge and skills and increase the level of interaction within the community. As was the case for the Land Rehabilitation program, this program provided business and employment opportunities for the local community that would not otherwise have been available. The revenue and income circulated in the economy and improved the prosperity of the broader community. It also improved the resilience of the community to face other 'natural disasters', such as the 2002/03 bushfires. The presence of several functional contracting business meant that equipment and skills that were required were actually accessible.

The main area where management practice should be improved if the revegetation and rehabilitation works are to achieve the intended long-term environmental outcomes is in controlling stock access. Without this, rehabilitated areas may be destabilised and longer-term water quality and biodiversity benefits not realised. It may be possible, under tightly monitored conditions, to allow tactical grazing of revegetated or protected areas.

While prospective new landholders were encouraged to participate in planning associated with remnant vegetation and revegetated or rehabilitated areas, it is not clear that this achieved the same level of 'ownership' as it may have if carried out on land owned by them (at the time). This may have contributed to the non-compliance with LMAs, particularly in relation to grazing in fenced areas during periods of low feed availability. In turn, this is likely to lessen the environmental performance of the works.

7.4.2 Environmental outcomes

In common with other *Restoring the Balance* programs, this program addressed important environmental issues at both paddock and catchment scales. It sought to reduce or prevent further erosion from active gullies and vulnerable hill slopes. By doing this, the program sought to reduce sediment transport to streams and improve water quality. The program also sought to protect larger and more valuable patches of remnant vegetation, particularly from continuous stock access and associated weed ingress. Where implemented correctly and stock access to rehabilitated or fenced areas is appropriately managed (or excluded), the program is likely to achieve the environmental outcomes intended. Groundcover should be maintained in erosion prone areas, erosion should slow

and sediment transport to streams reduced. Fencing and weed and pest control should provide conditions that suit natural regeneration in protected remnant vegetation.

The evidence from a limited number of site inspections is that some grazing has taken place in rehabilitated areas and supposedly protected vegetation remnants. The need to access feed during very dry conditions has provided sufficient incentive for some landholders to disregard management recommendations and, possibly, the terms of land management agreements.

There is insufficient monitoring in place to detect environmental outcomes from the program at a catchment scale. While the works would appear to be well targeted, they would not, by themselves be at a scale where there would be a noticeable effect. As explained previously, there have been few weather events to stringently test the effectiveness of the works that were put in place.

The restoration of some areas of native vegetation to the Crown is unlikely to have a major influence on biodiversity at a bio-regional level, unless they contain (unreported) remnants of high conservation value vegetation communities. The Omeo region are surrounded by intact areas of native vegetation, which will not be significantly enhanced by the inclusion of a further 1500 ha.

7.4.3 Economic outcomes

The program provided a considerable short and medium term economic benefit. Over $3 million was injected into the Omeo region community through payments to contractors and suppliers and their employees. The program helped to establish or sustain earthworks and fencing contracting businesses, that were then able to circulate subsequent funds associated with fire fighting and bushfire recovery through the community. Contractors have also been able to win work in other areas within the Gippsland region.

The works undertaken as part of the program are likely to have little net impact on the profitability of the aggregated farming enterprises, except where wild dog fencing is able to reduce stock losses. Improved fencing and rehabilitation of eroded land should also add to property values. The program has been delivered in a relatively cost-effective manner, with program management ‘overheads’ contained to just 23% of the program budget. Average cost per hectare of land treated and maintained in private ownership was approximately $1366, compared with under $786/ha for land returned to the Crown. The per unit area cost of the former is high, but reflects the substantial investment in expensive rehabilitation activities. The unit area cost for land returned to the Crown is consistent with the lower level of intervention.

Program successes include:

- As with the land rehabilitation program, the program helped to stimulate the local economy. improve contractor capacity and increase community interaction

- 1900 ha of private land rehabilitated and placed under protective management with land management agreements
- 1500 ha of land not suited to agriculture returned to public ownership.

Opportunities and limitations of the program include:

- Improved landholder compliance with land management agreements on access of stock to rehabilitated/fenced areas
- Improved engagement of landowners in farm planning prior to reafforestation and other rehabilitation activities.

7.5 Recommendations

1) Public investment in land rehabilitation and remnant vegetation protection should be supported by extension activities designed to engender ownership of the rehabilitation works and protected remnants. Farm planning processes would be one useful means of trying to achieve this.
2) Monitoring and benchmarking information is required to assist with the evaluation of similar programs. Relevant details have been documented previously (section 4.5)
3) Local information on costs and benefits associated with the protection and restoration of native vegetation should be collated and disseminated to the community to help encourage additional works and improve compliance with management agreements.
4) Direct seeding techniques should be trialed as part of local work to adapt management practice recommendations from other areas, in an attempt to reduce the cost and improve the species composition of revegetated areas. If direct seeding can be used successfully, it would substantially reduce the public cost of future revegetation activities.

8 Planning and Implementation of the North East Environmental and Land Use Study (Arup Report)

8.1 Program Objectives

The program proposed a major consultancy designed to investigate improved utilisation of agricultural resources in the area. However, the community steering committee recognised that the study should adopt a 'whole of community' approach and provide an assessment of current conditions and propose long-term responses, recognising the inter-relationships within and across the regional community. The study focused on three main areas: agriculture, tourism and business and community structure and infrastructure.

The study was designed to form the basis for future development in the region. The implementation objective behind this program was to involve existing groups as much as possible. This is in line with the findings from the literature where successful and sustained community development requires the engagement and participation of the local community.[21]

The Arup report argues directly for a diversification of the regional economy to provide a cushion for fluctuating commodity pricing, natural events that effect farm incomes and to provide an impetus for long-term retention or increase of the regional population. Economic diversity is also seen as an important aspect of a sustainable region.[22]

8.2 Implementing the program

Immediately following the floods, the East Gippsland Shire appointed two Community Development Officers (CDO'S) for a 12 month period, to assist the community to deal with the immediate disaster situation and develop future plans. In February 1999, the CDO'S arranged a Local "Management of Change Forum" in Omeo attended by about 40 people. The forum canvassed a broad spectrum of community opinion for growth and change towards a more united and prosperous future. One outcome was the need to develop a district business plan to promote opportunities for increasing diversity and value adding.

The Arup report effectively built on the outcomes of this community forum. A Steering Committee was appointed to oversee the study, including representatives from State and Local Government, the Rural Finance Corporation, the Business and Tourism Association (BTA), Victorian Farmers

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[21] For example: Holley, Anne-Marie, Williams, Julie, Cavaye, Dr Jim, Community Development Scoping Study Geoffrey Gardiner Dairy Foundation Limited September 2002.

Federation (VFF), Landcare, the Commonwealth Information Service (CIS) and the community. Importantly the Committee was chaired by a prominent local identity, which assisted in ensuring good connections between the committee and the local community.

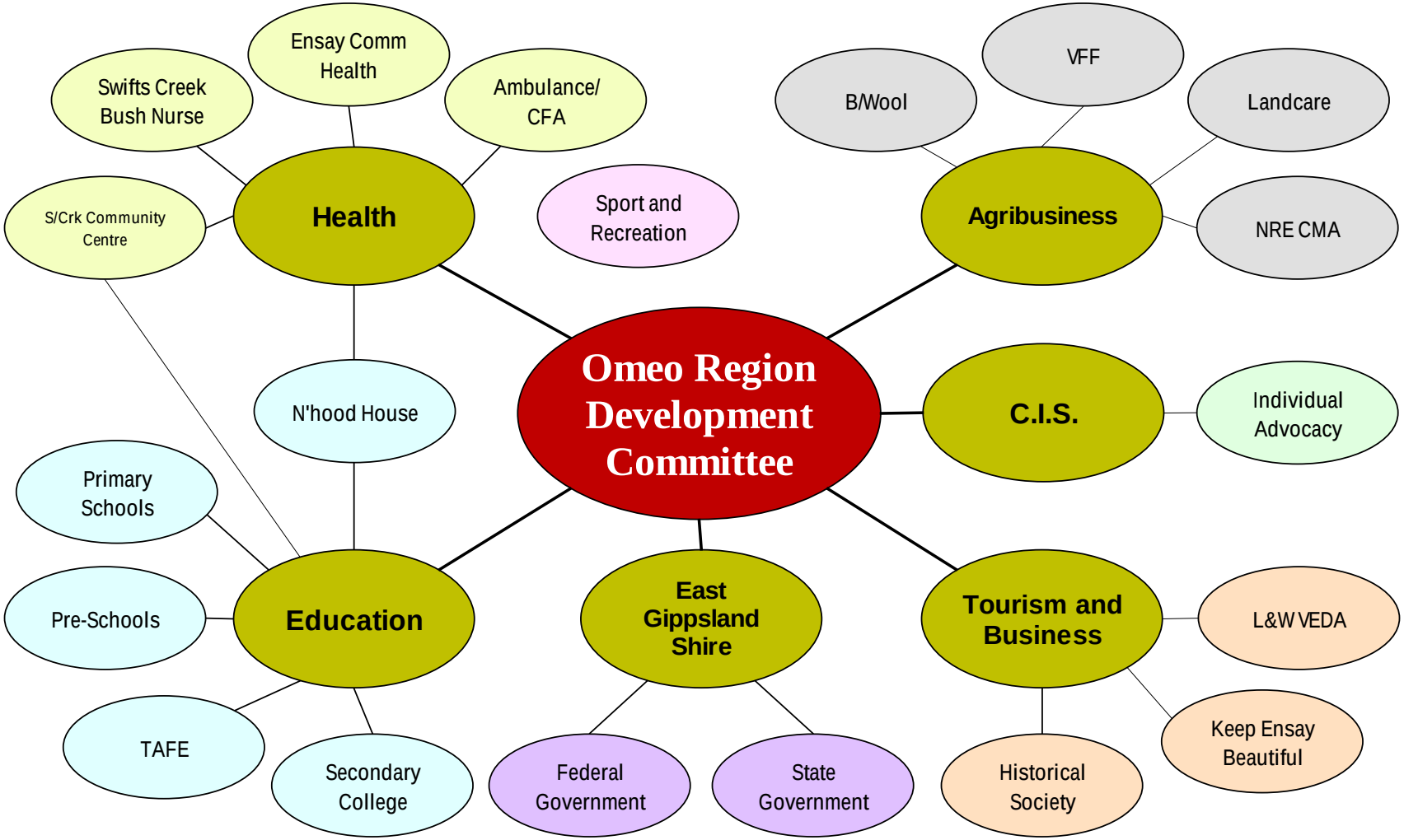
The study included an extensive community consultation to ensure an understanding of the characteristics of the community, its capabilities and aspirations. This understanding was fundamental in developing a comprehensive set of integrated recommendations that built on existing community strengths and ideas that the community had themselves. Through the consultation process, many people were encouraged to participate and develop their own ideas. The recommendations were based on the findings from the consultation as the community should own and be responsible for its own long-term future. The Arup report was completed in October 2000 and the timing for development and completion overlapped the other four programs.

The Arup recommendations were based on an expectation of significant ongoing support from government for the implementation phase. Unfortunately, this did not occur, which put the success of the program at risk from the beginning. The principle recommendation in chapter 11 of the Arup study was the formation of an implementation committee with an independent chair and a community facilitator to act as the executive for the group. Committee membership would be from representatives of the various community working groups and government who would be responsible for specific recommendations.

The facilitator appointment was funded by NRE for a 3-year term commencing in March 2001. The facilitator appointed had an excellent knowledge of the region and was able to identify the priority action areas. The facilitator spent the first 3 months mapping the inter-group relationships that existed within the Omeo Region (Figure 8.1).

[22] For example: Plowman, Ian, Ashkanasy, Neal M, Gardner, John, Letts, Malcolm, *Innovation in Rural Queensland-Why some towns thrive while others languish*, December 2003.

Figure 8.1: Community Decision-making Model



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Again the approach recommended in the Arup report and the implementation process followed, reflects good community development practice. The process tended to spread decision making and implementation effort across the community, it included key 'experts' with both local knowledge and broad experience and it encouraged community ownership and a self-help culture[23].

In June 2001 all members of the earlier Arup Steering Committee met to consider the overall regional plan based on the Arup report recommendations. The specific purpose was firstly, prioritising projects named in the Arup report for implementation and secondly, to oversee the implementation. This included information sharing, forming partnerships for linking projects between groups with a common purpose, maximising use of available funds and adding value and support to projects being pursued by those not directly represented on the committee. The group named itself the Omeo Region Development Committee (ORDC).

It is important to note that the approach differed from normal departmental processes. A greater level of autonomy existed at the local level than is usually the case which enabled a more targeted response, the ability to concentrate on those projects likely to get the best results and a flexibility to adapt or modify actions to meet the needs on the ground. This decentralisation and flexibility of decision making gave the ability to adapt to local conditions and changing needs and are indicators for successful regional sustainability.

The general approach taken by the facilitator was to work with those groups who had the capacity and were prepared to take on and develop the necessary skills to implement projects. Community commitment and the ability to engender greater local decision making were also important factors in the selection of projects for implementation. The role of the facilitator has been to assist groups to link their own needs with the strategic needs of government expressed in the Arup study and to assist groups complete the detailed planning steps required to implement projects.

Various methods of ranking the progress of community groups were used by the facilitator. These included an assessment of the groups in terms of their level of development, cohesion and co-operation as well as a progressive monitoring of the number of new groups that had formed and their memberships. A count was kept of new voluntary groups, new businesses and new part and full time jobs. This showed, for example that by June 2002, 18 voluntary groups comprising 146 members had been formed and 11 new businesses had started (Table 8.1).

[23] Ibid

8.3 Program Evaluation Capacity

8.3.1 Participation, Activities and Resources

Table 8.1 provides evidence of the strength of community ownership and participation in the implementation process and an indication of the benefits derived. Including the Omeo regional community as a single entity, there were some 23 separate regional and outside entities involved in the planning and implementation of the Arup recommendations and spin off activities. Implementation involved consideration of some 26 projects, included nearly 150 planning activities and engaged at least 480 members of the regional community (some 35% of the population).

As shown in Table 8.2 the implementation attracted nearly $12 million in funding. Although some of the projects and much of this funding may have come to the region without the Arup recommendations, the Arup report provided a structure and a rationale for regional developments that assisted in some cases in increasing funding for complementary and linked projects and in bringing projects forward. It also provided support for the community to pursue additional funding more vigorously and to continue to seek funding over time for worthwhile projects.

Table 8.1: Community and Committee Participation

Total Entities Involved	New Volunteer Groups formed	New Businesses Formed	New Employment Opportunities (Job Years)	Community Participation		
				Planning Activities	Project participation	% of population
23	**18**	**11**	**70+**	146	480	35

Implementation of the Arup report has led to the development of new businesses, increased employment, assisted the implementation of key community development projects and assisted in increasing regional community capacity including building new skills, broadening planning, implementation and management experience and creating on-going and sustainable project development and implementation structures.

Estimation of the number of jobs is difficult as many jobs were relatively short term and part time or casual and many implementation tasks involved voluntary input. In most cases the introduction of additional funds into the region enabled existing operators to work more intensively leading to increased income and potentially flow on jobs in the region but not to an identifiable additional job for that enterprise. In addition, while most of the implementation effort was sourced locally, some tasks involved outside contractors. Based on the level of funds invested in the region and allowing for the above comments on volunteers and increased hours for existing operators, the program

offered a potential for some 70 to 100 new job years[24] of direct employment and given the effort to try to provide local employment two thirds or more of this new employment could be local. The new investment would also lead to flow on jobs and although these could be generated quite widely beyond the region the emphasis in the Program of buying locally is likely to have increased the amount of flow on employment created in the region. As an example of this there was an emphasis on purchasing the materials locally and on employing local contractors for both the agriculture and Arup components. The success in this is partly demonstrated by the strengthening retail sector, particularly hardware, with new investment, improved sales and reduced need to offer credit. The employment of local contractors enabled some to purchase or lease new equipment, pay off existing equipment and provide relevant skills training for local people to work their equipment. The development of a more skilled workforce tends to increase the job opportunities including opportunities for increased off farm income for farmers who were part of the process.

- **Table 8.2: Projects and Resources**

Projects Implemented and Resources ($000's)					
Sector	**Total Projects**	**Projects fully implemented**	**Projects being implemented**	**Projects not supported by community**	**Funds Invested**
Agriculture	5		3	2	4075
Tourism and Business	11	6	4	1	1947
Community and Infrastructure	9	6	2	1	5588
Community Facilitation	2	2			300
Totals	26	13	9	4	11910

The broad range of groups supporting the Program is a testimony to its importance. A key point is that while the groups include State Government agencies the emphasis was on regional support with resources provided within the region and decisions made by regionally based staff with on the ground knowledge and experience. This meets key indicators of best practice such as local leadership, development of partnerships and networks, availability of 'experts', local participation and decentralisation in decision making.

NRE was the primary government agency supporting the program. The study steering committee was formed by NRE, who supported completion and implementation throughout. The local

[24] The concept of job years is used to reflect the potential full time equivalent employment created by the program. One job year could involve one person employed full time for the whole year, 365 people employed for one days labour or any variation in between.

presence of NRE in the region and the availability of 'expert' officers with local knowledge and commitment to assist in the planning and implementation was a key determinant in its success.

The presence of a regional office of relevant state government advisory staff offers strong support in developing and/or maintaining regional resilience and ensuring a sustainable community. On this basis consideration should be given to maintaining an appropriate level of regional government support.

The **Omeo Region Development Committee** was formed firstly, to oversee the completion of the Arup study and secondly to oversee implementation of the study recommendations. The committee comprised membership from several existing community groups charged with implementation process. The committee was unincorporated and carried no responsibility for actual project implementation. This committee maintained an overview of all projects at all times, focussing on maintaining good communication between the various project proponents and ensuring that implementation was consistent with the Arup report recommendations.

The broad base of the committee and its emphasis on ensuring good communication again fits good community development practice guidelines and assisted in ensuring the overall success of the implementation.

The **East Gippsland Shire Council** (EGSC) has been involved throughout the process. Shire mayors were involved in the original study steering committee and Shire planning staff maintained membership of the ORDC throughout implementation.

The commitment of the EGSC is important. Local Government amalgamations, particularly in regional areas where the new municipalities tend to cover large areas, have, in some cases, left perceptions in regions that were separate Shires or had more autonomy prior to amalgamation that they are getting not only less support than they did before amalgamation but also that they are disadvantaged in comparison with other parts of the new municipality.

The potential disadvantage of smaller local communities argues that there needs to be input into Shire service and infrastructure planning and development from the communities being served and clear communication and consultation on what is, and is not, possible.

The breadth of knowledge and of representation of the ORDC including the commitment of the NRE and the EGSC and the Program's planning and implementation process provides a basis for a model for regional and local area planning.

The **Omeo Region Business and Tourism Association (ORBTA**) has developed as the key regional body for promoting tourism and related businesses in the region. It has actively moved to represent the region and not just Omeo and has changed its name to reflect this. The ORBTA

meets regularly and has about 10 regular attendees who represent some of the major employers in the region. Financial membership is approximately 60.

The composition and the operations of the ORBTA are very much in line with the good practice indicators of a resilient and sustainable community. These include its:

- Broad representation across the business and tourism sectors
- Mix of older and more recent arrivals in the region
- Development of a clear vision and a strategic plan for the development of the tourism and business sectors in the region. This is coupled with the use of the actions in the strategic plan as bite sized chunks that facilitate implementation and provide an on-going reminder of what still needs to be done. That is as a driver of keeping on the process. The strategic plan, which is updated regularly to reflect the implementation process and changes in the region, is based on the Arup recommendations
- Ability to get more people involved and to change office bearers without loss of momentum. The ORBTA has had four presidents over the Arup implementation process, it has implemented a considerable number of the Arup recommendations and is continuing to push the key ones not implemented. Key successes have included its contribution to the continuing development and marketing of the Great Alpine Road (GAR), its development and maintenance of the regional web site, its support of the peak regional body demonstrating an outward focus as well as its regional commitment and its commitment to developing a relationship with Mount Hotham and Dinner Plains which is starting to pay off.

The **High Country Education Association** (HCEA) was re-established to co-ordinate education in the area, promote the needs of remote schools and foster sustainability of local schools. The group meets quarterly and includes the School Council President and Principal for each school and other educational facility in the region.

The HCEA requires about one-person day every ten weeks (about one week per year) from each school. This is classed as professional development. Resources are also supplied to develop and co-ordinate a region wide education newsletter named “TABASCO”. This costs about $8-10,000 per year for three high quality issues each year.

The retention and potential expansion of educational opportunities and choice was an important recommendation of Arup. While this objective has not been totally achieved, although the latest information suggests that secondary education enrolments are rising, the re-establishment of the HCEA has been important in maintaining a range of quality educational choices.

The **Omeo District Health** (ODH) was a member of the ORDC throughout. Through its executive the hospital has supported several social and educational programs related to health provision and

managed the new hospital development. There has been a high level of participation in the youth programs. The Students at Work Program has been very successful and there has also been a range of other recreation programs for youth.

Participation of the ODH has also led to a range of new health initiatives in the region.

The retention of health services was also an important focus of the Arup report. The report recognised that the loss of health services and education services tend to have flow on effects that multiply the disadvantages of the initial service loss.. Visiting a larger centre for medical, dental or other health appointments may well be combined with doing other things such as visiting the bank, accountant, solicitor and for a range of shopping and in particular pharmacy services. Attending an out of region educational institution offers similar opportunities. These out of region purchases reduce the expenditure in the region putting at risk the businesses supplying them in the region.

Several project steering committees were formed to oversee project implementation. These included the Urban Design Frameworks, Livingstone Park, Swifts Creek Poets Walk, Benambra Streetscapes and the road sealing feasibility study. These were seen as successful.

8.3.2 Participant Reactions

Awareness of the agricultural programs was good but there was less awareness and appreciation of the programs aimed at broader community enhancement. There was a definite division of peoples' background knowledge regarding the projects delivered as a result of the Arup report, brought about by their degree of involvement in projects delivered. Two camps existed:

- Those involved through interest groups or steering committees showed some knowledge of why projects were implemented and could generally identify the Arup study linkages
- Those not directly involved in implementation had little knowledge of Arup study linkages and generally had little idea how projects were developed.

People could more readily identify the activities of interest groups and generally identified projects with those groups. Some examples of responses are set out below.

The former BTA always tried to represent the area covered by the former Shire of Omeo. Despite this, there was some feeling in the region that it was really an Omeo body. The change in name and a more active recruitment of members outside Omeo is changing this perception. All interviewees referred to the ORBTA during the course of the interviews and it clearly has a high profile in the community and is perceived as having achieved things.

Some felt that the Great Alpine Road marketing was not working as well as it should for the Omeo region and that little had been achieved to develop ecotourism, backpackers accommodation or

cross mountain linkages (including sealing of the road between Omeo and Corryong). These were all on the original list of Arup's candidate programs.

The HCEA was perceived in the community as an important group which was relevant to a large part of the community and as such has an important role in community sustainability and in keeping Education on the agenda.

Many supported the role of the facilitator, believing that they have neither the expertise nor the time to tap into government grants and programs and as such, people have faith in the facilitator to assist in these areas. Although people were able to cite the names of individuals and the actions they had taken, they were often uncertain of the specific factors that led to the appointment of a particular individual or of under what programs they were funded.

A certain level of short-term dissatisfaction has also been expressed with the extent of follow through that people have seen following their participation in various forums. An example is the Urban Design Framework (UDF), which some felt had not been completed satisfactorily. It was asserted that people had spent time in consultation activities developing plans and money had been spent on consultants and yet nothing had been seen on the ground. Some people wondered whether money for the actual works would be forthcoming. This was also an example of where people felt they had participated but had not been kept up to date with study progress.

Observers believe that tourist numbers are increasing in the region, particularly motorbikes (10,000 a year) and this is seen as a direct result of the establishment and marketing of the Great Alpine Road and the sealing of the last unsealed section. However while traffic on the GAR has increased, the perception is that not enough people are stopping in the area.

Many people interviewed could not articulate if the various initiatives were directly attributable to the Arup report implementation. Some examples of peoples' responses regarding projects directly influenced by the implementation of Arup are as follows:

- Telephone improvements for the area had been planned for some time but were installed at the time of the fires. Because of the timing, links with Arup implementation were not drawn. This has led some people to the impression that they were introduced as a response to the fires.
- People had attended courses (which were linked to recommendations) but they had little knowledge about the source of funding or how the courses were initiated.
- People knew about the expansion of the Hospital but few saw any link between this event and the recommendations of the Arup report. In fact the Arup report was utilised by Department of Human Services DHS regional office to gain funding for the development from Department of Infrastructure (DoI).

Interviewees acknowledged the importance of the spotlight having been placed on the area and hence the comparative ease with which funding had progressed. In addition, the efforts of particular individuals, for example the then CEO of the hospital in pursuing the funding opportunities for the hospital expansion is acknowledged. Within small communities the role of individuals in championing specific causes is particularly important.

A view was also expressed that while business training courses were available (e.g. to skill small businesses in customer service) businesses were reluctant to acknowledge their problems and as such did not participate in the available courses..

The farm business consultancies were more successful although the results were variable. Landholder comments and views on the farm consultancies were as follows:

- I gained more confidence to start a new livestock enterprise which was proving very profitable
- I regularly refer to my report and have implemented a reticulated water system to optimise water storage and reduce stock traffic
- A number of landholders indicated that they would like the consultant to make annual visits to continue to enable them to be challenged and progress however the costs seems prohibitive
- Little was gained from the program as they had done whole farm planning before this initiative
- The provision of a series of budget scenarios was irrelevant as climatic factors dramatically influence the annual income and expenses
- Landholders would have liked more agronomic information as well as financial analysis
- It was interesting to hear another person's perspective on farm business management. Discussing current practices with a consultant helps to reflect upon the merit of current activities and allows consideration of new ways of doing things.

8.3.3 Conclusions on capacity building

Based on the above, the broad participation of the community in the Program implementation activities and the development of the regional supply through encouraging buying local has increased the regional capacity and the responsiveness to regional and tourist visitor markets..

Examples of this include the:

- Increased capacity of local contractors to undertake land rehabilitation and farm improvement works based on investment in updated and improved plant and equipment, availability of additional qualified staff and improved financial position
- Customer oriented business approach of regional retailers including being receptive to stocking additional items to reflect local demands and competitive pricing of products to encourage local purchase

- Collaborative approach of Omeo businesses to support ORBTA initiatives to attract more ski traffic through the region.

8.4 Program Evaluation: Knowledge, Attitudes, Skills and Aspirations

The Program has developed a better understanding of working with government, government funding programs and the process of accessing funding and of working together with other community groups and members. There is still scope to extend participation as the numbers actively involved on a regular basis is limited. It is understood that people will participate in issues they are interested in then drop out for a while until the next issue of interest is promoted. On this basis the skill will be to identify the issues that interest different people and involve them on a periodic basis. Again the facilitators have been successful in helping foster the interests of specific community members and groups in particular initiatives.

The role of the ORBTA strategic business plan in providing a series of issues to attract and interest new members and to provide continuity of action provides a useful lesson. This initiative, based on the Arup recommendations, provides a structured approach to attract volunteers to pursue issues and initiatives that interest them and the ORBTA provides a formal process for monitoring implementation.

The Arup report has raised awareness of the problems facing the region and has facilitated funding for various activities. It has acted as a catalyst for people in the community to make decisions. It has also reinforced the need for various projects which were already under consideration in the area, such as upgrading of the hospital and led to them getting greater support in government funding circles.

Participation in a number of larger projects such as the Urban Design Frameworks studies and subsequent initial implementation, Livingston Park and the Omeo Service Centre redevelopment has provided community groups and individual members with a better understanding of project planning and development issues including the processes to follow when developing major projects including:

- Community consultation to determine community views and issues
- Ensuring support from key bodies such as the EGSC
- Developing a concept that meets requirements and is feasible including potential trade offs to meet budget constraints and resolve concept conflicts
- Developing funding submissions
- Moving the concept into detailed planning, design and implementation
- Understanding the time frame to go from project concept to implementation. This can be a particular issue where consultants are employed in such aspects as feasibility assessment and

design and the community is not in control of the process. This issue arose in the case of the Urban Design Frameworks project. As far as possible projects should be driven by the community, where this is not possible there needs to be a sound progress reporting process. This was exemplified by the difference in community reaction on the implementation of the Livingston Park project which was community driven and seen as a success with the community kept informed on progress and the Urban Design Frameworks where there were some concerns on information. However, even some external stakeholders of the Livingston Park project considered communication could have been better.

The implementation process also demonstrated the benefits of prioritising projects and selecting projects with strong community support for early implementation. This allowed the program to get early runs on the board and gain credibility.

The consultation indicated a key outcome related to more effective project delivery and more collaboration in project development and delivery. Interviews indicated that the community has always worked hard on individual projects but now they are working hard on projects that form a common vision. This means things are being done in an integrated way and collectively there have been considerable achievements.

The improved appreciation of project development was also reflected in the community's development of recovery initiatives after the fires.

8.4.1 Practices

The projects pursued resulted from the Arup study and were based on ideas of community and government in various stages of development. The Arup report put them into a broader regional development framework and assisted in increasing their priority within the community and in relation to funding. On this basis by recognition in the Arup report they were able to achieve realisation.

There is significant evidence of practice change, especially amongst those groups that have been actively involved in the implementation. The major change is the preparedness of groups to interact with government and other community interest groups to get the best outcome.

The ORBTA's development and implementation of a formal strategic business plan including actions to be implemented is also evidence of a more structured approach to developing their

industry sectors. This compares with the findings by Mckinsey[25] on regional development that the most successful regional development bodies were the ones with clear and detailed action plan including responsibilities, time lines and key performance measures. The ORBTA plan goes a long way to achieving this level of action blueprint. The ORBTA strategic actions are based on and prioritise many of the Arup recommendations so that successful implementation of the ORBTA action program gives an indication of the Arup success.

As noted, the planned actions are being implemented to a feasible time scale subject to availability of resources and funds. The actions are reviewed and updated as required as part of the periodic strategic plan review process. These have included key actions such as the development of the web site, participation in the development and promotion of the GAR and the growing development of linkages with Mount Hotham and Dinner Plains.

The ORBTA is increasingly proactive in representing its sector looking for ways to develop business and tourism in the region and in developing partnerships to do this. As noted, the ORBTA maintains a lively and informative Website promoting local tourism accommodation, attractions, touring routes, restaurants, tour operators and related services. It also includes some business related community information such as the Students at Work program. This site is maintained regularly.

As noted from the consultation there is strong evidence, through the redevelopment process for Livingstone Park and similar community initiatives, that the community is more comfortable in pooling resources and getting together to achieve a community goal.

Interviews with schools and teachers in the area confirm that the HCEA has been successfully re-established and is supported with links across education in the four towns of the region as well as the TAFE system The objectives of the new committee are to maximise educational opportunities for the whole community

The HCEA put out a regular magazine that showcases the work of the students of the various schools. This is described as extremely useful in showing off the students' work and in creating unity across the schools. This group should be adequately resourced to keep going into the future, now that the initial agendas and protocols have been set.

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[25] McKinsey & Company (1994), 'Lead Local Compete Global: Unlocking the Growth Potential of Australia's Regions', Report to the Office of Regional Development, Department of Housing & Regional Development, July, Canberra

The Shire Office building is now the local business centre and is used for a variety of purposes including the Shire service centre, a Commonwealth Bank Agency, VicRoads agency, Parks Victoria office, TAFE Outreach services and as a Homework Room for Swifts Creek Secondary Students who live locally. The multiple use of the building demonstrates the benefits of the resource sharing.

The Great Alpine Road (GAR) is a major strength of the Omeo region and offers potential to provide one of Australia's premier tourist routes. The Arup recommendation included the preparation of a coordinated marketing and product development strategy by the GAR Steering Committee for the entire route to create an impact at a state and national level. A co-ordinated strategy has been developed and the strategy is being implemented. A co-ordinated GAR logo has been produced that is used on all signage and promotional material and a marketing campaign developed and implemented. The establishment of the GAR Steering Committee has assisted in gaining more co-operation between the Councils and other bodies on both sides of the mountain and the relevant State bodies although the co-operation is not entirely seamless.

The change in practices has been acknowledged by:

- The comments of key state government and political representatives about the way the Omeo community:
  - Have developed long-term plans to address community aspirations
  - Can communicate their needs, making delivery of government investment and support a much easier task
- The state government's reaction to the community's fire recovery proposals.

8.5 Program evaluation: social, economic and environmental outcomes

The Arup implementation process has been a new approach based on a regional delivery model and involving a high degree of community decision making. The initial input costs for the Arup implementation were a commitment of $300,000 from NRE to support a regional facilitator. This investment led to a process of regional coordination and project planning involving 23 regional entities, government departments and agencies, 18 community groups involving 480 members of the community, 26 projects defined with 22 determined as feasible and delivered with an associated investment of nearly $12 million into the Omeo Region.

The recognition of the Arup report and the number of recommendations either implemented or taken into other on-going regional planning documents is testimony to its success in:

- Working with the community to identify the issues to be addressed
- Developing actions that were acknowledged as appropriate by the community and ‘owned’ by them in terms of implementation.

The Arup report has provided the glue that connects the required economic, social and environmental outcomes of the region. It has produced a strategy by which the community can develop towards greater self-reliance. A further measure of the success in capacity building is the continuing development and implementation of activities and initiatives, some started under the Program and some new, since the end of the direct facilitation role.

In addition, the Arup report, by providing a structured program of action initiatives, has built on, and helped to develop further, the community group relationships, the networking of both paid workers and volunteers and has provided opportunities to leverage funding and resources to implement priority initiatives.

Even though many people interviewed as part of the evaluation process were unable to directly relate programs and outcomes to the recommendations of the Arup report, it was plain, following discussions, that many initiatives were in fact attributable to that report. People recognised that many positive practices had been put in place in the business, tourism, health, and education/training sectors in particular.

The ORDC expected a 'whole of government' response to the Arup report and the establishment of an Interdepartmental Committee to ensure this whole of government response occurred. In practice this did not happen. Government failure to provide this support put the success of the program at risk. In future, governance arrangements must be determined up front to ensure that studies of this nature and significance to a region are completed through to implementation.

The success of some of its initiatives have been attributed at least in part to the assistance of the community coordinators. There is still scope to develop this community focus further and to strengthen the structures supporting whole of community activity. While, the level of enthusiasm and interest has varied since the report's publication, there has been a continuing interest within the community that has kept the implementation process going. The coordinators have had a key role in this and there are now concerns about what will happen without an, at least, part-time coordination role in the medium to longer term. These concerns are addressed in the conclusions and proposed model for the future discussed in Chapters 2 and 3.

The formal incorporation of the Arup recommendations in the ORBTA strategic action plan has provided continuity and it is encouraging that this has continued through changes in President and significant changes in membership. The inclusion of implementation actions in formal structured protocols and plans is an important part of ensuring continuity and follow through in implementation. However, the community facilitator has been a key asset in assisting the community to develop the necessary capacity to run their own affairs and an important element in building a more sustainable community.

Community Development Officers/Facilitators have been on the ground in one form or another for the last 6 years. They have had the local knowledge needed to apply for grants and to undertake the necessary networking etc. There is no doubt that their presence has greatly assisted the community in coming to terms with the immediate crisis of the flood and subsequent fires and in building towards a more sustainable future. Most people interviewed during the course of the evaluation process were clear that this had been an important outcome of the response to the drought and the flood.

There is also scope for improved communications and information feedback processes particularly to stakeholders who are not involved in a project on a day to day basis.

One of the Arup report's main achievements was that it set an agenda for the sector and created a structure for developing a more diversified economy. In doing this it created a climate that provided credible development plans, support for community groups implementing priority actions and opportunities for leveraging funding and other resources.

The timing of the Arup study was a limitation in addressing program objectives as it came after the other significant environmental and agricultural components of the Program were largely complete.

The timing offered scope for the agricultural components of the Arup consultancy to:

- Review the lessons of the pasture improvement and land rehabilitation programs
- Work with the more successful participants in the components to extend their knowledge and assist them to develop further 'good practice' farming outcomes
- Use the overall experience and successes to promote the best practices across the region.

However, this opportunity was not taken up.

The Arup consultancy also over lapped the land aggregation program. One component of the Arup study related to delivering farm expansion, had similar objectives to aspects of the land aggregation program. This component discussed the rationale for farm expansion, the potential benefits from it and some of the implementation issues including the scope to develop demonstration farm/sites. However, this discussion does not appear to have been linked with the real farm expansion initiatives being implemented at the same time through the land aggregation program. Both components of the overall Program could have benefited from closer co-operation, with the land aggregation process benefiting from more direct implementation of the good practice planning and operational initiatives proposed under Arup and the Arup proposals being able to draw on actual demonstration sites in the region.

The study lost an opportunity to work with the other agricultural components of the Program to build on their successes and address or underpin some of less successful elements. Establishing the

Arup study from the beginning and formally linking its planning focus with the on the ground works would have helped to address the environmental and agricultural issues better..

8.5.1 Social

A number of community members have been empowered by participation in the process. Participation needs to be considered in terms of both high level participation by key stakeholders and broad community level/grass roots participation. Participation in various committees especially by high level local stakeholders has certainly been achieved. However participation fatigue is evident with not enough people available to participate in every program and activity.

The membership of the ORDC is not dissimilar to that which oversaw the Arup report, with many members in common. Thus knowledge, skills and commitment were retained which helped ensure continuity of understanding and purpose. Given the time period over which the committee and particular individuals within it have been operating, a certain level of participant burn-out is occurring. This has certainly happened with some of the specialist development committees which have changed membership over time.

The ORBTA experience of working to a structured action plan, encouraging participation based on interest in the proposed actions and rotating the membership of the Committee to reduce the chance of committee burn out, offers a necessary model for effective community participation which should be encouraged in other areas of the community. However, rural areas with small populations will always face problems in community service program planning, development and delivery. Achievement of the ownership and leverage benefits of local participation will require, as provided by the Program, the support of a community development facilitator.

Other processes for reducing the time load on community members have also been suggested such as having a regular Committee night. The proposition is that there is a significant overlap in Committee representation so that all Committees could meet in a joint sitting to an agreed agenda. Occasional specific issues could be handled in separate sessions if required. Representatives who were not involved in a number of committees could attend for their interest area only. The suggestion could assist in increasing community awareness of progress on initiatives and issues and could help in encouraging more participation.

The agricultural programs have offered an important demonstration process that has been picked up by some. The program has made business education and training available which again has been accessed successfully by a few. The type of training and the delivery should be reviewed at this stage to determine whether some revision could increase relevance and improve take up.

The Arup report also proposed or took up and promoted a number of educational initiatives that have been or are being successfully implemented. Some of these offer models that could be replicated elsewhere.

The general issue of retaining appropriate educational opportunities in a more remote region is still an issue in the Omeo region. The linkage of employment opportunities to retain families in the region and to attract young families back into the region or to attract new families in is important. Some of the issues such as access to a broader range of subjects and deeper subject content can be partly addressed through the use of distance education and through partner schools programs. However, this can only be part of the answer.

It is also important to recognise that a sustainable community is outward looking. On this basis, there are advantages in encouraging some young people to leave the region for education and experience and to widen their horizons with the important issue being the process to get them back.

8.5.2 Environmental

Buildings and facilities in Omeo in particular have been improved – e.g. the Shire offices, the Omeo Heritage (Justice) Precinct and Livingstone Park which will help to promote Omeo as a tourist destination.

Providing farmers with access to an individual farm business planning program was a recommendation of the Arup report. A farm management consultant was contracted to assist landholders in developing Farm Business plans. The consultations were to the value of $4,500 funded through Farmbis. The consultant conducted 2-4 farm visits and created a report based around the conversations and observations of those visits and a number of business analysis scenarios. Approximately 12 landholders were involved in individual farm business planning under the Program. However, additional farm planning programs have been provided since.

8.5.3 Economic

There is increasing evidence that the region's agricultural sector is diversifying a little from its substantial reliance on the wool industry and the region is developing as a tourist destination.

Farmers moved into cattle as a result of the impact of OJD and the longer-term decline in the demand for wool. Some are also re-stocking with sheep to meet the stronger current market demand for prime lamb. There is also some limited establishment of non-traditional cropping and animal husbandry to service niche tourism and other markets.

There is growing evidence that the region is receiving increased numbers of tourists and that this is leading to the establishment of new businesses to service the demands of both residents and travellers.

Data from the Omeo Visitor Information Centre shows the numbers of visitors seeking information rising from 3775 in 1999, 5332 in 2000, 5525 in 2001 to 6475 in 2002 then 2760 in 2003 where the peak months of January and February were severely impacted by the fires

The ORBTA commissioned a tourism economics research study. The objectives of this study were to obtain a better feel for the economic benefit of tourism and to benchmark tourism return to the region and formulate a cost effective method for allowing a trend analysis of tourism economic returns in future years. The approach developed was simple and should give a reasonable estimate of tourism expenditure for the region. The early estimates supported the growth of tourist through the region.

The sealing of the GAR has provided an alternative, largely all weather, route to the ski fields and is starting to be used by some Mount Hotham and Dinner Plains skiers as an alternative to the route via Bright. The route is also attracting a new market of skiers from the Latrobe Valley. The GAR also offers an attractive summer touring route which has increased visitation and particularly has increased the motor cycle market significantly. The mature aged motor cycling market is also growing- an important market to foster.

There are some concerns that visitors to the region do not stay in the region. However, again the early estimates from the ORBTA economic benefit model suggest that tourism expenditure is rising with numbers. There is also evidence that the number and quality of outlets servicing tourists and residents is increasing albeit slowly with new or improved restaurants and retail outlets opening up. Moves to provide late night and weekend transit services for skiers travelling through to the ski fields and the development of increased links with Mount Hotham and Dinner Plains are further positive signs.

The caravan/camper trailer market based on couples not travelling with children and retirees is also a growth market that could be attracted to tour the region. Development of the market will need additional investment in facilities.

The range of accommodation is expanding slowly with new B&Bs coming on line. As noted above, a limited selection of reasonable to good restaurants is developing across the region.. There is still scope to expand and upgrade the facilities of both accommodation and eating establishments.

The GAR marketing campaign will assist in encouraging visitors over the mountain and outlets will continue to develop to service them.

The number of summer based adventure and nature based tour operators advertising themselves is limited despite the obvious attraction of the region for this type of activity. This reflects such factors as the distance from the metropolitan area, the cost of this type of venture including the

increased insurance costs, risk issues and probably the relative dominance of Mount Hotham Resort and Dinner Plains.

The ORBTA and other regional bodies have recognised the importance of branding and the 'Omeo Region' is starting to become recognised as a location. Attaching an awareness of what the Omeo region has to offer and developing a quality image still needs work.

Program successes include:

- Increases in community capacity including additional enterprises, employment, skills, volunteer groups and planning activities
- Increased participation in community projects and groups
- Increased understanding of the bigger picture and ability for the community to co-operate and work together strategically as well as on a project by project basis
- Establishment or reconstitution of strong on going community planning and development groups
- Improvements in key community infrastructure
- Development of succession processes for community groups to encourage participation and reduce potential burn out
- Collaboration between community volunteers and state and local government resident 'experts'
- Increased business collaboration as well as competition to improve profitability and sustainability.

Opportunities and limitations of the program include:

- Extension of formal structured planning processes to all community groups as a necessary but not sufficient condition for sustainable development
- Appointment of a community development coordinator to support community participation in regional service, planning, development and delivery. Appointment of an appropriately skilled and experienced person to the position should provide sufficient support to achieve the ownership and leverage benefits of community participation. This may be a part-time position
- Benefits of linking the Arup report recommendations more directly with the agricultural initiatives. This foreshadows the larger opportunity of linking any future regional development initiatives with actual development on the ground so that:
  - New initiatives can reflect the learnings from previous activities
  - Baseline data is available to test the net benefits of implementing such initiatives
- Development of better focussed and targeted training programs to increase relevance and improve take up.

- Introduction of regional 'quality assurance/monitoring' programs to ensure consistently high levels of customer service and business operations. This could include an Omeo business mentoring program
- Ensuring project progress information is available to all stakeholders and not just those most involved in the project
- Continuing implementation of Arup recommendations.

8.6 Recommendations for the Future

The region needs to build on the start it has made. A key part of this is the recognition that there is a continuing need for a community facilitator. Appointment of a facilitator provides scope to continue broad community participation in community and economic development potentially increasing the effectiveness and reducing the cost of local service provision.

On this basis the EGSC should:

1) Adopt the model proposed in Chapter 3 for identifying and addressing risks and opportunities for its various communities

2) Continue to support the implementation of the Arup recommendations and other initiatives developed by the Omeo region community while starting the process of identifying risks and opportunities in other relevant sub-regions and local areas of the Shire

3) Establish a community development position for the Omeo region and recruit an appropriate person

4) Determine a process for monitoring and evaluating the success of the role in improving regional service provision through such aspects as more relevant program design, better targeting and effective and efficient awareness of, and access to, services mechanisms including volunteer and in kind community leverage and collaborative support for relevant funding submissions

5) Use the appointment as a pilot to assess, based on the results of an evaluation, the effectiveness of such appointments for replication in other areas of the Shire. These may not need to be full time positions

6) Determine an approach to develop a consistent set of regional and local area data to assist in planning and developing services and monitoring the effectiveness of service delivery and service outcomes. In the short term this would involve the development of appropriate allocation and apportionment methods for Shire and other government data. In the longer term this task will require coordination with other local government authorities and the local government peak bodies

to encourage state and the Commonwealth governments to work towards a consistent set of geographic boundaries for data collection and publication.

For the tourism market there is scope to increase the pace of this development by continuing existing and developing new supply side actions such as:

7) Upgrading the caravan facilities to reflect the needs of the expanding older traveller market

8) Identifying gaps in current supply of facilities/services and facilitating developments to fill them. The Program projects were largely initiatives of this type and again it is encouraging that they are continuing with successful activities to establish a bakery in Omeo to complement the one in Swifts Creek a recent example of such an initiative

9) An important initiative would be to ensure more formal support for new businesses in the region. This could include encouraging local support for new business together with such initiatives as:

- The development of a regional business mentoring system (this could attract Commonwealth funding)
- Consideration of a regional quality system including monitoring through a mystery shopper/mystery guest type program
- Introduction of an appropriate customer service program such as Aussiehost or similar

10) Continuing to develop linkages with Mount Hotham, Dinner Plains and the Bright side of the Mountain

11) Continuing to develop the regional drives, touring routes, attractions and activities.

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Appendix A Evaluation Framework

The evaluation is carried out to the standard and recognised Targeting Outcomes of Programs (TOP) evaluation framework. This framework and process are based on principles and ideas that have been developed over some 25 years by Bennett. The TOP process has been used, tested and verified by Bennett and Rockwell since the early 1990s. The process is often referred to as the Bennett's Hierarchy approach. The TOP framework is described below.

A.1 The modified TOP evaluation process and Bennett's Hierarchy

In order to evaluate the Omeo *Restoring the Balance* Program, the Targeting Outcomes of Programs (TOP) approach was used. TOP is a framework that has been tested, revised and refined and widely used over the past 10 years. This program is based on the assumption that in developing a program and evaluating a program there are the same seven levels that have to be considered. These levels are:

- Social, environmental and economic conditions
- Practices
- Knowledge, Attitudes, Skills, Aspirations
- Reactions
- Participation
- Activities
- Resources

The first step in developing a program is to set out the social, environmental and economic objectives that are hoped to be achieved from the program. In order to achieve these objectives those administrating the program target certain **practices** that need to be changed. In order to change these practices **knowledge, attitudes, skills and aspirations** have to change. To change an individual's, group's or community's knowledge, attitudes, skills and aspirations they have to try new practices on their own living and working situation. In order to understand these new practices and gain the knowledge, attitudes and skills to implement the new practices they will need to want (or **aspire**) to change, that is their **reaction** to the program initiatives needs to be positive and encourage them to learn new practices designed to effect change. Based on this, the program's promotion, activities, content and delivery must encourage them to **participate**. It must be relevant, accessible and clearly explain the rationale for participation as well as providing a process to educate and train them in the new practices. The **activities** of the program also have to be appropriate to encourage both participation and the knowledge, attitudes, skills, and aspirations 'learning' needed to lead to a change in practice. Lastly the necessary and sufficient **resources** need to be allocated to support the activities of the program.

As noted above the TOP process is designed as an evaluation tool for on-going programs. In reviewing an on-going program, the evaluator looks at the program from the other direction. The evaluator considers the resources spent, the activities implemented, the number of participants, the participants reactions, the KASA, the practices changed and then the effect that all of these have on the social, economic and environmental outcomes. If the overall SEE objectives are not being met fully relevant parts of the program can be modified or fine-tuned.

This dynamic evaluation approach is less relevant to a program that is complete or winding up. In this case a top down evaluation to assess the extent the program SEE objectives have been met and the reasons why or why not they have or have not been achieved. This top down approach can then be used to determine better ways of undertaking the program to meet the objectives. In essence using the Bennett hierarchy firstly to test how effective and efficient the original program was and secondly to develop a modified program that can be implemented elsewhere.

Applying this evaluation framework to the Omeo *Restoring the Balance* Program it is worthwhile firstly to consider the situation in the region before this program. This it places the evaluation in context.

A.2 Situation in Omeo

As stated above in the Introduction of this report, the Omeo *Restoring the Balance* Program was established in order to try to counteract the events that the Omeo region had incurred over the past few years. In the years 1996 through to 1998 there was a drought in East Gippsland. The affects of this drought were further exacerbated by the discovery of Ovine Johne's Disease in 1996, which by 1997 caused a 15 per cent loss in sheep numbers (62,000 sheep killed within 12 months). Then in 1998 there were floods across East Gippsland (up to 17 inches in 36 hours). Such events needed actions in order to restore a community that had suffered many devastating events.

This led to the Omeo the *Restoring the Balance* Program. The following diagram presents this program within the TOP framework.

Objectives

- Create long term economic sustainability
- Create long term community sustainability
- Create long term environmental sustainability

Practices to change

- Management of land resources
- Management of business and tourism
- Development and management of community services and infrastructure

↑

KASA

- Increase in knowledge of sustainable management of land or business and tourism or community services and infrastructure
- Modify community attitudes
- Improve community and individual skills
- Encourage the community and individuals to want to change
- Raise their aspirations

↑

Reactions

- Create reactions in the community and individuals to make them want to participate in further program activities and to see the benefits of this

↑

Participation

- Ensure the community and individuals are involved in the program activities and see the benefits

↑

Activities and Resources

- Pasture improvement - $1,000,000
- Land Rehabilitation - $2,500,000
- Land Reforestation - $7,500,000
- Land Aggregation - $10,000,000
- Environmental and Land Use Study $250,000

A.3 Evaluation Matrix

The following table sets out the evaluation based on the TOP hierarchy, together with indicators designed to demonstrate that the program has achieved its overall objectives. These objectives are derived from the material provided and discussions in the region. In some case they are long-term goals that have not been achieved over the life of the program but could be achieved as the initiatives started under the program continue and develop. They also provide indicators that can continue to be measured as a basis refining existing and developing new initiatives. Table A1 below presents the key indicators for each part of the TOP framework.

Table A1 Key indicators for overall Omeo Restoring the Balance Program

Evaluation Element	Indicator
Social, economic and environmental objectives	Social: ▪ A population that is stable or growing in numbers ▪ An evenly distributed population profile, ▪ A growing or stable number of community clubs and organisations (not losing the football club or the lions club etc), and ▪ A stable or growing infrastructure for health, education and training Economic: ▪ Employment increasing or remaining stable ▪ A growing tourism and business sector and ▪ A viable agricultural sector Environmental: ▪ Marginal farming land returned to natural environment ▪ Eroded gullies and hills revegetated
Practices	▪ Businesses are now co-operating and not competing ▪ Regional branding/regional quality assurance ▪ Value adding ▪ Financial management/business management ▪ Marketing ▪ Investment in training
KASA	▪ Knowledge has improved in the above areas ▪ Individuals believe that such knowledge is a good thing ▪ Individuals have the skills to change their practices ▪ Individuals want to change
Participant Reactions	▪ High percentage of people who participated in the program out of total people who could have participated in the program
Participation	▪ Number of those who participated in the program ▪ Total number of who could have participated in the program
Activities	▪ Land reforestation

Evaluation Element	Indicator
	▪ Pasture improvement ▪ Land rehabilitation ▪ Land aggregation ▪ Environment and land use consultancy
Resources	▪ dollars spent, against dollars available to spend

Each activity of this program is almost a separate program in itself. Therefore to evaluate this program each activity of the program will be considered through these seven steps. This will be covered in the following chapters. Then in the final chapter we will discuss the overall program against the indicators listed above.

Appendix B Detailed Methodology

To evaluate the social, economic and environmental outcomes of the Omeo *Restoring the Balance* project a combination of semi-structured interviews and on ground assessments were undertaken during April and May 2004. The interviews contained a number of key questions designed to highlight the drivers and barriers operating in a changing regional environment. The responses to the semi-structured interviews were applied to a modified TOP (Targeting Outcomes of Programs) framework (based on Bennett's Hierarchy)[26] to identify the social, economic and environmental outcomes.

1.1 Landholder Interview Selection

There were 120 landholders involved in the various component programs. Telephone contact was made randomly within each of the communities of Benambra, Ensay, Omeo and Swifts Creek. Of the 45 contacted by telephone, 25 call resulted in discussions regarding the program of which 20 participated in face to face interviews over the period of a week in mid-April 2004. These interviews were conducted with the tailored TOP hierarchy questions in mind. Landholders were assisted to establish which programs they were involved from government records. The interviews were conducted in an informal semi structured manner allowing landholders to speak freely, with the interviewers equating responses to the different levels of the hierarchy. A number of questions were posed at the end of the interview to ensure some consistent responses were collected. The interviews were conducted on the landholders property. Farms tours allowed inspection of various works conducted under the component programs. Fourteen field assessments representing all programs were conducted across the districts. A list of questions posed to most of the landholders is in Appendix F.

A number of department staff were consulted as identified by the steering committee. The department staff were consulted through face to face interviews and telephone conversations. These interviews were also quite informal as every member provided a unique perspective depending on their role within the department and the community.

A number of non-participants were contacted over the telephone, in the evenings across all districts. These cold calls were conducted in a very informal manner as people were coming from different levels of understanding and interest.

Pasture Improvement Consultation: Sixteen landholders were interviewed about their involvement in the pasture improvement program. Seven site inspections were conducted. Six non-

[26] *TOP's* seven-level two-sided hierarchy (Bennett and Rockwell, 1995) Bennett's hierarchy (Bennett, 1975 and Bennett, 1979

participants were interviewed. Eight departmental people involved in this program at different levels were also interviewed. Monthly discussions with Steering Committee over the 6 months of the project.

B.1 Field assessment methodology

B.1.1 *Pasture improvement:*

To assess pasture improvement it was intended to conduct transects over paddocks and assess the plant densities and pasture composition. Due to the ongoing dry conditions it proved impossible to assess the persistence or otherwise of the pastures as no leaf matter was visible. Rainfall the weekend before the assessment period triggered some development of leaf matter although not until late in the sample period, where possible this allowed some plant density assessment to occur. In all 15 detailed assessments were conducted. There was great difficulty in determining species due to the short and varied leaf matter available to assess and so the pasture composition assessment was abandoned. In all only three sites were suitable for plant density counts.

B.1.2 *Land Rehabilitation:*

Each of the land rehabilitation sites were assessed as to their ability to address current land degradation processes, the adequacy of structures and design, the adequacy of fencing and the level of regeneration and soil stability. Assessments were also based on the location in the landscape of the works, the evidence of prior and current erosion, the condition of surrounding catchment and land uses.

B.1.3 *Land Reforestation:*

A visual assessment of the remaining trees was undertaken and rated as a percentage cover of the site, the same method was used to assess the amount of weed/understorey coverage. The trees were further assessed for signs of browsing and the general condition of the trees.

B.1.4 *General*

On all sites where fencing activities had been conducted general characteristics were recorded including;

- Fencing/ type /condition
- Slope/aspect
- Distance to watercourse
- Type of water course
- Distance to remnant vegetation
- Type of vegetation
- Ground cover (%)
- Ground cover type

B.2 Social, business and tourism initiatives

A similar process was used for the non agricultural components of the program. Key informants for interviews were identified from discussions with the Steering Committee and from the desk research into the program material. Non participants from a business and tourism point of view were contacted by a process of cold calling small business in the region's towns. The social component found a number of non-participants due to the reasonably high turnover of people in these positions. The interviews with key informants followed a fairly unstructured format although the general approach was to identify the impacts of the various programs in terms of the Bennett Evaluation Hierarchy. This evaluation method is described earlier in this report.

Appendix C Project list and project summary

Table C1 Project list

Projects Progressed ($000's)						
Project		Development Stage	Time Taken	Partners and Number of Participants		Funding Rec'd
Number	Name			Community	Govt and Interest Groups	
A1	Individual Farm Consultancies	Implemented	2 yrs	10	Farmbis	45
A2	Catchment Protection Program (CPP)	Planning completed. Utilised for Bush Fire Environmental Recovery Program (BERP)	3 yrs	Whole region project	NRE	4000
A3	Pilot Farm	Did not proceed – could not gain commitment	2 yrs	nil	nil	
A4	Alternative Land Use Options	Stage 1 of 5 stages completed	1 yr	3	DOI	30
A5	Farm Leasing/Share Farming Pilot	Did Not Proceed – could not gain commitment	2yrs	nil	nil	
TB1	Data Collection / Traffic Counts	Implemented	1yr	60	EGSC	5
TB2	Great Alpine Marketing Committee	Implemented	3 yrs	2	10 TV ORBTA	250
TB3	Streetscape Works Omeo/Benambra/Swifts Creek/Ensay	Urban Design Frameworks Completed Funding received for works in Benambra, Swifts Creek and Omeo	3yrs	50	EGSC DOI NRE ORBTA	500
TB4	Regional Brand Name	Did Not Proceed – could not gain commitment	3yrs			
TB5	Omeo Business Centre	Stage 1 capital works completed	3 yrs	10	EGSC DIIRD PV TV ORBTA	400
TB6	Omeo Justice Precinct	Concept design completed	2yrs	10	RAP DOJ DIIRD RS OHS	25
TB7	Related Drives and Tours	Cassilis and Ensay south road sealing	2 yrs		EGSC	500

Projects Progressed ($000's)						
Project		Development Stage	Time Taken	Partners and Number of Participants		Funding Rec'd
Number	Name			Community	Govt and Interest Groups	
TB8	Livingstone Park	Implemented	2 yrs	100	EGSC PV DIIRD CMA's NRE L/Care ORBTA OHS	250
TB9	Regional Events Calendar	Implemented	3yrs		ORBTA EGSC	5
TB10	Regional Web-site	Implemented	1 yr	40	ORBTA	10
TB11	Swifts Creek Poets Path	Planning Stages	2 yrs	10	EGSC NRE	2
CI1	Alternate Road Sealing	Economic Evaluation completed	3 yrs	50	VR EGSC ASC NRE ISC	25
CI2	Omeo Region Hospital	Implemented	3yrs	20	DHS DOI	4800
CI3	Omeo Region Education Initiatives • Combined School Newsletter • Alpine school leadership program • High school exchange program	Implemented	2 yrs	12	HCEA established and on-going on a regular basis	30
CI4	Ambulance – Full Time Paramedic	Implemented	2yrs	10	ODH DHS	200
CI5	Mobile Communications Swifts Creek and Ensay	Implemented	2yrs	10	NRE EGSC	250
CI6	Students At Work	Implemented	2 yrs	40	ODH HCEA	80
CI7	Youth Initiatives	Did Not Proceed – could not gain commitment	3 yrs			

Projects Progressed ($000's)						
Project		Development Stage	Time Taken	Partners and Number of Participants		Funding Rec'd
Number	Name			Community	Govt and Interest Groups	
CI8	Omeo Regional Support Program	Implemented subsequently wound up	3 yrs	10	ORDC EGSC DHS C/LINK	200
CI9	Leadership Development Women's leadership program	Limited implementation	3 yrs	1	NRE	3
CDM1	Community Development Officer	Implemented	3 yrs	1	DPI	

- **Table C2 Program summary**

Program Component	Participation			Area	Allocation	Additional Investment Created	Net Expenses	Employment	Other Benefits
	Support Staff	Projects	Community Participants	Hectares	$(000)	$(000)	$(000)		
Pasture Improvement	1 FTE, 5 PT	105	96	4,720 (Target 4,000)	400 (1)		574	16 local contractors were employed across the 4 natural resource /agricultural components	8 Field Days on benefits of pasture improvement. Purchase of seed drill for regional use. More general recognition of benefits of perennial pasture
Land Rehabilitation	2 FTE	246	48	3,957 (2)	2,500		3,218	See above, plus 15 local nursery developed	34 km of wild dog fences
Land Aggregation	2 PT	21 (3)	41	7,421 (Purchased), 5910 (sold) 1511 (returned to crown)	10,395	7,695	3,244	As above	Increase in average farm size. 1511 hectares returned to Crown'
Land Reafforestation	1 FTE	246	130	3,422 (4)	7,500 (5)		3,941	As above plus employment of 100 casual seed collectors	Additional 42 km of wild dog fence
Arup Initiatives	1FT	26	480	N/A	550 (7)	11,900 (6)	500	Injection of income to region should have provided more than 70 direct job years of employment	11 new businesses

Program Component	Participation			Area	Allocation	Additional Investment Created	Net Expenses	Employment	Other Benefits
	Support Staff	Projects	Community Participants	Hectares	$(000)	$(000)	$(000)		
Total Program	5 FTE, 7PT	644	795	19,520	21,345 (7)	19,594 (8)	11,477	70 + new direct jobs	

1. Allocation to whole of East Gippsland $1 million. Allocation to Omeo region $400,000 on pro rata target basis.
2. 3357 hectares protected under covenant, 600 hectares protected under Land Management Agreements
3. Includes 2 purchasers from outside the Omeo region together with 21 sellers in total and 20 purchasers.
4. Includes 1511 hectares returned to the Crown
5. $718,000 transferred to Land Rehabilitation component including $544,000 spent on reafforestation in the Land Aggregation component
6. Includes additional non program funding attracted to regional projects as a result of the Arup recommendations and subsequent regional community implementation actions.
7. Includes $300,000 provided by NRE for the project coordinator and $250,000 allocated for the Arup study of which $200 was spent.
8. Note that the Program underspent its allocation for the three land rehabilitation and improvement components by $2,667,000 and only spent some 31% of the total allocation for land aggregation projects.

Appendix D Lists of people contacted

Community		**Landholders**	
Ann Bigham	Great Alpine Gallery Volunteer & Swifts Creek Resident	Geoff	Adams
Barry Newcomen	ORDC Chairman & Ensay Farmer	Brendan	AhSam
Brett Lynn	Economic Development Officer – East Gippsland Shire	CE and DG	Anderson
Brian Blakeman	Community development Officer – East Gippsland Shire	Alan	Betts
Bruce Smith	Coordinator Swifts Creek Community Centre & Youth Support Worker at Omeo District Health	Chips and GM Gracies Tea Room Omeo	Boucher
Charles Leggett	Tongio Camp Operator – Swifts Creek	Alison and Geoff	Burston
Howard and Christine Reddish	Mount Markey Winery - Cassilis		
Colleen	Caterer at Albion Hotel & Swifts Creek Resident	Glenys	Coleman
David Jenkins	ORDC Member and Principal Swifts Creek Secondary College	J A and Co (Chris)	Commins
Dianne Fenton	Swift Creek Bakery & Swifts Creek Resident	J S and JL (John)	Commins
Don Shaw	Program Coordinator – Department of Primary Industries	Yvonne	Connelly
		K J and G J (Joan)	Connley
Graeme Dear	Program Coordinator – DNRE & ORDC Member	Phillip	Cook
Helen Martin	ORDC Member & Consultant	Peter and LA	Crisp
Janet Robertson	Omeo Colonial Motel	Jan and Viv	Crisp
Jim Crowe	The Crowes Nest - Omeo	Kevin and Mandy	Dean
John Commins	Department of Primary Industries	Scott (ben)	Dizais
Julianne Sargent	Department of Primary Industries	BS and PM (Pauline)	Dyer and Sims
Keren Walker	Department of Primary Industries	Tom and Margaret	Farmer
Lawrie Hiscock	Community Development	B and R	Fitzgerald

Community		Landholders	
	Officer – East Gippsland Shire & Ensay Farmer		
Lionel Byles	ORDC Member & Community Worker – East Gippsland Shire	Bill/Jack	Flannagan
Lou Armit	ORDC Member & Swifts Creek Farmer	Brendan	Flynn
Michael Gooey		PC and DE	Foster
Neville Penrose	ORDC Member & Department of Primary Industries	Phillip	Geeham
Norma Marshall	DNRE/DSE	Phillip	Geehman
Paul Carroll	Department of Primary Industries	Ken (Chris and Justin)	Hayward
Pauline Bommer	ORDC Member – CEO Omeo District Hospital	Blake (JFB)	Hollands
Peter Abrahams	ORDC Member – CEO Omeo District Health	Bill	Hollands
Peter Robinson	Department of Primary Industries	Ruth	Hutton
Peter Stapleton	Department of Primary Industries	Simon and Sonya	Lawlor
		Omeo and Swifts Creek Pre-schools teacher	
Phil Jones	Omeo Business Centre – East Gippsland Shire	Laurie and Joyce	Lee
Rhonda Manhire	Omeo resident	Brett	Lee
Robert Vardy	Swifts Creek Farmer	Craig	Lloyd
Rod O'Connell	ORDC Member, ORBTA Member & Bus Operator Omeo	Len	Love
Rosyln Mudge	Principal – Swifts Creek Primary School	Steve	Matthews
Rosyln Smith	TAFE Outreach Coordinator – Swifts Creek	Peter	McCoy
Sandra Kelly		Jim	Mildenhall
Sandy Stirling	The Manse Guesthouse	Barry, Topsy and Reece	Newcomen
Shane Arnett		Evan	Newcomen
Shantelle Parsley		Ian	Nicholas
Stephen O'Brien		Stephen and Anne	O'Brien
Steve Petris		David	Olsen
Marcia Sampson	Holston's Caravan Park	Karol	O'Reilly
Leonie Pendergast	Visitor Information Centre Operator – Omeo , Business owner and resident, Omeo	Russell and Merrilyn	Pendergast

Community		**Landholders**	
John and Lisa Arup	Arup Report Authors	Lou and Shirley	Pendergast
Sonya Lawler	Omeo Kindergarten Teacher	Graeme (A G)	Pendergast
Katrina Pendergast	Omeo Resident	SG	Pendergast
Gracie	Previous owner Gracies Tea Rooms Omeo	Robert and Sue	Reid
Jason	Swifts Creek General Store	Bruce and Barbara	Reid
Robert Boucher	Careers Teacher, Swifts Creek secondary College	Gwenda and Harry	Saunus
Carol Johnson	Omeo Motel	Ken and Yvette	Skews
David Coy	Ensay Winery	Alan	Smith
Geoff Cooper	Omeo historical Society	John and Alan	Somerville
John Fox	Rural Finance Corporation	Peter and Sue	Soutter
Geoff Blyth	Rural Finance Corporation	Matt and Robyn	Stagg
		Simon and Rowena	Turner

Appendix E Contextual time line

1996 –1998	Drought in East Gippsland
1996 - 97	Ovine Johne's Disease discovered in Ensay in Eastern Victoria
1997	Some landholders receiving exceptional circumstances payments (ECRP)
23-24 June 1998	Floods across East Gippsland (up to 17 inches in 36 hours)
27 June	Premier visits
24 July 1998	Premier announces a $10.5 million flood aid package for East Gippsland. (roads)
27 July 1998	East Gippsland taskforce established
August 1998	Shire Community Development Officers were appointed.
8th August 1998	Premier announces $1.3 million for small building projects to help drought and flood recovery.
1 Sept 1998	$3.5 million funds flow into Regional NRE for land rehab and Pasture Improvement.
28 Oct 1998 - 2001	A controversial $10 million buy-back plan together with another 7.5 million for reforestation (rehab works) announced.
17-18 Feb 1999	Local Management of Change forum
Jun 1999	Steering committee formed and Land Use Study commences
October 1999	State Government Election, Liberal party loses East Gippsland, new Independent member
Sept 2000	Swifts Creek Mill announces closure
Oct 2000	Land Use Study completed
Mar 2001	Community Facilitator appointed for 3 years

Appendix F Checklist questions

General Questions to be asked of all interviewees.
What are the high level questions which need to be answered,

Are you aware of the "*Restoring the Balance*' program and its objectives?

Was the "*Restoring the Balance*" Program successful?

Has it improved the social, environmental and economic health of the region?

It is a good time to evaluate the program?

"Key objectives were:

- *Long term Community Sustainability*
- *Protection of resource base*
- *Agricultural restructuring"*

Were the original objectives grounded and reasonable?

Are there changes or modifications of original objectives?

What progress has been made towards achieving these objectives?

Has it contributed positively to protecting the regions natural resources?

Has it contributed to restructuring the agricultural sector to improve economic viability and secure the long-term sustainability of the community?

What do you think of the steering committee and their consultations processes

Do you think the community is "healthier than before 1998?

Can you distinguish between "*Restoring the Balance* and Fire recovery programs.

What improvements would you make to program for rolling out in other regions?

Elements covered in Summary of Arup report.

What involvement/experience have you had the following;

- Business Planning and leadership program?

- Farm productivity Program?
- Farm Aggregation Program?
- Farm diversification Program? (research, implementation, evidence of change in landscape)

Tourism and Business Activities?

- Marketing of Great Alpine Rd?
- Promote regional day trips
- Socio-economic links with Mt Hotham, Dinner Plain and airport
- Development of Omeo as a tourist hub an interpretive centre?
- Motorcycle, 2WD, 4WD drives and tours
- Adventure tourism and ecotourism activities
- Expand range of Accommodation
- Calendar of Events
- Buy local campaign?

Communication and Information technology Infrastructure and marketing

- Conference centre development
- Community employment opportunities
  - Agriculture, ag services, tourism, tourism Services
  - Long term use of Swift's creek Mill site?
  - Community education: opportunities and facilities
  - Small businesses: Enhance service standards
  - Youth and re-skilling adults
  - Remote Schools education

Infrastructure

- Major streetscape works?
- Road network improvements-surface sealing?

Moratorium on funding reductions in health, education and other government services

Greater local decision-making regarding provision of services.

Interview questions for Land reforestation, Pasture improvement, land rehabilitation

What are the high level questions which need to be answered,

Was the "*Restoring the Balance*" Program successful?

"Key objectives were:

- *Protection of resource base*
- *Agricultural restructuring*
- *Long term Community Sustainability"*

Has it improved the social, environmental and economic health of the region?

It is a good time to evaluate the program?

Were the original objectives grounded and reasonable?

Are there changes or modifications of original objectives?

What progress has been made towards achieving these objectives?

Has it contributed positively to protecting the regions natural resources?

Has it contributed to restructuring the agricultural sector to improve economic viability and secure the long-term sustainability of the community?

We need to ask if they have participated in other learning opportunities and developed a business plan and or succession plan?

Perennial Pasture establishment

"prevention of soil loss on 10,000 ha of agricultural land most vulnerable to erosion in EG."
(Grant $100/ha pp on Class 3 in upper Tambo and Omeo areas. $60/ha for rest of EG. $1,000,000.)

1) (SEE)(Outcome)

   - Has it contributed positively to protecting the regions natural resources? Do participants feel assisted by the program? In what way? To what degree? Do they think the program has had a positive impact in the broader community? Do non participants feel included or excluded?
   - Do participants think that the perennial pasture establishment will reduce the impact of flooding next time?

2) Practices(Outcomes)

   - Have landholders changed their behaviour and management practices? In what ways?

- Have their neighbours changed their practices? Have landholders made other changes in livestock management associated with gaining new knowledge? (lambing ,calving timing, fertiliser, stocking rates)
- Are there other changes that in part being stimulated by the program? What are these changes?
- Other changes

3) KASA (Outcomes)

- Knowledge: Do participants have a better understanding of pasture establishment?
- Attitudes: Do the landholders think the perennial pastures will assist in solving the soils erosion, water quality issues as intended? Are landholders more willing to seek advice and assistance from neighbours, extension officers or consultants?
- Skills: Do the land holders have the skills to establish the pasture? Manage the pasture over time (stocking rates timing and intensity of grazing) and know when to replant and how to replant? Where to source machinery, finances and seed?
- Aspirations: Are the landholders intending to expand pasture establishment beyond grant funding? Do they have plans, budgets in place to do so?

4) Reactions(Implementation/Process (I/P))

- What did participating landholders think of the promotion of the program?
- What did landholders think of the delivery of the program, good time of day, season, year? Easily understood format and content?
- Did the landholders perceive the benefits immediately or need further information and support to implement pasture improvement?
- Are landholders interested in participating more information sessions?
- What do non participants think about these questions?

5) Participation(I/P)

- How many landholders were invited to pasture establishment program?
- How many landholders attend information/training session?
- How many landholders established perennial pastures?
- What sort of land holders participated?
- Will non participants continue to participate is other activities? What were the barriers for the non participants?

6) Activities (I/P)

- What information and capacity building activities were held? What methods were used to delivery information? What sort of promotion strategies were used? Were they considered effective?

7) Resources (I/P)

- How many ha of pasture established on vulnerable slopes? What % of ha are established from $$ payment, original applications, enquires, and as a proportion of total area eligible.

"Output: 11028 ha of pp on vulnerable slopes, (4720 ha by 65 farmers in upper Tambo Omeo areas)

Land rehabilitation

"Prevention of soil loss on sites unsuitable for agriculture"

Grants $1500/ha for rehabilitation works (earthworks and fencing of native veg and wild dogs, pest control) in upper Tambo Omeo area only. Subject to NRE land management agreements) $2500, 000

1) (SEE)(Outcome)

   Has land rehabilitation program contributed positively to protecting the regions natural resources? Do participants feel assisted by the program? In what way? To what degree? Do they think the program has had a positive impact in the broader community? Do non participants feel included or excluded? Do participants think that the land rehabilitation will reduce the impact of flooding next time? Was it money and time well spent?

2) Practices(Outcomes)
   - Have landholders changed their behaviour and management practices in line with managing rehabilitated land. In what ways?
   - Have their neighbours changes their practices? Have landholders made other changes in livestock management associated with gaining new knowledge? (fertiliser, stocking rates, pest control)
   - Are there other changes that in part being stimulated by the land rehabilitation program?
   - Other changes

3) KASA (Outcomes)
   - Knowledge: Do participants have a better understanding of the need for land rehabilitation?
   - Attitudes: Do the landholders think land rehabilitation will assist in reducing soils erosion, and improve water quality issues as intended?
   - Skills: Do the land holders have the skills to manage the rehabilitated land? (timing and intensity of grazing) Where to source machinery and equipment.
   - Aspirations: Are the landholders intending to expand land rehabilitation beyond grant funding? Do they have plans, budgets in place to do so?

4) Reactions (Implementation/Process (I/P)
   - What did participating landholders think of the promotion of the program?
   - What did landholders think of the implementation of the program, good time season, year?
   - Did the landholders perceive the benefits immediately or need further information and support to implement and maintain the rehabilitated land?

- What do non participants think about these questions?

5) Participation(I/P)
   - How many landholders were invited to become involved in land rehabilitation program?
   - How many landholders attend information session?
   - How many landholders involved in land rehabilitation?
   - What sort of land holders participated?
   - Will non participants continue to participate is other activities? What were the barriers for the non participants?

6) Activities (I/P)
   - What information and capacity building activities were held? What methods were used to deliver information? What sort of promotion strategies were used? Were they considered effective?

7) Resources (I/P)
   - How many ha of land was rehabilitated on vulnerable slopes? What % of ha are established from A) $$ payment; B) original applications; C) enquires; - as a proportion of total area eligible.

Outputs: 72 application 3972 ha, 251 erosion control projects, 600 ha of under LMA, 35 km of WD fence, 3357 ha TFN covenants

Land aggregation project

"Through restructuring, development of an economic and environmentally sustainable agricultural industry." (Upper Tambo Omeo only, RFC, open to unviable farmers Aggregation into larger holdings or to NRE Crown land. $10,000,000)

1) (SEE)(Outcome)

   Has land aggregation program contributed positively to protecting the regions natural resources? Do participants feel assisted by the program? In what way? To what degree? Do they think the program has had a positive impact in the broader community? Do non participants feel included or excluded? Do participants think that the land aggregation has increase farm viability and community sustainability?

2) Practices(Outcomes)
3) KASA (Outcomes)
   - Knowledge: Do participants have a better understanding of the benefits of land aggregation?
   - Attitudes: Do the landholders think land aggregation will assist in reducing soils erosion, and improve water quality issues as intended through better economic *and* environmental management?
   - Skills: Were exiting land holders have the skills to establish the native vegetation?
   - Aspirations: Are the landholders intending to expand native vegetation establishment beyond grant funding? Do they have plans, budgets in place to do so?
4) Reactions (Implementation/Process (I/P))
   - What did participating landholders think of the promotion of the program?
   - What did landholders think of the implementation of the program? Were exiting landholders happy with the process and the price? Were purchasing landholders happy with the process and the price? What it anonymous? Transparent?
   - Did the landholders perceive the benefits immediately or need further information and support to implement land aggregation?
   - What do non participants think about these questions?
5) Participation(I/P)
   - How many landholders were invited to become involved in land aggregation program?
   - How many landholders attend information session?
   - How many landholders involved in land aggregation?
   - What sort of land holders participated?

- Will non participants continue to participate is other activities? What were the barriers for the non participants?

6) Activities (I/P)
   - What information and capacity building activities were held? What methods were used to deliver information? What sort of promotion strategies were used? Were they considered effective?

7) Resources (I/P)
   - How many ha of land was aggregated? What % of ha are aggregated from A) $$ payment; B) original applications; C) enquires; - as a proportion of total area eligible.

Outputs: 19 properties purchases 7000 ha, 1650 ha to crown land 13 blocks sold in first two releases remainder to be sold Oct 2001??. (also see land reafforestation??)

Land reforestation of land aggregation project

"Prevention of soil loss (from land not suitable) for sustainable agriculture"

(Upper Tambo Omeo only, retirement and protection of land unsuitable for agriculture involved in land Aggregation program. $7,500,000)

1) (SEE)(Outcome)
   - Has land reforestation program contributed positively to protecting the regions natural resources? Do participants feel assisted by the program? In what way? To what degree? Do they think the program has had a positive impact in the broader community? Do non participants feel included or excluded? Do participants think that the land reforestation will reduce the impact of flooding next time?
2) Practices(Outcomes)
   - Have landholders changed their behaviour and management practices in line with managing reforested land. In what ways?
   - Have their neighbours changes their practices? Have landholders made other changes associated with gaining new knowledge? (stocking rates)
   - Are there other changes that in part being stimulated by the land reforestation program?
   - Other changes
3) KASA (Outcomes)
   - Knowledge: Do participants have a better understanding of land reforestation?
   - Attitudes: Do the landholders think land reforestation will assist in reducing soils erosion, and improve water quality issues as intended?
   - Skills: Do the land holders have the skills to establish the native vegetation? Manage the vegetation over time (timing and intensity of grazing) do they know when to replant and how to replant? Where to source machinery, finances and seed?
   - Aspirations: Are the landholders intending to expand native vegetation establishment beyond grant funding? Do they have plans, budgets in place to do so?
4) Reactions (Implementation/Process (I/P))
   - What did participating landholders think of the promotion of the program?
   - What did landholders think of the implementation of the program, good time season, year?
   - Did the landholders perceive the benefits immediately or need further information and support to implement land reforestation?
   - What do non participants think about these questions?
5) Participation(I/P)

- How many landholders were invited to become involved in land reforestation program?
- How many landholders attend information session?
- How many landholders involved in land reforestation?
- What sort of land holders participated?
- Will non participants continue to participate is other activities? What were the barriers for the non participants?

6) Activities (I/P)
   - What information and capacity building activities were held? What methods were used to deliver information? What sort of promotion strategies were used? Were they considered effective?

7) Resources (I/P)
   - How many ha of land was reforested on vulnerable slopes? What % of ha are established from A) $$ payment; B) original applications; C) enquires; - as a proportion of total area eligible.

Outputs: 700 ha under LMA, 42 km WD fence, 23 3ha reafforestation, 112 local people employed in fencing, planting, pest control. Practical large scale planting of land capability fencing.

Report sheet "Restoring the balance"

Name: Program section: Date

Address:

1) Social, Environmental, Economical (SEE) (Outcome)

_____

_____

_____

Practices(Outcomes)

_____

_____

_____

KASA (Outcomes)

Knowledge:_____

Attitudes:_____

Skills:_____

Aspirations:_____

Reactions(Implementation/Process (I/P))

_____

_____

_____

Participation(I/P)

_____

_____

2) Activities (I/P)

_____

_____

_____

Resources (I/P)

_____

_____

Key questions asked of participants

1) How would you rate the effectiveness of the programs (asked to rate the programs against each other – many only participated in one program and as such could not answer question)
2) What would you do the same
3) What would you not do the same
4) Have you done any further works (unfunded) such as those done in the program
5) Would you have done any of the works without funding?
6) Have you done any Whole Farm Planning
7) Do you think your ability to manage a viable farm is better or worse after the Omeo *Restoring the Balance* program
8) What do you think are the biggest challenges facing you as a land manager?
9) Are these challenges any different to before the Omeo *Restoring the Balance* program? Did the ORB assist you in overcoming any of these challenges?
10) Did you identify all the areas on your property that would benefit from any of the program?
11) Are there any remaining sites and do you plan to undertake any works on them.

Answers (12 respondents)

1) 100% of respondents indicated a desire to participate in further activities although some were qualified by it depended on the conditions associated with that activity.

2) Those that responded only referred to revegetation activities due to the perceived waste of money as the trees perished under dry conditions.

3) When asked if any further works had been conducted unfunded 50% had continued with Pasture Improvement of which 30% considered it due to their own pasture improvement program. 25% of respondents indicated a desire to do further works whilst of those 90% considered the current financial situation restrictive

4) Excluding Pasture Improvement 41% indicated that they would have done some form of rehabilitation work without funding but all agreed that the funding had expedited the process. This translates to 59% of landholders having undertaken works that they otherwise would not have.

5) 58% of respondents had done some form of Whole Farm Planning.

6) 41% of respondents felt that their ability to run a viable farm had been enhanced by the ORB. 25% felt that they were better land managers compared to prior to 1998 but that this is not due

to the ORB. Combining these indicates 66% of land owners who believe that they are better able to run a viable property since the ORB.

7) The biggest challenge facing land owners in the region is the variability, in particular the dry conditions with 75% of respondents nominating climate as the biggest challenge.

8) As the answers to question indicate the ORB could not change the climate

9) 41% of land owners identified all areas requiring works on their property

10) 66% are considering further works on the property with 41% nominating fiscal pressure as the biggest barrier

Appendix G Statistics

G.1 Introduction

In order to evaluate the Omeo *Restoring the Balance* Program it is useful to understand what has been occurring in the region since before the program and after the completion of the program (using the 1996 census and the 2001 census). The following statistical profile presents an overview of some of the key demographic statistics, the key agricultural statistics and the key tourism statistics.

Unfortunately there are no statistics that encapsulate the study area solely. It was decided that the East Gippsland Balance SLA (as defined by the Australian Bureau of Statistics) should be used. The Balance SLA covers the former Omeo Shire, as well as parts of East Gippsland that are not included in the study area (in particular, Bruthen). While this measure does not allow a direct comparison with similar data presented in the Arup report (although see comments below), it should provide a consistent unit of measure for all the statistics presented in this report. Further, it makes comparing updated versions of these statistics relatively easy.

In addition, to try to match the data to the study area for some of the demographic statistics, the town of Bruthen and the collection district of Wiseleigh and Mossiface are subtracted from the East Gippsland Balance Statistical Local Area (SLA) and the resulting area is called the former Omeo Shire. This statistic is compared with the Arup material.

G.2 Demographic statistics

There has been a decline in the number of people counted in East Gippsland Balance SLA since 1996 census to 2001 census (11.9%) and the 1991 census to 1996 census (4.7%) (Table 8). In contrast the East Gippsland Statistical Division (SD)[27] had only a one per cent decline in its population since the 1996 census to the 2001 census.

The median age of the population in the East Gippsland Balance SLA is increasing, which is a similar trend that is being observed across the whole of the East Gippsland Statistical Division.

[27] The East Gippsland Statistical Division includes the East Gippsland Shire and the Wellington Shire

- **Table 8 Number of people counted on census night and the median age of the East Gippsland Balance SLA.**

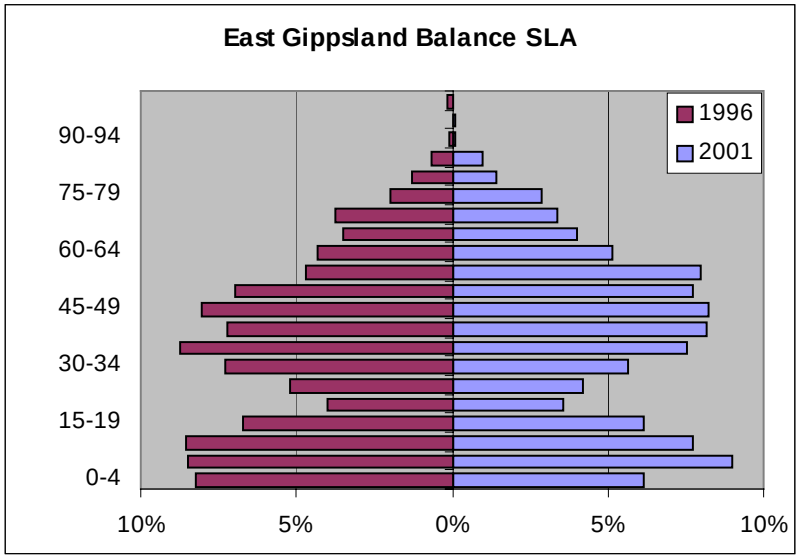
Type	2001	1996	1991
Census counts for East Gippsland Balance SLA	2455 people	2787 people	2909
Median Age	40	35	32

For the former Omeo shire area[28] the population at the time of the 2001 census was 1,342, which is a decline of 175 people (approximately 11 per cent)[29].

G.2.1 *Age Cohort*

The East Gippsland Balance SLA population cohort demonstrates that in the age bracket of 15-19 to 30-34 the population in this age group migrates out of the East Gippsland Balance SLA (Figure 2).

- **Figure 2 Age Cohort for East Gippsland Balance SLA**



Similarly, for the former Omeo Shire there is a fall in the population in the age bracket of 15-19 to 30-34 (Figure 3).

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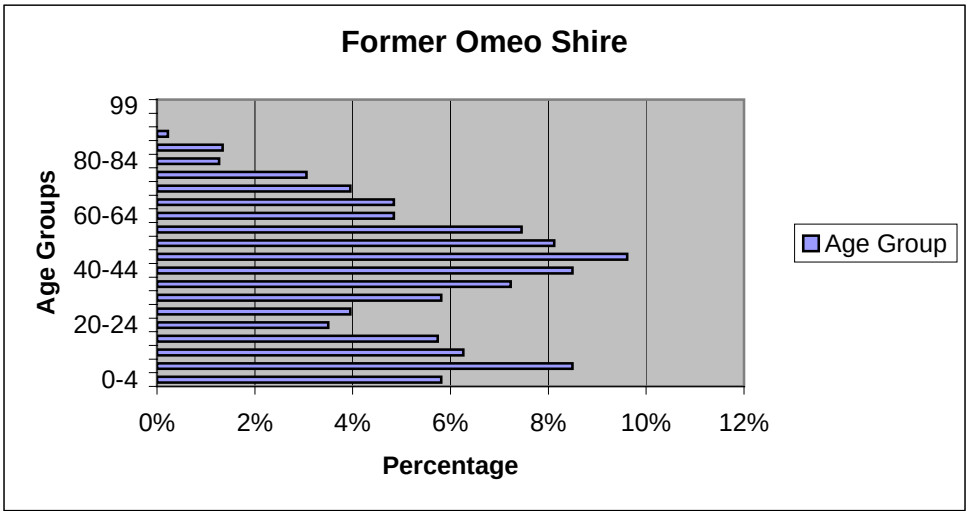
[28] Assuming that the former Omeo Shire fits into the East Gippsland Balance SLA minus Bruthen and the collection district of Wiseleigh and Mossiface.

[29] If the Omeo area defined in this study is the same as the Arup report, which reported that population in the former Omeo shire was 1,517

- **Figure 3 Age Cohort for Former Omeo Shire in 2001**



G.2.2 *Skill level of the population*

Even though the number of people is declining and median age of the population is increasing, the skill set of the population is increasing. A greater proportion of the population has postgraduate and bachelor degrees compared to the 1996 and 1991 census (Table 9).

- **Table 9 Level of education**

Type	2001 census	1996 census	1991 census
Postgraduate degree, graduate diploma or graduate certificate	40 people (2.1%)	36 people (1.7%)	29 people (1.5%)
Bachelor degree	117 people (6.2%)	102 people (4.9%)	75 people (3.9%)
Advanced diploma, diploma or certificate	425 people (22.5%)	436 people (21.0%)	377 people (19.5%)
Did not have a qualification, did not state a qualification or stated a qualification outside of the scope of the standard classification	1309 people (69.2%)	1506 people (72.4%)	1449 people (75.1%)

G.2.3 *Labour force, occupation, industry of employment*

Since the 1996 and 1991 census there has been a decline in the number of unemployed people in the East Gippsland Balance SLA (Table 10). (Note: this statistic has to be treated with caution, as people who are unable to find work are more than likely to leave the district in search of work.)

Table 10 Labour Force

Type	2001 census	1996 census	1991 census
Labour Force – Employed			
Employed	1064 (91.6% of the labour force)	1076 (84.9% of the labour force)	998 (84.3% of the labour force)
Of these, full-time:	610 (57.3%)		
Of these, part-time:	410 (38.5%)		
Labour Force – Unemployed			
Unemployed	97 people (8.4% of the labour force)	192 people (15.1% of the labour force)	186 people (15.7% of the labour force)
Of these, looking for full-time work:	83 (85.6%)		
Of these, looking for part-time work:	14 (14.4%)		

The majority of people in the labour force in the East Gippsland Balance SLA are employed as managers and administrators (however over time the percentage employed has declined) (Table 11).

Table 11 Occupation

Type	2001 census	1996 census	1991 census
Managers *and* Administrators	207 people (19.3%)	233 people (21.6%)	244 people (24.4%)
Professionals	158 people (14.8%)	143 people (13.3%)	130 people (13.0%)
Associate Professionals	128 people (12%)	114 people (10.6%)	76 people (7.6%)
Tradespersons and Related Workers	125 people (11.7%)	122 people (11.3%)	103 people (10.3%)
Intermediate Clerical, Sales and Service Workers	133 people (12.4%)	114 people (10.6%)	61 people (6.1%)
Labourers *and* Related Workers	140 people (13.1%)	120 people (11.1%)	127 people (12.7%)

- note the occupation classification underwent a major review following the 1991 Census, therefore the 1991 figures should be used as a guide only.

Agriculture is still the main industry of employment in 2001 as it was in the 1996 census for the East Gippsland Balance SLA. Retail Trade, Education, and Health and Community Services are the other three main industry employment groups for the East Gippsland Balance SLA (Table 12). Even though agriculture is the main industry of employer in the East Gippsland Balance Statistical Division the percentage of those employed in agriculture has declined since 1996. Further, there has been a large increase in those employed in construction, accommodation, cafes and restaurants, property and business services, education, health and community services, and cultural and recreational services.

- **Table 12 Percentage of employed persons employed in each industry in the East Gippsland Balance SLA**

	1996 East Gippsland Balance	2001 East Gippsland Balance
Agriculture, Forestry and Fishing	24.2%	23.5%
Mining	4.5%	0.6%
Manufacturing	6.7%	6.3%
Electricity, Gas and Water Supply	0.7%	0.9%
Construction	6.4%	8.5%
Wholesale Trade	2.1%	1.1%
Retail Trade	11.5%	10.9%
Accommodation, Cafes and Restaurants	6.5%	8.2%
Transport and Storage	3.8%	2.8%
Communication Services	1.3%	1.2%
Finance and Insurance	1.7%	0.8%
Property and Business Services	3.0%	5.1%
Government Administration and Defence	3.7%	3.6%
Education	8.0%	9.2%
Health and Community Services	8.6%	10.8%
Cultural and Recreational Services	0.3%	1.4%
Personal and Other Services	2.0%	2.8%
Non-classifiable economic units	0.9%	0.8%
Not stated	4.0%	1.4%

For the Former Omeo Shire, agriculture is the main industry for employment as it was at the time of the Arup report (Table 13). Other large employment industries include Accommodation, Cafes and Restaurants, Construction, Education and Health and Community Services.

- **Table 13 Industry of employment for the former Omeo Shire in 2001**

	Number employed in Former Omeo Shire	% of total employed in Former Omeo Shire
Agriculture; Forestry and Fishing	199	30%
Mining	6	1%
Manufacturing	26	4%
Electricity; Gas and Water Supply	6	1%
Construction	65	10%
Wholesale Trade	0	0%
Retail Trade	40	6%
Accommodation; Cafes and Restaurants	76	11%
Transport and Storage	15	2%
Communication Services	10	1%

	Number employed in Former Omeo Shire	% of total employed in Former Omeo Shire
Finance and Insurance	9	1%
Property and Business Services	42	6%
Government Administration and Defence	27	4%
Education	64	10%
Health and Community Services	58	9%
Cultural and Recreational Services	15	2%
Personal and Other Services	12	2%
	670	100%

G.3 Agricultural statistics

Agricultural censuses were conducted in 1997 and 2001. These census years provide an understanding of the situation in East Gippsland Balance before and after the Program.

G.3.1 *Value of agricultural output*

In 1997 the value of agricultural output for East Gippsland Balance was 29,229,053. In 2001 the value of agricultural output, for the East Gippsland Balance SLA, had declined to 26,507,161, which equates to approximately a 10 per cent decline. This decline reflects the affects of drought, Ovine Johnes Disease and flood on the agricultural industry in the Omeo region. For East Gippsland Statistical Division[30] the value of agricultural output has increased by 41 per cent. As reflected in this statistic, the East Gippsland Statistical Division was not affected to the same degree by Ovine Johnes Disease, drought and flood. It takes a number of years for a region to recover from such significant events.

Reflecting the decline in the Value of Agriculture output there was a decline in the value of most agriculture produced in the East Gippsland Balance SLA. The largest decline was in the sheep industry (reflecting OJD) and a smaller decline in the beef industry. Similarly, since East Gippsland Statistical Division experienced an increase in their value of Agricultural Output it is no surprise that the majority of their agricultural enterprises increased in value over time. The following table shows the change in the value of some of the different agricultural commodities between the 1997 agricultural census and the 2001 agricultural census for the East Gippsland Balance SLA and the overall East Gippsland Statistical Division.

[30] The East Gippsland Statistical Division includes the East Gippsland Shire and the Wellington Shire

- **Table 14 Change in value of agricultural output – in the main categories**

	% Difference between 1997 and 2001 for East Gippsland SD	% Difference between 1997 and 2001 for East Gippsland Balance
Wool – Value ($)	-16%	-41%
Milk – Value ($)	39%	-15%
Sheep and lambs slaughtered – Value ($)	0%	-44%
Cattle and calves slaughtered – Value ($)	60%	10%
Total value of crops - Value ($)	59%	52%
Total value of livestock slaughterings - Value ($)	49%	-5%
Total value of livestock products - Value ($)	31%	-33%
Total value of agriculture - Value ($)	41%	-9%

Another way to consider these statistics is to consider them as a proportion of the total value of agricultural output. When looking at the statistics from this perspective (Table 15) it shows that:

- Wool only made up 14 per cent of the total value of agriculture in 2001, whereas in 1997 it made up 22 per cent of the total value of
- Cattle and calves slaughtered made up 55 per cent of the value of agriculture in 2001, whereas in 1997 they only made up 45 per cent of the value of agriculture
- The total value of crops made up 13 per cent of the total value of agriculture in 2001 compared with only 8 per cent of the total value of agriculture in 1997.

This shows that there has been a shift out of sheep into other agricultural industries, which is more than likely the result of OJD.

- **Table 15 East Gippsland Balance SLA, 1997 per cent these different commodities contribute to total Value of Agricultural Commodities**

	East Gippsland SD		East Gippsland Balance SLA	
	% of total Value of Agriculture 1997	% of total Value of Agriculture 2001	% of total Value of Agriculture 1997	% of total Value of Agriculture 2001
Wool - Value ($)	8%	5%	22%	14%
Milk - Value ($)	50%	49%	10%	10%
Sheep and lambs slaughtered – Value ($)	4%	3%	14%	9%
Cattle and calves slaughtered – Value ($)	21%	24%	45%	55%
Total value of crops – Value ($)	17%	19%	8%	13%

G.3.2 *Number of agricultural establishments*

Over the period 1997 to 2001 the number of agricultural establishments declined in the East Gippsland Balance SLA (from 360 to 213, which equates to approximately a 41 per cent decline). This shows that this area is seeing structural adjustment. For East Gippsland Statistical Division overall there was only a slight decline in the number of establishments (from 2,475 to 2,434, which equates to approximately a 2 per cent decline).

This decline in agricultural establishments across the East Gippsland Balance SLA has seen a decline in sheep and lamb numbers (and consequently wool production), a decline in meat cattle, a decline in the area sown to pasture, and a decline in the total area of crops. This is in contrast to the 10 years up to 1997 reported by Martin (2004) which showed that cattle numbers increased by over 30 per cent and sheep and lamb numbers increased by up to 10 percent in the Balance SLA area over the 10 years to 1997. This statistics reported from the 2001 agricultural census along with how they differ from the 1997 census, reflect the adjustment that has occurred in agriculture over this period as it has had to manage drought, ovine Johnes disease and flood.

Table 16 Selection of agricultural statistics in the East Gippsland Balance SLA

Type	2001	Per cent decline since 1997 agricultural census to 2001 agricultural census
Number of Sheep *and* Lambs	152,694	44%
Wool production	760,765 kg	43%
Number of Meat cattle	48,130	41%
Area sown to pastures	39,629 ha	31%

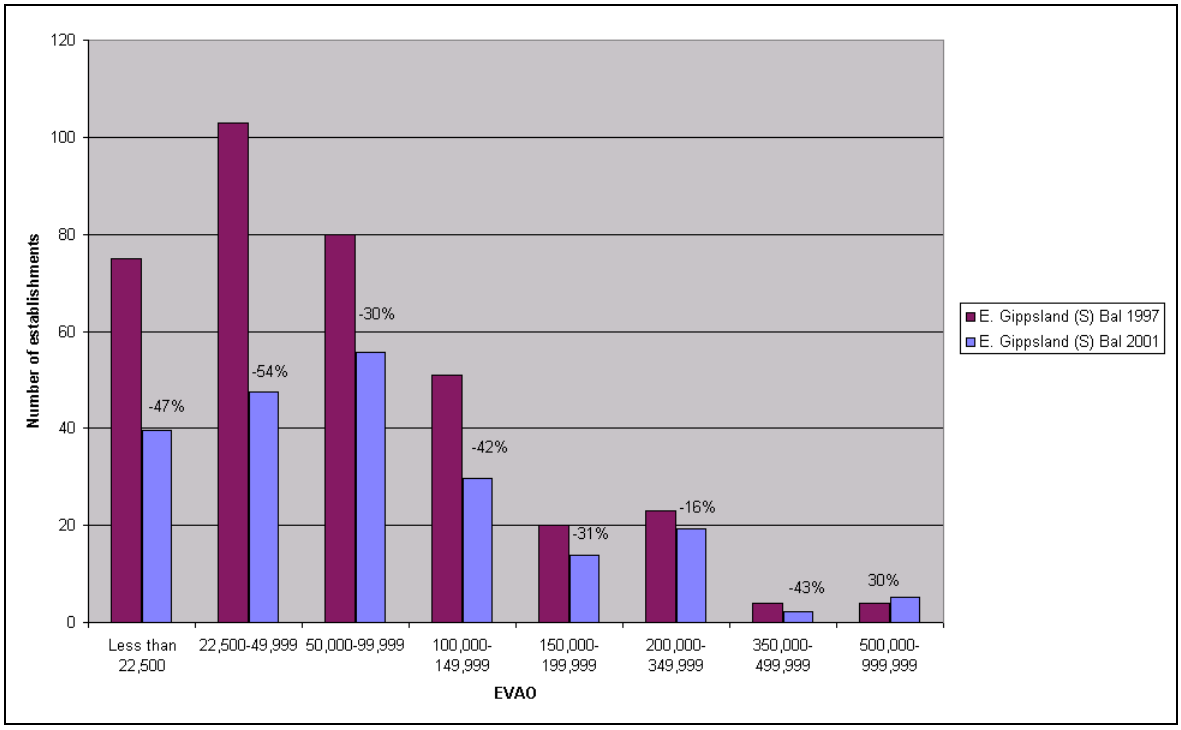
G.3.3 *Selected environmental statistics*

G.3.4 *Estimated Value of Agricultural Output*[31]

There has been a sharp decline in the number of agricultural establishments that have low levels of agricultural activity, and there has been an increase in the number of establishments that have very high levels of agricultural activity.

[31] EVAO is an estimation of agricultural activity undertaken by an agricultural establishment measured by three-year average weighted prices applied to livestock turn-off and livestock numbers on the farm, and to area and production data for crops.

- **Figure 4 Estimated Value of Agricultural Output (EVAO) 1997 and 2001**



Considering the number of establishments in each of the different EVAO categories against the total number of establishments it shows that there is an increase in establishments with higher levels of agricultural activity:

- In 1997 50% of establishments had agricultural activity less than 49,999 whereas in 2001 41% of establishments had an EVAO of 49,999.
- In 1997 42 % of establishments had agricultural activity in the range of 50,000 to 199,000 whereas in 2001 46% of establishments were in this EVAO range
- In 1997 8% of establishments had agricultural activity of more than 200,000 whereas in 2001 12% of establishments had an EVAO of above $200,000.

(see Table 17)

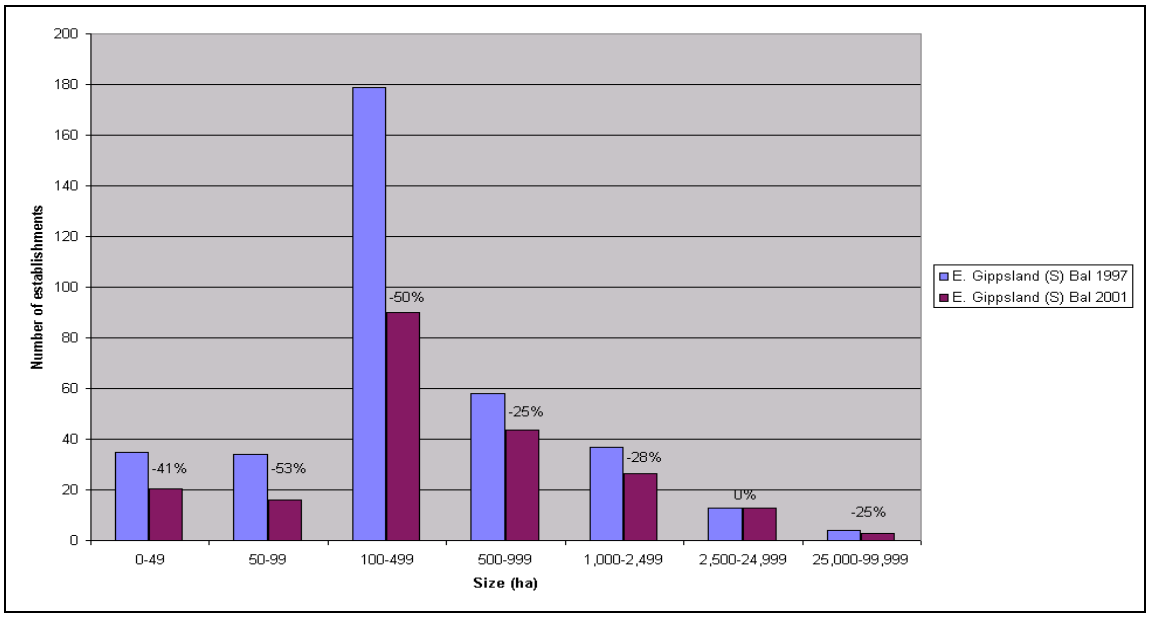
- **Table 17 Proportion of establishments in 1997 and 2001 falling into that level of agricultural activity (EVAO).**

	Less than 22,500	22,500-49,999	50,000-99,999	100,000-149,999	150,000-199,999	200,000-349,999	350,000-499,999	500,000-999,999
East Gippsland Balance SLA 1997	21%	29%	22%	14%	6%	6%	1%	1%
East Gippsland Balance SLA 2001	19%	22%	26%	14%	6%	9%	1%	2%

G.3.5 *Property size*

The number of establishments in different property sizes declined in the period 1997 to 2001 (Figure 5).

- **Figure 5 Number of properties in different size ranges in 1997 and in 2001**



Considering the number of establishments in each of the different property size categories against the total number of establishments it shows that the number of properties in the larger size class is increasing:

- In 1997, 69 % of properties had an area of operation of between 0 and 500 hectares. In 2001 there were only 60% of properties in that size range
- In 1997 16% of farms were operating in the size range of 500-999 hectares. In 2001 there were 21% of farms operating in this size range

In 1997 15% of farms were above 1,000 hectares in size. In 2001 19% of farms were above 1,000 hectares (see Table 18)

- **Table 18 Number of establishments as a percentage of total number of establishments**

	0-49	50-99	100-499	500-999	1,000-2,499	2,500-24,999	25,000-99,999
E. Gippsland (S) Bal 1997	10%	9%	50%	16%	10%	4%	1%
E. Gippsland (S) Bal 2001	10%	8%	42%	21%	12%	6%	1%

G.3.6 *Flock size/herd size*

Following the overall trend in a decline in the number of establishments there has been a decline in the number of establishments managing beef cattle.

The proportion of total beef farms that have less than 100 head of beef cattle has declined from 1997 to 2001. The proportion of total beef farms that have more than 100 head has increased since 1997 to 2001 (Table 19).

- **Table 19 Number of establishments for different sizes of beef herds for East Gippsland Balance SLA**

	Less than 50	50 to less than 100	100 to less than 200	200 to less than 500	500 to less than 1,000	1,000 or more	Total
Proportion of total that fit into that category 1997	16%	23%	22%	27%	10%	3%	100%
Proportion of total that fit into that category 2001	13%	20%	25%	30%	10%	2%	100%

There has been a decline in the number of establishments that hold dairy cattle, but there has been very little change in the proportion of farms in the different size brackets. (Table 20).

- **Table 20 Number of establishments for different sizes of dairy herds for East Gippsland Balance SLA**

	Less than 50	50 to less than 100	100 to less than 200	200 to less than 500	500 to less than 1,000	1,000 or more	Total
Proportion of total est with dairy cows 1997	21%	21%	29%	29%	0%	0%	100%
Proportion of total est with dairy cows 2001	9%	21%	30%	29%	10%	0%	100%

There has been a decline in the number of establishments that hold sheep, but the proportional size spread of such establishments has remained relatively the same (Table 21).

- **Table 21 Number of establishments for different sizes of sheep flock for East Gippsland Balance SLA**

	Less than 100	100 to less than 200	200 to less than 500	500 to less than 1,000	1,000 to less than 2,000	2,000 to less than 3,000	3,000 or more	Total
Proportion 1997 of total establishments	11%	6%	12%	19%	26%	18%	8%	100%
Proportion 2001 of total estab	12%	6%	12%	19%	26%	15%	9%	100%

G.4 Tourism

To date we only have limited tourism data, we hope to obtain more data for the next report.

For the East Gippsland Shire in the September Quarter 2003[32] there were 23 accommodation establishments (hotels, motels and serviced apartments), which had 613 guest rooms. Two hundred and forty one people were employed in the tourism market. The total number of guests during this time was 26,037. Further, over this quarter the average length of stay was 1.3 days. The takings per room per occupied night was $90.70, the number of room nights occupied was 18,483.

G.5 Conclusion

Summarising the key findings of this investigation:

- The population in the East Gippsland Balance Statistical Local Area (SLA) is declining
- It would appear that the East Gippsland Balance SLA and the former Omeo Shire is losing the younger age group
- Agriculture is the dominant industry of employment, however employment is increasing in the industry areas that relate to tourism *and* community service businesses
- Unemployment has decreased
- Increase in the proportion of farms that fall into larger size bracket

[32] The East Gippsland Balance SLA data is not available for publication