



**Gascoyne
Murchison
Strategy** ~ *a new lease on life.*



Gascoyne Murchison Strategy
annual report 1999-2000



**Natural
Heritage
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*Helping Communities
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Department of
**AGRICULTURE
FISHERIES and
FORESTRY**
AUSTRALIA



AGWEST
*Farm Business
Development*

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Storm clouds over Dalgety Downs Station on the Meekatharra - Camarvon road.
David Blood, AGWEST Geraldton

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GASCOYNE-MURCHISON STRATEGY
1999-2000 Annual Report

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Letter from the Chairman

The Hon Warren Truss
Minister for Agriculture, Fisheries and Forestry
Parliament House
CANBERRA ACT 2600

Dear Minister

On behalf of the Gascoyne-Murchison Strategy (GMS) Board I have pleasure in presenting this the second annual report since the Strategy's launch in 1998.

The Strategy represents a strong partnership between the pastoral community and government, that through a recognised need for improvement, has produced a catalyst for positive change in the region.

This has been achieved through the commitment of a high level of government services and funding thanks mainly to its solid mandate and continuing support from the regional community.

During 1999-2000 key achievements include the development and implementation of the Regional Environment Management Program complementing the very successful Business and Industry Development Grants Program. After five funding rounds of the Grants program, almost half of all eligible pastoralists in the region have received assistance towards long-term sustainability through the Strategy.

In the next two years, the Strategy will complete its third and final phase. This final phase places a greater emphasis on the Regional Environmental Management Program through its range of measures to enhance and further develop the opportunities created as a result of the significant joint investment in the region by Government and the community through the Grants program.

Once again I take this opportunity on behalf of the GMS Board and the region, to thank the State and Commonwealth Governments, and the rangelands community for their continued support for this important initiative.

Ian Laurance
CHAIRMAN

September 2000

Strategy Directors' Overview

After two full years of operation the GMS has been recognised as a regional initiative with 'grunt'. I am confident that with a sustained effort over the next three years, the GMS Business and Industry Development Grants program will create significant changes in the way pastoral businesses operate in our region.

But changes to individual businesses will not be enough to set the region on a new course towards self-reliance and sustainability. We also need to tackle the longer-term issues that have created the current situation, and which are beyond the ability of any business to control. While our second year has seen the grants program rollout, the GMS has been hard at work on a range of new projects that will change the way we 'do business' in the rangelands.

Contracts have been negotiated for research into the origins and behavior of the Northwest Cloud Band, which could hold the key to improved seasonal climate forecasting for the region.

As a result of work undertaken to date the GMS will create a financial advisory service to improve banks' information on pastoral industry trends, seasons and business cycles, as well as building on the capacity of pastoralists to assess their own financial position in a continuous improvement way.

Commercial investment in the region is also being addressed through a review of the Voluntary Lease Adjustment program, investigating ways to offer more flexible and secure tenure to attract venture capital for non-pastoral enterprises and formalisation of a whole of government approach to development approvals for diversification.

The conservation reserve acquisition program is moving into a new phase, with greater emphasis on creating reserves through part-lease purchases, commercial management agreements and covenants. A working group of CALM, GMS and AGWEST staff, chaired by a GMS Board member will review each new case and recommend options for acquisition that meet multiple GMS objectives, including lease adjustment, multiple use and diversification. Conservation data will also be made available to pastoralists who want to market their produce under 'eco-label' schemes that may attract premiums for protection of conservation values on their leases.

The GMS is also helping to drive changes in the way government works in rangeland WA, and rural areas elsewhere in Australia. At State level, the GMS has been instrumental in developing the concept of a 'Rangelands Council' to provide greater coordination of government activities in the rangelands, especially in regard to land use and natural resource management.

At national level, GMS representatives have presented 'the GMS approach' at forums like the SA Natural Resource Management Forum, the Regional Australia Summit, the International Landcare Conference and meetings with the heads of other Rural Partnership Program initiatives. Through these opportunities, the GMS has influenced the development of new policies for regional Australia that reflect the needs of remote, rural communities like ours.

So, although the grants program will be closing at the end of the year, the serious work of improving this region's future prospects has just begun. I encourage everyone who has been following the Strategy so far to monitor these new developments and, where possible, contribute comments and feedback that will help us achieve our regional objectives.

Mark Lewis
DIRECTOR

Overview of the GMS

History of Development of Gascoyne Murchison Strategy

The Gascoyne-Murchison Rangeland Strategy working group was initiated in May 1995, at a time when the future of many pastoral businesses in the region was very uncertain. A number of Government reports had documented the need for changes in the pastoral industry, but lacked the resources and mandate required to implement change at appropriate scales.

The turning point came at a series of meetings in the Upper Gascoyne, where pastoralists supported the development of urgent reforms to restore the economic, social and environmental foundations of their region. State Cabinet considered a series of recommendations prepared through this consultation process and agreed to the development of an integrated package to implement them. The Gascoyne-Murchison Strategy Cabinet Action Plan became the basis for negotiation with the Commonwealth Government to fund key parts of the initiative through the Rural Partnership Program.

After three years of consultation in the region and in negotiation with the State and Commonwealth Governments, the Gascoyne-Murchison Strategy was launched by Premier Richard Court in Meekatharra and Carnarvon in April 1998.

The Gascoyne Murchison Strategy has been developed through the processes of the Rural Partnership Program (RPP) which is now managed by the Commonwealth Department of Agriculture, Fisheries and Forestry. The RPP is designed to enable rural communities to develop and implement strategies for addressing economic development, structural adjustment, natural resource management and social issues in an integrated way, drawing on relevant Government programs such as the Natural Heritage Trust and Rural Adjustment Scheme.

Significant funding and support are also provided by relevant State Government Departments, including Agriculture Western Australia, Department of Conservation and Land Management, Water and Rivers Commission, Department of Commerce and Trade, the Gascoyne and Mid-West Development Commissions and 9 others.

The Gascoyne Murchison Strategy region comprises the Shires of Exmouth, Carnarvon, Shark Bay, Upper Gascoyne, Murchison, Yalgoo, Meekatharra, Cue, Mt Magnet, Sandstone and Wiluna plus seventeen pastoral leases immediately south of the above area, situated in predominantly agricultural based Shires. The area includes the communities of Carnarvon, Exmouth, Denham, Meekatharra, Cue and Mt Magnet. Indigenous peoples form a significant sector of the area's population (estimated at 12 per cent). Significant industries for the area are mining, tourism and horticultural and pastoral activities.

The pastoral sector in the Gascoyne Murchison is the principal land user, and the particular focus of the Gascoyne-Murchison Strategy. Pastoral land in the Gascoyne Murchison is held by the State and leased to pastoralists, all current leases expiring in the year 2015. Under provisions of the Land Administration Act (1998), many of the 253 leases will be renewed for periods equivalent to the current lease. A small number of leases are held by Indigenous and mining entities, and CALM.

The Gascoyne-Murchison Strategy at a glance

In consultation with the Gascoyne-Murchison community, the overall goal of the GMS was established as contributing to a *socially and economically viable community involved in a diverse range of industries, based on the use of the rangelands in an environmentally sustainable way.*

To achieve this, the Strategy's activities have been developed to target the provision of services:

- **at the individual or personal level**, including:
 - the resources to plan for the future
 - information/skills needed to undertake new (and old) ways of doing business better
 - enhanced quality of life

- **at the business level**, including:
 - resources to implement well planned business improvement measures
 - new ways to increase station productivity and profitability
 - information/skills to get the job done
 - ability to get out of the industry if that is your decision

- **and, at the regional level**, including:
 - new industries, new production systems and new management techniques
 - development of projects that bring money into the region (and keep it there)
 - a balanced and defensible approach to production and conservation

This is delivered through four component programs of the GMS:

- Business And Industry Development Grants Program
- Industry Research And Development Program
- Voluntary Lease Adjustment Program
- Regional Environment Management Program

This annual report provides information against the overall outcomes of the Rural Partnership Program and of the Agreement for Structural Adjustment Funding. Detailed information and performance indicators are then provided against the four program components and the measures that make up the components.

Gascoyne-Murchison Strategy Management Structure

State Cabinet has delegated responsibility for the management of the GMS to the Rangelands Cabinet Sub-committee. The Committee consists of the Ministers for Primary Industry (Chair), Regional Development (Deputy Premier), Environment, Lands and Water Resources.

Cabinet has also appointed the GMS Board to oversee implementation of the GMS and to provide direction to the Strategy Director. The Board has an independent chairman, three regional members, two business/finance members, one member with environmental skills, one representative of the Rural Adjustment and Finance Corporation and one State Government representative (Director).

In 1999-2000 the GMS Board members were:

- Ian Laurance, Chairman
- Tom Morrissey, pastoralist and regional representative
- Kim Keogh, pastoralist and regional representative
- Ken Baston, pastoralist and regional representative
- Ross Donald, Chairman, Rural Adjustment and Finance Corporation
- Gary Chappell, Bird Cameron, business and finance
- Clint Lester, Clinton Lester and Associates, business and finance
- Kelly Gillen, Regional Manager, Conservation and Land Management, environment representative
- Mark Lewis, Strategy Director and Government representative

The GMS Board is supported by the GMS Management Team, which is responsible for the day-to-day operation of the Strategy. The GMS Management Team consists of:

- Strategy Director – Mark Lewis
- Strategy Manager – Roger Jaensch
- Rural Adjustment Manager – Roderick O'Connor
- Strategy Development Officer – Andrew Prior
- Strategy Evaluation Officer – Karen White
- Industry Development Manager - Scott Sturgess
- Regional Environment Management Program Manager - Hugh Pringle
- Regional Based Alternatives Project Manager – Kaz Price
- New Technology Project Manager – Dr Robert Rouda

Budget Summary

GMS Program and Corresponding Measure			Agreed Funding Allocation			
			Commonwealth		State	
			RAS	NHT	RAF	CF
Industry and Business Development Grant Program*						
2	1	Funding for Implementation of Business Plans	2,630,000		1,070,000	
3	2	Funding the identification and development of Regionally Based Alternative Enterprises	500,000		500,000	
6	*	Regional biodiversity conservation through TGM		1,500,000		
-	8	Assessment of Applications	288,900		32,100	
Industry Research and Development Program						
8	*	Development of new technology to enhance rangelands management		300,000		150,000
9	*	Developing decision aids for sustainable natural resource management through climate monitoring etc		366,000		525,000
10	*	Increasing the community's awareness of rangelands issues		40,000		40,000
13	4	Conduct a study in the region on new, innovative alternative options for pastoralists to secure access to commercial finance	20,000		20,000	
Voluntary Lease Adjustment Program						
4	3	Funding to assist the transfer of land by Voluntary Lease Adjustment	2,270,000		162,000	
	7	Structural Adjustment Officer	324,000		36,000	
Regional Environmental Management Program						
12	*	Establishment and management of CARRS		6,800,000 NRS Matching		6,800,000
5	*	Industry self-management and awareness of connections between sustainability and productivity		495,000		960,000
7	*	Rehabilitation and reticulation of water supplies in the Camarvon Artesian Basin		1,902,000		1,900,000
11	*	Implementation of environmental objectives etc		100,000		175,000
New Project		Off-reserve conservation management in rangeland WA		797,400		
New Project		Accredited ecologically sustainable pastoralism		661,500		
Strategy Management and Coordination						
14	6	Fund the administration of the Strategy Implementation Group and Strategy Management and Coordination	267,000	531,000	267,000	260,000
15	5	Monitoring and Evaluation	70,000	60,000	70,000	40,000
		TOTAL	6,369,900	14,143,900	2,157,100	10,850,000

Report against GMS Outcomes

A Memorandum of Understanding to enable the GMS Rural Partnership Program was signed on 22 April 1998. The RPP provides for the integrated delivery of Commonwealth (Rural Adjustment Scheme and Natural Heritage Trust) and State funding and describes the measures which will be undertaken to achieve the objectives of the Rural Partnership Program.

The objectives of the Rural Partnership Program that supports the GMS are to achieve:

- profitable and self reliant rural industries which operate competitively and can adapt to changing market, economic and resource conditions
- sustainable management of the natural resource base
- robust, equitable and prosperous communities; and
- within this context, the specific objective of this RPP Strategy is to contribute *to a competitive, viable and self-sustaining Gascoyne Murchison region through the provision of measures to enhance property productivity and natural resource management.*

In addition, a separate funding agreement was signed on 15 August 1998 to enable the delivery of Rural Adjustment Scheme funding under the GMS RPP. This agreement has its own set of outcomes and performance measurement and evaluation requirements.

This document provides an annual report against the Rural Partnership Program MOU and Structural Funding Agreement outcomes. It also provides a progress report against all of the measures funded under the RPP (including NHT measures), with detailed information on the RAS measures, including performance indicators.

The report uses the nomenclature of the RPP Agreement including the numbering of the component measures. Structural adjustment measures are denoted by listing the number of that measure in brackets after the RPP measures.

Outcomes from the Rural Partnership Program

The outcomes sought from the GMS Rural Partnership Program MOU include:

- community support and pastoralist ownership of the Strategy;
- a strategic approach that addresses rural area economic development and adjustment, sustainable land and water management and social and environmental issues;
- coordination and integration of program delivery; and
- the strategic outcomes as specified in the Agreements/Contracts under the RPP Memorandum.

Outcomes from the Structural Adjustment Component

The outcomes sought from the GMS Structural Adjustment Funding Agreement include:

- Enhanced productivity, profitability and sustainability of properties in the Gascoyne Murchison region;
- Increased profitability of farm businesses through improved risk management based on sound business planning;
- More opportunities for farm business enterprises to become involved in alternative industries; and
- Increased knowledge of alternative funding sources for farm business enterprises in the region.

Progress against Rural Partnership Program Outcomes

Community support and pastoralist ownership of the Strategy

There is already significant community support and pastoralist ownership of the GMS within the region. Evidence to support this includes:

- The active involvement of 7 pastoralists in the management of the GMS through the representation on various advisory groups or management committees under the GMS. Well-attended public events such as the launch of the GMS by the Premier in April 1998 where over 250 people attended the launch at Meekatharra and Carnarvon.
- The results of the baseline survey have found that a significant number of pastoralists intend to apply for support under the GMS, implying some level of confidence and ownership of the initiative.
- The GMS communication strategy continues to pay particular attention to informing pastoralists within the region about the opportunities available to them within the GMS and the progress of the Strategy. In this year it has been extended to encourage more interaction between the GMS Management Team and pastoralists. In particular this approach has yielded early dividends for the Ecological Accreditation project with the acceptance by the pastoral community for a rigorous rangeland accreditation program to enable focused marketing of "clean and green" rangeland products in the future.

A strategic approach that addresses rural area economic development and adjustment, sustainable land and water management and social and environmental issues

The GMS Board considers that that GMS is indeed a strategic approach to addressing rural economic development and adjustment issues as well as sustainability and social issues. Much of what is being attempted within the GMS is innovative, particularly the Voluntary Lease Adjustment Program and the Regional Environmental Management Program.

The GMS was developed through a participatory Strategic planning process involving extensive consultation with the community and government. The approach to market failure and the associated adjustment issues is through a market driven approach, where the focus is less on structural adjustment in the traditional sense, and more on enterprise adjustment. Adjustment in this sense is effected by shifting enterprises to become economically viable and sustainable.

Sustainable land and water management is facilitated through the provision of grants to assist with the accelerated uptake of sustainable land management and water management practices. Water resources and biodiversity are protected during the development process and indeed enhanced more generally through the Strategy.

A total of 8 whole pastoral leases and portions of another 9 have been added to the conservation estate for the Comprehensive Adequate Representative Reserve System (CARRS) component of the GMS. This represents an additional 1.9 million hectares to the conservation reserves in Western Australia managed by the Department of Conservation and Land Management in the last two years.

The Carnarvon Artesian Basin Bore Rehabilitation Program is in the implementation phase with two drill rigs now operating in the region. This program aims to manage and control a large proportion of uncontrolled bores that flow from the Carnarvon Artesian Basin.

Coordination and integration of program delivery.

The GMS Board and Management Team have strived to coordinate and integrate the delivery of the Strategy across a range of State Government agencies involved with its delivery, as well as providing a 'one stop shop' for pastoralists to access funding through the Implementation

Proposal process.

In 2000/01 it will continue to do this through a rigorous and well-planned approach to regional development drawing expertise in industry development, enhancement and marketing from the nation-wide experiences of the Rural Partnership Program schemes and from innovative regional development concepts, developing these with its contributing state government partners.

Progress against the Structural Adjustment Component Outcomes

Enhanced property productivity, profitability and sustainability of properties in the Gascoyne Murchison region

This is a long-term outcome which is dependent to a large extent on a range of factors outside of the influence of the GMS, such as climate, terms of trade etc. However, the GMS has already made a significant contribution to this outcome, particularly in terms of enhancing the productivity and sustainability of properties in the region.

For example, through the Business and Industry Development Grant Program, some 97 pastoral enterprises (almost a half of the total number of possible applicants in the region) have been assisted to undertake a range of productivity enhancing activities. These are summarised in detail later.

The GMS has assisted the rapid uptake of technology such as Total Grazing Management (TGM), which offers improved control over livestock and thereby reduces grazing impact in the rangelands. Through the funding allocations by the GMS, an area in excess of 7 million hectares will be covered by the TGM system by the end of the Grants program.

Increased profitability of farm businesses through improved risk management, based on sound business planning

One of the key objectives of the Business and Industry Development Grant process is to promote a shift to better business management and continuous learning in the region. Through its requirements for detailed analysis of the benefits of all proposed activities, the Business and Industry Development Grants program has introduced many pastoralists to new business planning and risk management approaches that will benefit their enterprises in the long-term.

Business Planning continues to play a central role in the Gascoyne-Murchison Strategy with many grant recipients reviewing their plans in light of changing seasonal and commodity conditions and requesting changes to funding agreements under the Business and Industry Development Grants Program.

In 2000/01 a Rural Financial Advising service will be funded through the GMS to assist pastoralists with the continued assessment of financial and production data and review their business plans on an ongoing basis.

More opportunities for farm business enterprises to become involved in alternative industries

The Regionally Based Alternatives measure has supported a number of opportunities for pastoral businesses to become involved in alternative and innovative industries. Horticulture, aquaculture, tourism, diversification into new meat sheep breeds and the domestication of feral goats have been key diversification options taken up by pastoralists. These are summarised in detail later.

Increased knowledge of alternative funding sources for farm business enterprises in the region

The Access to Commercial Finance project highlighted a lack of knowledge by many of the major finance lenders of the pastoral industry. It has been agreed that the relationship between

rural lenders and the pastoral industry will be strengthened through the establishment of a pastoral liaison officer within the banking sector who will be provided with information about the pastoral industry to allow bench-marking and informed decisions about finance applications.

Business and Industry Development Grants Program

Overview of the Business and Industry Development Grants Program

Business and Industry Development Grants are the main mechanism for pastoralists to obtain funding under the GMS. A number of RPP measures are integrated and delivered through this component, including:

- Measure 2 Funding for implementation of business plans;
- Measure 3 Funding the identification and development of regionally based alternatives; and
- Measure 6 Regional biodiversity conservation through Total Grazing Management.

Applicants use one mechanism, the Implementation Proposal, to request funding for a number of activities, which may include property development, funding to investigate or pursue diversification opportunities, or the establishment of Total Grazing Management systems, among others. The funding is drawn from the appropriate measure above.

The Implementation Proposal also includes relevant extracts from a business plan. The business plans are often prepared with professional advice from consultants, with funds provided through the Rural Adjustment and Finance Corporation's FarmBIS Program. Alternatively, pastoralists may develop a business plan using skills developed through the Better Business Group learning process.

Grants are not loans and are not linked to debt or means testing and all grants require matching inputs from applicants (in-kind contributions can be recognised as matching inputs). Grant applications are funded according to their merit in a competitive assessment process. Grants are paid according to agreed work schedules, as specific parts of the proposal are completed but are restricted to a 3-year Grant payment term. Details of agreed work and payment schedules are written up as part of an Implementation Agreement.

A summary of progress against each of the measures which contribute to the Business and Industry Development Grants Program is provided below.

Measure 2 (1) Funding for implementation of business plans

Objective

Increased profitability and sustainability, and improved risk management practices, of farm businesses in the Gascoyne Murchison region.

Outcomes

Implementation of innovative, strategic and productivity-enhancing farm management measures which have been identified as part of a farm business plan.

Total Funding Allocation

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	2,630,000	1,070,000	3,700,000
Committed Funding			3,700,000
Total Expenditure to 30 June 2000			1,325,786
Expenditure 1999-2000			998,732

Summary of progress

Five rounds of this six round program have been considered by the GMS Board. Round 1 fell within 1997-98; Rounds 2 and 3 within 1998-99; Rounds 4 and 5 within 1999-2000. Each is summarised below; in detail for Rounds 4 and 5. Note that the funding amounts relate to committed funds, rather than actual expenditure.

Relative to the size of the funding the actual expenditure to date has been quite limited. In part this is due to the 3-year Grant payment term of every allocation. Businesses have scheduled agreed work completion dates within that period, but the GMS has committed itself to a flexible approach that allows pastoral businesses to alter their schedules within the maximum 3-year Grant timeframe.

Additionally two cyclones (March 1999 and March 2000) and exceptional summer rains this year have caused significant interruptions to normal pastoral business operation and as a result agreed GMS works have not been completed as scheduled.



Left: One of the 350 water supplies damaged or destroyed by Cyclone Vance

Some grant recipients have recently completed cyclone recovery works and delayed mustering and/or shearing and have indicated they are progressing with GMS Grant allocations. The majority of altered expenditure is expected to occur between July 2000 and February 2001.

Each round of funding expenditure is monitored carefully and grant recipients consulted regularly to gauge their progress with agreed works scheduling. Opportunities for all or part of the funding allocation to be returned to the budget have been accepted by the GMS. Further grants are not automatically transferable to new station business owners and the new owners must present a strong business case to the GMS Board in order for that grant to be transferred.

Round 1 closed June 1998. A total of 16 Implementation Proposals was received and 8 were funded to a total value of \$527,442. Of these 2 recipients have completed all agreed works.

Round 2 closed in September 1998. A total of 32 Implementation Proposals was received and 28 were funded to a total value of \$1,544,236. This has been revised to 24 grant recipients funded to a total value of \$1,436,884. Of these, 4 recipients have completed all agreed works.

Round 3 closed in March 1999. A total of 29 Implementation Proposals was received and 27 were funded to a total value of \$1,731,505. This has been revised to 26 grant recipients funded to a total value of \$1,614,555. Of these, 2 recipients have completed all agreed works.

Round 4 closed September 1999. A total of 18 Implementation Proposals was received and 17 were funded to a total value of \$1,113,430.

Round 5 closed March 2000. A total of 26 Implementation Proposals was received and 22 were funded to a total value of \$1,157,895.

Projects from Rounds 4 and 5 for which GMS assistance was sought include:

- Development of new watering points and redistribution of existing supplies to alleviate concentrations of grazing pressure;
- Fencing and yard construction to increase the domestic and feral animal management and husbandry ability;
- Construction of Total Grazing Management yards for multi-species grazing control;
- Fencing to protect and manage fragile and highly productive land systems;
- Increased risk management through diversification into high-value enterprises including
 - Organic Long Lambs wool
 - Goat Domestication Units
 - Niche marketing of Rangeland products , and
 - Eco-tourism.

A number of projects with regional-scale benefits were completed in 1999-2000 including:

- Production of a Rangelands Diversification Manual;
- Analysis of Mineral prospectivity across the region; and
- Final plan for a regional Tourism Pathways network.

The total value of works and activities funded to date by the Business & Industry Development Grants program exceeds \$13 million (including proponent contributions).

Round 6 closes on 30 September 2000 and a large number of Implementation Proposals for this final round of the program are expected.

Table 2 summarises the types of activities that were funded under the Industry and Business Development Program of the GMS in 1999-2000.

Table 2 Summary of activities funded in Rounds 4 and 5 of the Industry and Business Development Grants Program 1999-2000

Project / Activity	Purpose / Benefit	Round 4	Round 5
Total Grazing Management Yards	Creates substantial environmental benefits by controlling stock and feral animal access to artificial watering points. This allows managers to limit grazing distribution to protect fragile and degraded areas.	\$ 304,000 11 Stations	\$ 332,330 14 Stations
Water Supply Development and Reticulation	Allows the development of previously unused country. Promotes more efficient, effective, and reliable water use and supplies.	\$ 176,050 7 stations	\$ 340,350 12 Stations
Fencing to Land System type	Promotes the most efficient and sustainable use of the rangelands by protecting susceptible country types, while utilising the benefits of more sustainable land systems.	\$ 64,355 4 Stations	\$ 302,250 8 Stations
Fencing for Strategic and Improved Livestock control	Fencing infrastructure that enhances the station business's ability to manage and control livestock and feral animals. Promotes the sustainable use of the rangelands, and allows more flexibility by owner / managers to manage livestock classes.	\$ 336,725 10 Stations	\$ 118,315 9 Stations
Tourism Development	Developing a tourism diversification option for station businesses based on the funding of tourism development plans in the first instance, followed by funding to a proposed tourism venture based on recommendations presented from a development plan. Promotes planning, research and recognition that the venture is a totally new station enterprise.	\$ 176,950 4 Stations	\$ 22,900 2 Stations
Enhanced Husbandry Infrastructure	The establishment of efficient and effective livestock husbandry yards to improve the ability of station owner / managers to manage their herd and flock structures effectively. Improved stock handling encourages more efficient and sustainable use of the rangelands.	\$ 52,100 3 Stations	\$ 13,000 2 Stations
Regional Based Alternatives	The development, implementation or marketing of new industries in the region.	\$ 3,250 1 Station (Textile Production)	\$ 28,750 1 Station (Nut Production)
	TOTAL	\$ 1,113,430	\$ 1,157,895
	TOTAL NUMBER OF STATIONS FUNDED	17	22

Performance Indicators

Number of productivity-enhancing measures implemented.

A total of 97 Implementation Proposals (revised figure) has been funded since the inception of the GMS; 39 of these in 1999-2000. All Implementation Proposals include productivity enhancing measures in some way, and these are summarised in Table 2 above. It is expected that the total number of funded Implementation Proposals by the end of the final round will be almost half of the eligible pastoral businesses in the region.

Increased investment in infrastructure for new management and production systems.

In 1999-2000 (Funding Rounds 4 & 5) the Business and Industry Development Grants Program provided:

- \$636,330 invested in Total Grazing Management Systems across 25 Stations
- \$516,400 invested in water supply development and reticulation across 19 Stations
- \$366,605 invested in fencing to land system types across 12 Stations
- \$455,040 invested in strategic fencing and improved livestock control across 19 Stations

Increased willingness of farm business enterprises to invest in innovative/productivity-enhancing farm management strategies.

Continued adoption of Total Grazing Management systems towards the sustainable control and management of sheep, cattle, domesticated goats and feral goats by 25 stations, reflects a willingness by pastoral producers to acknowledge a need for a more sustainable approach to rangeland management.

Thirty-two properties in the region have diversified into exotic sheep meat breeds including Damaras and Dorpers. Five properties have embarked on commercial scale domestic goat enterprises.

Producers in the region are also trialling innovated approaches to marketing of Rangeland Produce including cooperative marketing arrangements and alternatives to marketing wool at auction.

In addition, the increased attendance of pastoralists of the region at *Grazing for Profit*TM Schools run by Resource Consulting Services across northern Australia and the *Better Business / Best Practice* workshops and Internet/E-commerce workshops, indicates an increased interest and preparedness by producers to develop their knowledge base further.

The implementation of rotational grazing, the development of meat and fibre marketing cooperatives, an increased adoption of fencing to land types for the protection and sustainable management of fragile areas, and the level of interest in and diversification into new animal breeds more suited to the climate variations of the rangelands, are all indicators.

Number of farm business enterprises that have diversified their income base as a result of implementing a productivity-enhancing measure.

This is a long-term indicator which will undergo preliminary analysis during Phase 3 of the Strategy once the Business & Industry Development Grants program has been fully allocated.

Number of farm business enterprises that have increased their sustainability and profitability as a result of implementing a productivity-enhancing measure.

This is a long-term indicator which will undergo preliminary analysis during Phase 3 of the Strategy once the Business & Industry Development Grants program has been fully allocated.

Measure 3 (2) Funding the identification and development of regionally based alternatives

Objective

Further development of profitable and sustainable alternative industries and opportunities, resulting in increased economic diversity in the region.

Outcome

Identification and development of new industries and industry alliances, and transformation of existing industries.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	500,000	500,000	1,000,000
Committed Funding			810,848
Total Expenditure to 30 June 2000			77,560
Expenditure 1999-2000			28,000

This measure supports the identification and development of a range of new and potential rangeland industries. The GMS Board has established the Regional Based Alternatives (RBA) sub-committee to oversee this task.

To date \$760,848 has been committed to new industry development and enhancement on pastoral leases in the region. A further \$50,000 was allocated to the Tourism Development, Mineral Mapping and a Meat Forum catering for the whole region.

The RBA has also identified a number of other potential industries for the rangelands including aquaculture, arid and semi-arid agro-forestry, water resource development and horticultural precinct options. These opportunities for further development will be progressed through the third phase of the Strategy commencing in 2000/01.

Performance Indicators

Number of regionally based groups or enterprises assisted to implement proposals.

Two groups have been assisted to implement regional development proposals in 1999-2000, and include:

- Gascoyne Murchison Tourism Pathways Steering Committee: \$30,000 towards a strategy for the development of the tourism industry in the Gascoyne Murchison region.
- Rangeland Meat Group: \$5,000 to analyse the products available from the group; product quality and potential for consistency of supply; development of a business and marketing plan; assistance towards networking with domestic and export market opportunities.

The number of new enterprises in the Gascoyne-Murchison region.

Progress of pastoral business into new enterprises utilising Strategy funding continues. Most notable achievements during 1999-2000 were in the progress of:

- Damara and Dorper meat sheep and domesticated goat enterprises where the Strategy has assisted in new infrastructure to allow the uptake of this alternative livestock option.
- Tourism development planning and new accommodation infrastructure.
- The further development of existing viticulture and textile producing enterprises.



Left: A number of properties diversifying into meat sheep in the region, such as this Damara ram lamb, are being assisted through infrastructure funding support by the GMS

The number of new products produced in the region.

New regional products will come on-line with the commercialisation of production systems still at the developing stage. New and existing markets have been presented to pastoral producers in the region during the year. Particularly, there has been significant interest in the development and marketing of accredited organic rangeland meat and fibre products.

This organic production opportunity has been supported by the Strategy through the appointment of an Industry Development Manager focusing on the accreditation of the rangelands to ISO 14001 and other environmental and organic accreditation recognised worldwide.

The most promising industry areas for initial production are:

- Organic rangeland meat
- New meat sheep production
- Chemical free wool
- Organic long lambs wool
- Horticulture (grapes, olives, vegetables)

The number of new production systems developed.

Rotational grazing is being trialled on a small number of pastoral leases in the region and supporting infrastructure improvements have been funded through the Strategy.

Total Grazing Management Systems through laneways and self-mustering systems continue to be an integral component of the new animal industry development plans, and are a major component of funding allocations for the Business and Industry Development Grants (see Measure 2(1)).

The extent of new resources developed for commercial production.

Mineral Prospectivity: A report and series of maps commissioned by the RBA were recently completed by the Department of Minerals and Energy. This report evaluates mineral and petroleum potential within the Gascoyne. The report will assist prospectors and junior explorers in identifying potential areas of commercial mineral deposits within the Gascoyne and Murchison regions.

Aquaculture Development: The Gascoyne Inland Aquaculture Group has utilised \$23,500 of the allocated \$157,524 towards the development and marketing of ornamental fish produced in artesian waters. The group is expected to approach the Strategy for remaining funds to be



Left: A lower Murchison pastoralist with some of the ornamental fish currently being trialed in conjunction with Fisheries WA, for production in the region using artesian water

committed to the infrastructure development and commercialisation stages of this industry development.

The extent to which industry alliances have been strengthened.

Meat Development: This area has gained momentum during 1999-2000 with the commitment by Agriculture WA to improved services to rangeland meat producers. The Strategy through its Industry Development Manager is currently progressing examination of the potential for organic and ISO 14001 accreditation of the Gascoyne-Murchison rangelands and the remaining pastoral region in Western Australia.

Key areas of focus for Agriculture WA have been the development of meat sheep breeds and targeted cattle production in the region. This has extended to market and export development.

Aquaculture Development: The aquaculture group has developed strong linkages particularly with the state government agencies Fisheries WA and the Water & Rivers Commission. Further development of alliances with marketing and exporting bodies will be developed during 2000/01.

Tourism Development: The Tourism Pathway project has developed a strategy for the staged and coordinated development of tourism in the region over the next five years. Part of this strategy incorporates the use of a tourism development manager to implement and maintain the strong linkages with other tourism interests that exist in the region that have been built up during strategy development.. It is anticipated that opportunities will arise and indeed be encouraged for individual businesses to enter the tourism market, or to expand their existing tourism operations.

Measure 6 Regional biodiversity conservation through Total Grazing Management.

Objective

Management of the Gascoyne-Murchison rangelands to enhance biodiversity and ecological sustainability.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	868,250	650,000	1,518,250
Committed Funding			1,364,058
Total Expenditure to 30 June 2000			152,037
Expenditure 1999-2000			102,477

This measure will contribute to achieving biodiversity conservation by controlling total grazing pressure. This project is delivered through the GMS Business and Industry Development Grants program and provides assistance for construction of approved grazing controls systems on pastoral leases to protect fragile and degraded land areas and remove feral grazing animals.

The project will contribute to 'best-practice' accreditation systems and codes of conduct for ecologically sustainable pastoralism that will form a performance measure towards the environmental accreditation project to be developed during 2000/01.

Summary of Progress

The number of TGM yards part-funded by the Strategy has now reached 888, giving pastoralists the ability to effectively manage grazing animals over 7 million hectares.



Left: On-going research into Total Grazing Management systems is supported by the GMS.

Here video surveillance of animal behavior to TGM Yards is being monitored in order to improve this very successful livestock grazing management tool.

Measure (8) Assessment Of Applications

Objective

Effective assessment of applications for Structural Adjustment assistance under the Gascoyne Murchison RPP Strategy.

Outcome

Provision to the Strategy Implementation Group of accurate assessments of applications for Structural Adjustment assistance, in a manner which is timely, and respects the privacy and any legitimate business confidence concerns of applicants.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	288,900	32,100	321,000
Total Expenditure to 30 June 2000			21,249
Expenditure 1999-2000			11,980

This measure provides for the assessment of the Industry and Business Development Grants. A Rural Adjustment Officer has been appointed to provide this service. This officer provides advice to applicants as appropriate and performs the first level of assessment of the Implementation Proposal.

Summary of Progress

A mechanism has been established to assess applications for structural adjustment against the Agreement and the Guidelines approved by the Minister for Primary Industry.

The mechanism includes the development of recommendations to the GMS Board regarding the suitability of the applications for structural adjustment funding.

Performance Indicators

Application processing time (estimated days)

Table 3 Estimated processing time for GMS Implementation Proposals

Round	Received	Funded	Estimated Days		
			TAR	FAR	Letters/Agreements
1	16	8	14	N/A	14
2	32	28	14	4	10
3	29	27	14	5	10
4	18	17	12	4	14
5	26	22	14	5	14

TAR = Technical Assessment Reports.
 FAR = Financial Assessment Reports.

Cost per application submitted and cost per application approved

Table 4 Estimated cost per GMS Implementation Proposal

Round	Received	Average cost	Funded	Average cost
1	16	\$306	8	\$612
2	32	\$204	28	\$233
3	29	\$240	27	\$258
4	18	\$244	17	\$258
5	26	\$197	22	\$233

Rounds 1-3: R. O'Connor cost 1998-99 (ex PRA) \$350 per day used to determine costs.
 P. Longley (FAR) cost a total of \$3676. \$408 per day used to determine costs.
 Rounds 4&5: R. O'Connor cost 1999-2000 (ex PRA) \$366 per day used to determine costs.
 P. Longley (FAR) cost a total of \$3676. \$408 per day used to determine costs.

Strategy Implementation Group satisfaction with assessments made

In general, the timing, quality and delivery of information to the GMS Board have been comprehensive and adequate.

Applicant satisfaction with assessment process and outcome

Through the communication strategy, applicants are now more informed as to the assessment process of the Business & Industry Development Grants program and as a result most applicants are satisfied with the funding allocated to their business.

Those that feel they need further funding or have not met the requirements for a funding allocation, are in most cases encouraged to prepare and submit a further developed and planned Implementation Proposal at a later round of funding.

Presence of a mechanism to re-submit applications

The assessment mechanism includes a process to enable the re-submission of applications that were deemed ineligible or were not funded.

All applicants are advised of eligibility criteria through GMS literature and early contact with GMS staff. Most Implementation Proposals submitted are eligible for GMS funding through the competitive assessment process.

Where submitted proposals are deemed ineligible for funding by the GMS Board, GMS Staff advise applicants of the Board's decision and ways to improve the proposal for resubmission.

Only a very small percentage of proposals have been rejected by the GMS Board. Rejection has generally been based on insufficient information provided or non-eligibility of activities or

applicants. All unsuccessful applicants are encouraged to submit revised proposals in subsequent funding rounds.

Industry Research and Development Program

Overview of Industry Research and Development Program

The pastoral industry requires new information in a diverse range of areas to help it achieve the regional goal set for the GMS. This component of the GMS includes research projects addressing:

- Measure 8 Developing new technology to enhance rangelands management;
- Measure 9 Developing decision aids for sustainable natural resource management through climate monitoring, forecasting, drought alert systems and integrating these with natural resource management decision making;
- Measure 10 Increasing the community's awareness of rangelands issues; and
- Measure 13 Conducting a study in the region on new, innovative alternative options for pastoralists to access commercial finance.

Measure 8 Development of new technology to enhance rangelands management

Objective

Increased grazing management through innovative stock and water control and monitoring.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	300,000	150,000	450,000
Total Expenditure to 30 June 2000			254,345
Expenditure 1999-2000			181,112

The adoption of new technology by pastoral managers has been slow and sporadic, mainly due to the perception that most technologies are disjointed and not cost-effective alternatives to current practices.

Innovative technological solutions are available to assist livestock producers solve routine management problems easily and cost-effectively. The 'New Technology' project (now referred to as Integrated Management Technology) has an underpinning methodology that involves the full integration of individual technologies into modulated system products.

Summary of Progress

Integrated Management Technology Pty Ltd (IMT), a consortium of nine technology developers has been formed. Five initial products have been identified for commercial development. These include:

- **Total Control Livestock Management Plus© (TCM Plus)**
This is an automated animal trapping and sorting system that can be remotely operated and monitored.
- **Virtual Fencing©**
Virtual fencing is an innovative alternative method for controlling grazing animal movement that does not involve conventional wire fencing.
- **CheckMate© livestock identification systems.**
This technology involves the development of a 'smart' identification tag that can passively transmit, receive and store information to streamline the recording of production parameters.

- **Water Babe© livestock watering device.**

The WaterBabe© system will provide a reliable supply of water to animals, free of contaminant and impurities.

- **StockWatch© remote livestock surveillance systems**

This is a cost effective video surveillance system using radio based technology that can supply producers with images of what is taking place at a remote livestock watering point.

During 1999-2000 the Integrated Management Technology project has undergone further testing of market feasibility and development of prototypes or commercialisation of these technologies has taken place. Further:

- International patents have been lodged for the Virtual Fencing technology
- On-property demonstrations have been set up on two stations featuring the WaterBabe technology.

IMT is currently in the process of developing a comprehensive business plan and individual product development and marketing plans.

Measure 9 Developing decision aids for sustainable natural resource management through climate monitoring, forecasting, drought alert systems and integrating these with natural resource management decision making.

Objective

Better decision making tools for rangeland management.

Funding allocation and expenditure

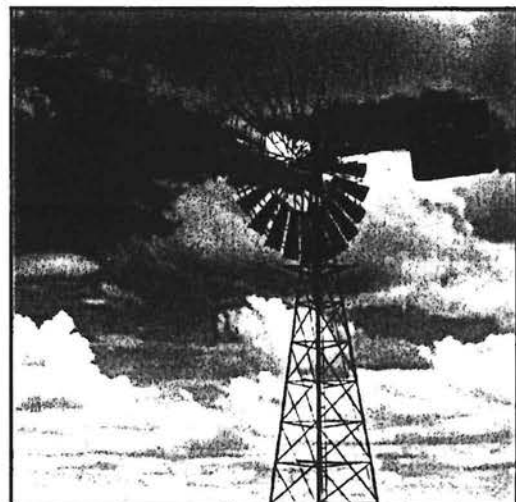
	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	366,000		366,000
Total Expenditure to 30 June 2000			0
Expenditure 1999-2000			0

This measure will investigate recognised gaps in data and factors affecting Western Australia's climate, especially in the arid rangelands, and incorporate with existing Western Australian climatology data into sophisticated computer models. This will then need to be coupled to other global circulation models to ensure accuracy and predictability. These can then be linked to current vegetation and standing crop models which will result in an advanced climate monitoring, forecasting and drought alert system which can be used confidently by decision makers at all levels.

As there are considerable costs for hardware and programming in this complex area, seed funding will be provided to develop a strategic alliance to develop comparable decision aids, particularly for the arid rangelands.

Summary of Progress

The GMS has recently created a joint venture with researchers from the University of WA, CSIRO and the Bureau of Meteorology to learn what drives winter rainfall in this region and how it might be predicted, starting with the North West Cloud Band.



This project will commence in early 2000/01.

The *AussieGrass* decision-support package is also being upgraded so climate forecasts can be used to project feed availability in shrubland grazing systems.

Measure 10 Increasing the community's awareness of rangelands issues

Objective

A wide appreciation of, and support for, rangelands issues.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	40,000		40,000
Total Expenditure to 30 June 2000			0
Expenditure 1999-2000			0

The intent of this measure is to assist in enhancing the understanding and knowledge of the role of sustainable agriculture and rangeland issues more generally.

Summary of Progress

Following the investigation of the best methods to achieve rangelands awareness, it was found that it would be better to link this project with the development and promotion of branding and imagery associated with ecologically accredited rangeland products, promoting desirable attributes of sustainable rangeland management to producers, as well as consumers.

Measure 13 (4) Conduct a study in the region on new, innovative alternative options for pastoralists to access commercial finance

Objective

Increase the sources and availability of finance options for pastoralists in the region.

Outcome

A report outlining the factors influencing the cost and availability of commercial finance to Gascoyne-Murchison farm business enterprises.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	20,000	20,000	40,000
Total Expenditure to 30 June 2000			5,546
Expenditure 1999-2000			5,546

This measure will support the investigation and development of a report outlining the factors influencing provision of finance to pastoralists and other farm business enterprises in the region with particular reference to interest rate margins and other fees applied to leaseholders.

Summary of Progress

A preliminary report has found that there is a lack of pastoral industry understanding amongst financiers other than the traditional stock firms. This report also found that there was a need to

continue rigorous business planning and review in the Strategy region to bridge the gap between information now required by financiers and that traditionally produced for finance by the pastoral industry.

As a result of these two key outcomes a Rural Financial Advisory service will be funded by the Strategy to cater for these two findings. Consultants contracted under the Financial Advisory service will be required to provide the GMS with benchmark data from GMS clients in order to provide the finance industry with realistic benchmarks for pastoral enterprises.

Performance indicators

Identification of alternate sources of commercial finance for pastoral businesses.

Barriers to pastoral businesses accessing commercial sources of debt funding have been identified such as lack of understanding or knowledge of the pastoral industry and inability of the client to service the debt. Strategies have been put in place to address these limitations where possible.

Joint Venturing, Tax incentive investment wraps and Commercial Expression of Interest Packages have now been identified as alternate methods of attracting commercial finance into the region.

Identification of current limitations regarding sources and availability of finance options for pastoral businesses.

Pastoral land tenure arrangements are perceived by both pastoralists and commercial investors to be the main limitation to the ability of securing finance.

Diversification permits issued under the Land Administration Act are currently not transferable with ownership, giving investors little security over their investment. Transferable diversification permits and a streamlined diversification permit system are seen as critical to support commercial investment in the region.

Increased awareness of opportunities for access to alternate sources of commercial finance for pastoral businesses.

The preliminary report has led the Strategy to advertise for a Rural Financial Adviser. Part of the scope of this position is to provide a better understanding of the pastoral industry to the commercial lenders and to facilitate rigorous, well-planned proposals and business plans by pastoral businesses for finance.

The excision and use of special leases and purpose leases will be investigated in the future, including determining on a lease-by-lease basis the extent of development possibilities under the existing tenure system, encompassing covenants, special leases and freeholding of homestead areas.

Increased utilisation of appropriate forms of commercial finance by pastoral businesses.

GMS is aware, from anecdotal evidence, that the business plans used to develop implementation proposal used by pastoralists have been used to negotiate with banks to secure more favourable lending outcomes.

Number and extent of policy changes by financial providers that improve accessibility of commercial finance to pastoralists.

A point of contact mechanism has been initiated between AGWEST and the banks. This has been arranged with the commitment to share and develop benchmarking information. This will

ensure the banks will be using contemporary benchmarks that will allow them to make more rigorous and timely judgements. Additionally through the action of the Regional Based Alternatives sub-committee the time taken to approve Diversification Permits by the Pastoral Lands Board has been significantly reduced.

Regional Environmental Management Program

Overview of the Regional Environmental Management Program

The GMS Regional Environment Management Program (REMP) is the central, integrating framework for the GMS and a model for regional delivery of natural resource management in rangeland areas. It consists of NHT-funded measures from the original GMS Rural Partnership Program MoU, linked with elements of the GMS Development Grants and Research and Development Programs and new projects negotiated since the signing of the MoU.

Together, these activities link regional conservation priorities with paddock-scale management for ecological sustainability, and national objectives for conservation of biodiversity with market-driven industry and product development processes. Five State Government agencies are directly involved in delivery of the program, which has a total budget in excess of \$20 million over 3 years.

This level of coordination between Commonwealth, State and Community interests to deliver biodiversity and sustainability outcomes at regional scale is a major achievement for the GMS and the Rural Partnership Program. This component of the Program is perhaps the most innovative of the GMS and consists of the following measures:

- Measure 12 Establishment and management of a comprehensive, adequate and representative conservation reserve system
- Measure 11 Implementation of environmental objectives, performance criteria and benchmarks for land use and identification and monitoring of on (and off) conservation reserve systems and regional conservation in the Gascoyne-Murchison
- Measure 5 Industry self-management and awareness of connections between sustainability and productivity
- Measure 7 Rehabilitation and reticulation of water supplies in the Carnarvon Artesian Basin

In addition, Measure 6 Regional Biodiversity Conservation through Total Grazing Management also contributes to this program, but is reported on elsewhere.

The following explains how relevant measures outlined in the GMS Regional Partnership Program Memorandum of Understanding are being delivered within the REMP framework, and describes progress to date.

Measure 12 Establishment and management of a comprehensive, adequate and representative conservation reserve system.

Objectives

To conserve biodiversity and enhance the ecological sustainability of the rangelands.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	Case-by-case	6,800,000	
Total Expenditure to 30 June 2000	1,630,182	1,797,323	3,427,505
Expenditure to 30 June 2000	735,149	735,726	1,470,875

CW expenditure reflects only actual allocation to date, rather than anticipated contribution to overall purchase cost.

The State will establish and manage a conservation reserve system meeting national standards in the Gascoyne-Murchison region. It is estimated that 10-15% of the Gascoyne-Murchison region will need to be included in the reserve system to meet national criteria.

Summary of Progress

The WA Department of Conservation and Land Management (CALM) manages this measure. To date, eight whole pastoral leases and nine part leases have been purchased for the reserve system. Negotiations are currently in progress with further landholders. The total land area acquired so far under this program is 1.9 million hectares.

Measure 11 Implementation of environmental objectives, performance criteria and benchmarks for land use and identification and monitoring of on (and off) conservation reserve systems and regional conservation in the Gascoyne-Murchison.

Objectives

To conserve biodiversity and enhance the ecological sustainability of the rangelands.

This measure is addressed by two separate but linked projects funded by Bushcare and the National Landcare Program (NLP).

Off-reserve conservation management in rangeland Western Australia

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	809,900	1,500,000	2,309,000
Total Expenditure to 30 June 2000			0
Expenditure 1999-2000			0

This project provides specialised information for enhanced identification and monitoring of priorities for conservation management and reserve acquisition at regional scale. It identifies opportunities for reserve acquisition through the GMS Voluntary Lease Adjustment process as an alternative to whole property purchases and guides approval of GMS Business & Industry Development Grant proposals for development of previously unwatered grazing land and establishment of Total Grazing Management Systems to protect sensitive areas.

In addition, the project will identify lower-priority conservation areas suitable for management outside the reserve system through formal agreements with landholders. This will enable the

development of 'best practice' guidelines for management of 'low-priority and 'remnant' conservation values within production systems by land managers.

Regional database information and land trading/acquisition recommendations will be combined. Existing procedures for pastoral lease reporting, range condition monitoring and conservation assessment will determine, for each property, the key elements of sustainability that can be managed and monitored effectively on an ongoing basis.

Summary of Progress

The GMS Ecosystem Management Unit (EMU) has commenced development of the new process for landscape assessment, management planning and monitoring that combines traditional pastoral monitoring with assessment of biodiversity and ecological health.

The EMU team with officers from AGWEST and CALM has developed and tested elements of the new approach on two stations in the Murchison region, and will continue to refine its methods through further trials involving pastoralists across the region.



Left: The EMU Team developing the techniques in the upper Murchison

This project is also working closely with the Ecological Accreditation project to provide meaningful tools for management and reporting on critical indicators of 'ecological sustainability' of pastoral operations, as a basis for certification and environmental marketing of rangeland products.

Accredited ecologically-sustainable pastoralism

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	661,500	1,827,000	2,488,500
Total Expenditure to 30 June 2000			0
Expenditure 1999-2000			0

This project analyses existing standards and market demand for ecologically accredited products to guide development of ecological accreditation of rangeland production. This enables the

development of ecological accreditation for rangeland production that links best-practice land and conservation management with opportunities for market access and value adding.

The project will conduct commercial demonstrations to evaluate effectiveness, costs and practical aspects of a market-driven approach to landholder adoption of best practice sustainable management practices. It will also establish formal arrangements for ongoing administration, inspection and review of accreditation for sustainability.

In addition, the project will promote recognition of ecological accreditation by target markets and existing certification programs and is closely linked to the Agriculture WA-funded 'Accredited Production Systems' project.

Summary of Progress

Initial contact by the GMS on organic type accreditation of rangeland products with the pastoral producers has been well received. Interest is expanding through the region and producers are linking 'Best Practice' workshops with the development of an accreditation system for the rangelands.

This area received additional interest during the national Meat Profit Day held in Carnarvon where a number of accredited organic producers and auditors were present to share their experiences and knowledge with pastoral producers in the region.

Measure 5 Industry Self-Management and awareness of connections between sustainability and productivity

Objective

Self-reliant industries managed on the basis of market-driven sustainability.

Funding allocation and expenditure

	Commonwealth (\$) NHT	State (\$)	Total (\$)
Total Allocation	495,000	960,000 30,000*	1,485,000
Total Expenditure to 30 June 2000			111,647
Expenditure 1999-2000			69,802

**Soil and Land Conservation Council funding for Interstate Study Tour*

This project works with representatives of industry bodies, regional communities and statutory authorities to identify and implement institutional reforms (industry and government) that support increased industry self-management and market-driven investment in ecological sustainability.

The project develops and tests alternative approaches to regulation and regional delivery of natural resource management based on linkages between policy development, regional decision-making and local best practices for ecological sustainability. In addition, the project will establish industry-driven structures and processes for ongoing development of codes of practice, reporting and commercially driven accreditation of sustainable production.

Summary of Progress

A result of this project is the establishment of a sub-committee of the GMS Board consisting of industry, community and state government agencies to oversee the scope of natural resource

management projects by the Strategy including the Industry Self-Management project.

These projects are managed under the Regional Environment Management Program (REMP) to maximise coordination and linkages between the activities. Sub-committee members are:

- Tom Morrissey (chairman), GMS Board member, Thundelarra Station
- Rob Mitchell, Barnong Station
- Kelly Gillen, GMS Board member, Department of Conservation & Land Management
- Charlie Nicholson, Department of Environmental Protection
- Rachael Siewert, Conservation Council of Western Australia
- Roger Jaensch, GMS Manager

The intention of REMP is to demonstrate an effective mechanism by which environmental management issues can be administered regionally under delegated authority from a State-level policy body.

A delivery model is being developed and is a product of the Industry Self-Management project, addressing the need for a coordinated regional approach to environment management at paddock, property and regional scale and across all contributing government agencies.

In particular during 1999-2000 REMP has provided the basis for the establishment of the Purchasing/Land Trading Working Group which establishes formal processes for achieving integration between the Voluntary Lease Adjustment Program of the Strategy and the acquisition of properties for addition to the Comprehensive and Adequate Representative Reserve System (CARRS).

The REMP delivery model being developed will be pivotal in demonstrating the need for a vehicle to provides integration between the Ecological Accreditation project, rangeland monitoring and reporting functions of AGWEST and conservation planning in CALM, resulting in the formation of the EMU team (as described above).

The success of the REMP in coordinating the delivery of natural resource management in the Gascoyne-Murchison will highlight the need for a similar forum for managing natural resource management over the whole of the Western Australian Rangelands. To this end a "Rangelands Working Group" is proposed to assist rangeland communities to take advantage of this resource base for the benefit of all Western Australia.

Funding provided jointly by the GMS and the Soil and Land Conservation Council (SLCC), was used to hold a study tour to investigate working examples of environmental certification in primary industries in Western Australia, Tasmania, New South Wales and Queensland.

The tour included 7 producers from the Southern Rangelands and one representative of the AGWEST Meat Program Partnership Group. The group visited producers, processors, market agents and industry bodies associated with seafood, horticulture, beef and broad-acre irrigation industries.

The SLCC Study Tour was conducted over June-July 2000 visiting seven businesses across four states. Key areas considered were:

- Organisational framework - which types of quality assurance systems were used
- Measurement criteria - standards adopted by producers
- Marketability and consumer acceptability - product characteristics and success

- Supply chain management - the benefits of how was it managed
- Motivating factors - why decisions were made to seek eco-accreditation
- Changes - to business structure and operation
- The Future - what was envisaged for the various market sectors.

Measure 7 Rehabilitation and reticulation of water supplies in the Carnarvon Artesian Basin

Objective

Sustainable and efficient use of water supplies from the Carnarvon Artesian Basin.

Funding allocation and expenditure

	Commonwealth (\$) NHT	State (\$)	Total (\$)
Total Allocation	1,902,000	2,140,000	4,042,000
Total Expenditure to 30 June 2000			1,040,000
Expenditure 1999-2000			740,000

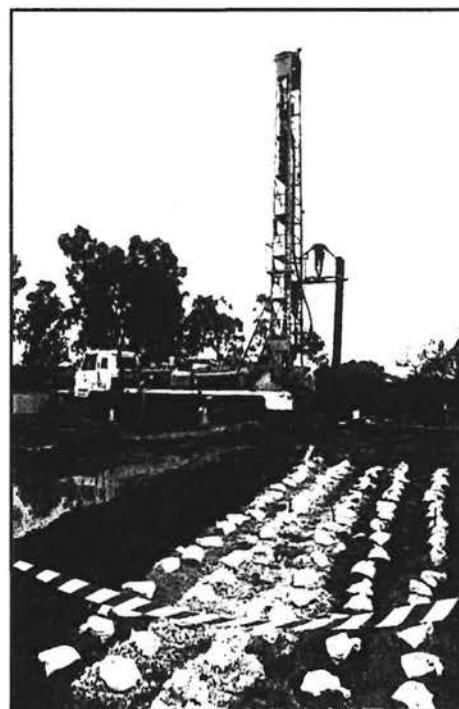
This project is managed by the Water and Rivers Commission under agreement with the Gascoyne Murchison Strategy.

The project provides funding for services and works required to implement approved property-level artesian water management plans, including

- Decommissioning of existing bores;
- Rehabilitation of existing bores;
- Drilling and equipping of new bores; and
- Installation of new reticulation

The project delivers substantial economic and environmental benefits to the region, including:

- Increased management of total grazing pressure through better distribution of domestic animals and greater control of non-domestic species
- More efficient, productive and sustainable use of natural resources through better distribution and control of artesian water supplies
- Increased access to controlled artesian water supplies for other land uses including horticulture, aquaculture and tourism
- Establishment and demonstration of best-practices for use and management of artesian water supplies for possible inclusion in sustainability accreditation schedules



Right: A drilling rig in operation in the lower Gascoyne region

Summary of Progress

- The completion of the geophysical logging and investigation of 38 bores
- Artesian water management plans for 17 pastoral stations
- Rehabilitation of 2 artesian bores on two stations with one additional bore decommissioned
- Eleven pastoral stations have now signed onto the program.

Next steps

- Continue to rehabilitate 13 artesian bores and decommission a total of 18 free flowing artesian bores
- Installation of reticulation to replace current open bore drains on 15 bores to be rehabilitated
- Continue to negotiate with seven pastoralists to join the program

Voluntary Lease Adjustment Program

Overview of the Voluntary Lease Adjustment Program

It has been generally accepted for some time that some leases in the GMS region are unable to support profitable pastoral businesses under current economic conditions. In many cases, this problem is related to lease size and land condition. In the past, such leases have continued to be bought and sold in the marketplace as whole leases, so successive owners have suffered from their low productive capacity. In some cases, the condition of the land has also suffered.

Through the Voluntary Lease Adjustment (VLA) Program, the GMS potentially acts as broker for pastoral lessees who wish to subdivide their property for sale to more than one buyer. This can help those who wish to exit while allowing remaining leases to achieve more sustainable land use. The VLA process will only be used where subdivision of a lease meets this objective, creates significant economic and environmental benefits and has Pastoral Lands Board approval.

This component of the GMS is provided through:

- Measure 4 (3) Funding to assist the transfer of land by voluntary adjustment
- Measure (7) Structural Adjustment Officer

Measure 4 (3) Voluntary Lease Adjustment

Objective

Pastoral leases based on appropriate scale, ownership and land use for future rangeland industries.

Outcome

Restructuring of leases to facilitate the sale of land for production or conservation purposes, to adjoining lease holders, aboriginal groups and other interested parties.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	2,270,000	162,000	2,432,000
Total Expenditure to 30 June 2000			1,773
Expenditure 1999-2000			1,773

Summary of Progress

Discussions have been held with 21 stations about the opportunities for them to dispose of their leases through VLA. Of these 21 stations:

- 6 sold privately
- 3 sold to the Department of Conservation & Land Management
- 7 are currently for sale outside VLA
- 1 rejected VLA
- 3 VLA potentials - initial negotiation has commenced
- 1 lease has returned to the crown.

An impediment to successful settlement of VLA cases so far has been the disparity between lease holders' expectation of sale price and the combined value of bids from neighboring lessees, other parties and GMS offers based on 'public benefit'.

The VLA is an innovative and experimental approach to lease adjustment and is constantly being reviewed and refined. The GMS is committed to achieving the objectives of this program and will continue to investigate variations on the VLA theme to deliver a workable process for rationalisation of pastoral leases in the future.

Next Steps:

Investigate the provision of more flexible adjustment grants, including:

- Increased funding for public benefit
- Process to achieve freehold on specific areas for particular uses
- Adjustment grants for property build-up or sub-leasing

Produce an information package promoting all adjustment options currently available including transfers and sub-leasing.

Provide a financial advisory service with tasks to include:

- Provide clinical financial advice in reviewing Business Plans and addressing and incorporating social and family succession issues into reconsidered plans.
- Working with pastoralists to identify social attitudes to structural and enterprise adjustment.
- Liaise between GMS and the Pastoral Lands Board (PLB) to ensure institutional processes are used to enhance adjustment and to provide assistance with the development of management plans to meet these institutional requirements.

Response to Performance Indicators

Net increase in the number of properties based on appropriate scale, ownership and land use for rangeland industries.

Apart from properties purchased by CALM to add to the conservation reserve no properties have been successfully adjusted.

Increased profitability of farm business enterprises as a result of a lease-restructuring process

Several part leases have been purchased by CALM with CALM contributing to fencing and feral animal management in the district.

Number of pastoral leases assisted annually to undertake a restructuring process.

Three leases and four part leases were purchased by CALM in this year to add to the conservation reserve.

Number of participants seeking brokered lease adjustment

In the financial year 1999-2000, three stations expressed a willingness to have their properties adjusted. In each case neighbours are showing a willingness to participate.

However the neighbours had limited ability to make a significant contribution towards the asking price and this necessitates GMS 'Public Benefit' input to be unrealistically high.

Number of leases restructured to facilitate their use for alternative appropriate land uses.

To date, eight whole pastoral leases and nine part leases have been purchased for the reserve system.

Measure (7) Structural Adjustment Officer

Objective

Improved productivity, profitability and sustainability of farm businesses in the Gascoyne Murchison region through the effective implementation of structural adjustment measures.

Outcome

Effective coordination and implementation of the Structural Adjustment Components of the Gascoyne Murchison Strategy.

Funding allocation and expenditure

	Commonwealth (\$)	State (\$)	Total (\$)
Total Allocation	324,000	36,000	360,000
Total Expenditure to 30 June 2000			183,828
Expenditure 1999-2000			96,523

This measure provides for the employment of a Structural Adjustment Officer to assist with the Voluntary Lease Adjustment Process and more generally in the promotion of the GMS.

Summary of Progress

A Structural Adjustment Officer has been appointed to assist with the Voluntary Lease Adjustment Program and to undertake awareness raising activities more generally (summarised in Performance Indicators below).

Performance Indicators

Quality of advice and assistance provided to landholders

21 assessments have been undertaken on the quality of advice and assistance provided to landholders for this area.

Quality of applications for Structural Adjustment funding

3 assessments have been undertaken on the quality of advice and assistance provided to landholders for this area.

Increased levels of awareness of the Strategy in the Gascoyne-Murchison Region

Measures were taken during 1999-2000 to overcome the decreasing awareness, understanding and involvement in the GMS from west to east across the region as highlighted by the Baseline Survey conducted by Dames & Moore - NRM in 1999.

In the later portion of 1999-2000, interest from the northeastern and far east portions of the Strategy area increased substantially. This was reflected in these portions representing 36% of successful applicants in round five of the Business & Industry Development Grants program.

Number of awareness-raising activities undertaken by facilitator such as face-to-face interviews, field days, information sessions etc.

Table 5 Summary of awareness raising activities in 1999/2000.

Activity	Audience	Approx. No.	Comment
GMS / AGWEST Water Supply Field Day	Pastoralists	70	Conducted on Minilya Station in the Gascoyne and Milly Station in the Murchison
Liaison meeting	Pastoralists	100	Gascoyne Junction and Mt. Magnet.
Telephone	Pastoralists	230	Ongoing contacts with pastoralists
Letters	Pastoralists	500	Agreement Sunset date advice; GST arrangements for all grants; Payment summaries.
GMS Pastoralist Update	Pastoralists and Business Consultants.	1250	Bi-monthly Strategy updates and information.
GMS Newsletter	Pastoralists, Business Consultants, Funders, contributing government departments, other industry associated individuals & organisations	2250	Annual to bi-annual high quality newsletters providing an overview of the Strategy's progress.
Visits	Potential and current applicants	50	Visit prospective applicants to funding rounds and auditing agreed completed works.

Strategy Management and Coordination

Overview of GMS Management, Coordination and Evaluation

Measure 14 (6) Fund the administration of the Strategy Implementation Group and Strategy Management and Coordination

Objective

Provision of an administrative framework to facilitate the development, implementation and ongoing management of the Strategy.

Outcome

Effective management and coordination of the Gascoyne-Murchison Strategy.

Funding allocation and expenditure

	Commonwealth		State		Total
	RAS	NHT	RAF	CF	
Total Allocation	267,000	531,000	267,000	260,000	1,325,000
Total Expenditure to 30 June 2000					666,798
Expenditure 1999-2000					336,574

The GMS Board has been established for some time. In addition, the Board has established a number of advisory groups or sub-committees to oversee components of the GMS, including

- Regional Based Alternatives Committee
- Regional Environmental Management Program Committee

- Carnarvon Artesian Basin Advisory Group

In addition, the Chairman, Strategy Director and Strategy Manager have attended a number of meetings with interested parties, including the Development Commissions, a range of State and Commonwealth Departments and a number of interstate conferences.

A communications strategy has been developed. This has resulted in the production of newsletters, progress reports and a range of other publications and events to inform the community and the general public about the GMS and its activities.

Performance Indicators

Administration, finance and reporting systems established in a timely manner.

The Strategy Director oversees the administration of the GMS. The finance system for the GMS is based with Agriculture Western Australia's financial management system.

The GMS has a number of reporting requirements to a range of audiences, including the Commonwealth Government, State Cabinet, and the Rural Adjustment and Finance Corporation. This is part of the evaluation strategy that was approved in principle by the GMS Board in February 1999.

Funding delivered efficiently and in accordance with the Agreement.

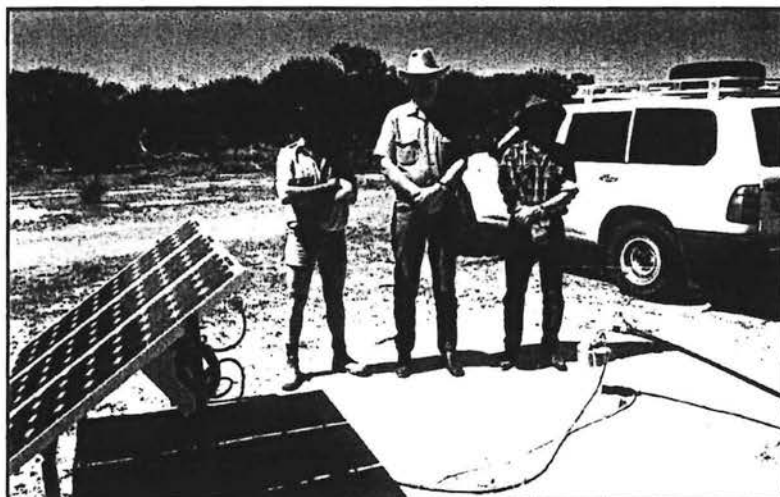
The bulk of funding delivered from the GMS in 1999-2000 was through the Business & Industry Development Grant Program that consists of two funding rounds per annum. The funding has been delivered efficiently through a rigorous assessment process and in accordance with the Structural Adjustment Funding agreement.

Budgets established and achieved.

At the individual project level, funding is allocated on an annual basis in line with Agriculture Western Australia's planning and allocation cycle. Each of the Strategy Measures are enabled through projects, the bulk of which are managed by Agriculture Western Australia. The Department of Conservation and Land Management manages the acquisition of the Conservation Estate and the Water and Rivers Commission manages the Carnarvon Artesian Basin Program.

Level of customer satisfaction with administrative and management processes

Ongoing communication by GMS Board members, particularly pastoral members, has reported that proponents continue to be satisfied with the administration and management processes, particularly the Grants payment system and turn-around times.



Above: The GMS Management Team regards on-station visits as a useful tool for ensuring good, open communication channels with pastoralists. Here the Rural Adjustment Manager (centre) looks over a new bore and pump funded by the GMS with upper Murchison pastoralists.

Measure 15 (5) Evaluation and Monitoring of the Gascoyne-Murchison Strategy

Objective

Continuous program improvement in management and assessment of the outcomes and success of the Gascoyne Murchison RPP Strategy.

Outcome

Establishment of a monitoring regime which provides information for ongoing management and evaluation of the Gascoyne-Murchison RPP Strategy.

An appropriate and effective evaluation strategy to assess the success of the Gascoyne Murchison RPP Strategy.

Funding allocation and expenditure

	Commonwealth		State		Total
	RAS	NHT	RAF	CF	
Total Allocation	70,000	60,000	40,000	70,000	240,000
Total Expenditure to 30 June 2000					68,716
Expenditure 1999-2000					48,430

Summary of Progress

A monitoring regime has been established to provide information for ongoing management and evaluation of the Strategy. This includes annual reporting to the Commonwealth and State Cabinet, annual reporting to the Cabinet Sub-Committee on Rangelands Management, progress reporting to the GMS Board and the RAFCOR Board as well as quarterly progress reports to the Strategy Director by Project Managers.

At the project level, monitoring and evaluation will be supported by logframes that locate performance indicators and milestones within the project. The regular project reporting framework identified above will enable the achievement of short-term project targets to be monitored.

A range of strategies has been put in place to capture the long-term impact of the structural change facilitated by the project. Primarily, this will be achieved through the repetition of the baseline survey that was conducted in 1998-99 to understand the current position of the pastoralists within the GMS region. In addition, individual project evaluation plans will enable the capture of relevant information that will provide an overview of the total impact of the GMS over time.

Performance Indicators

Monitoring regime developed and implemented.

The monitoring regime has been developed as part of the initial evaluation strategy and this is being implemented over time. It has come into full effect in 1999-2000 as the detailed project-level planning was undertaken for the remaining GMS projects that became operational during this period.

Evaluation strategy developed and implemented.

A discussion paper entitled "Towards a Monitoring and Evaluation Strategy for the Gascoyne-Murchison Strategy" was put to the GMS Board and a Commonwealth representative in February 1999 and was approved in principle. The discussion paper provided a comprehensive

overview of a range of monitoring and evaluation activities for the GMS and this strategy is now being implemented.

A mid-term review of the Gascoyne-Murchison Strategy was conducted in 1999-2000, its object being to:

- Review progress to date in each of the four key program areas;
- Agree necessary changes to key aspects of the GMS; and
- Chart future direction for the GMS.

A major finding of this review was the need for better integration between the REMP Conservation Reserve Acquisition project and the Voluntary Lease Adjustment Program so State purchasing of land could achieve multiple outcomes (industry adjustment and conservation reserve acquisition).

The need for better 'Whole of Government' integrated natural resource management in the rangelands was highlighted both in the review and in the Natural Heritage Trust mid-term review. An overarching leadership body that sets strategic direction for the rangelands in an on-going way was recommended.

Collection and analysis of benchmark information including information related to community ownership and attitudinal change.

As part of the Monitoring and Evaluation Strategy, a baseline Survey was completed in November 1999 to better understand the values, attitudes, perceptions and knowledge and behavior of pastoralists in the GMS region. On completion of the Strategy a final survey will be undertaken.

Success of monitoring and evaluation strategy as measured by the opinion of decision-makers on relevance, timeliness and appropriateness of information provided.

No information is yet available to address this performance indicator.

Annual reports provided to Commonwealth on the progress and achievements of the Strategy's goals.

This is the second annual report provided to the Commonwealth on the progress and achievement of the Strategy's outcomes.