



**Australian Government**

**Commonwealth Environmental Water Office**

*Commonwealth Environmental Water Holder*

# **Response to the review of the Commonwealth Environmental Water Holder's operations and business processes**

January 2018





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## COMMONWEALTH ENVIRONMENTAL WATER HOLDER'S RESPONSE

### Preamble

The Commonwealth Environmental Water Holder (CEWH) commissioned an internal review (the Review) to evaluate the extent to which the CEWH's operations and business processes represent best practice. The CEWH's statutory functions and operating environment are provided for in Part 6 of the *Water Act 2007* (the Water Act) and the Basin Plan 2012 (the Basin Plan). The Review's terms of reference required a panel of experts (the Review Panel) to examine the following matters:

- Transparency and accountability of the CEWH
- Extent to which the CEWH partakes in adaptive management and uses contemporary science to support its actions
- Effectiveness of the CEWH in meeting its statutory obligations
- Trade by the CEWH
- CEWH business processes and frameworks
- Third party impacts from environmental watering
- Relationships that the CEWH has with state jurisdictions including water delivery arrangements
- The use of information management systems in supporting the CEWH
- Constraints on the CEWH including both internal and external administrative and regulatory constraints
- Internal controls - special account priorities and environmental water management priorities (use, carryover and trade).

The Review Panel consisted of the Lead Reviewer, Dr Neil Byron, and a Reference Panel comprising Peter Cochrane (governance), Denis Flett (practitioner), Alex Anthony (community), Steve Morton (scientist) and Gavin McMahon (industry).

The final report, the *Review of the Commonwealth Environmental Water Holder's operations and business processes*, was provided to the CEWH during November 2017. The CEWH welcomes the findings and areas for improvement in the Review, which provide opportunities for the Commonwealth Environmental Water Office (the Office) to consider how to improve its operations and business processes. The Review includes eight findings and nine areas for improvement, which are addressed in the detailed response below. The Panel found that a strong foundation has been established by the CEWH to continue to effectively and efficiently deliver the Commonwealth's Environmental Water Holdings to target areas having substantial environmental benefit.

The Panel undertook the review in two phases. The first internally focussed phase of the Review concluded that the CEWH has the necessary processes in place to comply with the CEWH's legislative requirements under the Water Act framework, which represent best practice. The second externally focussed phase of the Review found that the CEWH's partnerships have been successful. The Review concluded that *there is little need for, or obvious potential for, improvements to the internal business processes, except as they relate to external relationships with stakeholders*. Overall, there are some opportunities for fine-tuning through building a network of supporters by deepening relationships and fostering a

greater understanding of the CEWH's efforts to restore the Basin among local communities. The Panel acknowledged the complex nature of the CEWH's operating space and the outcomes to be achieved under the Basin Plan that will not be recognised for decades.

The CEWH either notes, supports or supports in principle all of the review's findings and areas for improvement, which will support the CEWH's mandate to protect and restore the environmental assets of the Basin.

The CEWH thanks the Reference Panel for their work on the Review and acknowledges the input of stakeholders, delivery partners and Basin jurisdictions who provided time and considered feedback to the Panel about the CEWH and the Office to inform the Review.

## Findings

### *Finding 1 – adequacy of processes*

*In terms of the functions described in Section 2 [of the report], all the necessary processes exist.*

The CEWH **notes** this finding.

The Review discussed that the CEWH's operations, in terms of four 'essential functions': stewardship of the Commonwealth environmental water holdings; planning for environmental watering; portfolio management, including use, carryover and trade; and monitoring, evaluation and reporting of environmental watering, are complemented by rigorous process. The Panel found all 'governance arrangements are in place to guide and oversee the four essential functions'. The CEWH will continue to support continuous improvement of internal business processes to ensure the legislative requirements of the Water Act framework are achieved whilst maintaining the highest standards of transparency and accountability in its dealings.

### *Finding 2 – use of carryover*

*Carryover strategy has been implemented effectively, responsibly, transparently and within existing rules (notwithstanding a few assertions to the contrary, which seem to be ill-founded, in the Review Panel's opinion).*

The CEWH **notes** this finding.

The Review found that carryover is an essential tool used to manage the Commonwealth environmental water holdings. The Panel concluded that carryover has been managed competently by the CEWH in accordance with the same rules utilised by other water users in the Basin. The Review emphasises the importance of maintaining equity and access to management tools among all water holders – regardless of whether the water is for consumptive or environmental benefit. The CEWH will continue to explore opportunities to improve processes to support the use of Basin State carryover rules as they evolve over time.

### *Finding 3 – communications about carryover*

*More effort in active communication and explanation of carryover decision-making might be warranted and useful.*

The CEWH **supports** this finding.

The Review discussed the risks to the Office associated with stakeholder perception of the CEWH's use of Basin State carryover rules. The Panel found that greater effort should be placed on explaining CEWH decision-making about carryover so Basin communities can understand how and why water is carried over. The Review noted that greater communication efforts would assist to dispel the misconception that the CEWH cannot effectively utilise the portfolio, or does not require the volume recovered by the Commonwealth, which in the Panel's view was unfounded. Although the Office currently makes monthly announcements of carryover figures and publishes an annual carryover report to ensure transparency this

information is not reaching all interested stakeholders. The CEWH is committed to reducing misconceptions among stakeholders about the CEWH's use of state-based management tools, including carryover and will continue to explore options to make communications clearer. The CEWH will review existing carryover communication protocols and implement new protocols to ensure carryover decision-making is communicated actively and explained to Basin stakeholders, where necessary.

#### **Finding 4 – trade processes**

*The processes for water trade – preparations, checklists, compliance, risk assessments, operational monitoring – are very thorough, deliberate and measured, with high standards of probity and no evidence or claims of malfeasance. Every step has been clearly documented.*

The CEWH **notes** this finding.

The Review found that the Commonwealth Environmental Water Trading Framework is comprehensive and supports the CEWH to trade in a manner that is consistent with the legislated responsibility to manage the Commonwealth environmental water holdings. The Panel discussed the value of the CEWH making information readily available that communicates the conditions that could lead the CEWH to trade. The CEWH will continue to support continuous improvement of internal trade processes to ensure trade is undertaken in a way that maximises the environmental benefit from Commonwealth environmental water but does not cause unacceptable third party impacts. The CEWH is currently developing an Active Trade Strategy which outlines the roles, responsibilities and protocols to be followed when the CEWH trades in future. The Strategy will enable the CEWH to ensure the highest standards of trade processes to guarantee transparency, accountability and compliance are maintained into the future.

#### **Finding 5 – outstanding issues**

*Those parties within the Australian Government and state agencies who have the capacity to resolve outstanding issues are well aware of the need for timely and effective resolution. The CEWH should continue to encourage that process.*

The CEWH **supports** this finding.

The Review discussed the issues arising in the Basin as a result of the complexity of state-based water resource planning frameworks. Basin States are required to implement a number of Basin Plan measures through their planning frameworks, including pre-requisite policy measures (unimplemented policy measures in the Basin Plan), protection of environmental water, and Sustainable Diversion Limit Adjustment Mechanism projects to achieve Basin Plan environmental outcomes. The CEWH acknowledges that the success of the Office is dependent on Basin States implementing these measures transparently and in a way that supports environmental watering.

The CEWH will continue to articulate the importance of these measures to the effective management of environmental water, and the risks to Basin-wide environmental objectives of failing to implement them. The CEWH will also continue to facilitate collaboration between Basin jurisdictions and environmental water managers to promote a common vision for advancing water reform and the development of progressive measures for environmental



water delivery. Further, the CEWH will seek to input to Basin State Basin Plan implementation processes, where possible. The CEWH will also look for opportunities to build the capacity of delivery partners, ensuring environmental water delivery is as efficient and effective as possible to achieve Basin Plan environmental outcomes.

#### *Finding 6 – social licence to operate*

*The Review Panel sees real wisdom in the CEWH’s approach so far, in building “social licence to operate” (SL20) in addition to his statutory licence, and requirement, to operate. This will underpin the resilience of the functions and the agency.*

The CEWH **notes** this finding.

The Review discussed the importance of building and maintaining the CEWH’s social licence to operate. The Panel discussed the importance of including both science and local knowledge as an input to decision-making to ensure communities stay engaged and support the CEWH’s operations. The CEWH values the input of communities into the planning and delivery of environmental water, including local landholders that continue to engage and collaborate with the CEWH to deliver environmental water. The CEWH will continue to meaningfully engage with interested and involved stakeholders, through day-to-day Office processes, established committees and state-based forums. Additionally, the CEWH has a firm commitment to broader involvement of Basin communities in the implementation of the Investment Framework currently under development to fund environmental activities complementary to environmental watering. These actions will safeguard and build upon the social licence built over the last decade to maintain the resilience of the organisation into the future.

#### *Finding 7 – challenges and goals*

*Our consultations suggest there is now broad alignment on the challenges and the goals of environmental watering.*

The CEWH **notes** this finding.

The Panel consulted with a broad range of stakeholders across the Basin that have interactions with the CEWH. The Review categorised a number of stakeholder groupings to illustrate the complexity of the network surrounding the CEWH’s operations, which was due to the number and diversity of organisations the CEWH interacts with. The Review discussed the importance of having agreement among stakeholders about the challenges and processes and an alignment of goals in complex systems. The Panel found that this has been achieved in relation to environmental watering. The CEWH will continue to be transparent and accountable to facilitate a shared understanding of the future challenges and opportunities of environmental watering and Basin Plan implementation.

#### *Finding 8 – cautious approach*

*The Review Panel was not persuaded that caution over the past 5-10 years was excessive or unwarranted. Rather the Panel considers it was wise and probably essential.*

The CEWH **notes** this finding.

The Review discussed the perception among stakeholders that the CEWH has been excessively cautious in the management of the Commonwealth environmental water holdings. The Panel expects that as public confidence of environmental watering grows over time, there will be greater scope to innovate and more actively pursue the Basin Plan requirements. The CEWH acknowledges the importance of the internal processes established over the last decade. Established governance systems, processes and risk management are the support system for CEWH decision-making and ensure environmental watering is efficient, adaptive and effective. The CEWH notes the Good Neighbour Policy – while being conservative – has maximised environmental outcomes while ensuring no unintended consequences have occurred.

## Areas for improvement

The Review Panel recommended opportunities for improvement that would increase the emphasis on collaboration to improve long-term environmental outcomes, more clearly demonstrate the effectiveness and efficiency of environmental watering and increase community support for the CEWH. These opportunities are discussed below.

### *Area for improvement 1 – roles and responsibilities*

*Understand all the actors involved in environmental watering across the Basin and their respective roles and responsibilities. A few existing relationships appear fraught, and performance impaired, simply because roles and functions were not clarified initially and relations began on misunderstandings. As many stakeholders told us, enduring relationships of trust are between individuals, not between organisations or departments. The CEWH's formal partnerships, along with the ad hoc professional relationships, have enabled many successful collaborations for environmental watering. Conversely, the occasional absence of relationships due to turnover is problematic, for example if key personnel moved and the relationship faltered.*

The CEWH **supports** this area for improvement.

The Panel discussed the benefits of building relationships and building an environmental water coalition. The CEWH acknowledges the importance of improving institutional arrangements and will seek to progress and establish formal partnership agreements with all Basin jurisdictions to support the delivery of Commonwealth environmental water. The CEWH will undertake a review of current Partnership Agreements, or investigate other forms of agreements, which clarify and set expectations and responsibilities between the CEWH and delivery partners. The CEWH will also consider investigating the development of a service level agreement with MDBA River Murray Operations to give purpose to the MDBA's function under the Water Act to facilitate environmental water delivery.

In addition to strengthening partnerships, the CEWH will seek to improve the way the Office works with other Australian Government agencies (including the Department of Agriculture and Water Resources and the Murray-Darling Basin Authority) and Basin State governments to implement the Basin Plan reforms, on matters including policy development and reducing constraints to environmental watering. These matters include water resource plans, Long-term Environmental Watering Plans, Sustainable Diversion Limit Adjustment Mechanism projects, complementary measures, changes to the Murray-Darling Basin Agreement, and other reviews and inquiries. This will ensure that environmental (water holders) interests can be considered and taken into account throughout the implementation of the Basin Plan.

### **Area for improvement 2 – local knowledge and expertise**

*Recognise the value of local knowledge and expertise and facilitate its incorporation into portfolio management. Local knowledge is critical to achieving the objectives of the Basin Plan, so it is important that structures and relationships support rather than inhibit bi-directional information flows. The CEWH's portfolio decision-making is extremely challenging and requires the CEWH to have access to accurate, detailed and timely data. The Review Panel believes that Information Technology (e.g. Internet, smartphones) could revolutionise the CEWH's data-gathering and information dissemination.*

The CEWH **supports** this area for improvement.

The Panel found that the CEWH's operations would benefit from further integration of local knowledge and expertise into portfolio management. The CEWH recognises that local information and experience is critical to being able to effectively manage and deliver Commonwealth environmental water and is a key pillar of the Good Neighbour Policy. The CEWH is grateful for the expertise, advice, feedback and support provided by stakeholders, including local communities that work with the CEWH to plan environmental water use in the Basin. The CEWH reaffirms its existing commitment to involving stakeholders in planning and delivery, where possible, so the best possible environmental outcomes can be achieved. The CEWH will continue to utilise Basin State stakeholder reference groups and the CEWH's Edward Wakool Environmental Water Reference Group so that local knowledge can be integrated into the CEWH's annual portfolio planning processes and decision-making. The CEWH's goal is to negotiate consent and develop meaningful and transparent local engagement from the earliest stages of any proposed watering. Additionally, the CEWH will strengthen relationships with Basin communities through embedding Local Engagement Officers (LEOs) in the regions as a conduit between the Office and communities.

The Panel also discussed how better utilisation of Information Technology could benefit the CEWH's collection, management and dissemination of data. The CEWH will prioritise the development of an Information Strategy to determine the critical information and services required by the Office to support CEWH decision-making. The CEWH will seek to collaborate with other government agencies, such as the Bureau of Meteorology, CSIRO and Geoscience Australia to reduce duplication and harness existing government resources.

### **Area for improvement 3 – Basin as a system**

*Manage environmental watering across the Basin as a system not as discrete events and through a network, or consortium-like arrangement, as opposed to individual entities in linear hierarchical relationships. The CEWH is the only institution that is required by law to take a Basin-wide approach to environmental watering. The Review Panel was impressed by recent analysis of the superiority of networks over hierarchies for dealing with complex systems (Slaughter 2017). Successful resilient networks are based on frequent flows of relevant information and mutual trust are critical to the CEWH's operations.*

The CEWH **supports** this area for improvement **in principle**.

The Panel discussed the importance of managing the Basin as a whole system in collaboration with partners. The CEWH acknowledges the importance of its Basin-wide role as the Commonwealth manager of environmental water who is jointly responsible for achieving

Basin Plan outcomes. Maintaining the whole-of-Basin focus is integral to the accountability and management of Commonwealth environmental water. The CEWH believes the realisation of the full, and very significant, benefits from the Commonwealth environmental water holdings is dependent on the complete and proper implementation of the Basin Plan and its associated intergovernmental agreements by Basin States. This will only occur if all agencies collaborate and share information for mutual benefit. The CEWH will build on existing work to promote its Basin-wide focus and facilitate messaging about environmental watering events with Basin States and other delivery partners. Acknowledging that most Commonwealth environmental watering actions are delivered in partnership with State agencies, including environmental water holders, and with private organisations, the CEWH will continue to work towards a managed devolution of day-to-day decision-making, where practical, by entering into Partnership Agreements with appropriate local entities. In this way the expertise, experience and support of local communities is incorporated whilst maintaining Commonwealth accountability.

#### *Area for improvement 4 – network approach*

*Adopt a network approach to managing environmental water across the Basin with the multiple players in government (Commonwealth, state, regional and local) and spanning private sector, NGOs, philanthropic groups and community groups, if agreement can be reached. Observing the unwritten “network protocols” of sharing information generously to strengthen the network and building trust, confidence and resilience could then come into play. Not only must the partner organisations have trust and confidence in the CEWH and the Office; trust must be reciprocated. The Review Panel heard evidence suggesting that the Office lacks confidence in regards to some of the communications made with organisations it interacts with routinely. The Review Panel emphasises the importance of building and maintaining real partnerships as opposed to the short-term commercial procurement of services.*

The CEWH **supports** this area for improvement **in principle**.

The Panel discussed the merits of maintaining and increasing the number of medium to longer-term partnerships to support environmental water delivery. As the Review Panel recognises, environmental watering involves a highly coordinated, planned and managed program of activities in partnership with state agencies and communities. As discussed under *Area for improvement 1 – roles and responsibilities*, the CEWH is currently undertaking a review of its Partnership Agreements. The CEWH will consider including information sharing protocols and other commitments that are important to further strengthen the long-term relationship between the CEWH and its partners in the formal Partnership Agreements. The CEWH will continue to work with governments and Basin communities to obtain the best outcomes from Commonwealth environmental water.

### *Area for improvement 5 – shared benefits*

*The network must include like-minded groups committed to better environmental outcomes across the Basin, but which do not focus specifically or exclusively on water, such as regional NRM bodies and traditional landowners. Most stakeholders on the ground view environmental water as important, but as only one aspect of the system which needs to be better integrated with other complementary resource management. Opportunities for win-win collaboration seem likely to emerge, if parties look to shared benefits rather than pursuing a single objective or mechanism in isolation. The Review Panel accepts the premise that a broad-based, inclusive, opt-in network is likely to enhance the reach of environmental watering and increase its effectiveness and efficiency without compromising goals or accountability of central bodies like the CEWH, VEWH and OEH.*

The CEWH **supports** this area for improvement **in principle**.

The Panel discussed the potential benefits of undertaking environmental activities that are complementary to environmental watering to enhance environmental outcomes. In 2015, an amendment to Part 6 of the Water Act provided the CEWH with provision to trade water allocations and use the proceeds of trade to undertake environmental activities if a better outcome could be achieved. The CEWH released the *Development of a Framework for Investing in Environmental Activities: Discussion Paper* (the Discussion Paper) on 12 September 2017 to inform the development of an Investment Framework to fund environmental activities. Views were sought on the Discussion Paper from Basin stakeholders until 30 November 2017. The Office also discussed how environmental activities could be undertaken with a range of interested community members. The CEWH will continue to progress the development of the Investment Framework so the CEWH can fund environmental activities that are complementary to environmental watering. The CEWH understands the importance of local knowledge and will seek to prioritise projects where communities and partnerships are involved.

The Panel discussed the potential for win-win outcomes and sharing the benefits of environmental watering. The CEWH will consider undertaking an analysis of the third party benefits of environmental watering to demonstrate anecdotal evidence from river users and water managers of the benefits already being experienced in Basin communities.

### **Area for improvement 6 – local engagement**

*Local Engagement officers (LEOs) have an important role in building bridges and relationships. They have the potential to connect to other state agencies with like responsibilities and others with knowledge, interest and passion who may contribute volunteer time and effort. The LEOs help keep everyone in the loop, avoid surprises and ensure information disseminates throughout the network as fast and as far as possible. The CEWH and the Office should foster continuity and build relationships, bringing regional people with expertise and interest into the network. This would lessen down-side risks and contribute to greater success, both technically and in local-ownership and support. For example, the Bureau of Meteorology now taps into weather records compiled on thousands of farms to create more complete spatial coverage, rather than relying solely on official weather stations. Think TripAdvisor! A RiverCare or WetlandCare network in each valley across the Basin, consisting of thousands of volunteers across the Basin, with smartphones, cameras, video and GPS that could be the eyes and ears of CEWH, out in communities. The relationship would be based on shared goals, mutual respect and trust, rather than monetary. These citizen science volunteers could be birdwatchers, recreational fishers, Indigenous people, farmers and teachers or just interested members of the public. They could deliver masses of self-validating, timely data to inform decision-making. Like other coordinators of successful networks, the responsibility of the CEWH would simply be to be a facilitator that empowers his allies (nodes) by accepting, curating and sharing information and data across the network.*

The CEWH **supports** this area for improvement **in principle**.

The Review discussed the importance of building relationships with Basin communities and utilising the LEOs to disseminate information throughout Basin networks to keep communities and partners informed. The CEWH has six permanent LEOs working alongside state and local land and water management officers, situated in South Australia, Victoria and New South Wales providing outreach to local communities throughout the Basin. The CEWH acknowledges the importance of fostering continuity in the Office to facilitate long-term relationships with Basin communities. The CEWH will ensure that the LEOs are sufficiently supported by the Office to disseminate information throughout Basin networks to foster support and local ownership for environmental watering.

The Panel discussed the potential for Basin communities to provide a support system for the CEWH through enabling the public to contribute volunteer time and effort. The CEWH will look for opportunities to incorporate volunteer work into the Investment Framework discussed in *Area for improvement 5 – shared benefits*.

The Panel recommended using Information Technology to create a social citizen science platform, which would allow the public to post data to support the management of Commonwealth environmental water. The CEWH will undertake a review of the Communications Strategy, which will investigate the possibility of incorporating functionality into the Communications Web Portal to support citizen science and increase community participation in environmental watering. This will also be considered in the context of the next phase of the Long Term Intervention Monitoring Project.

### **Area for improvement 7 – attribution**

*Attribution is important. It is difficult to identify the CEWH's unique and separate achievements from everything else that is happening in the Basin. The alternative, in a network approach, is to share credit for successes among all members of the environmental watering alliance who are involved. This recognises that the CEWH is just one large and important cog in the system, who endeavours to perform the function effectively, efficiently, equitably and accounting for risk on a Basin-scale. The CEWH should collaborate with any who are willing and capable, even if many determinants of Basin-wide success are beyond the direct control of the position.*

The CEWH **supports** this area for improvement **in principle**.

The Panel emphasised the importance of sharing attribution for the outcomes of environmental watering due to the difficulty of separating the achievements of the CEWH from their partners (government and non-government agencies). The CEWH recognises the significance and benefits of publicly celebrating the shared successes of environmental watering with its partners and seeks to facilitate this, where possible. The ability of the CEWH to demonstrate the environmental outcomes achieved in the Basin that result from the management of the Commonwealth environmental water holdings is also important to demonstrate statutory compliance, performance and accountability. The CEWH will seek to communicate the outcomes of environmental watering in a way that both acknowledges delivery partners and the CEWH, while ensuring the management of the Commonwealth environmental water holdings is transparent and accountable.

### **Area for improvement 8 – data management**

*Data Management is challenging. The data requirements to inform the CEWH's decision-making are very demanding, in volume, accuracy and timeliness. Although current systems like the EWMS, the EAD and web portal are adequate now, they may come under pressure, or there may be ways to upgrade them as technologies improve. Quality information management systems are important for adaptive management, science and communications, being integral to portfolio management – delivery, trade, carryover and environmental activities. Similarly, the CEWH has an extensive and potentially very valuable multimedia library but these always need to be curated and continuously refreshed. For example, the existing portal could be updated, making it a two-way web portal, which would be an effective way to engage with widely-dispersed stakeholders, enabling two-way communication.*

The CEWH **supports** this area for improvement.

The Panel emphasised the importance of data management to ensure the Commonwealth environmental water holdings can be managed competently. The CEWH agrees that data management is a challenging yet critical input to portfolio management. The CEWH will undertake three actions to improve the way data is managed to support environmental watering, these are:

- The CEWH recently completed an Information Technology functional review to inform how data management can be improved in the future. A key recommendation was the redevelopment of the Environmental Assets Database (EAD). The Office will continue



working with Information Technology Branch to undertake Processes, Organisation, Technology and Information assessment of the EAD to identify the preferred business solution. In addition, the CEWH will prioritise the full transition to the Environmental Water Management System (EWMS), undertaking final data validation and testing against known outcomes using clean real data from 2009 to 2017.

- As discussed under *Area for improvement 3 – Basin as a system*, the CEWH will prioritise the development of an Information Strategy, which may consider the data management requirements of the Office to ensure the information is stored to facilitate its usability.
- As discussed in *Area for improvement 6 – local engagement*, the CEWH will undertake a review of the Communications Strategy, which will consider the possibility of upgrading or enhancing the functions of the Communications Web Portal to enable two way communication.

### ***Area for improvement 9 – monitoring, evaluation, reporting and improvement***

*MERI is crucial to the entire Basin reform to demonstrate the CEWH's operations are effective and efficient in delivering on the Basin Plan's environmental outcomes of achieving healthy wetlands, communities and economies, at Basin-wide scale into the future. There are two elements – local engagement, endorsement and enthusiasm (as discussed above) and scientific endorsement. Making the CEWH's MERI system (verification of e-water deliveries, impacts and consequences) as great as it can be, could ultimately determine the future of the position and function of CEWH.*

The CEWH **supports** this area for improvement.

The CEWH acknowledges the Panel's discussion of the importance of the Monitoring, Evaluation, Reporting and Improvement Framework (MERI Framework). The MERI Framework supports the efficient and effective use of the Commonwealth environmental water holdings, promotes accountability and supports adaptive management.

The CEWH is committed to the promotion of learning and adaptive management in response to progressive monitoring and evaluation to enable improvement in program design and achievement of desired outcomes. In line with this commitment, the CEWH will continue to progress an independent mid-term evaluation and review of the Long Term Intervention Monitoring Project to assess progress towards project objectives and outcomes, provide an evaluation of early signs of project success or failure and identify necessary changes to set the project on-track to achieve its intended results. The mid-term evaluation is also reviewing the project's risk management and adaptive management elements. To ensure the future position of the CEWH's office is strong, the CEWH will undertake early thinking for the design and development of future monitoring, evaluation and research programs. This will include considering opportunities to augment the Long Term Intervention Monitoring Project with Short Term Intervention Monitoring projects, which monitor discrete events to inform management, planning and operational approaches. These actions will strike a balance between robust science and the incorporation of local knowledge and more effective communication of outcomes.

As noted in *Area for improvement 5 – shared benefits*, there is increasing evidence of social and economic benefits for communities that can be directly linked to environmental water management. Currently this information is contained within ad hoc reports or is anecdotal. The

CEWH acknowledges that gathering an evidence base on community benefits is an important part of building a social licence to operate and community acceptance of more innovative practices for environmental water delivery. The CEWH will consider expanding the scope of its current Basin-scale evaluation to include measures of third party benefits.

The operational delivery of environmental water occurs within an adaptive management framework. The CEWH is committed to supporting the ongoing evolution and maturity of operating rules and procedures, methods for water accounting, and management of river and wetland infrastructure to provide the necessary services to support the CEWH's statutory obligations. Continuous improvement, in addition to avoidance of unintended consequences, relies on good processes of monitoring and evaluation of the operational arrangements afforded to environmental water management. The CEWH will continue to actively work with delivery partners and river operators to routinely review delivery arrangements in the pursuit of establishing a future model of best practice for monitoring and accounting for environmental water.