



Australian Government

Commonwealth Environmental Water Office

# Commonwealth Environmental Water Office

## Business Improvement Plan

June 2018





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## Preamble

During 2017, the Commonwealth Environmental Water Holder (CEWH) undertook two independent reviews looking at internal and external sources of risk to operations. These were done in the context of the CEWH's statutory functions provided for in Part 6 of the *Water Act 2007* (the Water Act), the Basin Plan 2012 (the Basin Plan), and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The two reviews undertaken were:

- The CEWH Review, which evaluated the extent to which the CEWH's operations and business processes represent best practice. The CEWH Review made findings and identified areas for improvement considering the internal and external environment.
- The Assurance Review, which assessed the extent to which state-based management arrangements for the delivery of environmental water provided a sound basis for the CEWH's ability to meet its statutory obligations. The Assurance Review made recommendations about the adequacy of risk management, governance arrangements, transparency, water accounting and reporting.

The purpose of undertaking these reviews was to:

- evaluate the CEWH's current processes that support business operations looking for vulnerabilities
- examine the effectiveness of risk mitigation strategies currently in place to uncover emerging issues that could be addressed through strategic intervention or changes to processes or operations.

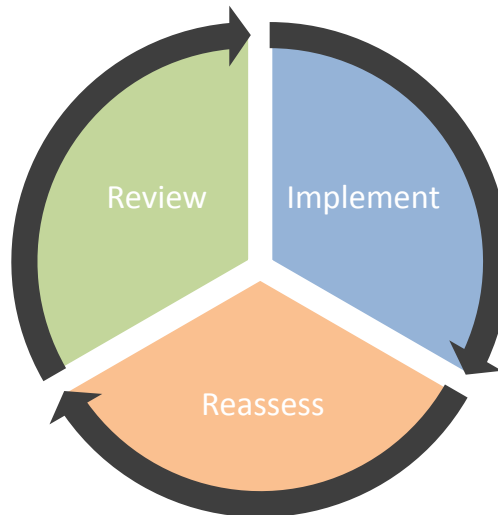
Overall, the reviews showed the processes put in place during the last ten years have matured and have been adequate to meet the CEWH's legislative requirements to date. The reviews presented some opportunities for the Commonwealth Environmental Water Office (the Office) to consider how to improve policy and operational processes to minimise the risks to the function identified over the coming decade. Implementation of these reviews will put the Office in the best possible position to adapt to the shifting landscape of Basin Plan implementation out to 2026 and ensure processes are sufficient for the Office's requirements long-term.

This Improvement Plan is an internal document that will be used to guide the implementation of the CEWH Review and the Assurance Review.

## Continuous improvement

The Office fosters an environment of continuous improvement of business processes to ensure the legislative requirements placed on the CEWH are met (see graphic below). This is done through identifying knowledge gaps and risks to the organisation that would benefit from having reviews undertaken, either internally or externally.

Once a review is completed, the Office undertakes a planning process to implement the review. The continuous improvement cycle is closed by reassessing residual risk to the Office to determine what more can be done, or to find a new area of focus, if needed.



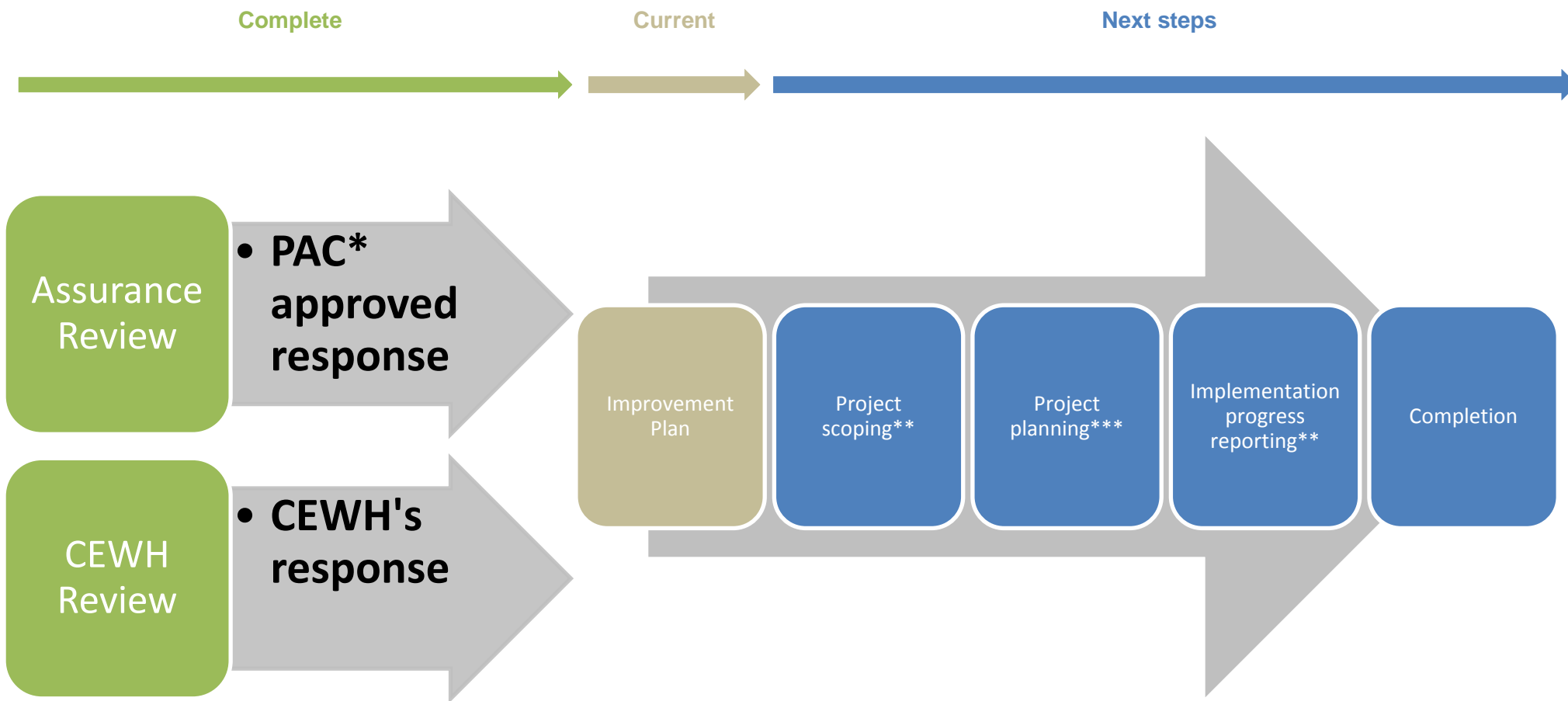
## Improvement Plan

### *Process*

This Improvement Plan (the Plan) sets out how the Office intends to implement the findings and recommendations of the CEWH Review and Assurance Review (see indicative process graphic below). Implementation is critical to improve performance, ensure transparency and accountability, and successfully deliver on the outcomes to be achieved under the frameworks established within the Water Act and the PGPA Act.

The objective of this Plan is to provide the Office with the structure to embed the recommended changes into internal processes and operations. The review implementation table below details:

- the task to be undertaken
- the outcomes to be achieved
- linkages to the CEWH Review and Assurance Review
- the work area/s responsible, including support areas
- indicative timing to completion.



\* PAC: Portfolio Audit Committee

\*\* Undertaken in consultation with the CEWO Management Committee

\*\* Project planning approach under the Departmental Project Management Framework is at the discretion of the CEWH. A Project Plan may not require the use of Departmental templates depending on scope and scale of task

The tasks indicated within the review implementation table below are broad, however, will be further defined through detailed project scoping, project planning and task definition. Some tasks are already defined through the Assurance Review Action Plan approved by the Portfolio Audit Committee (PAC), other tasks will be developed further through consultation across the Office and discussed in Management Committee. The tasks are outcome focussed and endeavour to produce outputs intended to bring about change to Office operations, policy or procedures. In some cases they will promote discussions with external organisations on other procedures that the Office is dependent upon for environmental water use and reporting.

Internal project leads identified by Directors within sections will be responsible for managing their project to completion. Leads will be supported by the Office (as indicated in the table below) and will contribute to quarterly implementation progress reporting, against milestones, provided to the senior executive through the Management Committee. This will provide the executive with oversight of projects from conception through to completion.

On completion of a task, the project leads will work with the Environmental Water Policy Section to embed any changes into Office governance arrangements, including process and operations, where required. The project leads will be supported by a panel of Office staff identified as having particular skills and knowledge to support the task being undertaken.

This Improvement Plan has been developed in consultation with the Office. It is intended to be a living document used by the Environmental Policy Section to track the progress towards the implementation of the Assurance Review and CEWH Review findings and recommendations. An increased level of detail on timing and resource requirements is intended to be incorporated into the Improvement Plan throughout the coordination of the plan's implementation and as tasks are scoped in detail and project plans are developed by the sections. Progress against the recommendations in the Assurance Review will also be monitored by the Department's Portfolio Audit Committee.

### ***Benefits of approach***

There are many benefits to taking a strategic approach to implementing the reviews, including:

- It helps us do our jobs better – saving the CEWH time and resources by becoming more efficient by looking for opportunities to streamline.
- Shared vision about the direction the Office is heading – not reinventing the wheel or duplicating effort.
- Minimise the CEWH's risks – make better-informed decisions in accordance with legislative requirements, including Water Act and Commonwealth Resource Management Framework.
- Cohesion – better Office relations both internally and with external stakeholders.
- Work not occurring in a silo – more holistic consideration of related elements of work.
- Keeps us on track – successfully deliver the improvements identified in the Assurance Review and CEWH Review.



Review implementation – at 21 June 2018

Task	Outcomes	CEWH Review	Assurance Review	Section/s	Progress	Timing
<b>Governance</b>						
Commonwealth Resource Management Framework guidelines	<ul style="list-style-type: none"> <li>Decisions by external entities that influence the effective and efficient use of Commonwealth environmental water occur through transparent and accountable governance processes</li> </ul>	n/a	Rec 1b)	Policy	Completed – provided and presented to Office	Feb 2017
Increase formal engagement in Basin Plan governance and strategic implementation forums	<ul style="list-style-type: none"> <li>Common vision between governments for advancing water reform and the development of progressive measures for environmental water delivery promoted</li> </ul>	Finding 5	Rec 1a) and 1b)	Policy, Delivery	Commenced	Ongoing
	<ul style="list-style-type: none"> <li>Shared understanding between governments of future challenges and opportunities of environmental watering and Basin Plan implementation through transparency and accountability facilitated</li> </ul>	Finding 6				
	<ul style="list-style-type: none"> <li>Communications and engagement with Australian Government agencies and Basin State governments increased ensuring Basin Plan implementation is optimised for environmental watering</li> </ul>	Area for improvement 1				
	<ul style="list-style-type: none"> <li>CEWH representation in high-level forums increased</li> </ul>	n/a	Dec 2018			

Task	Outcomes	CEWH Review	Assurance Review	Section/s	Progress	Timing
Schedule to <i>Intergovernmental Agreement on Implementing Water Reform in the Murray Darling Basin</i> (2013)	<ul style="list-style-type: none"> <li>Institutional arrangements engender the maturation of working relationships between Commonwealth and state agencies based on mutual respect, shared objectives and robust processes; providing improved controls for risk management</li> </ul>	n/a	Rec 1a)	Policy	Commenced	Dec 2018
<b>Partnerships and agreements</b>						
Partnership Arrangement Review	<ul style="list-style-type: none"> <li>Capacity of delivery partners built, ensuring environmental water delivery is as efficient and effective as possible to achieve Water Act and Basin Plan environmental outcomes</li> </ul>	Finding 5	Rec 1a)	Policy, Delivery, Aquatic ecosystems and science, Comms	Commenced – initial review planning underway	Jan 2019
	<ul style="list-style-type: none"> <li>Expectations and responsibilities between the CEWH and delivery partners clarified and set through new arrangements</li> </ul>	Area for improvement 1				
	<ul style="list-style-type: none"> <li>Feasibility of managed devolution of day-to-day decision-making determined</li> </ul>	Area for improvement 3				
	<ul style="list-style-type: none"> <li>Institutional arrangements engender the maturation of working relationships between Commonwealth and state agencies based on mutual respect, shared objectives and robust processes; providing improved controls for risk management</li> </ul>	Area for improvement 4				

Task	Outcomes	CEWH Review	Assurance Review	Section/s	Progress	Timing
Establish agreements with river operators to improve environmental water delivery operations	<ul style="list-style-type: none"> <li>Direct arrangements established with water delivery service providers in the River Murray that improve the efficient coordination and administration of cross-jurisdictional watering actions, transparency and accountability in environmental water delivery, and consistency in standards of reporting</li> </ul>	Area for improvement 1	Rec 1a) and 1c)	Policy, Delivery		Jan 2019
	<ul style="list-style-type: none"> <li>Service level agreement and Environmental Watering Schedule with the MDBA that facilitates efficient effective environmental water delivery established</li> </ul>				Commenced – discussions underway	
	<ul style="list-style-type: none"> <li>Partnership Agreement with SA Government established</li> </ul>				Commenced – discussion paper drafted for specific components, discussions underway	June 2019
<b>Data management</b>						
Develop Information Strategy	<ul style="list-style-type: none"> <li>Shared understanding between governments and partners of the critical information required by the Office to support CEWH decision-making</li> </ul>	Area for improvement 2	Rec 3a)	Policy, Delivery, Aquatic ecosystems and science, Portfolio, Wetlands, Comms	Commenced – draft project planning underway	June 2019
	<ul style="list-style-type: none"> <li>Data management requirements of the Office determined to ensure information is stored to facilitate usability</li> </ul>	Area for improvement 8				

Task	Outcomes	CEWH Review	Assurance Review	Section/s	Progress	Timing
Develop databases to support decision-making	<ul style="list-style-type: none"> <li>Environmental Assets Database and Environmental Water Management System integrated into business as usual and look for opportunities to upgrade</li> </ul>	Area for improvement 8	n/a	Portfolio, Delivery, ICT	Commenced	EWMS July 2018
<b>Portfolio management</b>						
<b>Use</b>						
Optimise processes to integrate local knowledge into portfolio management	<ul style="list-style-type: none"> <li>Existing stakeholder reference groups utilised to integrate local knowledge into annual portfolio planning processes and decision-making</li> <li>Potential gaps in capacity to integrate local knowledge are better understood</li> <li>Monitoring outcomes and lessons integrated into annual portfolio planning processes inform decision-making and water use, where appropriate</li> </ul>	Area for improvement 2	n/a	Delivery	Commenced	Ongoing
<b>Carryover</b>						
Carryover Communications Review	<ul style="list-style-type: none"> <li>The use of Basin State carryover rules are supported by the public as they evolve over time</li> <li>Carryover decision-making is communicated actively and explained to Basin stakeholders, where necessary</li> </ul>	Finding 2	n/a	Portfolio, Comms	Not yet commenced	Dec 2018
		Finding 3				

Task	Outcomes	CEWH Review	Assurance Review	Section/s	Progress	Timing
<b>Trade</b>						
Develop Trade Strategy	<ul style="list-style-type: none"> <li>Trade undertaken strategically using protocols that are continuously improved to maximise environmental benefit, whilst considering third party impacts</li> </ul>	Finding 4	n/a	Portfolio, Delivery	Not yet commenced	Jun 2019
<b>Investment</b>						
Develop Investment Framework	<ul style="list-style-type: none"> <li>Environmental activities complementary to environmental watering are funded under an established Framework</li> <li>Methods for prioritisation of projects involving partnerships, interjurisdictional relationships and community included in Framework and investment planning process</li> </ul>	Finding 6 Area for improvement 5	n/a	Policy, Portfolio, Delivery, Aquatic ecosystems and science, Wetlands	Underway – Framework and implementation guidelines drafted	Jun 2018
<b>Risk management and oversight</b>						
Develop Third Party Impact Framework	<ul style="list-style-type: none"> <li>Anecdotal evidence from river users of the benefits being experienced in Basin communities demonstrated</li> <li>Merits of expanding the scope of the current water use assessments to include measures of third party impacts determined</li> </ul>	Area for improvement 5 Area for improvement 9	Rec 3b)	Policy, Delivery	Commenced	Jun 2019
Assurance Review Framework and	<ul style="list-style-type: none"> <li>Best practice standards for water delivery and an enduring system of on-going improvement and accountability established</li> </ul>	n/a	Rec 2a)	Policy, Delivery, Aquatic ecosystems and	Commenced – draft Framework nearing completion. Final	Aug 2019

Task	Outcomes	CEWH Review	Assurance Review	Section/s	Progress	Timing
associated audit functions	<ul style="list-style-type: none"> <li>Annual audit of environmental watering actions to increase transparency and accountability of decision-making undertaken under an established Framework</li> </ul>			Science, Wetlands, Portfolio Management Committee	Framework to be informed by pilot under development during 18-19 watering year	Jun 2018
	<ul style="list-style-type: none"> <li>MDBA's independent audit and compliance function for Basin Plan implementation established in consultation with the CEWO</li> </ul>			Policy	Commenced	Ongoing
	<ul style="list-style-type: none"> <li>Advocate for the scope of the MDBA's annual river operations review to be broadened</li> </ul>			Policy, Delivery		
<b><i>Performance reporting, evaluation and water accounting</i></b>						
Review of Intervention Monitoring	<ul style="list-style-type: none"> <li>LTIM 2 sufficient to meet monitoring and evaluation requirements to support legislative requirements</li> </ul>	Area for improvement 9	Rec 3a)	Aquatic ecosystems and Science, Delivery, Policy	Commenced – review of LTIM 1 underway	Jun 2018
	<ul style="list-style-type: none"> <li>LTIM augmented to include STIM of discrete events to inform management, planning and operational approaches analysed</li> </ul>					
Develop methods for environmental water accounting and reporting	<ul style="list-style-type: none"> <li>Future model of best practice for measurement, monitoring, accounting and reporting of environmental water use developed in collaboration with delivery partners and river operators</li> </ul>	Area for improvement 9	Rec 2b) and 3b)	Policy, Delivery, Portfolio, Aquatic ecosystems and Science	Commenced – reviews/reports and discussions ongoing	June 2019
	<ul style="list-style-type: none"> <li>Environmental water use accounting reported by state authorities and the MDBA is as accurate, reliable and credible as possible</li> </ul>					

Task	Outcomes	CEWH Review	Assurance Review	Section/s	Progress	Timing
	<ul style="list-style-type: none"> <li>• Methods for determining environmental water accounting are transparent and robust to support public accountability</li> <li>• Institutional arrangements engender the maturation of working relationships between Commonwealth and state agencies based on mutual respect, shared objectives and robust processes; providing improved controls for risk management</li> </ul>					
<b>Communications and engagement</b>						
Local Engagement Survey	<ul style="list-style-type: none"> <li>• Effectiveness of local engagement determined</li> </ul>	n/a	Rec 3b)	Comms	Completed	Dec 2017
Review Communications Strategy	<ul style="list-style-type: none"> <li>• Shared public understanding of the future challenges and opportunities of environmental watering and Basin Plan implementation facilitated</li> </ul>	Finding 7	n/a	Comms, Policy, Delivery	Not yet commenced	Jun 2019
	<ul style="list-style-type: none"> <li>• Agreed level of shared messaging and attribution regarding environmental watering events with Basin States and other delivery partners determined</li> </ul>	Area for improvement 3 and 7	n/a			
	<ul style="list-style-type: none"> <li>• Feasibility of incorporating functionality into the Communications Web Portal to support citizen science, increase community participation in environmental watering and enable two-way communications investigated</li> </ul>	Area for improvement 6 and 8	n/a			

Task	Outcomes	CEWH Review	Assurance Review	Section/s	Progress	Timing
Embed Local Engagement Officers (LEOs)	<ul style="list-style-type: none"> <li>Information disseminated throughout Basin networks to foster support and local ownership for environmental watering</li> </ul>	Area for improvement 6	n/a	Delivery, Comms, Policy, Portfolio, Ecosystems and science	Underway – LEOs provided with support as required	Ongoing

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## Resources

### **Key reviews and responses**

- [Review of the Commonwealth Environmental Water Holder's operations and business processes](#)
  - [Response to the Review of the Commonwealth Environmental Water Holder operations and business processes](#)
  - [Summary of response to the Review](#)
- *Internal Audit Report: Assessing the Risks Associated with Environmental Water Delivery Services* (includes response)

### **Project Management**

#### *Elements of effective project planning*

**Maximise success:** The outcomes of the tasks to be undertaken included in the table above determine what a successful outcome would look like. The individual project plans or other planning documents will need to detail what success looks like and the evidence needed to demonstrate it. Once projects are complete the CEWH will decide whether to address the recommendations, which are likely to result in changes to the way the Office functions. Once the changes are implemented, they become a part of the day-to-day operations of the Office. Think about the following:

**Consult:** Involve the Office and relevant stakeholders so a diversity of knowledge and views can be taken into account. Clearly communicate the benefits of tasks and provide the necessary support to create opportunity for willing participation and ownership. Run an open process that provides access to information (as necessary), which increases credibility of the outcome.

**Monitor progress:** Successfully monitor progress through accessing timely and relevant information to track progress towards the outcomes and make adjustments to implementation arrangements, as necessary. Track progress in a deliberate and systematic manner at regular intervals. Define the data to be collected and the robust, credible methods used for monitoring. Monitoring and reporting will inform other components of implementation, including reporting to Management Committee and divisional risk management.

**Evaluate the outcomes:** The success of an initiative is determined by the extent to which intended and unintended policy outcomes are achieved and how they have affected internal and external stakeholders. Planning should identify and map baseline information, as well as ensure ongoing access to consistent data sources will be available through monitoring. Data can be quantitative (hard or numerical data) or qualitative (soft or categorical). Project leads need to focus on asking good questions to assess the data collected. Credibility of an evaluation is enhanced through sound evidence, professional and ethical standards, and the degree of independence of the evaluator. Effective evaluation is the result of a planning process over the life of the initiative.

**Once implemented, review regularly:** Factor in future reviews assessing progress towards implementation of critical milestones or in response to specific issues once the projects are complete. Reviews are a 'snapshot' in the life of an initiative and tend to focus on operational issues, effectiveness of governance and project management structures, and may also include policy outcomes.

*Project Management Framework*

The Department's Project Management Framework is based on the Project Management Body of Knowledge (PMBOK), audit findings, and incorporates good practice, contemporary industry standards and experience from previous projects.

The Project Management Framework is a standard approach for all projects in the Department. It helps you:

- plan your work, budget and resource requirements
- articulate how your project aligns to the Department's outcomes (for example, the Corporate Plan)
- define the scope of the project – what will and won't be delivered
- stay on track to meet your outcomes
- realise your outcomes – measurable key performance indicators
- reduce the risk of your project failing to meet its objectives
- monitor, evaluate and report on your project accurately and in a timely manner
- align to good practice project management.

The Framework templates are standardised project management documents that you can use as a starting point. You can adapt these to meet the unique needs of each project. Each template includes content commonly used in such a document and guidance to help you in completing and adapting it.

A number of project planning resources are available on the Intranet:

Templates
Frequently asked questions and solutions
Tiering, including questionnaire
Evaluation and learning
Glossary