



Australian Government

Commonwealth Environmental Water Office

Framework for Investing in Environmental Activities Discussion Paper:

Consultation Outcomes Report

Executive summary

Consultation on the development of a framework for investing in environmental activities (the 'Investment Framework') included a number of face-to-face meetings and telephone conversations with interested parties as well as the receipt of written submissions.

A range of potential projects and a number of issues related to funding options were raised by stakeholders, including some that were outside of scope. The key themes that emerged during the course of the consultation period were:

- the need for eligible projects under the framework to demonstrate enduring positive environmental outcomes,
- capacity building investment in regional communities including the need to increase community involvement in environmental watering, and
- that a range of funding options are available to cater for differing project types.

Suggested environmental activities will be considered once the Investment Framework is developed.

Background

In 2016, section 106 (3)-(6) of the *Water Act 2007* was changed to increase the flexibility for the Commonwealth Environmental Water Holder (the CEWH) to sell water allocations if the proceeds are used for water acquisitions or environmental activities.

Under the legislation, the CEWH can only invest in environmental activities that will improve environmental outcomes from the use of Commonwealth environmental water, and are undertaken for the purpose of protecting and restoring environmental assets in the Basin.

The option of selling water allocations and investing the proceeds in environmental activities will be considered alongside other available water management options. These include carrying water allocations over into the next watering year, or purchasing water at another time or place. However the majority of annual water allocations assigned to the CEWH will still be used in rivers, wetlands and floodplains to meet environmental needs.

In September 2017 the CEWH released a Discussion Paper titled *Development of a Framework for Investing in Environmental Activities (Discussion Paper)*. The Discussion Paper provided background on the guiding environmental priorities and legislative constraints for investment in environmental activities, and sought feedback on what type of activities stakeholders would like the CEWH to consider when developing the Investment Framework.

Overview of consultations

Following the release of the Discussion Paper on the Department of Environments and Energy website, stakeholder consultation was undertaken through a range of mechanisms including the Commonwealth Environmental Water Office (CEWO) newsletter which has a distribution of over 2,000 Basin stakeholders, face-to face meetings and telephone conversations with interested parties. Face-to face meetings were only conducted if stakeholders contacted the CEWH and expressed an interest to do so.

In response to the call for feedback the CEWH received 30 individual submissions.

Results by key themes

Enduring environmental outcomes

The majority of stakeholders supported the proceeds from the sale of CEWH water allocations being invested in environmental activities, on the condition that enduring ecological benefits to river and wetland systems can be demonstrated and measured. There was a focus on the need to include associated monitoring and evaluation activities.

Stakeholders were also interested in ensuring that environmental activities that provide opportunities to build on existing or past projects undertaken in the Basin are considered under the Investment Framework.

The most supported environmental activity projects identified consisted of activities that complement current and future water delivery. This includes on-ground works that improve habitat, the removal of constraints to environmental water delivery, and infrastructure that specifically enables or optimises the capacity to manage environmental water delivery to target assets.

A related theme stemming from consultation with Indigenous representatives is they consider it very important for projects undertaken to deliver a narrative or story to enhance water literacy throughout regional communities in the Basin. Ways to achieve this could include projects developing conceptual models for use as communication tools, and facilitating community engagement in the delivery of environmental activities.

Stakeholders were not willing to support environmental activities that simply improved recreational outcomes and did not provide enduring ecological benefits.

Capacity building in communities

A number of organisations discussed the importance of a truly integrated approach, including the benefits of entering into collaborative partnerships to undertake environmental activities. These partnerships could include community groups, Indigenous groups, irrigation delivery companies, regional landcare groups, scientists, environmental trusts and private landholders.

Regional stakeholders discussed the need to for the CEWH to gain community support for environmental watering through involvement in environmental activities. Community involvement in projects such as improving the condition of their waterways could assist to ensure sustainable local economies and community well-being into the future, possibly through eco-tourism.

Indigenous representatives discussed the need to be resourced appropriately through dedicated capacity-building investments to help facilitate the implementation of cultural flow management into the future.

Funding options

Stakeholders expressed the view that the Investment Framework should include a range of funding methods to align with the expected scale, risk, complexity and cost of the proposed environmental activity.

The preferred funding methods included one-off payments directly to community groups for small low risk and low cost projects, and for the high risk, high cost and technically complex projects joint funded partnership arrangements should be considered. Stakeholders also support the establishment of partnerships that enable greater environmental objectives to be achieved through the use of irrigation networks on private land.

Some stakeholders put forward the need to fund projects over multi-year time-frames, to enable delivery partners to focus on achieving significant environmental outcomes rather than continuously applying for funding to cover project costs.

For larger scale more complex investments many stakeholders held the view these could be funded through an investment plan informed by community consultation. This approach was considered to be more collaborative than setting up competitive funding rounds because this approach can set communities, community groups and organisations against each other.

Many stakeholders emphasised the need for transparency in managing the investment process. One idea put forward was the development of a funding panel which included both external and internal stakeholders who could be called upon to assess funding applications.

Finally, all submissions encouraged the CEWO to continue to consult with local communities to identify viable projects and partnerships that could deliver enduring environmental outcomes.

Next steps

The Investment Framework will be finalised in early 2018 and will be published on the Departments website.