

Draft Submission

Commonwealth Environmental Water Holder

Framework for Investing in Environmental Activities

Discussion Paper

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Introduction

The NSW Irrigators' Council (NSWIC) is the peak body representing irrigators and the irrigation sector in NSW. NSW irrigators hold water access licences to access regulated, unregulated and groundwater systems. Our Members include valley water user associations, food and fibre groups, irrigation corporations and community groups from the rice, cotton, dairy and horticultural industries.

NSWIC engages in advocacy and policy development on behalf of the irrigation sector. As an apolitical entity, the Council provides advice to all stakeholders and decision makers.

This submission represents the views of the Members of NSWIC to the Commonwealth Environmental Water Office's *Development of a Framework for Investing in Environmental Activities* discussion paper. However, each Member reserves the right to independent policy on issues that directly relate to their areas of operation, expertise, or any other issues that they may deem relevant.

Executive Summary

NSWIC actively participated in the 2014 review of the *Water Act 2007 (Cth)* where the Council raised the issue of constraints on the Commonwealth Environmental Water Holder's (CEWH) trading ability pursuant to section 106 of the Act. The Council appreciated that the Federal Government considered our submission on proposed amendments to section 106 of the Water Act to enable greater flexibility in the CEWH's portfolio management options.

Whilst NSWIC had advocated for the removal of section 106 in its entirety – enabling the CEWH to have full trading ability - we acknowledge that the amendments that have been made to the Water Act 2007 (Cth) are a valuable and positive first step in allowing the CEWH to broaden its environmental water management options to meet the statutory objectives of the Water Act 2007 and any associated subordinated legislation.

As anticipated, the amendments to section 106 have given the CEWH and stakeholders an avenue to consider alternative investment opportunities that are not only more diverse and sophisticated but could also support the triple bottom line objectives of the Water Act 2007. The release of the CEWH's discussion paper is a welcome first step in this development as it will assist in the preparation of an investment and decision framework that could have multiple positive outcomes for all stakeholders.

However, NSWIC suggests that the CEWH/CEWO must consider the design of an administrative framework that would accompany and support the delivery of these 'alternative investments'. NSWIC has liaised with a range of irrigators and member organisations and has consistently received the feedback that the level of complexity and bureaucracy involved in any environmental watering projects is too burdensome and disincentivises individual and smaller organisations to actively pursue any of these opportunities.

Finally, NSWIC urges the CEWH to consider the development of investment opportunities and projects that would address the current over-recovery in the three NSW valleys – Gwydir, Macquarie and Lachlan. Hydrological constraints limit the ability of allocations in these valleys to be physically delivered to northern and southern shared reductions (i.e. environmental targets downstream of the catchment area. This means that in all these valleys, the CEWH holds more water than required to meet its environmental outcomes,

which means that there are opportunities to increase social and economic outcomes from water use through trade on at least a temporary or lease basis. NSWIC believes that these three valleys are an ideal test case to trial some of the more innovative approaches to environmental management.

Related to the issue of over-recovery, NSWIC strongly urges the CEWH's and CEWO's to try and increase the transparency between Commonwealth Environmental Water holdings and state environmental water holdings. NSWIC is aware that the CEWH closely works with its state counterparts around the management and delivery of environmental water. While NSWIC understands that the respective state authorities have significantly more experience in the management and delivery of state environmental water, it is also the case that this process has been extremely opaque to irrigators and the irrigation sector. NSWIC would appreciate if the CEWH could – through the investment framework or otherwise – try to increase the transparency around the management, delivery and coordination of both Federal and State environmental water.

General Comments

The NSW Irrigators' Council (NSWIC) welcomes the opportunity to provide input to the Commonwealth Environmental Water Office (CEWO) on its investment framework discussion paper.

As we are now five years in to a 10-year Basin Plan implementation program, we need to seize the opportunity to consolidate and solidify our understanding of the Basin's environment and the scope and limitations of environmental watering. We need to find more sophisticated and enduring relationships between different stakeholders and continuously monitor and evaluate the environmental outcomes from the CEWH's (and state's) environmental watering activities. Only then can we ensure the ongoing sustainability of the Murray-Darling Basin's environment whilst maintaining the ongoing social and economic viability of the communities and industries that depend on the Basin's resources.

NSWIC is pleased that the CEWH and CEWO are considering alternative investment opportunities that could enhance the environmental outcomes of the Commonwealth Environmental water portfolio, whilst benefitting rural communities and industries. NSWIC has, together with other irrigation representative bodies, called for the broadening of the management tools to manage the CEWH's environmental portfolio for many years – particularly a refocusing away from 'flows' and towards 'outcomes'. The investment framework discussion paper is an important step in the evolution of the CEWH's environmental water management activities and in fulfilling the legislative requirements of the Water Act 2007 (Cth).

Further, NSWIC supports the CEWH's collaborative focus and the willingness to engage with a large range of stakeholders, including irrigators and irrigation corporations. NSWIC believes that the inclusion of these stakeholders will be vital for the future success of environmental watering and the protection of the Murray-Darling Basin key environmental sites. NSWIC understands that a lot of work has already been done around assessing and devising strategies and projects on environmental watering – not only by the CEWH and its state counterparts but also by the irrigation sector (e.g. rice industry). The irrigation sector has taken enormous steps in conserving the environment and providing private wetlands for birds and other species. NSWIC believes these efforts should be recognised and we urge

the CEWH to continue its inclusive approach to actively engage with landholders and the irrigation industry.

Aside from collaborative partnerships, NSWIC has also long supported complementary measures as an alternative management tool for the CEWH. For that reason, NSWIC endorses the list of complementary measures proposed by the National Irrigators Council in their submission to the investment framework. However, in addition to this list, NSWIC believes there are further infrastructure and collaborative projects that could provide mutually beneficial outcomes for both the environment and the irrigation sector. NSWIC has partnered with the University of NSW to conduct a preliminary assessment around irrigators' willingness to engage in environmental watering projects. We are also aiming to investigate further opportunities for complementary measures and private/public partnerships that would enhance the effectiveness of the CEWH's (and state based) activities. While the project only commenced recently, we would be interested to discuss the progress of the projects over the coming months.

Related to complementary measures, NSWIC welcomes the recent media release by the MDBA and the CSIRO on the development of a method to assess the relative environmental benefits of complementary measures. We consider that this work is necessary however we also believe it is critical that the CEWO considers the development of an equivalence framework that would help to assess all management options the CEWH has available (i.e. use, carry-over, trade or the investment in complementary measures). NSWIC considers that the current discussion on complementary measures are too narrow in that it only considers the options between recovering further entitlements or introducing complementary measures (i.e. in the context of the SDL adjustment mechanism). Complementary measures should be considered as one of the CEWH's management tools in order to fulfill its legislative requirements. For that reason, the CEWH should consider the development of an equivalence framework and a funding framework that could cover the ongoing operation and maintenance costs of any future complementary measure projects. While NSWIC has continuously stressed that the CEWH's operating expenditure must be met by the Federal Government, it is also important that those budget appropriations account for the growth in the CEWH's portfolio and its increased management opportunities which may require additional resources.

Undeniably, ongoing climate variability and the ever-changing policy setting, will make it necessary for the CEWH and CEWO to remain agile and consider options outside the very narrow confines of the Water Act 2007 and Basin Plan 2012. For that reason, NSWIC is slightly concerned that the CEWH has deemed some issues to be outside the scope for consideration under the investment framework. Preferably, NSWIC would like to see all issues to be discussed at this stage of the investment framework development.

Specific Comments

1. What sort of environmental activities, that complement current or future Commonwealth water delivery, could be a focus for investment by the CEWH?

The NSW Irrigators' Council has long supported amendments to the section 106 of the Water Act 2007 (Cth) to increase the efficiency and effectiveness of the CEWH's environmental water portfolio management. The Council was actively engaged in the 2014 review of the Water Act 2007 (Cth) and suggested the removal of section 106 in its entirety – thus freeing the CEWH from any constraints around how to use the proceeds from trade. In the

alternative, NSWIC submitted that the Act be amended to allow the proceeds of any sale of entitlements or allocation to be used to:

1. Fund structural works to improve water use efficiency and other environmental outcomes (e.g. regulators or fish passages);
2. Fund non-structural works or non-flow measures to improve environmental outcomes;
3. Fund operational costs and statutory charges related to the delivery of environmental water;

NSWIC considers all these points remain relevant in the context of the development of an investment framework for investing in environmental activities.

1. Funding of structural works

Investments in water use efficiency projects (on-farm and off-farm) has proven to be remarkably effective – both in terms of enhancing irrigators' and irrigation district's long-term ability to adapt to reduced water availability and enhancing environmental flows for key environmental assets, as highlighted by the then Minister for the Environment Greg Hunt and the Parliamentary Secretary to the Minister for the Environment Bob Baldwin in their joint media release on legislating the 1500GL water buyback cap in September 2015:

"We are investing \$2.5 million a day until June 2019 into irrigated agriculture and already more than 10,000 farmers have benefited from this record investment, which will improve productivity and support the long-term future of the regions."

Additionally, the media release suggested that *"We remain committed on implementing the Basin Plan in full, on time and on budget, but most importantly with a triple bottom line focus that supports and maintains healthy viable communities and the environment for the future."* The focus on triple bottom line outcomes is critical for NSWIC and its members who have long argued for the benefits of infrastructure investments.

Further, in-stream structures which assist in the delivery of environmental water should be a key focus for the CEWH in its development of an investment framework. In discussions with NSWIC's member organisations in the Border Rivers for example, NSWIC became aware of the potential benefits of in-stream structures which would assist the CEWH in the release and coordination of environmental flows in the Northern part of the Basin. NSWIC is also aware of the CEWH's work with our member organisations in the south (e.g. Murray Irrigation) and the potential for further benefits that could be achieved in that region through infrastructure upgrades. NSWIC believes that there are other cases that warrant further investigation (i.e. other opportunities across the basin where physical structures might assist the CEWH in its delivery of environmental water).

In addition, NSWIC has also supported the installation of environmental infrastructure like regulators or fish passages instead of direct water entitlement purchases as we believe it has a more enduring effect on the environment across the Murray-Darling Basin. Despite our support, we have raised concerns on multiple occasions around the ongoing maintenance costs for these structures because they are currently captured in the NSW pricing determinations (for DPI Water/Department of Industry – Crown Lands and Water or WaterNSW) and partially paid for by licence holders. NSWIC alleges that the true cost of these structures is currently not being factored into the consideration about the comparative benefit of these environmental works. NSWIC would be interested to discuss future funding

frameworks of these structures with the CEWH/CEWO. In particular, NSWIC is interested to explore how the CEWH would be able to use the proceeds of its trading activities to fund the ongoing maintenance and operational costs of the environmental infrastructure in order to decouple these costs from any Federal budgetary processes or State cost recovery.

2. Funding for non-structural, non-flow measures

Purchasing water entitlement to improve environmental outcomes is only one of a number of management actions that can be undertaken to improve river and wetland health. Other management actions include eradicating exotic pests, restoring habitat and protecting riparian vegetation.

Improving river and wetland health requires an adaptive approach to ensure that government resources are able to be directed towards management actions that achieve the greatest environmental outcomes. Proceeds from the sale of environmental water may help fund some of these alternative measures.

Programs that are aimed at improving riverine and riparian outcomes have frequently been delivered through several Federal, State and Local Government initiatives like *National Landcare*, *Caring for our Country* or other projects delivered through Local Land Services (NSW) or the NSW Office of Environment and Heritage. In light of the CEWH's significant environmental water entitlement holdings and the possibility to use the proceeds from trade for a greater range of environmental measures, synergies should be found where the CEWH is able to support or complement existing State and Local initiatives within the Basin. Whilst NSWIC understands that this is already done to a certain degree, greater transparency around these partnerships would be useful to assist stakeholders and the general public to understand which programs the CEWH is involved in.

Further, NSWIC understands that for the CEWH to be able to fund any environmental activities, including non-structural, non-flow activities, they must be consistent with the CEWH's obligation under:

- The Water Act 2007 and the Basin Plan 2012;
- Current or Future Commonwealth environmental water delivery;
- Environmental objectives of the environmental watering plans;
- Basin-wide environmental watering strategies; and
- Basin annual environmental watering priorities.

Despite these constraints, NSWIC cannot stress enough that water alone will not be sufficient to maintain and improve the environmental health of the Basin over the long term. Other NRM activities and programs such as the Carp control project, the restoration of native fish habitat, the control of feral animals in wetlands and mitigation of cold water pollution will be equally, if not more important, in the context of the Murray-Darling Basin's long-term environmental health¹. It is NSWIC's view that these non-structural, non-flow measures not only have a positive impact on the environment but also mitigate further impacts on the irrigation industry and regional communities.

¹ NSWIC refers the CEWH to a detailed outline of these measures to the National Irrigators' Council submission.

3. Funding of operational costs and statutory charges

This section refers to the funds necessary to pay for the delivery related charges and water licence fees rather than for the administrative costs of running the CEWO.

While we acknowledge that the Water Act S106(4) precludes the use of proceeds of a sale to pay fees or charges, we believe that this is an issue that must be revisited. The issue of ongoing legacy costs for implementing the Murray-Darling Basin Plan and managing the environmental water portfolio has long been an area of concerns for NSW irrigators. Once the forward estimates funding for the CEWH will expire, there will be increasing pressure on the Federal Government to recoup these costs in another way. If the costs are passed onto the States, NSW will in turn recover the costs through WAL fees and charges. Allowing the CEWH to self-fund operation costs (i.e. fees and charges) will relieve the budgetary pressure on the office. It will also make the CEWH/CEWO operate more akin to a business where decisions have to be carefully considered from the both an environmental and an economic perspective.

Others

In addition, NSWIC believes further investigations around the delivery of environmental water via private irrigation infrastructure is warranted. In discussions with landholders, NSWIC has become aware of multiple opportunities where existing infrastructure could be utilized to more efficiently deliver environmental water to key environmental assets. A good example of this is the Private Wetlands Watering Program conducted by the NSW OEH in the NSW Murray regions. While there will be costs involved to facilitate these environmental water delivery functions (i.e. energy costs associated with pumping, labour costs associated with the operation/monitoring of the equipment and water), international examples (i.e. Freshwater Trust in Oregon) show that such arrangements are possible if there is sufficient willingness and a good governance structure in place to enable these partnerships to flourish.

However, depending on the landholders' irrigation infrastructure and WAL conditions, considerations should be given as to how the current legislative and operational framework constrain these partnerships and how they could be amended to make these partnerships a reality. The reason why we strongly support these smaller, local project is because NSWIC believes that they could have a more enduring, long term impact on the environment as it involves local stakeholders, generates additional benefits for private landholders and also benefit regional communities.

Finally, NSWIC understands that there may be difficulties in developing trade of innovative water related derivatives, however the Council believes there is merit in exploring these options, in particular as it could address over-recovery in the Lachlan, Macquarie and Gwydir valleys and reduce the financial burden of the CEWH's environmental portfolio holdings.

Capacity Building

Finally, the adoption of sophisticated data analysis will be key to assess the benefits of the CEWH's portfolio management activities. NSWIC believes that monitoring and evaluation of the CEWH's environmental watering activities and the benefits of these actions will be particularly important in the context of the implementation of the Basin Plan and the consideration of other rule changes, in particular the pre-requisite policy measures.

2. Are there any environmental activities that you think should not be eligible for investment by the CEWH?

While NSWIC is aware that some organisations have expressed concerns about the appropriateness of certain activities to be eligible for funding by the CEWH, NSWIC continues to hold the view that all possible options should be considered in the context of the development of the CEWH's investment framework. NSWIC believes that the current legislative requirements under *the Water Act 2007 (Cth)* and *Basin Plan 2012 (Cth)* provide sufficient protection around the CEWH's portfolio management abilities and no further constraints are required.

Further, in the context of an adaptive approach to environmental management, NSWIC recommends that the CEWH keeps an open mind about the future needs of the environment and the various investment opportunities that may lead to future beneficial outcomes for the environment.

3. What criteria do you think should be used for assessing environmental activities?

NSWIC broadly agrees with the suggested criteria for assessment of potential environmental activities outcome in the discussion papers. NSWIC suggests that a gap analysis of where the current management of environmental water holdings is not achieving the desired outcomes would be useful to guide the decision-making. It is crucial that the CEWH will be able to document and justify its investment decisions in the context of a complex legislative framework. In addition, NSWIC suggests it would be beneficial if the CEWH is able to align its investment decisions with broader Federal Government priorities and programs in the water/natural resource management and energy space.

In addition, NSWIC proposes the following additional criteria for the assessment of environmental activities:

- Preference for investment options that support the triple bottom line objectives of the Water Act if the environmental benefits from two comparable projects are equivalent.
- Preference for investment options that have additional community benefits and foster partnerships with local landholders, regional and community based organisations.
- Preference for investment options that would assist in capacity building of regional organisations and foster greater understanding between agriculture, the environment and traditional owners.
- Preference for investment options that align with broader Federal government priorities.
- Preference for investment options that follow the competitive neutrality principle.
- Preference for investment options that have no negative impacts on other WAL holders or the water market.

Irrespective of the abovementioned criteria, NSWIC suggests that it will be equally important to develop an equivalence framework that would assist the CEWH in comparing various investment options (use, carry-over, trade, other environmental projects) and decide on an optimal project/program. The work that is currently being developed by the Murray-Darling Basin Authority and CSIRO around the development of a framework for the assessment of the relative environmental benefits of complementary measures is a useful first step however a more comprehensive decision framework will be required.

Finally, NSWIC also recommends that in light of a broadening of investment options by the CEWH, consideration is given to the development of a governance framework for the management of environmental watering. In particular, future investment opportunities that involve non-flow complementary measures and partnerships will require a comprehensive governance framework to ensure that all environmental water use can be accounted for and audited.

4. What types of environmental activities would be most appropriate for joint funding arrangements?

An irrigation infrastructure operator could use its infrastructure during off-peak periods with a local council, a local industry body or an individual irrigators or landholder, when the infrastructure is not in high demand, to undertake a range of environmental activities. These activities might include assisting in the restoration of an area, for example a floodplain for broader environmental and community benefit.

Also, joint funding arrangements between State and Federal Governments (as per question 1) might benefit from joint funding arrangements if projects and investment opportunities can be found that would have a reinforcing or complementary benefit.

5. What types of in-kind contributions could support environmental activities?

As the CEWH investment framework outlines: *“in-kind contributions should be valued according to the accounting rules agreed by the CEWH and must also be incurred by the project proponents as part of the project”*. Given these constraints, NSWIC agrees that the establishment of an approach to evaluate in-kind contributions should be understood and clearly communicated to all participants/partners at the commencement of any activity or project. These in-kind contributions should also be listed in any grant funding to ensure that there is no confusion about the in-kind contributions by individuals or organisations.

In terms of the types of in-kind contributions, NSWIC suggests that they can take many forms, including machinery, labour, use of services and facilities and potentially the use of existing irrigation infrastructure (with conditions) and the professional advice and services. Further, consideration should be given to on-going in-kind contributions of measuring and monitoring that can be conducted through a “citizen science” style program. This would be particularly useful for measuring local outcomes from wetland watering for example whereby local landholders could be charged with providing photographic updates and on-the-ground observations.

It should be stressed at this point that many irrigators and landholders have already provided significant in-kind contributions around the delivery of environmental water (both State and Federal). These previous partnerships and engagement models should be recognised and potentially supported with funding to maintain the momentum.

6. Are there other delivery partners that the CEWH could consider?

NSWIC would be strongly supportive of the CEWH/CEWO to consider irrigators and private landholders, irrigation infrastructure operators, local governments, state governments and representative bodies to be considered as delivery partners. Also, indigenous groups, local industries, community groups, CMAs, Landcare groups as well as research institutions should be considered. As outlined earlier, NSWIC suggests that the type of delivery partner/partnership organization will depend on the type of project being proposed. Further, thoughts should be given as to how these delivery partners could be supported by the CEWH/CEWO and how their efforts/time of the delivery partners could be compensated. As NSWIC has seen with other delivery partner programs (i.e. the COFFIE program), risks are sometimes unnecessarily imposed on the delivery partners. A careful program design is therefore critical to ensure that both the delivery partners and the CEWH/CEWO are also able to receive benefits from this engagement/partnership.

7. Are there any other types of partnership opportunities or investment approaches that could be considered by the CEWH?

NSWIC believes that one unique approach could include the consideration of using Commonwealth water in a productive agricultural system (with appropriate governance arrangements) under a controlled and managed way (i.e. for environmental benefit and to potentially extend this scheme to broader community benefits from greater management of ecological outcomes).

Also, NSWIC staff will be visiting the Western United states in late November to meet with the Freshwater Trust to gain a better understanding around other innovative funding opportunities to progress environmental projects that benefit both the environment and local landholders. In particular, the international groups have recognised that there is a need to incentivise and quantify water conservation and species restoration efforts. NSWIC would be gladly liaise with the CEWH/CEWO once we have returned from our study tour.

NSWIC is aware of multiple international examples that illustrate the mutually beneficial partnerships between industry and the environment. The Northern Californian rice industry has a long-established partnership with both State and Federal Government bodies around the delivery and use of 'environmental' water and the provision of habitat for the native birds (i.e. for the Pacific flightpath). In Australia the 'Bitterns in Rice' project is working to protect this endangered native species and has to date been predominantly funded by industry and philanthropy. We urge the CEWH to consider these examples in the development of the investment framework.

Finally, as NSWIC outlined earlier, we have partnered with the University of NSW to conduct a project around environmental watering and partnerships. While still early in the project, it aims to assess growers', irrigators' and rural communities' understanding of Federal and State environmental water holdings and environmental watering activities as well as evaluate possible opportunities for cost effective complementary measures (including private/public partnerships with environmental managers) which could substitute or complement current environmental watering activities in NSW. We would welcome the opportunity to engage with the CEWH/CEWO on how the department could be integrated into the project and how we can generate mutual benefits for all stakeholders.

8. Are there practical ways that small groups or individuals could be supported to apply for funding?

In our preliminary discussions with NSW irrigations and regional irrigation representative bodies, we have become aware that the most significant obstacle to engaging in activities and programs involving environmental watering is the significant layer of bureaucracy, the strong opinions of some regional environmental water managers and the inertia that often follows discussions around possible project that benefit the environment.

Many NSW irrigators and regional irrigation representative bodies who have engaged with the CEWH/CEWO and the NSW Office of Environment and Heritage have been frustrated by the lack of progress around some projects. While NSWIC understands that this might be a cultural issue within certain parts of NSW and certainly not representative for the whole of the state, it should not be forgotten that many irrigators and landholders volunteer (or have volunteered) their time to assist Federal and State environmental managers in managing or advising on possible environmental strategies. Many of these landholders and irrigators have done so in good faith and at times when their own businesses required their attention. NSWIC hopes that as part of this investment framework, consideration should be given as to how the process of engagement and liaison with landholders and irrigators could be improved and how recognition could be given to those who have already spent significant time and effort to assist the CEWH and OEH. NSWIC suggests that part of the funding framework should potentially consider how to fund (on an ongoing basis) the committees and that the CEWH and OEH have set up (i.e. the EWAGs) and how the committee members could be compensated for their time.

Committees and individual irrigators and landholders should be able to access small scale funding schemes to finance small scale (yet effective) environmental activities. Not only will these smaller scale projects be vital for the ongoing environmental health and resilience of the Murray-Darling Basin but it will also ensure that local landholders and irrigators will feel included and know that they have a stake in the ongoing maintenance of the project. Further information on possible funding methods are outlined in our answer to question 9.

In addition, it might also be the case that irrigators and landholders might seek to partner with key industry bodies, research institutions or government agencies. The CEWH/CEWO investment framework should consider how these partnerships could be facilitated (either through the CEWH/CEWO or other delivery partners in the region) and how an appropriate consultation and governance framework around these partnership programs could be established. Should the CEWH/CEWO play an active role in facilitating these projects, NSWIC suggests that the local engagement officers have a key role to play in supporting and/or facilitating the development of project proposals. In particular, engagement officers would provide useful input through their local/regional knowledge of the environmental needs, as well as understand the barriers around government processes and environmental watering outcomes.

9. By which methods (for example, grants and procurement) do you think the CEWH should fund environmental activities?

While NSWIC does not have any particular preference around the funding methods for environmental activities, the Council broadly supports the options outlined in the issues paper (i.e. grants and procurement). NSWIC suggests that an appropriate funding arrangement might be dictated by the type of activity or project that the Commonwealth Environmental Water Holder is considering. For example, it might be more beneficial to offer tiered grants for smaller activities or projects (each with a cash and/or in-kind contribution).

NSWIC stresses that the CEWH and CEWO should focus on the establishment of small to medium local projects that would enable irrigators or private landholders, as well as regional community and industry representative organisations to participate. The focus must be on a simply, transparent and accountable funding arrangement that do not frustrate the process around progressing mutually beneficial projects that benefit the environment and achieve broader socio-economic objectives. Governance around these funding arrangements must also be developed to ensure that private landholder's have the capacity to assist the CEWH in the delivering environmental water through private infrastructure that is able to demonstrate that threatened species or ecological communities are able to benefit from the delivery of environmental water through private infrastructure.