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# Annual Report

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2022-23 – Watertrust’s second year



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**Note:** Photos used throughout this publication have been supplied by Amanda Wealands (Watertrust Australia), Ray Song (Australian National University) and David Maunsell, Vlad Kutepov, Zac Edmonds, Henrique Felix, Ray Hennessy and Mel Straughan on unsplash.com



# Reflections on our year

Watertrust, an independent not-for-profit, was launched in July 2021 to improve how water and catchment policy decisions are made in Australia. We bring differing perspectives together to co-design new approaches to Australia's water challenges.

As this report shows, we have already had a positive impact on policy processes that are intended to

- unlock water recovery in the Murray-Darling Basin
- enable integrated water resource management in a capital city
- address First Nations water rights and interests, and
- manage catchment water quality.

We have done this by building and nurturing trust-based relationships, deepening sector relevance, and engaging meaningfully on these important matters.

Our coalition of 16 funders invested in a new model of philanthropy with unique aspirations for impact. Their long-term commitment, flexible multi-year funding, and courage to take calculated risks and stay the course on difficult but important work, is providing the 'unlock' for one of Australia's most intractable policy challenges. We thank them for their vision, commitment, and ongoing support. We also recognize the support of our extended team, advisers, board, and valued partners.

We approach 2024 with intentionality to capitalize on our foundations and leverage our unique assets to deliver better water policy processes and outcomes for this and future generations.

 Our mission is to improve how water and catchment policy decisions are made in Australia.

 Our vision is for water and catchment policy and management decisions that citizens and decision-makers see as fairer, more reasonable, more consistent with the available evidence, and more legitimate.



**Kathryn J Fagg AO**

Chair, Watertrust Australia Ltd



**Nick Austin**

CEO, Watertrust Australia Ltd

*Watertrust Australia acknowledge the Traditional Owners of Country throughout Australia and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to their Elders both past and present.*



# Our work and progress in 2022-23

2022-23 was Watertrust's second year of operation. We transitioned from a start-up focused on establishing a new capability and networks to a fully functioning organisation, ramping up work to improve how water policy decisions are made in Australia. We made good progress over this period – especially for such a new organisation, working in a context as complex and contested as water.

Our early work has resonated deeply with stakeholders. It has bolstered confidence across the sector that our independence and focus on enabling better processes will help resolve entrenched conflicts, break long-standing deadlocks, and lead to better outcomes.

**Key achievements in 2022-23** include:

- Starting implementing our portfolio of initiatives designed to enable positive and enduring change in water policy across Australia, delivering strong early results
- Continuing to build our relationships and reputation in the water sector, establishing deep connections with a wide network of stakeholders, and kick-starting growth in demand for our involvement in contentious policy matters
- Demonstrating the value of our unique model, with stakeholder feedback indicating the model fills a critical gap and enables us to play a key role in facilitating better water policy in Australia
- Completing establishment of a credible, effective organisation, providing a solid platform for continued acceleration.

## Implementing initiatives to enable positive, enduring change

We have established a dynamic portfolio of over 20 initiatives, designed to maximise our long-term impact and effect positive change in the system of water policy making across Australia. The sections below outline progress made on four of these initiatives. They cover the work we did, why it matters and the early outcomes it produced. These are followed by a snapshot of the initiatives we are currently executing and advancing.

## Workable agreements for water recovery in the northern Basin

In October 2022, we brought together 20 leaders from the Australian cotton industry, Commonwealth, NSW and Qld Governments and relevant technical experts to explore options to meet the Australian Government's water recovery goals in the northern Murray-Darling Basin.

On-farm water recovery is a highly contentious subject, and water recovery to meet targets in the Murray-Darling Basin Plan has essentially stalled. A letter from industry to the Commonwealth Environment and Water Minister, the Hon Tanya Plibersek MP, following the event confirmed that it was their first constructive dialogue with Federal and State governments in over a decade.

The initial roundtable catalysed a collaboration to build the evidence base required for better stakeholder engagement in policy change. The work is providing a high-level assessment of the status of implementation of the Murray-Darling Basin Plan and state-based water plans (e.g. NSW regional water strategies). It will assess potential water savings, generate policy options around water recovery, and explore planning processes for achieving Basin Plan objectives. Most importantly, it is getting buy-in from parties that have long been at odds, and building relationships upon which enduring change can occur.

**Area of focus:**  
Murray-Darling Basin

**Goal and influence:**  
Support the development of workable agreements between stakeholders to overcome current water recovery deadlocks. Agreements will ultimately achieve the desired environmental outcomes and increase water security for all water users.

 ... bringing the roundtable together and getting that to come to fruition wasn't going to be a possibility without Watertrust's involvement and drive

Anonymous margin quotes come from our first independent review



## Integrated water resource management in Adelaide

We are helping SA Water, the Dept for Environment and Water and other stakeholders deliver a 50-year urban water strategy for Greater Adelaide. The Resilient Water Futures strategy is a South Australian Government election commitment to “ensure Government structures are addressed to enable Government, councils and other agencies and authorities to deliver true integrated water management and stop treating recycled, stormwater and mains water in isolation.”

An enabling governance environment is a prerequisite for integrated water management in Greater Adelaide. However, key stakeholders hold divergent, and sometimes competing, interests in future governance arrangements.

We have brought experts with unique experience from Canada to lead a process of structured decision-making. This allows stakeholders to explore future governance options and develop a shared understanding of the governance and processes required to successfully deliver Resilient Water Futures and integrated water management in Greater Adelaide.

We have commenced the first of a two-stage approach to deliver a Chief Executive governance forum in September, while collaborating with partners to identify ways Watertrust might usefully contribute longer-term. Already, we are seeing a more constructive dynamic emerging between key stakeholders.

**Area of focus:**  
Greater Adelaide

**Goal and influence:**  
Build shared understanding of integrated water management governance options among diverse stakeholders to build support for a co-design process for legislative and policy change.



## First Nations water rights and interests in national water reform

In December 2022, we convened a roundtable with 24 Indigenous leaders from across Australia, Minister Plibersek, and officials from the Department of Climate Change, Energy, the Environment and Water. The objective was to identify appropriate approaches for more comprehensive engagement between First Nations, governments, and non-Indigenous water users.

First Nations involvement in policy is a priority for governments, State and Federal, with clear commitment to achieving better results for Aboriginal and Torres Strait Islander Australians. It is estimated First Nations people hold a fraction of one per cent of water access entitlements nationally, contrasting with their legal interests in more than 57 per cent of Australia's land mass.

The roundtable identified the need for a common standard for First Nations' participation in water decision-making through upcoming reforms and secured several commitments from the Commonwealth Minister for the Environment and Water. It also laid the groundwork for a second, much larger event in May 2023, co-hosted by the Australian National University (ANU), the National Native Title Council and the Indigenous Land and Sea Corporation. The second event, which Watertrust also supported, brought together First People's perspectives from across the country to examine and discuss the complex situation of First Nations water rights in the context of current policy reforms.

As a direct result, Indigenous leaders are looking to constitute a new structure, led by First Nations, to engage with water policy nationally. They have asked Watertrust to conduct analysis to inform their deliberations, and to identify how an Indigenous-led entity might complement - not compete with - existing bodies.

**Area of focus:**  
National

**Goal and influence:**  
Enable First Nations' consequential influence in State, Territory and Commonwealth Government water policy, allocation and management decision-making processes.

 ... [Watertrust] were providing a space and creating a really meaningful opportunity for everything that First Nations people had said over the past decades in relation to their rights and interests in water...

 We wouldn't be where we are without Watertrust.



ANU Vice-President, First Nations and Watertrust Director, Prof Peter Yu, AM opening the second roundtable

## Water quality in the Tasmania's Derwent

We are working with state and local government agencies, water and catchment managers, water utilities, industry, Tasmanian Aboriginal people, farmers, aquaculture companies, and environmental groups to explore alternative visions of future water quality management in the Derwent catchment. The work considers the pros and cons of each vision relative to the current situation and seeks to identify the decisions that would need to be made to make them a reality.

The Derwent, like many places in Australia, faces water and catchment management challenges. These range from adapting to climate change, water market and water governance reform, agreeing on sustainable levels of take, Tasmanian Aboriginal water rights, and managing future water resources and catchment development. Unless properly addressed, these are all likely to become more difficult over time.

The Derwent has specific challenges with water quality – a problem made all the more complex due to technical uncertainties, limited data, and tensions between different users of the catchment and management bodies. When it comes to water quality, stakeholders in the Derwent do not always share the same values and aspirations or a similar vision for the Derwent's future.

Government agencies and stakeholders have told us that they want better ways of making water policy decisions that can incorporate different values, identify and manage trade-offs, are fair and consistent, and informed by relevant knowledge. Our approach is one of co-design. We have brought in engagement specialists and are working with policy makers, managers and relevant stakeholders to develop workable and mutually-acceptable options.

**Area of focus:**

Derwent catchment, Tasmania

**Goal and influence:**

Identification of workable options and governance arrangements for reform of the management of the Derwent that supports multiple uses.

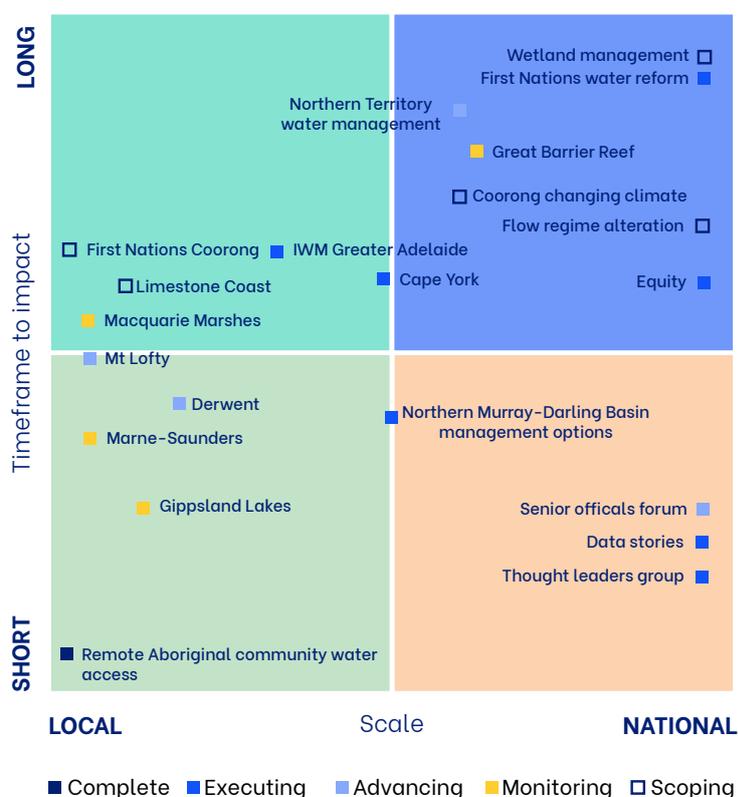


**Team member Kane Aldridge (furthest from camera) discussing catchment water issues with stakeholders in the Derwent**

## Our growing portfolio of diverse initiatives

Our portfolio of over 20 initiatives is designed to maximise influence and learning. Initiatives differ in scale, time to impact, and purpose (see Figure 1). For example, our data stories, our foundational work on equity, fairness and justice, and our engagement with First Nations water reform are all national in scale but differ in time to impact (being short-, medium- and long-term, respectively).

The initiatives were co-developed (and are being co-delivered) with a wide range of stakeholders – including governments, peak bodies, First Nations groups, industry, interest groups and research organisations. They aim for long-term impact and to effect positive change in the system of water policy making across Australia.



**Figure 1: Our portfolio includes diverse initiatives across a range of scales and timeframes**

Our portfolio incorporates early ‘wins’ that contribute to longer term initiatives. Our remote Aboriginal community water access initiative, which sought to understand barriers to establishing a bore for an Indigenous cultural tourism enterprise, is already complete.

We are executing and advancing 12 initiatives (see overleaf). There is no perfect calculus for determining which initiatives to advance and at what pace. We rely on the expertise and experience of our core team, and the advice from our Influence Advisory Committee and Expert Advisory Panel, to make wise choices and to adapt as required.

A note on the way we categorise the status of initiatives is found in Appendix I.

# Portfolio snapshot: executing and advancing

## Remote Aboriginal community water access



**Goal:** Facilitate engagement of a remote Aboriginal community, Lands Trust and multiple state government agencies to design, fund and establish a suitable water supply.

**Outcome:** Watertrust facilitated engagement that led to an approved solution as well as identifying lessons for supplying water to remote communities.

## National water policy "Thought leaders" forum



**Goal:** Ensure effective contributions from independent experts to the refresh of the National Water Initiative.

**2024 objective:** Establish the thought leaders forum and links with the Department of Climate Change, Energy, the Environment and Water and state departments; convene first meeting.

## IWM Governance in Greater Adelaide



**Goal:** Build shared understanding of integrated water management (IWM) governance options among diverse stakeholders to build support for a co-design process for legislative and policy change.

**2024 objective:** Work with key agencies and stakeholders to redesign stakeholder engagement and decision processes.

## Equity, fairness and justice in water policy reform



**Goal:** Improve the design and implementation of water policy by including explicit consideration and deliberation on equity, fairness and justice in water policy analysis, development and delivery.

**2024 objective:** Deliver early results and maintain engagement with policy makers in lead up to the 2024 *Water Act* and 2026 Basin Plan reviews.

## Management options in the Northern Murray-Darling Basin



**Goal:** Identification of a workable portfolio of policy, infrastructure and technological management interventions to achieve Basin Plan objectives in the northern Basin.

**2024 objective:** Initiate the co-design of a portfolio of practical interventions supported by stakeholders.

## Data stories



**Goal:** Demonstrate how data-driven narratives on water policy issues can open out dialogue and debate.

**2024 objective:** Deliver, user test and release three data stories to understand their impact. Design an ongoing workstream that engages with our other initiatives to open out policy debates.

## First Nations water rights and interests in water reform



**Goal:** Enable First Nations' consequential influence in State, Territory and Commonwealth Government water policy, allocation and management decision-making processes.

**2024 objective:** Support further First Nations-led identification of objectives and dialogue and engagement with governments and other water interests.

## Unlocking Cape York water for Aboriginal people



**Goal:** Support Traditional Owners to identify pathways to using water rights to deliver future aspirations.

**2024 objective:** Contribute to the collaborative work program, including analysis of legislative and regulatory structures, assessment of opportunities for water trading and ecosystem services income.

## Catchment management in Tasmania's Derwent



**Goal:** Identification of workable options and governance arrangements for reform of the management of the Derwent catchment that supports multiple uses.

**2024 objective:** Convene dialogues between competing interest groups to identify and prioritise management and governance options.

## Northern Territory water management



**Goal:** Bring diverse stakeholders together with government to contribute to the understanding and management of trade-offs in the implementation of the new Territory Water Plan

**2024 objective:** Work with key agencies and stakeholders to identify two pilot projects to demonstrate Watertrust's approach and value.

## Senior Officials water forum



**Goal:** Convene an independent water policy discussion forum for Senior Officials to support the development and implementation of strategic water policies across Australia.

**2024 objective:** Reach agreement with Senior Officials on Terms of Reference for an independent water policy discussion forum and convene first meeting.

## Eastern Mt Lofty Ranges water planning



**Goal:** Implement practical and effective on-ground management actions that support water security for all water users in drier, hotter, more variable future climate.

**2024 objective:** Develop a shared understanding of challenges between all water users and stakeholders of the Catchment.

Initiatives we have completed

Initiatives we are executing

Initiatives we are advancing

## Continuing to build our relationships and reputation

Throughout the year, we continued to build our relationships and our reputation in the water sector.

We engaged with key decision-makers, influencers and other stakeholders from across the sector – from government water ministers and their advisors, to CEOs of industry peak bodies and First Nations – to foster productive relationships and build trust.

We established ongoing engagement with key institutions responsible for managing Australia’s water resources and catchments – including the Murray–Darling Basin Authority, Department Climate Change, the Environment, Energy and Water, and state agencies – to build capacity and ensure our work is of consequence.

We engaged with these stakeholders on wide-ranging topics, spanning the key challenges facing the sector. Topics included First Nations’ water rights, environmental water recovery, water quality, Commonwealth–state relations, industry engagement in policy reform, and equity, fairness and justice. They also included the cross-cutting issues of climate change, data (in)adequacy and the intersection of science and policy.

We also supported informed, evidence-based dialogue between stakeholders on these topics. For example, this work included producing background reports for roundtables on water recovery in the northern Basin and First Nations water rights (discussed above). This work was critical to ensure all participants had equal access to the best-available information and knowledge.

We have formalised partnerships with two Cooperative Research Centres to engage with new research, extend our networks and contribute lessons learnt from our own work.

As a result of this work, demand for what Watertrust offers is growing. In our experience, the level of access we have received to date is unprecedented for a new NGO – both in terms of the diversity of stakeholders we have engaged with and their seniority.

This year, we have been asked to engage in multiple ways, including:

- Acting as a conduit to independent expert advice on national water reform by the Commonwealth government
- Presenting to the board of the Murray–Darling Basin Authority (see [Communique](#))
- Re-establishing channels of communication from an advocacy group into State government
- Improving stakeholder consultation in the refresh of the Great Barrier Reef 2050 Plan, Northern Territory Water Plan, and identifying water recovery options in the Murray–Darling Basin
- Partnering with the Royal Society of Victoria regarding the condition of the Gippsland Lakes
- Supporting a working group of First Nations leaders focused on water rights and interests in national water reform
- Mediating between parties in the accreditation of NSW Water Resource Plans.

Some of these requests have contributed to shaping our program of work; others we continue to monitor and provide advice; and, some we have chosen not to proceed with.

## Demonstrating the value of our unique model to stakeholders

Our first independent annual evaluation was conducted, objectively assessing our work in 2022–23. Findings provide strong early signs that our unique model is valued by stakeholders, and that its potential to enable positive change will be borne out in practice.

For example, multiple diverse stakeholders across water space indicated there was a clear need for an organisation like Watertrust. They noted that in a sector like water, which is characterised by conflict, complexity and competing goals, our model can play a significant role in brokering engagement and building consensus.

Stakeholders particularly valued several characteristics of our model, which they saw as key to our ability to have a positive impact. These were:

- Our team of people skilled and experienced in the management and governance of water
- Our independence from government, industry and advocacy groups
- Our focus on fostering dialogue in the face of typically polarised debate
- Our longer time horizons, which mean we can focus on workable, longer-term solutions rather than responding to short-term political cycles or pressure for immediate action over enduring change.

Findings highlighted that our approach is a valued departure from the status quo. Stakeholders agree with the foundations of our unique model because:

- They know that water conflicts have existed for more than 200 years in Australia and will always exist
- They understand that policy deadlocks can create outcomes where everybody loses
- They see value in the patient work of delivering better decision-making that can help move the nation forward.

 Watertrust, in a way, can occupy a very unique space in that they can genuinely be seen to be bringing parties together in order to try and improve collaboration and ultimately the shape of water policy in Australia

 It's easy to take a side, but they just never take a side and so it's nice and refreshing to see

 It's the first time we have a player on the scene that's looking beyond those [3 year government terms] and making sure we're capturing a process and approach that sees longevity to solutions

## A solid platform for building momentum and influence

In 2022-23, we completed establishment. While we will continue to evolve, we have in place a credible, effective organisation that provides a strong platform from which we can continue to build our momentum and influence. We have robust governance structures to safeguard our independence and drive the strategic direction of the organisation. The Watertrust board approved our first Strategic Plan in June 2022, and regularly reviews our progress against our Annual Operating Plans.

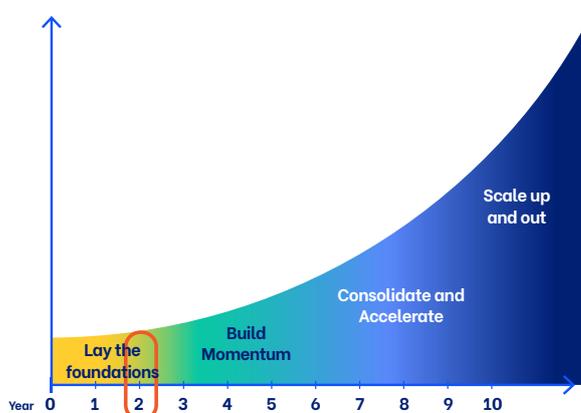
We have nimble and agile planning processes in place. Our approach to project development, ability to avoid early over-commitment, and focus on learning and adapting allow us to respond effectively to a dynamic environment. Our advisory bodies continue to contribute knowledge and foster influential networks to progress our mission.

Our in-house team of highly respected and well-connected people brings a unique mix of skills along with valuable water policy knowledge. We are distributed geographically – in Adelaide, Canberra, Melbourne and Darwin – to address both local and national issues.

We have deployed and continue to build our extended Watertrust model of bespoke, best-in-field expert teams recruited for specific initiatives. This allows us to access the right skill sets for the scope of our work. We now have over 20 individual specialists or small expert firms currently deployed on contract, and expect that number to continue to grow.

Our evaluation framework is approved and being implemented. We are already gathering evidence to inform ongoing learning practices and to build an evidence base for our mid-term evaluation.

We are ahead ahead of where we expected to be at this stage of our development (Figure 2). We have laid the foundations and built momentum to extend our influence.



**Figure 2: Our work builds over stages, as outlined in our Strategic Plan. The orange loop shows where we expected to be by our second year.**



# Looking ahead

We are entering a new era for water policy in Australia as we approach a new National Water Initiative, the renewal of the Murray-Darling Basin Plan, new water legislation in several states, recognition of a changing climate, and the need to address First Peoples water rights and interests in national water reform. These challenges, their complexity and the long-standing values conflicts they provoke, reinforce the importance and value of Watertrust's approach as well as the independence that philanthropic funding provides.

We have a strong portfolio of initiatives ahead. Our work over the coming year will take place in an increasingly dynamic and political environment. To succeed in this environment we will need to:

- Keep our mission, vision and goals in sharp focus
- Respond nimbly to rapid shifts in key policy areas
- Adapt our portfolio to seize opportunities as they arise and influence the way decisions are being made
- Launch and deliver initiatives that make a difference.

In the year ahead we will nimbly advance our portfolio of initiatives, balancing urgency with long-term impact. We will capitalise on new and emerging opportunities, and pivot our focus and deployment of resources as required. We will also continue to execute two core foundational initiatives \* designed to catalyse change in the status quo for water policy development in Australia.

\* see Project Snapshot (p.12) re Data stories; Equity, fairness and justice in water reform

We look forward to sharing our progress with you and seeing the difference that better decision-making processes bring.

# Funding

Watertrust Australia Ltd. is funded through the generosity of 16 philanthropic organisations who support our mission to improve water and catchment policy decision-making in Australia.

We began with funding commitments exceeding \$30 million, extending over a decade (subject to satisfactory progress at year five).

To safeguard our independence, the funding is fully untied, and is aligned against our mission rather than any individual funder's priorities.

Watertrust's [board](#) (Appendix II) approves the company's [Strategic Plan](#), and regularly reviews Annual Operational Plans and progress and expenditure against them. Directors have a duty to act in good faith and in the best interest of the company (*Corporations Act 2001* (Cth) s181), despite variously also having roles as funders, stakeholders and recipients of funds.

Finance and audit support is provided under a Service Level Agreement with the Australian Academy of Science, where we are hosted. Any unspent funds are invested, and Watertrust uses the income to pursue its activities. Many individuals and organisations give their time and expertise either pro-bono or at significantly reduced rates in support of our charitable mission.



# Appendix I - Project portfolio life cycle

Projects in our portfolio transition between six life cycle stages, which are neither static nor linear (i.e., opportunities progress and regress in response to changing contexts).

**Executing:** a project where we have deployed funds, staff and other resources against a specific scope, with a defined trajectory and goal.

**Advancing:** Shaping the authorising environment and designing our work to maximise impact with the intent of investing resources in a project.

**Scoping:** Building our knowledge and identifying potential roles with stakeholders on an important opportunity for future active pursuit.

**Monitoring:** A worthwhile opportunity that currently lacks the right 'ingredients' to progress further but will progress as circumstances change.

**Opportunity:** A potential area of work for future scoping identified through stakeholder engagement, but not currently being scoped.

**Discontinued:** No longer proceeding, but information captured in corporate systems, including lessons learnt.

# Appendix II - Who we are

## **Board members**

Kathryn Fagg, Chair

Leith Bouilly

Craig Connelly

Paul Conroy

Tim Gordon

Martyn Myer

Deborah Nias

Robbie Sefton

Rob Vertessy

Peter Yu

## **Expert Advisory Panel**

Rob Vertessy, Chair

Snow Barlow

Allan Dale

Katherine Daniell

John Dryzek

Steve Hatfield-Dodds

Carolyn Hendriks

Mark Howden

Stuart Khan

Erin O'Donnell

Jamie Pittock

Carmel Pollino

Jacki Schirmer

Fran Sheldon

Craig Simmons

Geoff Syme

Poh-Ling Tan

Simon Toze

Glen Walker

Carina Wyborn

## **Influence Advisory Committee**

Robbie Sefton, Chair

Phil Duncan

Guy Fitzhardinge

Jody Gunn

Karlene Maywald

Deborah Nias

Rob Skinner

Susan Worley

## **Management & Staff**

Nick Austin, CEO

Kane Aldridge

Peter Horne

Adam Lee

Rod Marsh

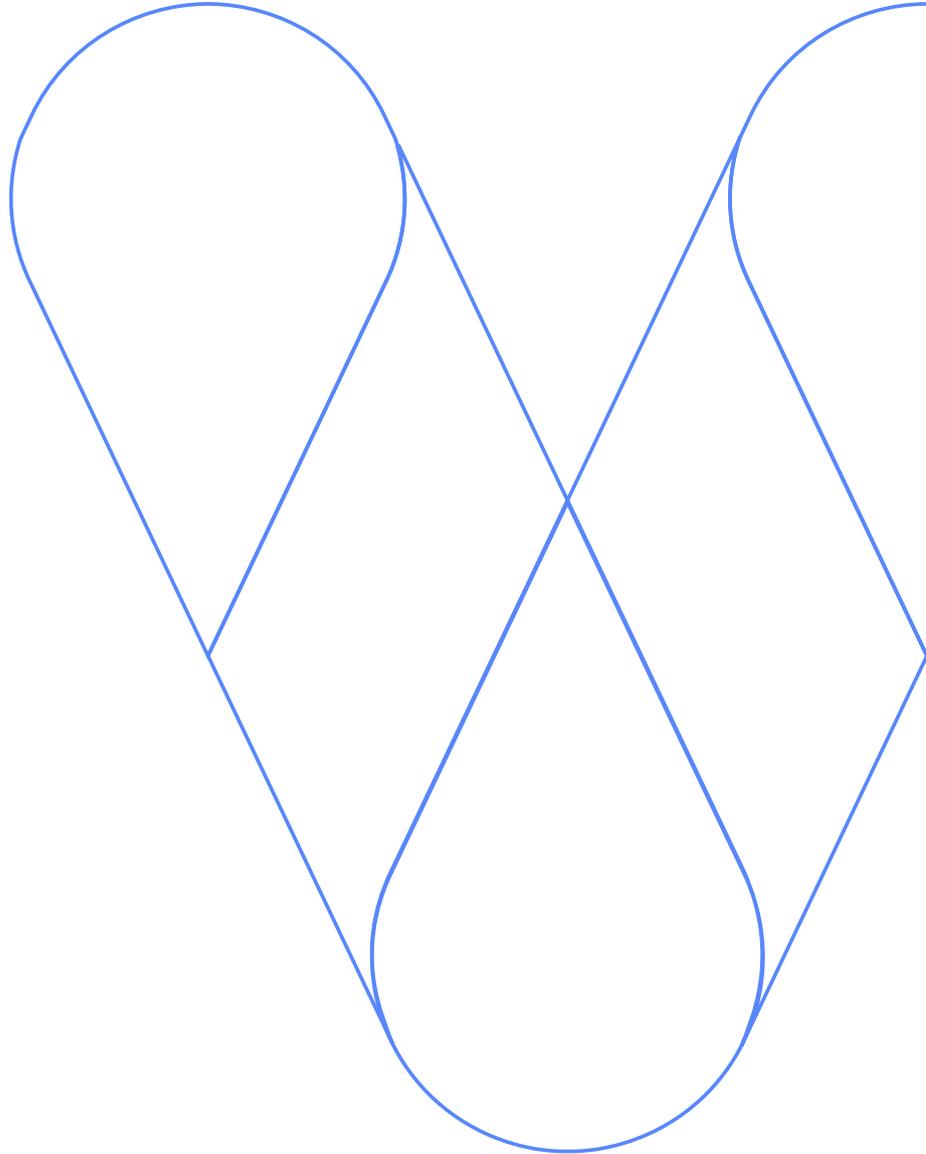
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## Funders



## Partners

