
2024 Annual Report

—
Our third year



Watertrust
Australia Ltd

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Chair's foreword

Watertrust Australia exists because of the vision and courage of a small group of people who together saw a need to mobilise to ensure that our Nation's water resources are sustainable and productive for future generations. This need was brought about because of the complexity of water and catchment management, the increasing challenges of our climate, and the growing propensity for government policy deadlocks and entrenched advocacy positions – both of which undermine urgent action.

That need remains today and the urgency has increased nationally and throughout the Murray Darling Basin as some of our foundational regulatory frameworks are opened for review. These include the National Water Initiative, the Basin Plan Review, and the deed governing the operations of Snowy Hydro. In addition to environmental, social, and economic outcomes, these critical instruments must also rightly be reviewed through a lens of First Nations water use and ownership, and climate change.

The philanthropic vision, to ensure that water and catchment policy decisions are fair and enduring for the benefit of future generations, has created an organisation unlike any in the world. Our independence, seated in our untied philanthropic funding, enables us to be invited in where doors remain closed to others. In the last 12 months we have built on our early foundations and earned trust in regional and national policy environments. Our initiatives are now growing in scale and impact, placing us at a strategic inflexion point.

The completion of our first three years essentially marks the end of our foundational stage and also heralded some changes to our Board, advisory committees and management team. I would particularly like to acknowledge the support of retiring Directors Craig Connelly, Martyn Myer, and Peter Yu. I would also like to thank Nick Austin, our inaugural CEO, for his impact in setting Watertrust Australia up for success, and Kane Aldridge for so ably supporting Watertrust as interim CEO for large parts of this year. Looking forward to the year ahead, I am excited to welcome our new CEO, Karen Hutchinson. I am confident that under her leadership, together with the refreshed team, 2025 will see us accelerating to meet the challenges already facing us.

Kathryn J Fagg AO

Chair, Watertrust Australia Ltd

Reflections on 2024 and the year ahead

The just completed 2023–24 financial year has been one of achievements and change for Watertrust Australia. We successfully met many targets, continued to build momentum in earning the respect of our varied stakeholders, and recorded tangible successes in the field, where feedback from those we are working with is overwhelmingly positive.

At the same time as maturing from our start-up phase to delivery phase, we have seen several changes to our team. This has included the completion of a secondment and the departure of staff who played key roles in laying our foundations. We have continued to leverage external capability as part of our ‘bespoke teams’, which along with the addition of new staff has allowed us to continue to progress our important work.

On the ground we have continued to expand our portfolio of initiatives and seek out new opportunities to keep pace with national water reform. Importantly, activity around the National Water Initiative and the Basin Plan (including the Restoring our Rivers Act) have created opportunities for us to work on understanding equity, justice, and fairness in policy making; and to lay important foundations for work in the Upper Murrumbidgee involving the review of the Snowy Hydro Ltd operating deed.

Similarly, the Productivity Commission’s Inquiry this year into National Water Reform has underlined the importance of work that we are already undertaking in First Nations water rights and interests, and water security for the Greater Adelaide region.

We are also uniquely positioned to support a range of policy development opportunities in Northern Australia, initially in the Northern Territory where a collection of interconnected initiatives is emerging to support the rapidly maturing NT policy landscape. An initial project on water allocation planning for the Western Davenport region is now in its final stages and another initiative focusing on policy options for water trading in the NT has commenced.

With this growing activity has come a recognition of the need for better communications with more diverse stakeholder groups, including the public and non-water sector audiences. We have taken early steps to broaden and layer our channels and styles of communication, and are looking forward to enhancing this approach and to build knowledge and trust in water information more generally.

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Of course, any change brings challenges and uncertainty. No more so than when the change involves members of a founding team. Our team is very aware of the need to build and maintain trusted relationships from across the water sector. What won't change is our commitment to independence and impartiality – assured by our untied philanthropic funding; and our nonpartisan approach in supporting better processes for water and catchment policy development and implementation.

With the respect to the year ahead, our focus will be one of consolidation and acceleration for Watertrust. We will undertake a strategic review to ensure our portfolio of initiatives is aligned, connected to our mission, and accelerating for long term and national impact. The input of our extended team including our Expert Advisory Panel and Influence Advisory Committee will be essential for this next stage if we are to deliver targeted and enduring impact.

It is also a significant evaluation milestone year for Watertrust as we commence our midterm evaluation program. This will involve our key stakeholders including funders. Early indications from our regular internal reviews are that we have solid foundations in earning trust, demonstrating new processes, and delivering early outcomes. Future work must turn to demonstrating larger scale outcomes and enduring impact.

As we head towards 2025, our team acknowledge the scale and importance of our challenge, but remain fully committed to our mission and the value we can bring to overcoming complex water policy challenges. What we have learnt over the last three years is that we have the right model and that the time is right for Watertrust Australia to make an enduring difference to our policy landscape.

 ... What won't change is our commitment to independence and impartiality – assured by our untied philanthropic funding.

Kane Aldridge

Interim CEO, Oct 23 – July 24

Karen Hutchinson

Incoming CEO

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.



2024: Strengthening trust and delivering results

This year proved a milestone for Watertrust Australia as several of our early initiatives moved well beyond exploring opportunities to the delivery of tangible outcomes. Feedback from stakeholders on the ground has been overwhelmingly positive and reflects the level of trust in our independent non-partisan delivery model.

Demonstrating the value of this trust, several projects: including our First Nations work, integrated water management for Adelaide, and our Western Davenport project, have moved on to a second phase or paved the way for new extended initiatives.

Similarly, the high level of interest and early feedback on our Equity project indicates that it has the potential to create a foundational piece of work to support policy making into the future.

The respect of government, agencies, and local stakeholders has also created momentum in the Upper Murrumbidgee where we have laid foundations to use a structured decision making approach to highlight different potential outcomes and trade-offs under a changed flow regime. Importantly, this work will also demonstrate different approaches to policy-making that have been shown to be more transparent, inclusive and equitable – and are transferrable to different situations.

... Feedback from stakeholders on the ground has been overwhelmingly positive

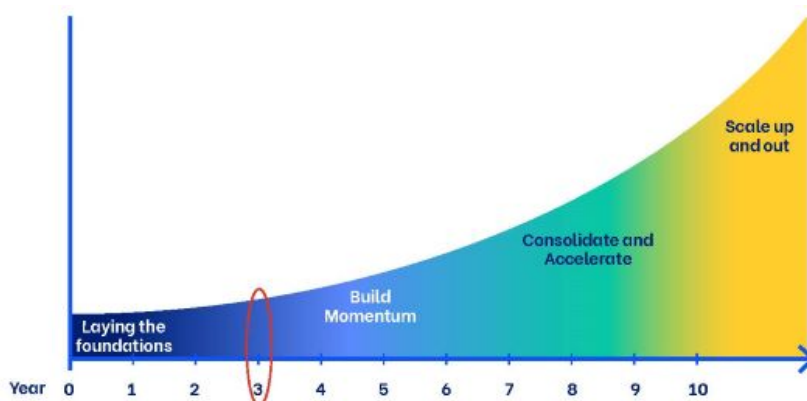


Figure 1: Our work builds over stages, as outlined in our Strategic Plan. The orange loop shows where we expected to be by our third year.

First Nations water rights and interests



We worked closely with First Nations leaders in water to form a First Nations Water Working Group (FNWWG), supporting their identified objectives and dialogue, as they engaged with governments and water interests and sought to build consequential influence in water policy at all levels of government. The potential national benefits to First Nations people through improved representation in water-decision-making forums and policy are significant.

Our support to FNWWG included completing an assessment of organisations in Australia that have a role in furthering First Nations water rights and interests, which supported the group's consideration of longer-term arrangements while also providing an important resource for water managers and stakeholders across the country. The FNWWG made a submission to the Productivity Commission's National Water Reform Inquiry 2024, providing evidence of enhanced input of First Nations into water policy, in support of existing organisations.

Goal:

Enable First Nations to have a more consequential influence in State, Territory, and Commonwealth Government water policy, allocation and management decision-making processes.

Outcome:

Enabled the formation of an independent First Nations Water Working Group (now being hosted by the Indigenous Land and Sea Corporation) and completed an assessment of opportunities for First Nations to participate in emerging markets for water-related ecosystems services, with a particular focus on Cape York.

Status: Completed.



Far North Queensland ecosystem

On a more local level, Watertrust also worked on water access for a remote Aboriginal community in Northern South Australia. Through our trusted relationships and understanding of policy processes, we were able to play a small but important role in engaging key stakeholders, leading to the approval of a water supply solution for a remote Aboriginal community, which will be vital for that community.

We delivered a final report to the CRC for Developing Northern Australia on opportunities for First Nations to participate in emerging markets for water-related ecosystems services. The report identified three broad market mechanisms that may apply in Cape York and concludes that the current opportunities for First Nations to use their water entitlements to tap into ecosystems services markets are quite limited. The opportunities lie largely with the way that land is managed to deliver water-related ecosystems services rather than the way water is managed. Several speculative opportunities for using water entitlements are highlighted and five recommendations made to help position Cape York First Nations people to take best advantage of emerging ecosystems services market opportunities.

The report 'Water and Ecosystem Services in Cape York: Opportunities for First Nations', is planned for public release by Watertrust and the CRC for Developing Northern Australia.

... The potential national benefits to First Nations people through improved representation in water-decision-making forums and policy are significant.



Adelaide River, Northern Territory

Re imagining Adelaide's future water



Watertrust continues to support and guide significant changes to the future of Adelaide's water policy, leading a process for stakeholders with an interest in water management in the Greater Adelaide region to collectively examine potential models of integrated water management (IWM) governance.

As the financial year ends, we are well placed to achieve our second phase goal of harnessing agreement among these many stakeholders on a short-list of potential future governance arrangements. Stakeholder feedback has been very positive, with enthusiasm that Watertrust's involvement has advanced discussions further than they have been for many years.

This improved inclusivity in decision-making around governance and progress has been encouraging and the transparency of Watertrust's process appears to have helped create buy-in among key stakeholders, improving the likelihood of a workable solution being adopted.

Successful implementation will support the livability of Greater Adelaide by managing all water supplies and demands in an integrated manner to support future community needs. This will provide a strong case study for other cities while also showcasing Watertrust's independence and effectiveness.

Goal:

Lead a process for diverse stakeholders to explore potential future governance arrangements for integrated water management (IWM) for Greater Adelaide.

Outcome:

Broad agreement reached among stakeholders on two short-listed governance options for due diligence.

Status: Executing.



Participants at the Adelaide IWM Workshop

Setting a new standard in the Northern Territory



The size and scale of the Northern Territory is ideal for demonstrating Watertrust’s value. Our work in this space can show how best-practice water policy processes offer a foundation for democratic renewal, social cohesion, and sustainable development.

Watertrust commenced its work in the Northern Territory by assisting with the final stages of Western Davenport water allocation planning. The previous plan had expired, and a new draft plan was well progressed, however the Western Davenport region presents a highly contentious water planning environment characterised by low trust in government and diverse stakeholder values. Watertrust assisted with the development of key documentation, including the Committee’s final advice to the Minister, and we received extremely positive feedback for our direct, measured, and impactful ability to facilitate shared outcomes.

Watertrust is now in the process of writing a “lessons learned” report based on the Western Davenport experience with the intention of informing improved water planning engagement outcomes in the future.

On the back of the Western Davenport work, we have also scoped and are advancing opportunities to support water planning and water trading policy development.

This work will provide valuable evidence to inform the NT Water Act review, resulting in NT-wide impacts and lasting improvements to water management in the NT. This work also has wider relevance, especially across Northern Australia.

Goal:

Bring diverse stakeholders together with government to contribute to the understating and management of trade-offs in the implementation of the new Territory Water Plan.

Outcome:

Opened doors by demonstrating Watertrust’s approach and value through our contribution to the highly contentious Western Davenport water allocation planning process.

Status: Executing.



... Our work in this space can show how best-practice water policy processes offer a foundation for democratic renewal, social cohesion, and sustainable development.



Western Davenport landscape

Equity, fairness, and justice: a foundation



Watertrust has commenced an ambitious project to inform water policy development across Australia. Our ambition is to improve the design and implementation of water policy through the consideration of what the terms “equity”, “fairness”, and “justice” actually mean.

These terms are fundamental to much of the water policy across the country and are used a lot by all sides of water debates, yet our Equity project has revealed the lack of a clear definition of “equity” in existing legislation, as well as a wide range of stakeholder views that shape their understanding of equity, fairness, and justice.

Our work will help underpin changes that could increase the integrity of water resources management in future legislation and policy across Australia and has already been described by those within the sector as important work that will be influential for years.

The work to date has included conducting surveys, along with an analysis of more than 1500 submissions to government enquiries, a comprehensive analysis of legislation from states and territories, and engagement with both federal government relevant departments, and the Murray Darling Basin Authority. We have recently completed the first piece of this work (review of legislation), with remaining elements well progressed such that they can inform the preparation of a ‘Green Paper’, which will provide the basis for deeper and broader engagement with stakeholders over the year ahead.

Our early findings have shown that people have different ideas about what is equitable based on their background and worldview. This is important from a policy making perspective as it has a range of implications for how equity is constructed, and conflict managed.


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.

Outcome:

Gathered and collated extensive evidence and progressed detailed analysis to inform the development of the ‘Green Paper’, a major initiative milestone.

Status: Executing.

 ... Our work will help underpin changes that could increase the integrity of water resources management in future legislation and policy across Australia.



Creating an Upper Murrumbidgee authorising environment



In one of Watertrust's most visible pieces of work to date, we led a forum with 49 attendees focused on sharing the experiences from British Columbia and the USA on structured decision making (SDM). The forum explored if and how similar approaches might support the current review of environmental flows from the Snowy Hydro scheme. The forum included presentations from globally-recognised Canadian experts who brought lived experience from similar contexts to that of Snowy Hydro.

The forum engaged with representatives from a broad range of organisations who have an interest in improved management of the catchment, including one-on-one and group meetings with people ranging from Senators and Ministerial Advisors, to representatives from Environmental NGOs, one First Nation, regional councils, government departments and Snowy Hydro Ltd.

This work has enabled Watertrust to establish working relationships with a range of key stakeholders interested in the Upper Murrumbidgee and serves as a precursor to a follow-on process to assess alternative flow regimes in the upper catchment. By sharing international experiences with SDM tools, this groundwork has built an authorising environment for us to adapt a SDM approach to the Upper Murrumbidgee. More broadly, it has generated early interest in policy-making processes that can be seen to be more transparent, more inclusive and more equitable in the long-run – and importantly, that can be applied in other contexts, not just water.

Goal:

Explore how structured decision-making can support the balancing of various (and sometimes competing) interests in water resource management and improve social license to operate.

Outcome:

Rapid establishment of an authorising environment in a difficult context, with significant potential to influence better decision-making processes and long-term outcomes.

Status: Executing.



Canadian expert Lee Failing presenting at the Shine Dome



Funding

Watertrust Australia Ltd. is funded through the generosity of 15 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](#) 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.

Who we are

Board members

Kathryn Fagg, Chair

Leith Bouilly

André Carstens**

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

Kate Peake

Lisa Stephan*

1 July 2023 - 30 June 2024

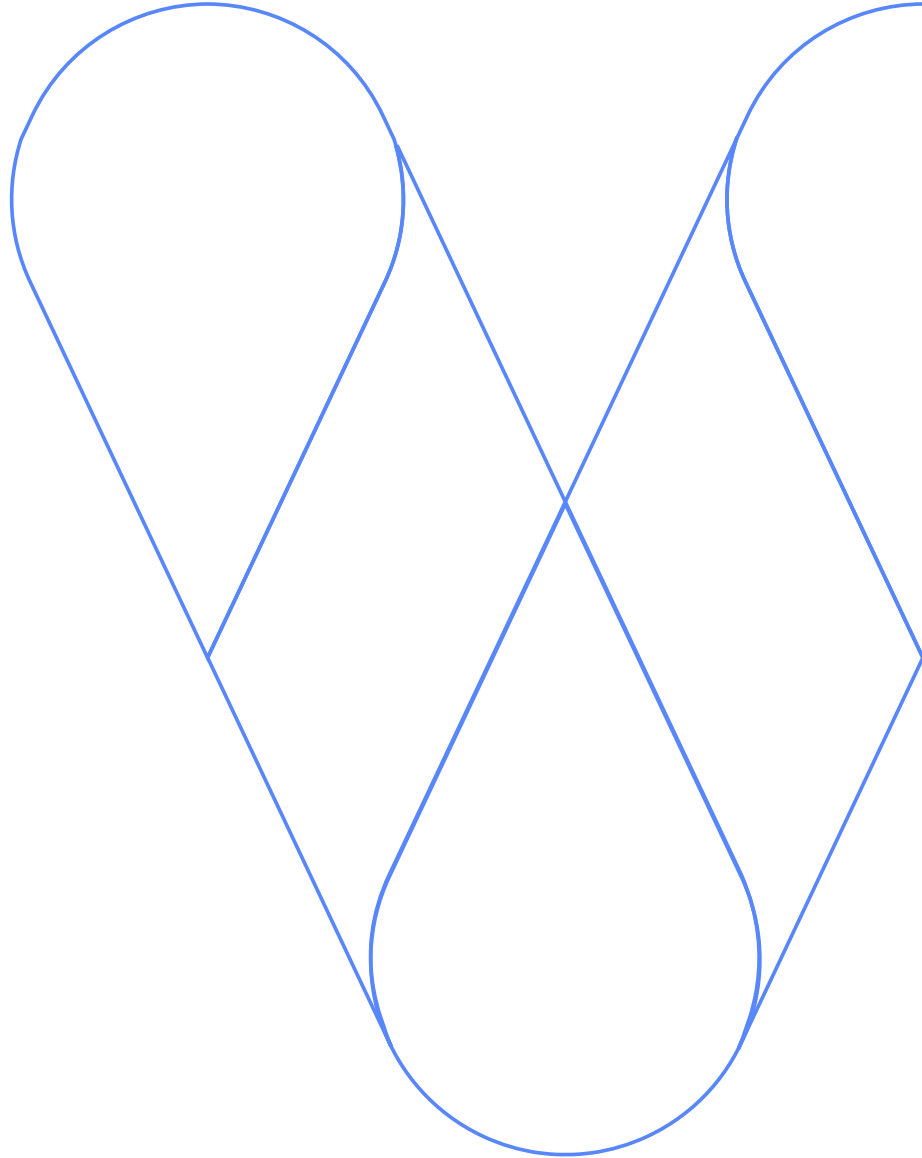
* resigned during this period

** joined during this period

*** interim CEO from October 2023

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Funders



Partners

