

Briefing note:

# A national independent water and catchment policy centre

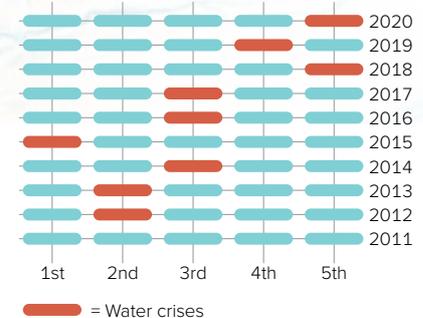
DECEMBER 2020

## Water is life.

Water is an essential resource for the cities and towns we live in, the agricultural production that provides our food and fibre, the many other industries that contribute to our economy, and the ecosystems that provide the natural capital on which all life depends.

Water scarcity and other water crises are of great concern to communities, policymakers and business leaders across the globe. The World Economic Forum has identified water crises as among the top five global risks by impact in nine of the last ten years.<sup>1</sup> These concerns are real. Water resource shocks will only intensify and spread with climate change, population growth, and policy deficits.

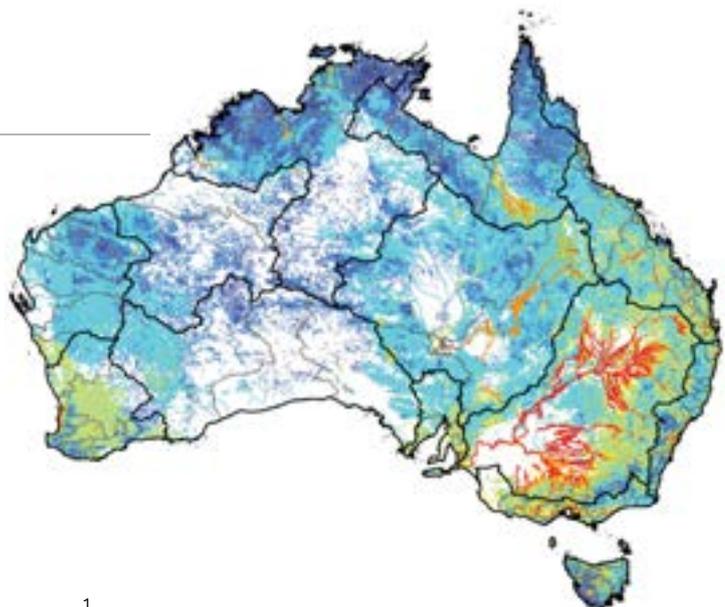
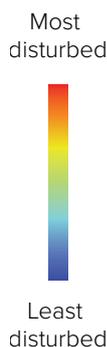
### TOP FIVE GLOBAL RISKS IN TERMS OF IMPACT<sup>1</sup>



### RIVER DISTURBANCE INDEX<sup>2</sup>

The River Disturbance Index in this map shows where Australia's rivers and catchments have been changed by human activity— from high levels of water withdrawal and the building of dams and weirs to land-clearing.

The index shows how rivers and catchments in agricultural and urban areas are highly disturbed, while those in remote areas remain relatively undisturbed.



Australia is the driest inhabited continent on Earth with the most variable interannual rainfall. Fresh water is often a scarce and always a precious resource. Yet at a time when climate change, population growth and the ongoing degradation of our nation's natural capital assets require long-term policy reform, conflicts over the use and management of Australia's waters and catchments have become increasingly partisan and parochial. Some water users, members of parliament, environmental groups and sections of the broader Australian community have questioned the adequacy of the institutions and institutional arrangements governing Australia's waters and catchments, particularly in the Murray–Darling Basin.

Australia has a history of water policy reform leadership. *The Economist* assessed Australia's water policy reforms as “taking the top prize for water management” in 2003.<sup>3</sup> This assessment has been revised by both international and national analysts in the years since—as implementation of reforms has become increasingly difficult and entangled in partisan conflict. We need to rebuild trust and find common ground to progress the water and catchment policy reforms needed to face current and future risks.

The erosion of support for the institutions and governance arrangements managing Australia's waters and catchments mirrors a general trend in which Australian citizens' trust in governments has declined. Trust in government halved between 2007 and 2018 and debates about many issues of national importance have become hyperpartisan. There has been a parallel decline in trust in the expert knowledge required to deliver viable solutions to major policy problems. However, there are clear indications that a growing number of Australians would strongly support new modes of citizen participation in policymaking, especially at local and regional scales, and that this support transcends party allegiances, gender, age and geography.<sup>4</sup>

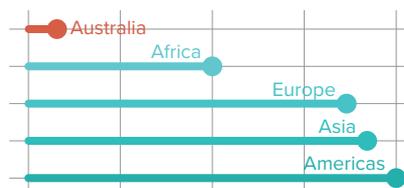
## The centre

The Ian Potter Foundation and The Myer Foundation, two of Australia's leading philanthropic foundations, recognised the importance of addressing the political and policy conflicts surrounding the nation's water and catchment governance arrangements in 2017. After more than two years of research and analysis, assisted by specialist firms consulting with an international and national group of experts, they have built a coalition of 16 philanthropic funders to invest in Australia's future by establishing a national and fully independent policy centre focused on helping improve the way decisions are made about water and catchments across Australia.

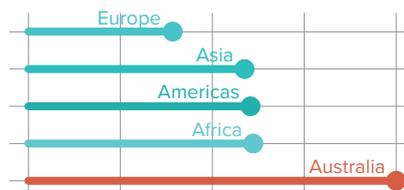
“ We need to rebuild trust and find common ground on water and catchment policy.”

### AUSTRALIA'S HYDROLOGY IS UNIQUE<sup>5, 6</sup>

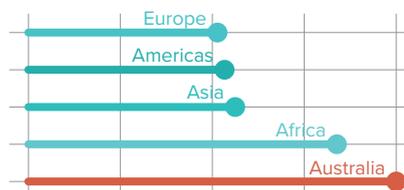
#### Water availability



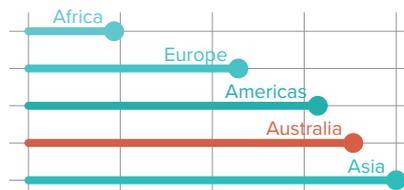
#### Streamflow variability



#### Rainfall elasticity of streamflow



#### Water use per capita



These charts compare average annual values across the major continents (the remainder of Oceania is not included in the Australian figures). Availability measures total renewable water resources by area and variability is interannual variability. Rainfall elasticity of streamflow is a measure of the sensitivity of streamflow to changes in rainfall.

In Australian catchments, a 1% change in average annual rainfall becomes a 2%–3% change in annual streamflow.

## Philanthropic funding supports the centre's independence

Philanthropic funding uniquely positions this new centre to provide the independence needed to:

- approach current and future water and catchment policy conflicts as an 'honest broker'
- explore innovations in participatory and deliberative approaches to policy co-design that use the collective intelligence of all stakeholders to develop innovative policy proposals<sup>7</sup>
- work across Australia on a wide range of water and catchment policy issues engaging with linked policy areas (e.g. climate change adaptation, regional development, agricultural transitions or urban planning)
- focus on the long-term water and catchment policy reform required to safeguard Australia's water security and ensure sustainable management of these crucial resources.

The new centre will remain independent of any special interest and focus on helping communities and governments reset the water reform agenda by deploying proven models of participatory and deliberative policy co-design. The centre will work with policymakers, politicians, government agencies, academic experts, farmers, First Peoples, environmental groups, land and water managers, businesses, and regional and urban communities on the collaborative design of the policy innovations and reforms needed to sustainably manage Australia's waters and catchments, and restore faith in Australia's water governance arrangements, institutions and expertise. A 2020 OECD study of deliberative decision-making across member countries showed how deliberation is useful for 'values-driven dilemmas; complex problems that require trade-offs; long-term issues that go beyond the short-term incentives of electoral cycles [and] issues around which there is political deadlock.'<sup>8</sup>

## Broad engagement is critical for success

The centre's success will depend on establishing an authorising environment for its work—from communities, stakeholders and governments. The centre cannot make policy, that remains a role for governments. But the centre will work closely with communities, stakeholders and Commonwealth and state governments to build authorising environments for its work—for example, by engaging with

“ Philanthropic funding can uniquely position this centre to provide the independence needed to approach current and future water and catchment policy conflicts as an 'honest broker' ”

## STAKEHOLDERS



Federal, state and local governments



Land and water managers



Australia's First Peoples



Primary producers and related sectors



Urban, regional and remote communities



Academic researchers



Environmental groups

“ Deliberative processes are well-suited to address values-driven dilemmas, complex problems that require tradeoffs, long-term issues that go beyond the short term incentives of electoral cycles and issues around which there is political deadlock. ”

community and stakeholder representatives, experts, interest groups, senior officials, political advisors, and ministers and other members of parliament to support deliberation on specific policy issues. Long-term, evidence-informed public policy that rises above partisanship and engages deeply and transparently with the Australian community is critical for meeting Australia's water and catchment policy challenges. Australia needs an expanded range of approaches to engaging experts, stakeholders, policy-makers, politicians and communities to help address the difficult trade-offs inherent in managing our waters and catchments in a changing climate. The centre will build on Australians' strong support for new modes of citizen engagement in policy-making.<sup>9</sup>

### The centre's approach has strong support

Extensive consultation has confirmed strong support for an independent centre focused on improving how decisions are made about the management of Australia's waters and catchments through meaningful and well-designed deliberation. There has been particular support for the proposed centre's potential to help address issues of trust and increasingly partisan politics, and link water and catchment policy to related policy areas including regional development, agricultural transitions, natural capital regeneration, Indigenous rights, climate adaptation and urban planning.

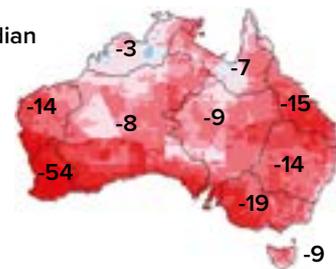
Senior government officials and representatives of stakeholder groups from all sides of the debate have told us that the centre's planned deliberative approach could help re-engage communities and stakeholders that have become increasingly cynical and mistrusting of governments because they feel "over-consulted and under-listened to" with regard to water policy.<sup>10</sup> The ACCC's interim report into water markets in the Murray–Darling Basin highlights significant distrust in water markets and the institutions we use to manage our water resources.<sup>11</sup>

### The centre will work to build trust

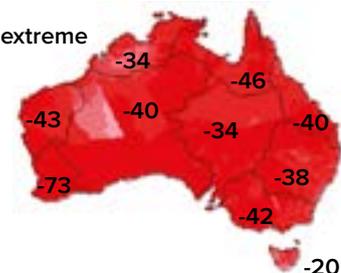
Trust deficits and entrenched values conflicts over water and catchment policy are not just visible in the Murray–Darling Basin. They can be found around Australia from debates over the future of northern development to the land management challenges in the catchments that flow into the Great Barrier Reef. We believe an independent, philanthropically-funded organisation can contribute to building bridges between experts, policy-makers, interest groups and communities by focusing on innovations around how decisions are made. Better decision-making processes can help communities be part of shaping their long-term futures and re-establish trust in the policies and institutions needed to sustainably manage Australia's waters and catchments.

### RUNOFF DECLINES<sup>12, 13</sup>

Median

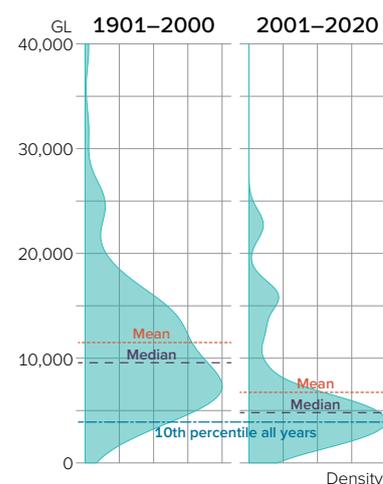


Dry extreme



These maps show percentage runoff declines for the median projection (top) and the dry extreme projection (bottom) by 2046–2075 (for RCP8.5, the 'business-as-usual' emissions scenario) relative to 1975–2005. The regional averages hide substantial differences between catchments within regions. For example, the Glenelg river basin in Victoria could see declines of 31% under median projections and 61% under the dry extreme.

### TOTAL RIVER MURRAY INFLOWS<sup>14</sup>



The last 20 years have been significantly drier than the preceding 100 years in the Murray–Darling Basin, changing the distribution of inflows. The mean and median inflows into the River Murray system in the 2001–2020 period are almost half those of 1901–2000 and the majority of the 10% of driest years for the entire period occur between 2001–2020.

# Governance and project delivery

The centre's Board of Directors will be selected to provide the independence, authority, diversity and knowledge required to govern the centre and build trust among all key stakeholders. The Board will be supported by an Influence Advisory Committee and a Research Advisory Committee:

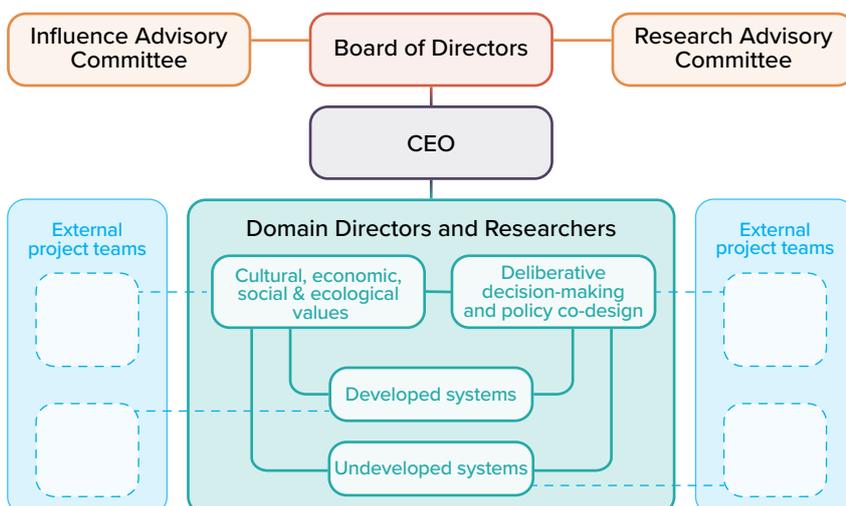
- Influence Advisory Committee members will be selected for their broad networks and reputations for cooperative engagement on challenging policy issues. The Committee's role will be to provide advice on the political, stakeholder and broader community implications of the centre's projects and its overall strategic direction. Committee members should be able to connect the Board and CEO to decision-makers and thought leaders in the centre's areas of work across Australia.
- Research Advisory Committee members will be selected from among Australia's eminent experts and researchers. The Committee should have relevant social change, political, deliberative decision-making, Indigenous, agricultural, ecological, hydrological, engineering, urban planning, regional development, economic, legal and policy expertise.

The centre will use bespoke, external project teams made up of best-in-field experts drawn from relevant community, stakeholder and Indigenous leaders as well as academia, industry, and policymakers to support its work. This will ensure that deliberation is always supported by relevant expertise.

The centre will be incubated at the Australian Academy of Science for at least its first five years of operation to help it engage with deep expertise from a wide range of disciplines and work with Australia's other learned academies.

“ The centre's Board of Directors will be selected to provide the independence, authority, diversity and knowledge required to govern the centre and build trust among all key stakeholders.

## A PROPOSED STRUCTURE (FOR DISCUSSION)



# Philanthropic support and establishment

The centre's establishment is now proceeding as a result of firm commitments that exceed \$30 million over 10 years towards the original \$35 million fundraising target. Funds raised to date include The Ian Potter Foundation and The Myer Foundation's original \$10 million combined commitment as well as substantial support from Colonial Foundation, the Margaret Reid 'Kingston' Bequest, The Besen Family Foundation, The Miller Foundation, The Wright Burt Foundation and nine other funders. Kathryn Fagg AO has been appointed the inaugural Chair. Gilbert + Tobin are supporting the centre with legal services and an international executive search firm has been engaged to help find board members and a CEO with the aim to launch the centre in early to mid-2021.

Meeting or exceeding the original \$35 million fundraising target remains critical for the success of the centre and we continue to seek funders to join our coalition and work alongside us to ensure the centre is able to catalyse change in the management of Australia's freshwater resources. Our global research has shown the value of independent, non-government third parties in helping bridge divides between a variety of water users and mobilise key stakeholders to work together to promote sustainable water and catchment policy. We hope the centre will be able to support Australians to create enduring water and catchment policy change.

“ Meeting or exceeding the original \$35 million fundraising target remains critical for the success of the centre and we continue to seek funders to join our coalition

## Endnotes

- 1 World Economic Forum, 2020. The Global Risks Report 2020 15th Edition. World Economic Forum.
- 2 Stein, J. L., J. A. Stein, and H. A. Nix, "Spatial analysis of anthropogenic river disturbance at regional and continental scales: identifying the wild rivers of Australia." *Landscape and Urban Planning*, vol. 60, pp. 1–25, 2002. Map provided by Professor Mark Kennard, Australian Rivers Institute.
- 3 The Economist, 2003. Survey: Liquid assets. *The Economist* 368, 13.
- 4 Stoker, G., Evans, M., Halupka, M., 2018. Trust and democracy in Australia: Democratic decline and renewal. Museum of Australian Democracy and University of Canberra.
- 5 Chiew FHS (2006) Estimation of rainfall elasticity of streamflow in Australia. *Hydrological Sciences Journal*, 51, 613–625.
- 6 FAO. 2016. AQUASTAT Main Database, Food and Agriculture Organization of the United Nations (FAO).
- 7 Dryzek, J.S., Bächtiger, A., Chambers, S., Cohen, J., Druckman, J.N., Felicetti, A., Fishkin, J.S., Farrell, D.M., Fung, A., Gutmann, A., Landemore, H., Mansbridge, J., Marien, S., Neblo, M.A., Niemeyer, S., Setälä, M., Slothuus, R., Suiter, J., Thompson, D., Warren, M.E., 2019. The crisis of democracy and the science of deliberation. *Science* 363, 1144–1146; Bächtiger, A., Dryzek, J.S., Mansbridge, J., Warren, M.E., 2018. *The Oxford handbook of deliberative democracy*. Oxford University Press.
- 8 OECD, 2020. Innovative Citizen Participation and New Democratic Institutions: Catching the Deliberative Wave. OECD.
- 9 Stoker, G., Evans, M. & Halupka, M. 2018. Trust and democracy in Australia. Museum of Australian Democracy and University of Canberra.
- 10 Sefton, R., Peterson, D., Woods, R., Kassebaum, A., McKenzie, D., Simpson, B., Ramsay, M., 2020. Final Report: Independent assessment of social and economic conditions in the Murray-Darling Basin.
- 11 ACCC, 2020. Murray-Darling Basin inquiry - interim report. Australian Competition and Consumer Commission.
- 12 Chiew, F. et al., 2017. 'Future runoff projections for Australia and science challenges in producing next generation projections'. 22nd International Congress on Modelling and Simulation, Hobart, , 1745-1751.
- 13 DELWP 2016, Guidelines for assessing the impact of climate change on water supplies in Victoria, Department of Environment, Land, Water and Planning, Victoria.
- 14 Data from MDBA; chart developed by The Ian Potter Foundation and The Myer Foundation.



## Further information

**Fiona.McGauchie**

Fiona.McGauchie@egonzehnder.com  
t. +61 3 9678 9600

**Adele Prichard**

Adele.Prichard@egonzehnder.com  
t. +61 2 9240 4500