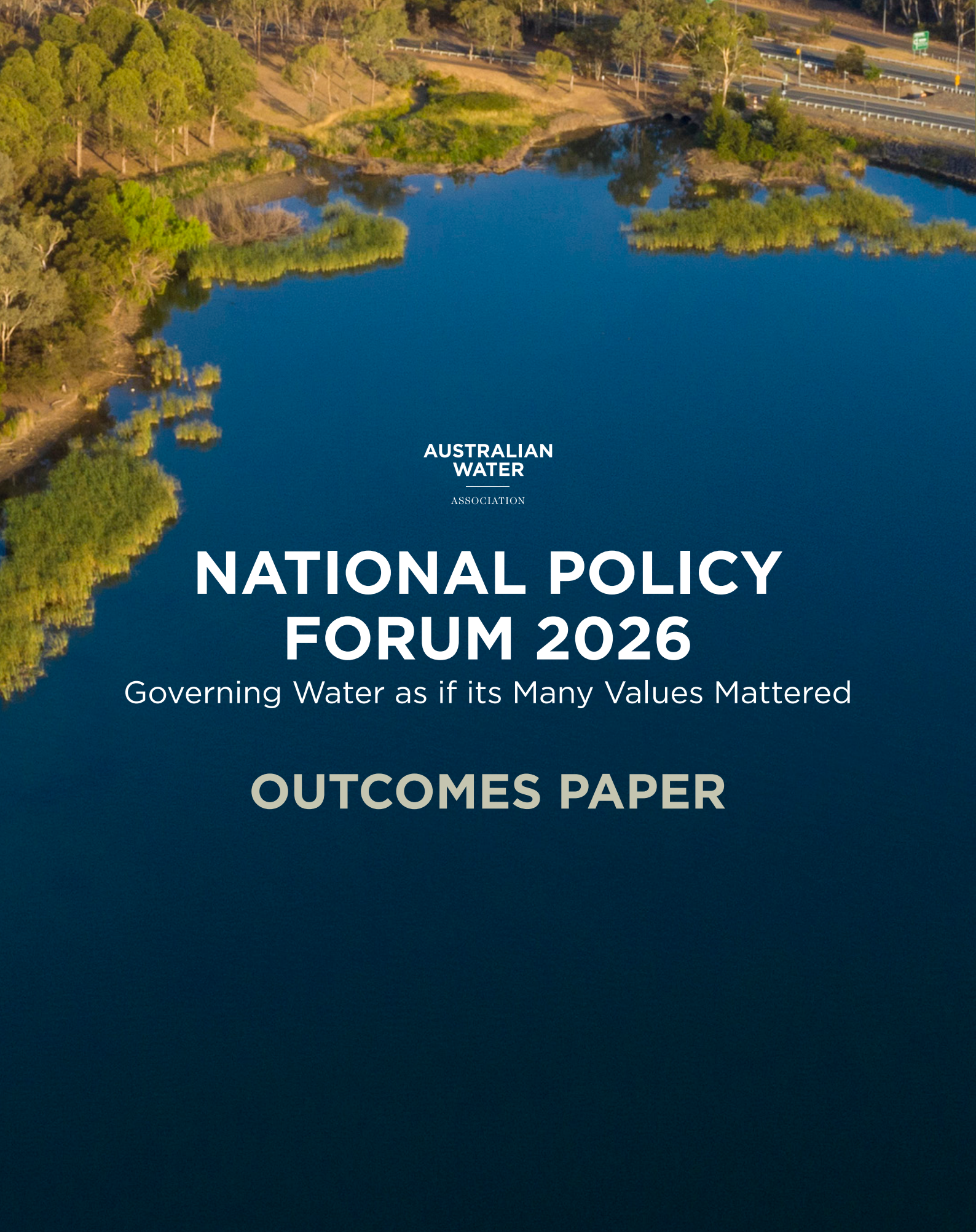




AUSTRALIAN  
WATER  
ASSOCIATION

# NATIONAL POLICY FORUM 2026

Governing Water as if its Many Values Mattered

## OUTCOMES PAPER

*The National Policy Forum 2026 was held on the lands of the Ngunnawal people, with a Welcome to Country provided by Aunty Violet. In her welcome, Aunty Violet emphasised the intergenerational value of water:*

**“You are in an important position because we need to save water for the future, for our next generations.”**

*(Aunty Violet, 2026)*

*The Australian Water Association acknowledges the Traditional Custodians across Australia, where we live, work and play, for their deep connection to our precious waters and land. We pay our respects to Elders past and present, and the ancestors who have cared, protected and nurtured Country for many thousands of years. Always was, always will be Aboriginal Land.*

### CONTENTS

|                                     |    |
|-------------------------------------|----|
| Executive Summary                   | 04 |
| Introduction                        | 05 |
| Governing Trade-Offs                | 08 |
| The Systemic Drivers of Trade-Offs  | 12 |
| Directions for Future Thinking      | 16 |
| National Policy Forum 2026 Speakers | 20 |
| References                          | 22 |

Principal Event Sponsors:



# EXECUTIVE SUMMARY

The Australian Water Association hosted the National Policy Forum 2026 for the first time in ten years, bringing together leaders from across the sector to examine a central question: **Does Australia’s current policy and governance frameworks fully reflect the many values that water provides?** Short answer – no. While water underpins economic prosperity, environmental health, social wellbeing and cultural connection, existing governance frameworks often struggle to account for these values in a balanced and transparent manner.

As such, water management and decision making is usually dominated by a set of trade-offs between the economic, environmental, social and cultural values that water provides. This Outcomes Paper captures the discussions of the Forum, which explored a set of governing trade-offs and the drivers behind them. Specifically, tensions between short-term affordability objectives may compromise long-term resilience, and cost-recovery policy principles can contribute to

persistent service equity challenges in regional, rural and remote communities. The weaknesses in existing governance frameworks can also limit First Peoples’ roles and responsibilities in decision-making and promote locally driven outcomes, rather than catchment scale planning. These challenges were characterised by fragmented roles, responsibilities and accountabilities across policy and governance settings, and by short-term planning aligned with regulatory and political cycles. Overall, these factors compound pressure on the legitimacy and trust of decisions made in water policy, as the processes to govern these trade-offs are weak and often implicit.

Some directions for future thinking emerged from discussions, centred on improving how trade-offs are understood and navigated. The National Policy Forum 2026 marks the beginning of AWA’s renewed and ongoing involvement in water policy reform. AWA will continue to work with its members to advance policy mechanisms that make trade-offs explicit, embed equity in planning, strengthen accountability, and elevate First Peoples’ leadership, bringing these perspectives to the forefront of national decision-making.



# INTRODUCTION

Australia’s national water reform, implemented through successive changes between the 1990s to 2010s, is widely regarded as one of the most ambitious and successful in the world (Ricardo, 2026). However, the context in which water policy operates has evolved significantly. In an era of climate change, population growth and changing community expectations, the values that water is expected to deliver have expanded beyond traditional objectives of economic productivity and sustainability to broader social, environmental, cultural and intergenerational outcomes, raising the question:

**“Does Australian water policy (as expressed through our laws, regulations and institutions) truly reflect the values Australians hold for water? And if not, what must change in our policy settings, governance arrangements and sector behaviour to bring intent and outcomes back into alignment?”**

This overarching question was the focus of AWA’s National Policy Forum 2026 (the Forum). The Forum brought together perspectives from across industry and government through six keynote presentations (see Speaker Information at the conclusion of this paper for details). Three facilitated workshop discussions were also conducted with Forum participants. The Forum brought together experts from across the water sector, with a deep knowledge of water management, policy and planning. AWA would like to acknowledge and extend its appreciation of the time and effort that Forum participants made in attending the day and contributing to this paper and its ongoing advocacy.

The Forum workshops were designed to encourage participants to move beyond identifying the issues encountered in water management, to examine the systemic drivers behind the gaps in existing policy and governance frameworks, and to identify potential directions for future reform. The key Forum insights are reflected throughout this paper.

Across the Forum, participants consistently questioned whether Australia’s current water policy, regulatory and institutional settings adequately recognise and govern the social, cultural, environmental and intergenerational values of water that are necessary to deliver safe and sustainable water services. The dominant view was that while these values are widely acknowledged in principle, they are weakly embedded in decision making, leading to implicit trade offs that compromise long term service sustainability and equity.

The recurring trade-offs that emerged within the Forum are explored within the first section of this paper: **‘Governing Trade-offs.’**

Beyond the provision of safe drinking water and wastewater services, water underpins social amenity and liveability in towns and cities, cooling neighbourhoods during heatwaves, supporting green spaces, and contributing to physical and mental wellbeing. At a catchment scale, water sustains environmental processes such as river connectivity and ecosystem services, as well as supporting agricultural productivity. Consequently, water security is the foundation of several regional economies.

For First Peoples, water is inseparable from Country, culture and lore, carrying responsibilities of custodianship that extend across generations rather than electoral or planning cycles. While these values have always been inherent to water, Australian water policy has not consistently reflected their importance, contributing to reactive policy development during periods of crisis, when the consequences of weak governance are most evident.

The systemic drivers of policy gaps were discussed throughout the Forum and are presented in the second section of this paper: **‘The Systemic Drivers of Trade-offs.’**

Historically, national water policy reform has been largely reactive. In Australia, water management is distributed across all three levels of government. A coordinated, long-term approach to water governance was first proposed by the Council of Australian Governments (COAG) in 1994, with policy instruments largely focused on implementing productivity and efficiency mechanisms to water management. In the following decade the impacts of the Millenium drought became increasingly severe, re-invigorating the debate

around national water management, which was formally embedded in the 2004 National Water Initiative (NWI) (Australian Water Partnership, 2016). The NWI aimed to establish a national framework and guiding principles for sustainable water management.

Yet more than two decades on the framework is ageing, and the context in which it operates has shifted considerably. As declared in successive inquiries by the Productivity Commission, the effects of climate change upon water scarcity and extreme hazards, as well as the persistent inequities experienced by Aboriginal and Torres Strait Islander communities, call for policy reform (Productivity Commission, 2024). Water policy and management decisions once focused purely on the trade-off between economic productivity and sustainability have progressively broadened to include

environmental protection, cultural recognition, system resilience and community wellbeing (Figure 1).

The Australian Government, together with the states and territories, has developed a new National Water Agreement (NWA). An update on the agreement was presented by Angie McKenzie from the Department of Climate Change, Energy, Environment and Water (DCCEEW) during the Forum. The NWA aims to build on the strengths of the NWI to address current and future water challenges. The agreement introduces seven principles that are supported by outcomes that define resultant changes. Several principles provide guidance for parties to achieve these outcomes. Jurisdictions are then to develop action plans using a model where states self-report on progress annually, and are independently assessed every 3-5 years (DCCEEW,

2024). However, unlike the NWI establishment in 2004, no funding has been allocated for implementation, and as of this paper's publication no states or territories have signed up to the agreement.

Senator the Hon. Murray Watt, Federal Minister for the Environment and Water, announced the next National Water Reform Inquiry (2026) during his ministerial address at the Forum, and further details were provided by Commissioner Joanne Chong in her presentation. In addition to the three-yearly reviews of progress against the National Water Initiative (NWI), the 2026 inquiry includes an additional section to explore whether reform to economic policy, regulatory processes, and governance, can support sustainable and resilient water systems.

AWA prepared a [response](#) to this inquiry using outputs of the Forum, and the key recommendations are further discussed within the **'Directions for Future Thinking'** section of this paper.

**Representation of different values in federal, state, territory, regulator, and utility documents**

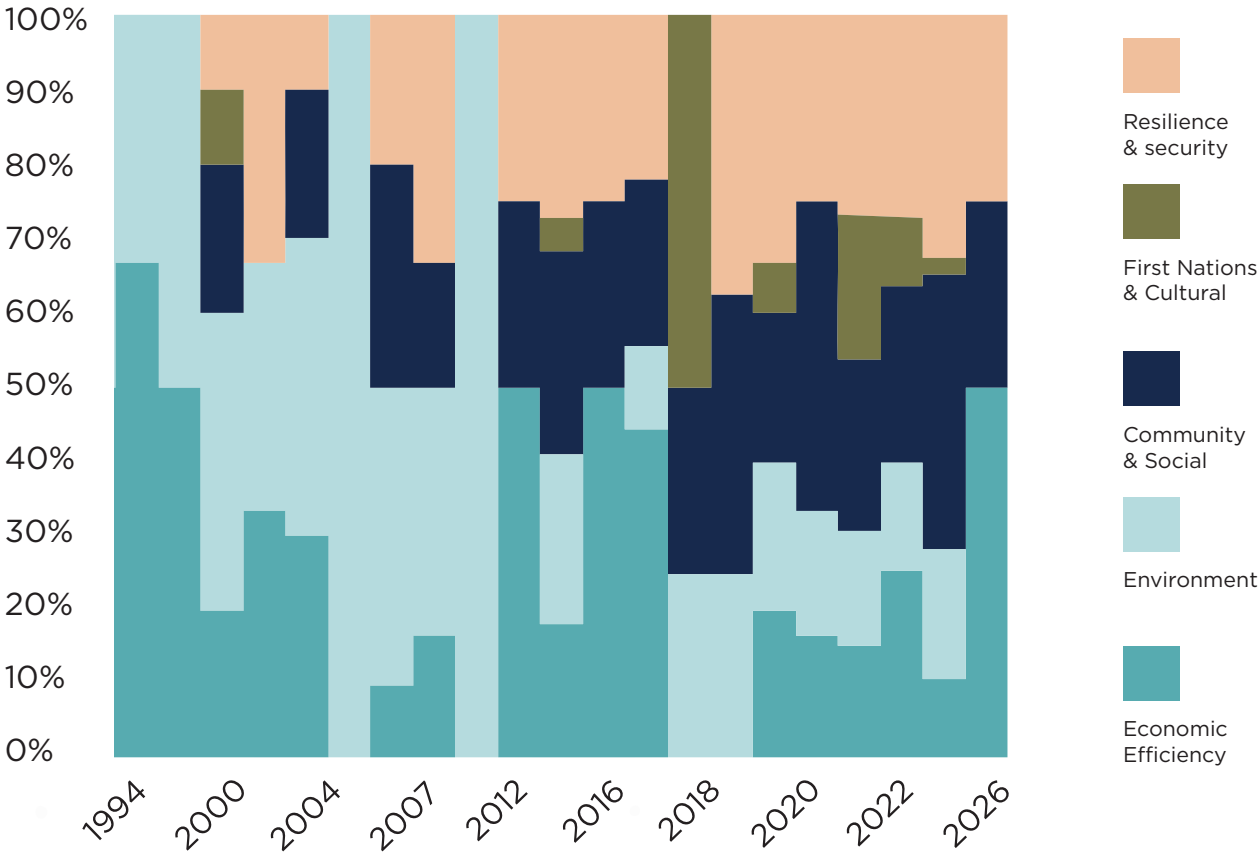


Figure 1 – Graphical representation of the changing focus of water policy and management documents. Source: Internal analysis using a structured coding approach with 62 documents to identify their focus across five topics (Resilience and security, First Nations and cultural, Community and social, Environment and Economic efficiency). Credit: Matthew Coulton, WSP





# GOVERNING TRADE-OFFS



Trade-offs sit at the core of water governance, shaping decisions that balance potentially conflicting outcomes. Across the Forum, participants identified a range of recurring trade-offs, many of which are made implicitly, creating a risk of limited transparency, legitimacy and ability to understand the long-term consequences.

## Short term affordability vs long term system resilience.

Participants highlighted that pricing decisions are perceived to prioritise short-term affordability over long-term resilience and environmental outcomes. These

regulatory decisions can compromise our ability to deliver safe and sustainable water services over the long term. Whilst some regulatory and pricing processes are adapting to incorporate non-traditional values of water (see Box 1), the inherent trade-offs between maintaining affordability in a cost-of-living crisis and deferring critical investments will impact intergenerational equity by shifting the burden onto the next generation of ratepayers. However, the relevance of affordability concerns was questioned by some participants, given that water bills represent a relatively small share of overall household costs, which prompted a broader discussion on how affordability is defined, perceived and prioritised.

**Elly Patira (Commissioner, ESC)** described the PREMO framework, employed in Victoria during pricing regulations. The PREMO framework elevates customer values within regulatory decision-making, creating a mechanism where pricing outcomes are not solely determined by cost recovery, but also by how well utilities and businesses respond to community expectations and long-term environmental stewardship. In doing so, it provides a policy pathway to acknowledge water as not just as a commodity, but as a socially and environmentally embedded resource.

*Box 1 - Excerpt from Elly Patira's (ESC) speaker presentation on the PREMO framework*

## Cost recovery policy principles vs inequitable outcomes for regional, remote and rural communities.

The Forum identified growing concern that regulatory and funding frameworks designed to deliver services on the metropolitan scale do not translate effectively to rural, regional and remote contexts. Unlike larger, urban systems, regional communities have smaller customer bases that cannot readily recover the costs of water and wastewater services to sustain long-term investment. These challenges can lead to lower levels of service through poorer quality drinking water and more frequent service interruptions, creating water system inequities and putting these communities at health risks. An experiential study concluded that within the Aboriginal community in the regional town of Walgett, 44% and 46% of community respondents experienced water and food insecurities respectively, with a strong association between the two (Weatherall et al., 2025). As the existing system is heavily built on the principle of “user pays” with little or no focus on “impactor pays”, smaller communities do not benefit from economies of scale and may necessitate government intervention.

Participants warned that these challenges will intensify as climate change, population growth and emerging water intensive industries place increasing pressure on infrastructure and funding models anchored to short planning and pricing horizons. The Forum highlighted that these outcomes are not the result of a single policy gap, but several non-transparent trade-offs between affordability and service standards, local capacity and system-wide expectations, and near-term investment constraints and long-term resilience.

## Local decision-making vs. system-wide outcomes

Pricing frameworks and investment decisions can implicitly prioritise users with easily quantifiable, local benefits, whilst long-term environmental, social and cultural outcomes, which are often distributed across catchments, are less directly captured.

A specific case study presented at the Forum explored overcoming governance barriers to implement Integrated Water Management (IWM) principles to address the immediate, catchment wide impacts of an urban development (see Box 2). Whilst development deliver immediate economic and community benefits, catchment-level impacts also occur immediately, such as reduced infiltration, declining water quality of receiving waterways, degraded ecosystem health, loss of cultural connection to waterways, and increased urban heat. Whilst several IWM measures can mitigate these impacts to improve catchment health, recurring governance barriers were discussed, particularly unclear responsibilities for funding and long-term management.

**Phillip Birtles (Urban Water Manager, Sydney Water)** described a case study of implementing integrated water management (IWM) principles in the Western Sydney Aerotropolis. Here, the water utility set up a dedicated team to work with state government urban planners to integrate policy outcomes in the planning instruments across a large industrial urban release area. It was through this process that the utility could implement several IWM design features.

A specific ‘tipping point’ metric, supported by research and consultation, determined the absolute maximum mean annual runoff volume (MARV) which would not critically damage the receiving waterways. This tipping point was then used as a mechanism to implement large scale stormwater harvesting via wetlands, stormwater basins, and passively irrigated street trees which also reduced runoff to protect the health of the waterway and improve urban liveability, whilst also providing a sustainable new source of water to cool and green the urban areas. Sydney Water worked with local Dharug custodians and knowledge holders to also set up ongoing governance arrangements for the management of watercourses in the release area.

*Box 2 - Excerpt from Phillip Birtles (Sydney Water) speaker presentation on implementing Integrated Water Management (IWM) principles within Western Sydney Aerotropolis.*

### Colonial governance legacies vs First Peoples' rights and responsibilities

Participants acknowledged that current water governance arrangements continue to reflect assumptions about ownership, control and value, contributing to ongoing inequities for First Peoples and limiting pathways for meaningful self-determination. Without legislated rights and responsibilities (see Box 3), First Peoples are at risk of being barred from participating in decision making, leading to engagement that is largely consultation-based rather than partnership-based.

**Joanne Townsend (CEO, NT Department of Lands, Planning and Environment)** described the development of Aboriginal Water Reserves (AWR) as a mechanism for meaningful water allocation for economic development. The AWR demonstrates that it is possible to move beyond consultation frameworks to legislated entitlement, reserving water specifically for Aboriginal economic development and self-determination. While the AWR has attracted criticism from competing perspectives (that it “locks up” water, or alternatively that volumes are insufficient), its enduring bipartisan support and growing allocations (now exceeding 60,000 ML) suggest it represents pragmatic and durable policy solution.

*Box 3 – Excerpt from Joanne Townsend (NT Department of Lands, Planning and Environment) speaker presentation on policy reform in the NT*





# THE SYSTEMIC DRIVERS OF TRADE-OFFS



These trade-offs reflect the absence of a transparent, evidence-based framework to reconcile the many values of water. Forum participants discussed several systemic issues that need to be addressed in Australia's governance and regulatory frameworks, and the recurring themes are presented below.

## Legitimacy, trust and social licence as a governing crisis

Unlike earlier phases of water planning, decision-making is rarely constrained by a lack of data or scientific evidence. Instead, the challenge has shifted to a declining trust in how decisions are made, particularly where trade-offs are unclear and non-transparent. Participants noted a growing erosion of legitimacy, with opaque decision-making, weak accountability, and unresolved distributional impacts increasingly driving conflict into courts and media.

As speaker Joanne Townsend highlighted, this is reflected in the Northern Territory, where a major water licence decision (the Singleton decision) was litigated up to the High Court (Worden et al., 2021), not necessarily due to flawed judgement, but because the process lacked transparency and legitimacy in resolving competing values. Participants agreed such challenges were rising nationally, a trend likely to intensify as expectations around equity and social licence grow.

## Fragmented system design and accountability

Another persistent theme was the absence of clear stewardship for whole of system outcomes, with siloed roles and unclear responsibilities that prevent the realisation of co-benefits from integrated planning (see Box 4). Furthermore, damaging environmental, social and public health impacts can occur when regulatory and accountability responsibilities fall through the cracks.

A lack of whole-of-system thinking extends beyond water outcomes to the institutional arrangements that deliver them. Fragmented approaches to planning have led to critical failures, particularly in regional contexts, where "lumpy" capital investments are made without sufficient consideration for workforce or operational capacity. Participants discussed the example of water infrastructure installed in South-East Queensland during the Millennium drought, including stormwater harvesting schemes, rainwater tanks, and water efficiency measures that were introduced to strengthen resilience. However, these were later abandoned due to shifting political priorities, cost pressures, and unclear long-term stewardship arrangements, highlighting how fragmented planning and unclear accountability results in underutilised or unsustainable infrastructure. To deliver the IWM design features in the Western Sydney Aerotropolis project (see Box 2), the local water utility assumed stormwater authority, enabling the delivery of catchment wide benefits.

**Jane Doolan (Founding member, Water Policy Group)** broke down the existing governance arrangements of urban water systems and how they can inhibit integrated water management outcomes. As captured in the figure below, there are clear mechanisms for policy formulation, policy implementation, regulation, and service delivery for water services and their economic, public health and some environmental outcomes.

However, these mechanisms are increasingly unclear and fragmented for stormwater and river management, particularly the stewardship of some environmental and urban amenity (social) outcomes. For instance, green spaces irrigated by harvested stormwater offer co-benefits such as urban cooling and social use, yet these services lack defined ownership or accountability. This also extends to capturing and accounting for the cultural values of water within existing governance frameworks.

| Water services & economic outcomes                                                                                                                                                                                                                                                     | Public health outcomes                                                                                                                             | Environmental outcomes                                                                                                                                                                                                                                 | Urban amenity (social) outcomes |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b>WATER SUPPLY AND WASTEWATER MANAGEMENT</b> <ul style="list-style-type: none"><li>• Clear policy objectives</li><li>• Clear service standards</li><li>• Clear roles</li><li>• Some options excluded</li><li>• Eco, env and health regs</li><li>• Clear pricing and funding</li></ul> |                                                                                                                                                    | <b>STORMWATER AND RIVER MANAGEMENT</b> <ul style="list-style-type: none"><li>• Some policy objectives</li><li>• Roles – mixed &amp; unclear</li><li>• Some service standards</li><li>• No regulation</li><li>• Funding – mixed &amp; unclear</li></ul> |                                 |
| <b>Policy Formulation</b>                                                                                                                                                                                                                                                              | Clearly defined outcomes and policy objectives<br>Clearly identified authorised policy options                                                     | Some dedicated policy documents, usually developed reactively to issues as they arise                                                                                                                                                                  |                                 |
| <b>Policy Implementation</b>                                                                                                                                                                                                                                                           | Clear roles and responsibilities assigned for planning and implementation<br>Funding mechanism established<br>Role of regulation and standards set | Fragmented roles and responsibilities for maintaining social outcomes, fractured across government departments, local councils, and utilities                                                                                                          |                                 |
| <b>Regulation</b>                                                                                                                                                                                                                                                                      | Appropriate economic, environmental and health regulation                                                                                          | Some environmental regulation in terms of water quality<br>No regulator for urban amenity outcomes                                                                                                                                                     |                                 |

Box 4 – Excerpt from Jane Doolan (Founding member, Water Policy Group) speaker presentation on governance frameworks.



---

### Defining the many values of water

---

The forum also highlighted that some social, cultural, and environmental values of water cannot be readily priced, favouring outcomes with short-term, easily realised benefits. Given that decision-making considers the value of different services, unclear definitions of the different values of water, as well as implicit trade-offs between values that may be in tension, can create an imbalance in how decisions are made.

This dynamic was also linked to the persistent question of “who benefits and who pays,” where the costs of delivering broader system outcomes may fall on specific users or communities despite benefits being shared more widely. Ultimately, addressing these persistent gaps requires improved approaches to valuing water, clearly defining and accounting for the full value of the services that water provides.

---

### Short political, regulatory and pricing cycles

---

Participants observed that short political, regulatory and funding cycles often encourage short-term planning and investment decisions at the expense of longer-term strategic investment. This can make it difficult to sustain the long-term commitment and certainty required for major water infrastructure, resilience and service investments. As a result, investment and funding are often delayed until a drought, crisis or other acute event creates an immediate need for action, leading to reactive rather than proactive responses. Participants also noted that risk aversion and prescriptive regulation can discourage innovation and adaptive infrastructure investment.

---

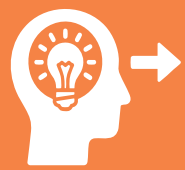
### Water sector mindsets and narratives

---

Participants questioned whether mindsets, narratives, and conversations within the water sector itself constrain our influence on political and cross-sector decision-making. Even within the sector, it can be challenging to communicate with a shared language between policy and practice, and language barriers are further compounded when engaging with other sectors. These concerns imply that the sector may be “part of the problem,” with participants calling for more diverse voices and external perspectives to challenge entrenched thinking and inject new ideas.

If cross-sector collaboration is not improved, the sector’s ability to engage effectively on broader policy agendas such as land-use planning, climate, health, or social services will be affected. The challenges encountered in cross-sectoral engagement were linked to the relatively low political profile of water, and participants emphasised the importance of reframing our narrative to highlight how water management underpins several government priorities, such as housing, the net zero transition, and data centre development.

If water does begin to engage with other sectors, there will likely be broader trade-offs that will require transparent navigation and governance, reinforcing the necessity of an overarching framework to make trade-offs explicit. Complementary goals involve improving cross-sectoral water literacy, and communicating ambitious, outward-looking visions that resonate beyond the sector itself.



# DIRECTIONS FOR FUTURE THINKING



While the forum did not seek to prescribe a single pathway for reform, a set of directions that could help better align Australia's water governance system is presented in Figure 3. Further details of these directions are included overleaf.

|                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                                                                                     |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| <b>MAKING TRADE-OFFS EXPLICIT AND GOVERNABLE</b><br>Future approaches should make trade-offs between different water values transparent, structured and clearly understood.                                                                                                        |  | <b>STRENGTHEN SYSTEM INTEGRATION</b><br>Water policy is deeply interconnected with land use, energy, climate and economic systems and requires integrated approaches.                                               |  |
| <b>EMBED EQUITY AND PLACE-BASED APPROACHES</b><br>Future approaches must embed equity and local context as core design features, not afterthoughts.                                                                                                                                |  | <b>BUILD A STRONGER PUBLIC NARRATIVE THROUGH WATER LITERACY</b><br>Improving water literacy will support more informed decision-making and stronger community trust.                                                |  |
| <b>CLARIFY RESPONSIBILITIES, ROLES, AND ACCOUNTABILITY</b><br>Clearer roles and stronger system-level accountability are critical for coordinated and effective decision-making.                                                                                                   |  | <b>REBALANCE SHORT-TERM AFFORDABILITY WITH LONG-TERM RESILIENCE</b><br>Stronger mechanisms are needed to avoid prioritising short-term affordability rather than long-term planning and intergenerational services. |  |
| <b>ELEVATE FIRST PEOPLE'S LEADERSHIP AND TRUTH-TELLING</b><br>Current governance frameworks do not adequately reflect First People's rights, knowledge and responsibilities. Strengthening pathways for genuine partnership and leadership is essential for equity and legitimacy. |  |                                                                                                                                                                                                                     |  |

Figure 3 – Directions for future thinking that emerged from the National Policy Forum 2026

## Making trade-offs explicit and governable

Explicit, nationally consistent approaches to identifying, assessing and communicating trade-offs is required to better account for the different values of water. This includes clearer articulation of who benefits, who bears costs, and over what timeframes. Rather than seeking to eliminate trade-offs, participants emphasised the need to govern them more deliberately, as a foundation for building public trust, improving decision quality and enabling more durable policy outcomes.

Improved data, modelling and artificial intelligence have a role to play in making trade-offs explicit, strengthen the valuation of non-market social, cultural and environmental values, and support the longer planning horizons that resilience requires. A digital and data capability should be embedded within the governance framework as a direct enabler of the 'making trade-offs explicit and governable' direction, rather than treated as a separate operational matter.

## Strengthening integration across sectors & scales

The Forum reinforced that water policy cannot be effectively governed in isolation. Participants pointed to persistent fragmentation between water, land use planning, energy, climate policy, health and economic development, limiting the ability to realise co-benefits and respond to emerging pressures.

The integrated water management case studies in this paper, such as the Western Sydney Aerotropolis, show that nature-based assets wetlands, stormwater harvesting and green space deliver water supply, cooling, amenity and ecological co-benefits simultaneously. These should be recognised as core infrastructure within planning and funding frameworks rather than discretionary add-ons, alongside circular economy approaches that recover energy and resources from wastewater. Framing nature as infrastructure also creates a practical avenue for embedding First Peoples' systems knowledge of catchment and Country into design and long-term stewardship.

## Embedding equity and place-based approaches as core design features

Forum discussions repeatedly demonstrated that current governance, pricing and funding models do not operate equally across all communities. Regional, rural and remote contexts, as well as First Peoples, experience the impacts of system misalignment earlier and more acutely. As such, equity cannot be a secondary consideration, and instead equity and place-based decision-making must be embedded as core design principles within water policy, regulation and service delivery.

For communities that cannot fund metro-standard services from a small ratepayer base, embedding equity requires more than a commitment in principle. It requires structural mechanisms that decouple service standards from local cost recovery, ensuring that access to safe, reliable water services is not determined by geography or revenue capacity. This should be achieved through an explicit, recurrent equalisation subsidy or community service obligation, supported by a clearly identified funding source and transparent public reporting. Importantly this needs to include:

- funding whole-of-life costs (operations, maintenance, renewal and workforce) rather than capital alone
- enabling scale through aggregation, regional alliances, shared technical services
- supporting place-based, fit-for-purpose delivery such as decentralised and containerised treatment and remote monitoring,
- investing in local and First Nations operator capability, making First Nations leadership the spine of the response,
- mandating consistent national reporting of service levels and water quality for small providers,
- Incentivising efficient and effective management at the community level.

## Building water literacy and a stronger public narrative

A cross-cutting theme was the need to better communicate the value of water and the trade-offs inherent in its management. Participants noted that limited public understanding of water systems and investment needs can constrain policy ambition and reinforce short-term decision-making. There was strong support for coordinated efforts to improve water literacy, enabling communities, decision-makers and other sectors to engage more meaningfully with the choices required to sustain water systems over the long term.

## Clarifying roles, responsibilities and system accountability

A recurring theme throughout the forum was the absence of clear, system-wide accountability for delivering outcomes that span economic, environmental, social and cultural domains. Participants noted that while individual actors operate effectively within their mandates, no single institution is responsible for reconciling outcomes across the system.



### Rebalancing short-term affordability with long-term system resilience

Participants observed that the alignment of political, regulatory and pricing cycles around short timeframes continues to favour near-term affordability over long-term system resilience. Future thinking highlighted the need to strengthen mechanisms that support long-term planning, funding certainty and intergenerational decision-making, ensuring that resilience, asset renewal and climate preparedness are consistently considered alongside affordability.

To translate this rebalancing of affordability and long-term resilience into practice, it is critical to ring-fence capital-maintenance and renewal allowances so they cannot be deferred for short-term affordability objectives. Planning, regulatory and funding frameworks should also adopt longer-term horizons, supported by periodic review points and transparent decision-making that assess performance against clearly defined long-term resilience, sustainability and service outcomes.



### Elevating First Nations leadership and truth-telling in water governance

Participants consistently recognised that current water governance arrangements reflect historical structures that have not adequately accounted for First Peoples rights, knowledge systems and responsibilities.

Future thinking highlighted the importance of moving beyond consultation towards genuine partnership and shared decision-making, underpinned by truth-telling about the historical and ongoing impacts of water management. Strengthening pathways for self-determination was seen as central to improving both equity and legitimacy in the system.

**Collectively, these directions do not represent a single reform pathway, but rather a shift in how water policy challenges are understood and approached. They point toward an integrated governance framework that is more explicit about trade-offs, more transparent about decision-making, and better aligned with the full range of values water provides.**

**Further work will be required to translate these directions into specific policy, regulatory and institutional reforms. The Australian Water Association will continue this work in subsequent publications, building on the insights of the National Policy Forum to explore practical pathways for implementation.**



# NATIONAL POLICY FORUM 2026

## SPEAKERS



**Senator the Hon. Murray Watt, Federal Minister for the Environment and Water**

Senator the Hon Murray Watt was appointed Federal Minister for the Environment and Water on May 13, 2025. In his address at the National Policy Forum 2026, the Minister announced the National Water Reform 2026 Inquiry, conducted by the Productivity Commission. The Minister highlighted the role of the federal government in supporting critical infrastructure development, providing national frameworks, and bringing together governments and industry.

The minister also highlighted the federal reviews currently being undertaken or planned for 2026, encouraging the water sector to have their say on how water policy continues to inform the management Australia’s water resources.



**Matthew Coulton, Associate Director, WSP**

Matthew is an Associate Director at WSP and an adviser to Australian Governments, industries and communities on water science, policy and management.

Matt framed the Forum by highlighting the evolving values of water. Since the 1990s, there has been a significant shift from a primary focus on economic efficiency and environmental outcomes, towards a broader recognition of the social, cultural, and resilience values of water. This raises the question: are all these values effectively embedded in our existing governance principles?

Matt led three sequential workshops which asked three key questions. First, the key challenges and missed opportunities were identified (What could we do better?), followed by exploring what are the underlying drivers (What’s holding us back?) to then finally focus on directions of future thinking (What would it take to change?).



**Angie McKenzie, Former Branch Head, National Water Policy, International and Engagement Branch, Water Policy Division, Department of Climate Change, Energy, the Environment and Water**

During her speaker presentation, Angie provided a background to Australian water policy reform, including the role of the National Water Initiative (NWI) and how three successive Productivity Commission reviews have called for refreshed policy, delivered in the National Water Agreement (NWA). The NWA has been updated to encompass the effects of climate change, strengthening influence for First Nations people in water management, improving the standards of water services, better water monitoring and data, and regulatory governance and management arrangements.

Angie’s colleague, Emma Solomon, also outlined the upcoming Water Act Review in late 2026, which will undertake extensive consultation.



**Joanne Chong, Commissioner (Environment), Productivity Commission**

Joanne Chong commenced a 5-year term as a full time Commissioner with the Productivity Commission in 2022.

Joanne explored the role of governance in shaping water outcomes, highlighting how existing institutional and regulatory arrangements can struggle to manage competing values.

In her presentation, she introduced the National Water Reform 2026 Inquiry that she is leading. In addition to the regular reporting of progress against the National Water Initiative (NWI), the inquiry also investigates how pricing and economic regulation; governance, accountability and coordination; and national consistency and intergovernmental coordination can deliver secure, resilient and sustainable services, as well as improved equity in regional, remote and rural communities.



**Joanne Townsend, Chief Executive Officer, Department of Lands, Planning and Environment, Northern Territory**

Joanne presented an overview of water policy reform in the Northern Territory, highlighting the state’s unique context and how this has shaped distinct policy responses. She focused on two key reforms: the removal of a long-standing exemption to water licensing in rural Darwin, and a subsequent election commitment to independently review all licences granted in the preceding four years.

Joanne also reflected on the challenges of water policy in an increasingly public and contested environment, noting the growing scrutiny of decisions and the risks associated with managing trade-offs.



**Phillip Birtles, Urban Water Manager, Sydney Water**

Phillip Birtles is the Integrated Water Cycle Manager at Sydney Water, where he leads innovative strategies to enhance waterway health and urban livability.

Phillip drew on his experience with the Western Sydney Aerotropolis to illustrate how policy frameworks can actively enable integrated water outcomes when environmental objectives are embedded early in land use planning. He highlighted the use of clear performance criteria (such as runoff limits) to drive water-sensitive urban design, demonstrating how governance settings can move beyond compliance to deliver measurable environmental, social and resilience outcomes at scale.



**Elly Patira, Commissioner, Essential Services Commission**

Elly was appointed as a commissioner to the Essential Services Commission (ESC) in November 2024, with experience as a commercial lawyer and expert in participatory approaches to public policymaking.

Elly provided a regulatory perspective on how pricing and economic frameworks shape water sector decision-making, particularly the tension between maintaining affordability and enabling long-term investment. She focused on the Victorian PREMO framework used during pricing regulations, which elevated customer values to the core of decisions. Further incorporation of the ESC’s First Nations Self-Determination framework can further elevate the values and voices of First Peoples within the process.

She highlighted the challenges regulators face in recognising broader social, environmental and intergenerational values within pricing determinations, and the need for regulatory approaches that better support transparent trade-offs and future system resilience.



**Dr Jane Doolan, Member Murray Darling Basin Authority, Honorary Member International Water Resources Association, Member Water Policy Group**

Dr Jane Doolan has over 30 years’ experience in sustainable water resource management, providing policy advice at senior levels to both the Australian and state governments.

Jane reflected on Australia’s water reform journey, highlighting how policy objectives have expanded over time to include social, environmental and social amenity outcomes, while governance frameworks and instruments have not kept pace.

She emphasised the resulting pressure on existing systems to deliver outcomes they were not designed for, introducing methods of how modern policy reform can employ adaptive, integrated and outcome-focused approaches to address the existing gaps in governance systems.

# REFERENCES

Australian Water Partnership. (2016). *The Australian Water Reform Journey*.

Colloff, M. J., Lanyon, K., Pittock, J., Costanza-van den Belt, M., Wheeler, S., Grafton, R. Q., Williams, J., Sheldon, F., Kingsford, R. T., Bino, G., Renzullo, L., & Moggridge, B. J. (2024). Murky waters running clearer? Monitoring, reporting and evaluation of the state of the Murray-Darling Basin after more than three decades of policy reform. *Marine & Freshwater Research*, 75(18), MF24193. <https://doi.org/10.1071/MF24193>

DCCEEW. (2024). *Updated draft National Water Agreement*.

Productivity Commission. (2024). National Water Reform 2024 Inquiry report.

Ricardo. (2026). *National water reform in Australia (Insight series)*. Ricardo (Member of WSP). <https://www.ricardo.com/en/news-and-insights/industry-insights/national-water-reform-in-australia-insight-series>

Weatherall, L., Trindall, A., Tonkin, T., Santos, J. A., Patay, D., McCausland, R., Spencer, W., Leslie, G., Baldry, E., Bennett-Brook, K., Coombes, J., Mackean, T., Shanthosh, J., Madden, T., Moore, B., Deane, A.-M., Earle, N., GDip, C. C., Nathan, M., ... Webster, J. (2025). Measuring Food and Water Security in an Aboriginal Community in Regional Australia. *Australian Journal of Rural Health*, 33(1), e13214. <https://doi.org/https://doi.org/10.1111/ajr.13214>

Worden, Kathryn (Kate) Jane and Australian Labor Party. (2021, November 15) Decision made on Singleton water extraction licence following independent review. Northern Territory Government, Retrieved 2026, May 1, from <https://hdl.handle.net/10070/904590>.

