# Cover for Community engagement, Supporting Paper J to National Water Reform 2020, Productivity Commission Draft Report, February 2021. Community engagement

Supporting Paper J to *National Water Reform 2020,* Draft Report, Canberra

| **Guide to the supporting papers *(and descriptor)*** |
| --- |
|

| SP A | Water entitlements and planning (*Entitlements and planning*) |
| --- | --- |
| SP B | Water trading and markets (*Trading*) |
| SP C | Environmental management (*Environment*) |
| SP D | Securing Aboriginal and Torres Strait Islander people’s interests in water (*Cultural access*) |
| SP E | Ensuring the integrity of water resource management *(Integrity)* |
| SP F | Urban water services (*Urban*) |
| SP G | Urban water services: regional and remote communities (*Regional*) |
| SP H | Water reform in rural Australia (*Rural*) |
| SP I | Government investment in major water infrastructure (*Infrastructure*) |
| **SP J** | **Community engagement (*Engagement*)** |
| SP K | Knowledge, capacity and capability building (*Knowledge*) |

 |
|  |
|  |

 Commonwealth of Australia 2021



Except for the Commonwealth Coat of Arms and content supplied by third parties, this copyright work is licensed under a Creative Commons Attribution 3.0 Australia licence. To view a copy of this licence, visit [<http://creativecommons.org/licenses/by/3.0/au>](http://creativecommons.org/licenses/by/3.0/au). In essence, you are free to copy, communicate and adapt the work, as long as you attribute the work to the Productivity Commission (but not in any way that suggests the Commission endorses you or your use) and abide by the other licence terms.

Use of the Commonwealth Coat of Arms

Terms of use for the Coat of Arms are available from the Department of the Prime Minister and Cabinet’s website: [www.pmc.gov.au/government/commonwealth-coat-arms](http://www.pmc.gov.au/government/commonwealth-coat-arms)

Third party copyright

Wherever a third party holds copyright in this material, the copyright remains with that party. Their permission may be required to use the material, please contact them directly.

An appropriate reference for this publication is:

Productivity Commission 2021, *Community engagement, Supporting Paper J* to National Water Reform 2020*,* Draft Report, Canberra.

Publications enquiries:

Media, Publications and Web, phone: (03) 9653 2244 or email: mpw@pc.gov.au

Contents

Key points 4

1 Effective community engagement matters 5

2 The NWI has facilitated improved engagement practice 6

2.1 Engagement processes are not always sufficient or effective 10

2.2 Community engagement lacks constancy 11

2.3 Engagement is more effective where there is an informed community but there is a lack of consistent access to accurate and comprehensible water information 12

2.4 Engagement with Aboriginal and Torres Strait Islander communities 13

3 Embedding effective practice in a renewed NWI 13

3.1 Developing a principles‑based framework for effective practice 13

4 NWI renewal advice 16

References 17

| Key points |
| --- |
| * Effective, thorough, well‑informed community engagement is needed to support reform in all aspects of water resource management and water services provision.
* The National Water Initiative (NWI) commits Australian governments to ensuring that community engagement happens, but provides little guidance on how they should go about it.
* Significant evolution has been observed since the NWI was agreed in 2004 in:
* community engagement principles and practices
* community expectations as to how, when and for what matters they should be consulted by their governments.
* Practice has improved since 2004, however its quality remains inconsistent.
* In redesigning the Community Partnership element of the NWI, Australian governments should consider developing an organising framework based on the following objectives:
* continuously improving and sustaining government engagement effort across all aspects of water resource management and service provision
* ensuring that engagement effort and resourcing is fit‑for‑purpose, taking into account the scale of the proposed change or reform, its sensitivities and its impacts, and that governments are clear about the purpose of their engagement and the role of communities in decision making
* improving the effectiveness of community engagement through enhancing:
* water information accessibility and comprehensibility (SP E *Integrity*)
* community water literacy (SP E *Integrity*).
* Characteristics of effective community engagement include: inclusiveness, timeliness, partnership, respect, access to information, transparency, responsiveness and continuous improvement. These represent a foundation for guidance on best practice in a renewed NWI.
 |
|  |
|  |

Community engagement is an important foundation for successful water reform. With renewal of the National Water Initiative (NWI) pending, it is timely to assess whether current NWI settings for the conduct of community engagement are fit for purpose. Recent Murray–Darling Basin (MDB) experience contains important lessons for national policy in this regard, and recent government responses to these situations also offer insights on best practice.

This paper sets out the Commission’s views on:

* the uses and benefits of effective engagement practice, and the outcomes sought through the NWI (section 1)
* recent performance and key issues for governments to address (section 2)
* the characteristics of effective engagement practice (section 3)
* a best‑practice approach to support effective engagement practice within a renewed NWI (section 4).

## 1 Effective community engagement matters

Water reform can be contentious. At its heart, there will be ‘a series of trade‑off decisions, all with real‑life implications for individuals, water users, industries, communities, their local environments and their regional economies’ (Doolan 2016, p. 18).

Effective engagement plays a crucial role in ensuring that all stakeholders understand why decisions have been take n (even if they do not agree with the outcomes), and that their views are seriously considered. As the National Farmers’ Federation reflected:

Genuine and meaningful consultation processes are required to address complex, interdependent and often contentious water reform processes. The trade‑off of poor consultation is often the erosion of trust and confidence from communities which has long‑term implications for achieving further reform processes. (sub. 42, p. 7)

Effective engagement practice enables:

* differing community views to be heard and understood
* facts and evidence to be disseminated to all participants
* innovative local solutions and preferred options to be explored
* a shared understanding of management options and their benefits and costs to evolve
* buy‑in of parties to the recommended solution
* longevity for that solution, to which all parties have contributed (Doolan 2016).

Australian governments have successfully implemented a wide range of water reform initiatives over the past half century. Community engagement mechanisms that enabled informed and transparent community participation in these reform processes have been essential to these successes (Doolan 2016).

Future conduct of water reform in Australia will rely heavily on Australian governments sustaining their efforts to effectively engage communities within structured processes.

The Community Partnerships subsection of the NWI (box 1) commits Australian governments to engage water users and other stakeholders in achieving its objectives through consultation and information provision. However, there is little guidance on how they should go about this task.

Whilst the intended NWI outcome remains relevant, its associated actions have arguably become dated and no longer fully fit‑for‑purpose by virtue of their very specific focus on issues relating to overallocation, water planning, entitlement security and water use sustainability. These aspects were clearly key reform priorities in 2004; however, with the passage of time, the range and nature of water management reform priorities has broadened considerably, such that community engagement is now highly relevant to all aspects of water resource management and water service provision.

| Box 1 Governments committed to engagement with all stakeholders through consultation and information provision |
| --- |
| Parties to the National Water Initiative agreed that the outcome of the community partnership subsection of the agreement is to:… engage water users and other stakeholders in achieving the objectives of this Agreement by:i) improving certainty and building confidence in reform processes;ii) transparency in decision making; andiii) ensuring sound information is available to all sectors at key decision points. And that governments would undertake actions to:… ensure open and timely consultation with all stakeholders in relation to:i) pathways for returning overdrawn surface and groundwater systems to environmentally sustainable extraction levels … ;ii) the periodic review of *water plans* … ; andiii) other significant decisions that may affect the security of *water access entitlements* or the sustainability of water use. and also, would:… provide accurate and timely information to all relevant stakeholders regarding:i) progress with the implementation of water plans, including the achievement of objectives and likely future trends regarding the size of the consumptive pool; andii) other issues relevant to the security of water access entitlements and the sustainability of water use, including the science underpinning the identification and implementation of environmental and other public benefit outcomes. |
| *Source*: NWI paragraphs 93, 95 and 96. |
|  |
|  |

## 2 The NWI has facilitated improved engagement practice

Looking back on the NWI journey since 2004, there has been significant evolution in community engagement best practice. The narrow scope of the current NWI provisions has not constrained governments and water agencies from innovating or experimenting with their approaches to community engagement over this period.

What can be observed is a growth in effort towards, and discipline in the conduct of, consultation and engagement efforts. In many cases, this has been driven by a failed approach in the first instance, that encouraged the search for alternatives and a willingness to try these out. The Murray–Darling Basin Plan and events in New South Wales over the past three years offer good examples in this regard.

This process of evolution by circumstance has been encouraged along the way by ongoing development of conceptual best practice community engagement frameworks, a good example of this being the evolution of the International Association for Public Participation’s spectrum (IAP2). There has also been regular updating of best practice guidance from international organisations such as the OECD, as well as Australian government agencies such as the Murray–Darling Basin Commission, the Murray–Darling Basin Authority (MDBA) and the Office of Best Practice Regulation.

Prior to 2017, the former National Water Commission (NWC) made a number of observations on the evolution of community engagement best practice. For instance, in its 2014 assessment of NWI progress, the NWC commented that:

Water reform has also supported people and communities. Consultation requirements for the development of water planning arrangements have now been incorporated into state and territory legislation or policies, and applied in practice in most cases. (2014, p. 83)

The NWC further noted that:

In the urban context, the capacity for customers to provide input to service preferences and pricing structures has been improved, although it has a way to go; and that while evidence suggests that the urban sector is in the early stages of the implementation of customer choice options, there is still significant scope to improve the degree to which customers are able to influence customer service offerings, pricing outcomes, setting of strategic objectives and ensuring customer protection arrangements are in place. (2014, p. 124)

In its 2017 assessment of NWI progress, the Productivity Commission found that jurisdictions were largely meeting their commitments. Specifically, the Commission noted that:

… State and Territory Governments had delivered improved decision making through open and timely consultation with stakeholders on water planning. This had been supported by the publication of relevant supporting information for consultation at key decision points.

State and Territory Governments had taken steps to document the outcomes from water plans and whether plan objectives had been achieved. (PC 2017, p. 484)

Since 2017, jurisdictions have continued to largely meet their NWI commitments (*Assessment*) with respect to consultation. That said, some inquiry participants have raised instances of poor consultation practice (box 2) in New South Wales and in the MDB. An overall synthesis of Basin concerns is captured in Sefton et al:

Across the [Murray–Darling] Basin trust in governments — particularly federal and state — to deliver good long‑term policy and support rural and regional communities has been severely diminished. This fall in trust has resulted from a failure to adequately include people in conversations about government policy and their future, especially those who have not been on the upside of change. (2020, p. 1)

As a case study of contentious water reform, implementation of the Murray–Darling Basin Plan illustrates very clearly the consequences of poorly executed community engagement. Despite many engagement efforts, there are significant sections of the Basin community who remain highly dissatisfied with aspects of the Plan. This offers lessons for NWI renewal.

| Box 2 Evidence on engagement practice is mixed |
| --- |
| Inquiry participants and the Commission identified instances of inadequate and ineffective engagement processes over the past three years, generally within the NSW portion of the Murray–Darling Basin.**Review of NSW Water Sharing Plans**The Commission was advised by the office of the Interim Inspector‑General of Murray Darling Basin Water Resources of a significant number of complaints regarding the NSW Department of Planning, Industry and Environment’s consultation process in developing the next iteration of NSW Water Sharing Plans (Interim Inspector‑General of Murray Darling Basin Water Resources, pers. comm, 30 June 2020). This position has also been confirmed by other inquiry participants.Government processes have failed to sufficiently consult with, engage and/or empower community members and stakeholders to contribute to and participate in water reform. This has resulted in a significant erosion of trust and confidence in water reform decisions and processes. The recent NSW water sharing plan review process is a good example of this. This can be contrasted with the previous Land and Water Management Plan program, which are often described as the leading example of effective community water reform process and decision making. Nevertheless, a commitment by all governments to improved community engagement in water reform is required. (Sunrice/RGA, sub. 82, p. 3)**NSW Water Rural Water Infrastructure engagement**A combined MDBA/Water NSW 20‑year Infrastructure Options Plan is a good example of poor processes and failure to acknowledge the need for collaboration and involvement in early planning for stakeholder involvement and consultation … Consultation was subsequently described by NSW Government – Water NSW as being comprehensive, yet stakeholder feedback was limited to one meeting with little or no details provided. (MVPD, sub. 101, pp. 22-23)**Environmental Watering**There is still a strong need for the [Commonwealth Environmental Water Office] to develop a more transparent and structured engagement approach so that all Nations are informed of options to participate and influence planning. (MLDRIN, sub. 105, p. 6)**Aboriginal and Torres Strait Islander engagement:**The NSW Aboriginal Land Council stated that ‘there are limited opportunities for Aboriginal people to influence water management’ (sub. 96, p. 2). The council similarly observed in a submission to the Commission’s 2018 assessment of the Basin Plan that land councils in New South Wales had not been properly engaged in processes to develop water resource plans, and that engagement generally occurred ‘at very short notice and not on the basis of free, prior and informed consent’ (PC 2018, pp. 207–8). MLDRIN said that:There remains urgent concerns and deep suspicion regarding the development of [MDB] Supply Measure infrastructure projects. Current engagement and planning processes are grossly inadequate to address these concerns. …In NSW a series of new dam projects has highlighted deficiencies in First Nations consultation. Despite an announcement that pre‑construction works on the Wyangala Dam wall‑raising project will commence in October 2020, the NSW Government has not undertaken any meaningful consultation with Wiradjuri and other First Nations. (sub. 105, p. 12) |
| (continued next page) |
|  |

| Box 2 (continued) |
| --- |
| Inquiry participants and the Commission also identified instances of innovative engagement practice — in the areas of water resource management and service provision.* Sydney Water and Hunter Water, as part of preparing their most recent pricing submissions to the NSW Independent Pricing and Regulatory Tribunal, used willingness‑to‑pay research to inform benefit–cost analysis of service options, supported by subsequent validation of survey findings at deliberative forums (Gillespie Economics 2020) (The CIE 2020).
* Yarra Valley Water, as part of preparing its 2018–2023 pricing submission to the Victorian Essential Services Commission (ESC), used a Citizens Jury to help the organisation to understand and describe the services and outcomes that its customers expect (YVW 2017).
* The ESC implemented the PREMO water pricing framework on 1 July 2018 to encourage Victorian water businesses to deliver better value to their customers through the PREMO incentive mechanism, which focuses on five elements: performance, risk, engagement, management and outcomes. An independent performance review of PREMO released by the ESC in March 2019 found that it was successful in giving stronger emphasis to customer engagement, leading to price submissions that better reflected customer views (ESC 2019).
* The former Queensland Department of Natural Resources, Mines and Energy continued to operate its standing Water Engagement Forum across this period, which has enabled the Department to maintain regular monthly contact with its major stakeholders with a policy interest in water resource management and service provision matters.
 |
|  |

This sentiment was reflected by a number of inquiry participants. For instance, Southern Riverina Irrigators expressed a view that:

Water management in the Murray–Darling Basin is in absolute disarray as a result of consecutive governments not fully implementing the now largely mandated NWI 2004. (sub. 77, p. 2)

The Victorian Farmers Federation also commented that:

Farmers remain confused about the inconsistencies in the NWI and conflicting policies in the National Water Initiative and the Commonwealth Water Act/Basin Plan Act. (sub. 99, p. 4)

And the MDBA (sub. 23, p. 12) added that despite recent commitments by government to improve transparency and information sharing, stakeholder consultation continues to find that the needs of water users, communities and the broader public [in the MDB] are not being met.

Equally, the Commission has observed instances of innovative engagement practice (box 2). As examples, Sydney Water and Hunter Water used willingness‑to‑pay research as part of preparing their most recent pricing submissions to the NSW Independent Pricing and Regulatory Tribunal. In Victoria, Yarra Valley Water used a Citizens Jury mechanism as part of preparing its 2018–2023 pricing submission to the Victorian ESC. And the ESC itself adopted the PREMO water pricing framework in 2018 to encourage Victorian water businesses to deliver better value to their customers.

The variability in views on engagement practice, particularly in regard to MDB matters, highlights the importance of clearer guidance on what would constitute contemporary best practice in this field.

Improvements in practice are needed. Apart from evidence of a need to address recent failings, communities increasingly expect to be actively engaged by governments when reform proposals are presented for their consideration. As VicWater observed:

Communities must be more deeply involved in setting the overall direction for water resource management, which subsequently influences the choice and adoption of such policy instruments. (sub. 66, p. 1)

To improve the conduct of engagement practice, there are a number of issues for Australian governments to address.

### 2.1 Engagement processes are not always sufficient or effective

The Commission has heard a range of views on the sufficiency and effectiveness of community engagement processes conducted by some Australian governments during the past three years on water matters, particularly some of those conducted within the MDB. These, in turn, offer important learnings for national policy guidance in this field.

Engagement practice for MDB water matters was a particular focus for criticism from some inquiry participants. For instance, the Inspector‑General found that:

Many of the concerns that the inquiry heard *might have been redundant if individuals were able to readily see and understand the way available water has been shared over time*. (2020, p. 14) (emphasis added)

The Environmental Defenders Office also commented that:

… many clients tell us that they do not think that they are able to influence outcomes through consultation processes (as they perceive outcomes as being largely pre‑determined). Put differently, for many people the process itself lacks legitimacy which in turn means that they are suspicious of, and unwilling to accept, outcomes. (sub. 54, p. 20)

The Australian Water Association noted that:

… the conduct of community partnership and engagement practice can be made more effective by enabling community input into water governance arrangements and enhancing the level of communication with community representatives. This gives a community greater confidence in the sustainable management of water resources. And stronger communications and near real‑time reporting of information to community members enhances their level of trust. (sub. 89, p. 11)

Drawing from these comments, dissatisfaction about engagement practice will usually arise when:

* impacted stakeholders are not heard, or when they are, they do not hear back anything in the discussion that indicates that they have been heard
* stakeholders could not understand why decisions were taken in the way that they were.

Differing stakeholders and issues may warrant different engagement approaches. Water users may have different needs from other stakeholders. The needs of rural and urban communities might likewise be different. Approaches to engaging during water planning might need to be different from those adopted in determining community preferences for water services provision. Governments need to ensure that their engagement efforts are fit for purpose, taking into account the scale of proposed change or reform, its sensitivities and its impacts.

### 2.2 Community engagement lacks constancy

While discrete, issue‑based consultation is suitable for some water matters, many of the water management challenges now facing communities require ongoing engagement. A more effective approach in such instances would be an ongoing conversation with communities seen to be at highest risk of rapid and significant impact from these challenges and their forecast impacts. This is particularly important for Traditional Owners.

As an example of this approach being put into action, the Commission notes that the MDBA has started to regionalise a presence across the Basin. While time will be needed to assess the full benefit of this initiative, such proximity may allow more regular contact and conversation to occur. As the Authority recognised in its submission:

… audiences and stakeholder needs change both spatially and temporally in response to complex, interacting factors such as market forces, urbanisation, drought and water reform progress. Governments need to recognise this and continually evolve their approaches to meet the changing needs of stakeholders. (sub. 23, p. 12)

Reflecting this, the National Farmers’ Federation observed that:

While significant progress has been made in jurisdictions to improve consultation processes, many elements of the Basin Plan are complex, interdependent and contentious (particularly the implementation of the supply measures) and require committed and extensive consultation with communities, and other relevant stakeholders, over a reasonable timeframe. (sub. 42, p. 17)

The message for governments and NWI renewal is that conduct of engagement with communities on water management matters should be more frequent; in effect, shifting from a ‘case‑by‑case’ approach to one of ‘ongoing business as usual’.

Recognising the value of continuity in engagement practice in a renewed NWI will, as WSAA observed, help to:

… provide a transparent approach for Australians to engage on how water is managed, the effectiveness of the various institutions, and to a certain extent de‑politicise direction setting and decision making by enabling customer and community views to be the lead voice. (sub. 88, p. 52)

### 2.3 Engagement is more effective where there is an informed community but there is a lack of consistent access to accurate and comprehensible water information

Since 2017, the Commission has observed evidence of growing public mistrust and a lack of confidence in aspects of Australian water management practice, particularly in the MDB (SP E *Integrity*). This is partially due to concerns about: a perceived lack of available water information; poor communication of water information that is available; difficulties faced by stakeholders in accessing and navigating public water data collections; and a history of recent poor partnership and engagement performance in the MDB.

While Australian governments publish a wide range of water information products for use by different customer groups, these products can be difficult to access, navigate and understand. Again, recent MDB experience offers important lessons to all Australian governments in resetting NWI policy guidance on information provision. For instance, the Interim Inspector‑General of Murray–Darling Basin Water Resources found that the MDBA’s management of the River Murray system was not well understood by the community, and its processes and outcomes were not clearly set out in an easily accessible and readily available format (IIGMDB 2020, p. 29).

Where governments have information, they should endeavour to make it consistently available to water users and other water sector participants in:

* a public, and easily accessible manner
* as timely a manner as possible
* a form that is comprehensible, yet understandable and cost‑effective without diminishing its accuracy.

In working towards this outcome, the MDBA (sub. 23, p. 12) has suggested shifting focus from providing more information about ‘what Governments are doing’ to providing better information addressing ‘what water users need’ to navigate the system, run their businesses and have confidence in management arrangements. A shift of this type would work towards creating an effective operating environment in which water users and communities have information that is accessible, understandable, timely, relevant and credible.

Water users and the broader community would benefit from having a greater understanding of water system management (SP E *Integrity*). In this vein, VicWater observed that:

The new NWI will have great effect if it enables and empowers a new community‑values narrative for water reform … Resilient decision‑making requires communities to understand the water management risks and challenges so as to choose a collective destiny and a productive legacy. (sub. 66, p. 4)

To facilitate this, Australian governments should update the NWI’s Community Partnership actions relating to information provision to include principles covering relevance to water sector participants’ needs, public accessibility, accuracy and comprehensibility, timeliness and cost effectiveness. This will assist in creating an informed community who will be better able to engage in some of the potentially difficult water management decisions in the future. Having well informed participation by all parties in the engagement processes leading up to such decisions will be crucial in achieving a broadly accepted and enduring agreement on the appropriate step(s) to be taken in responding to the particular water management challenge in question.

### 2.4 Engagement with Aboriginal and Torres Strait Islander communities

Development of best‑practice principles to guide the conduct of engagement with Aboriginal and Torres Strait Islander people across Australia should be included within the terms of reference for the newly created Committee on Aboriginal Water Interests. Effective engagement of Traditional Owners in key areas including water planning, natural resource management and environmental water planning will need long‑term relationships with local agencies working on Country.

## 3 Embedding effective practice in a renewed NWI

As previously stated, recent MDB experiences offer lessons for NWI renewal. Foremost among these is the potential value of including a principles‑based framework within the NWI to provide guidance on how to conduct effective engagement practice on water matters. As the National Farmers’ Federation (sub. 42, p. 7) observed, ‘more can be done by governments to clarify the principles of effective consultation processes in the NWI’. These principles should be based on the characteristics of effective engagement practice.

### 3.1 Developing a principles‑based framework for effective practice

Engagement practice is an area not short on advice about what constitutes ‘best practice’. There are many guidelines and leading‑practice examples of community engagement. For instance, the Australian Government’s Best Practice Consultation guidance note issued by the Office of Best Practice Regulation suggests that policy makers should consult:

… in a genuine and timely way with affected businesses, community organisations and individuals; and with each other to avoid creating cumulative or overlapping regulatory burdens. (OBPR 2016, p. 1)

The same guidance note also suggests that consultation processes should be: continuous, broad‑based, accessible, not burdensome, transparent, consistent and flexible, subject to evaluation and review, not rushed and a means to an end (OBPR 2016).

Bassler et al. (2008) emphasised the following features of effective engagement: inclusivity, diversity, equality, transparency, legitimacy, deliberation, substance, influence, ongoing and accommodating.

Other leading practice examples include guidelines from:

* Australian Government agencies and the then Council of Australian Governments (Australian Government 2016; COAG Energy Council 2016; MCMPR 2005)
* State and Territory Government departments (for example, NSW DPE 2017; NT EPA 2020; Vic DJPR 2019)
* international organisations, such as the Organisation for Economic Co‑operation and Development (OECD 2017a) (OECD 2017b), the International Association for Public Participation (IAP2 2014), the US Environmental Protection Agency (US EPA 2008) and the National Coalition for Dialogue and Deliberation (NCDD 2009).

No description of best practice is markedly superior to the others. They cover similar ground, suggesting to the Commission that the characteristics of inclusiveness, timeliness, partnership, respect, access to information, transparency, responsiveness and continuous improvement should be used by Australian governments as the building blocks for national guidance on effective community engagement and information provision practice in water resource management and water service provision.

Frameworks are a useful tool for crafting a principles‑based approach to the conduct of community engagement and information provision practice. A commonly cited engagement framework is the IAP2 public participation spectrum, which posits that effective engagement:

* enables those affected by a decision to be involved in the decision‑making process
* promises that the public’s contribution will influence the decision
* recognises and communicates the needs and interests of all participants
* seeks out and facilitates the involvement of those potentially affected by or interested in a decision
* seeks input from participants in designing how they participate
* provides participants with the information they need to participate meaningfully
* enables participants to see how their input affected the decision (International Association for Public Participation 2019a).

In addition, using the IAP2 spectrum would enable governments to adopt a fit‑for-purpose approach to designing engagement processes taking into account, the goals, timeframes, resources and levels of impact of the decision to be made (figure 1). A key point is that governments must be honest and transparent with communities about the purpose of their consultation and their role in that instance of decision making.

| Figure 1 The IAP2 community engagement spectrum**a** |
| --- |
|

| Figure 1 - This figure illustrates an approach for ensuring that the extent of community influence on decision making matches the potential scale and sensitivity that the decision could have on the affected community |
| --- |

 |
| a IAP2 is the International Association for Public Participation’s framework for community engagement. |
| *Source*: International Association of Public Participation (2019b). |
|  |
|  |

Drawing on the above, the Commission considers that a useful starting point for Australian governments in redesigning the community partnership element of the NWI would be to develop an organising framework based around objectives of:

* continuously improving and sustaining government engagement effort across all aspects of water resource management and water service provision
* ensuring that engagement effort and its resourcing are fit‑for‑purpose taking into account the scale of proposed change or reform, its sensitivities and its impacts and that governments are clear about purpose of their engagement and the role of communities in decision making
* improving the effectiveness of community engagement through enhancing:
* water information accessibility and comprehensibility (SP E *Integrity*)
* community water literacy (SP E *Integrity*).

Development of best practice principles to support achievement of these objectives should aim to establish a platform enabling:

* effective consideration of diverse interests and expectations
* design of engagement processes that are fit for purpose, and offer participants genuine opportunities to influence decisions
* in line with the IAP2 spectrum, the participation promise, or planned level of engagement, should be clear at the outset of any process
* participants to access the information, analysis and time to participate and contribute
* building of an engagement culture, where stakeholders’ views are valued
* communication of decisions in an open, transparent and accessible manner
* regular review and reporting by governments of their engagement efforts to ensure ongoing effectiveness.

## 4 NWI renewal advice

Effective, thorough, well‑informed community engagement practice is needed to support reform in all aspects of water resource management and service provision. The Commission’s advice aims to contemporise guidance on effective community engagement practice and information provision in a renewed NWI.

| Draft NWI renewal ADVICE: COMMUNITY ENGAGEMENT Framework |
| --- |
| Australian governments should recommit to best practice, cost‑effective engagement with their communities on all water matters. To achieve this, a renewed National Water Initiative should develop a community engagement framework focused on:* continuously improving and sustaining government engagement effort across all aspects of water resource management and water service provision
* ensuring that engagement effort and its resourcing are fit-for-purpose taking into account the scale of proposed change or reform, its sensitivities and its impacts, and that governments are clear about the purpose of their engagement and the role of communities in decision-making
* improving the effectiveness of community engagement through enhancing:
* water information accessibility and comprehensibility
* community water literacy.

The characteristics of inclusiveness, timeliness, partnership, respect, access to information, transparency, responsiveness and continuous improvement represent a best practice foundation for guidance on effective community engagement and information provision practice in water resource management and water service provision. |
|  |
|  |

## References

Australian Government 2016, Community Engagement and Development - Leading Practice Sustainable Development for the Mining Industry, www.industry.gov.au/sites/ default/files/2019-04/lpsdp-community-engagement-and-development-handbook-english.pdf (accessed 3 December 2019).

Bassler, A. 2008, Developing effective citizen engagement: a how-to guide for community leaders, Center for Rural Pennsylvania, Harrisburg.

COAG Energy Council 2016, Better Practice Community Engagement Case Studies, www.coagenergycouncil.gov.au/sites/prod.energycouncil/files/publications/documents/Better%20Practice%20Community%20Engagement.pdf (accessed 3 December 2019).

Doolan, J. 2016, The Australian water reform journey, Canberra.

ESC (Essential Services Commission) 2019, PREMO water pricing framework, www.esc.vic.gov.au/water/how-we-regulate-water-sector/premo-water-pricing-framework (accessed 2 December 2020).

Gillespie Economics 2020, IPART - Consultant report by Gillespie Economics - Assessment of Hunter Water and Sydney Water Customer Willingness to Pay Surveys - January 2020, www.ipart.nsw.gov.au/Home/Industries/Water/Reviews/Metro-Pricing/Prices-for-Sydney-Water-Corporation-from-1-July-2020/24-Mar-2020-Consultant-report-by-Gillespie-Economics/Consultant-report-by-Gillespie-Economics-Assessment-of-Hunter-Water-and-Sydney-Water-Customer-Willingness-to-Pay-Surveys-January-2020 (accessed 15 January 2021).

IAP2 (International Association for Public Participation) 2014, IAP2’s Public Participation Spectrum, www.iap2.org.au/wp-content/uploads/2019/07/IAP2\_Public\_Participation\_ Spectrum.pdf (accessed 3 December 2019).

IIGMDB (Interim Inspector-General of Murray-Darling Basin Water Resources) 2020, Impact of Lower Inflows on State Shares Under the Murray–Darling Basin Agreement, Canberra.

International Association for Public Participation 2019a, IAP2 Core Values, https://iap2.org.au/
about-us/about-iap2-australasia/core-values/ (accessed 3 December 2020).

—— 2019b, IAP2 Published Resources, https://iap2.org.au/resources/iap2-published-resources/ (accessed 3 December 2020).

MCMPR (Ministerial Council on Mineral and Petroleum Resources) 2005, Principles for Engagement with Communities and Stakeholders, Canberra, www.energy mining.sa.gov.au/\_\_data/assets/pdf\_file/0020/41735/mcmpr\_principles\_nov05.pdf (accessed 23 January 2020).

NCDD (National Coalition for Dialogue and Deliberation) 2009, Core Principles for Public Engagement, http://ncdd.org/rc/wp-content/uploads/2010/08/PEPfinal-expanded.pdf (accessed 23 January 2020).

NSW DPE (New South Wales Department of Planning and Environment) 2017, Community and Stakeholder Engagement, www.planning.nsw.gov.au/~/media/Files/DPE/ Guidelines/guideline-6-draft-community-and-stakeholder-engagement-2017-06.ashx (accessed 3 December 2019).

NT EPA (Northern Territory Environment Protection Authority) 2020, Stakeholder Engagement and Consultation - Environmental Impact Assessment Guidance for Proponents, https://ntepa.nt.gov.au/consultation/environment-protection-act-2019-guidance-proponents-stakeholder-engagement-consultation (accessed 11 September 2020).

OBPR (Office of Best Practice Regulation) 2016, Best Practice Consultation, Guidance note, Canberra.

OECD (Organisation for Economic Co-operation and Development) 2017a, Leading practice community engagement guidelines, Paris.

—— 2017b, OECD Due Diligence Guidance for Meaningful Stakeholder Engagement in the Extractives Sector, www.oecd.org/publications/oecd-due-diligence-guidance-for-meaningful-stakeholder-engagement-in-the-extractive-sector-9789264252462-en.htm (accessed 7 September 2020).

PC (Productivity Commission) 2017, National Water Reform, Report no. 87, Canberra.

—— 2018, Murray-Darling Basin Plan: Five-year Assessment, Report no. 90, Canberra.

Sefton, R., Peterson, D., Woods, R., Kassebaum, A., McKenzie, D., Simpson, B. and Ramsay, M. 2020, Panel report: Independent assessment of social and economic conditions in the Basin - Draft Report, Melbourne.

The CIE (The Centre for International Economics) 2020, Customer Willingness to Pay, www.thecie.com.au/publications-archive/customer-willingness-to-pay (accessed 26 November 2020).

US EPA (US Environmental Protection Agency) 2008, EPA’s Environmental Justice Collaborative Problem-Solving Model, Washington DC, www.epa.gov/sites/production /files/2016-06/documents/cps-manual-12-27-06.pdf (accessed 23 January 2020).

Vic DJPR (Victorian Department of Jobs, Precincts and Regions) 2019, Community Engagement Guidelines for Mining and Mineral Exploration, https://earth resources.vic.gov.au/legislation-and-regulations/guidelines-and-codes-of-practice/community-engagement-guidelines-for-mining-and-mineral-exploration (accessed 3 September 2019).

YVW (Yarra Valley Water) 2017, Citizens Jury to help determine water services and pricing, www.yvw.com.au/about-us/news-room/citizens-jury-help-determine-water-services-and-pricing (accessed 26 November 2020).