

# Navigating Water Policy Reform

A practical guide for  
water sector leaders

Prepared by :

Yvette Colton  
Colton Consulting

# Acknowledgement of Country

We acknowledge and pay our respects to the Traditional Owners of the lands and waters on which we live and work, and to their Elders past, present and emerging. We recognise their enduring connection to Country and the knowledge and care that continue to guide water management across Australia.



# How to Use this Guide

This guide is designed for policymakers and reform practitioners responsible for delivering reform that must withstand scrutiny, be implemented in practice, and endure beyond short political windows. It provides a structured way to move reform beyond crisis-driven momentum and negotiated agreement on paper, and toward outcomes that are workable, credible, and trusted by those who must deliver and live with them.

The guide can be used both during crisis policy windows—when time is short and pressure is high—and in the quieter periods between crises, to build readiness and reduce delivery risk. In both contexts, its purpose is the same: to help you make better decisions earlier, so reform holds when conditions change.

The framework is organised around four interconnected stages that reflect how reform actually unfolds. It starts by clarifying the purpose of reform and defining what success looks like, then translates that clarity into a coherent suite of policy, legislative, governance, and incentive measures. It tests implementation reality—capability, systems, resourcing, and readiness—before focusing on how to navigate resistance, manage trade-offs, and maintain trust. While presented sequentially, the stages are not linear. Reform is iterative, and the guide is designed to support revisiting assumptions as evidence, conditions, or stakeholder dynamics shift.

## Guide summary - what you'll find inside

In this guide you will find:

- **Context on why reform feels harder now** — Names the dynamics you're working in and why familiar approaches may no longer hold.
- **Effective reform framework** — Sets out a practical way to deliver reform that is defensible, implementable, and trusted, making the most of quiet periods and crisis policy windows .
- **Define your destination** — Helps you clarify the real problem and align early on what success looks like.
- **Identify what needs to change** — Supports selection of the right mix of policy, legislative, governance, and incentive measures.
- **Determine how to implement** — Surfaces capacity, resourcing, and system constraints before they derail delivery.
- **Navigate challenges** — Provides guidance to manage resistance, trade-offs, and trust under pressure.
- **Reform readiness framework** — Brings the stages together in a single diagnostic view to identify what's working, what's at risk, and where attention is needed to keep reform on track.

# The challenge is getting harder

Water policy reform has never been simple. But the challenges facing water sector leaders today are compounding in ways that make it increasingly difficult to drive policy effectively and move reform forward.

**Climate change is creating new complexity.** More variability in rainfall and streamflow. Longer droughts. More intense floods. These changes require cross-sectoral solutions that cut across traditional boundaries between water, energy, agriculture, and urban planning. The old frameworks weren't designed for this level of interconnected complexity.

**Deadlines are looming.** Basin Plan reforms have tight timelines. Regulatory requirements have fixed dates. Political windows open and close. You're expected to deliver robust, defensible outcomes under pressure, often without the luxury of extended consultation or analysis.

**Demand is rising while supply is constrained.** Urban and regional water resources face increasing pressure from population growth and development. There's a housing crisis requiring expanded water infrastructure. But the water isn't there to simply expand into. And there's intense pressure not to increase costs during a cost-of-living crisis.

**Government capacity has eroded.** Public sector cuts means many departments deskilled and continuity of corporate history. The multidisciplinary thinking required for cross-sectoral water challenges may not exist in-house. Reduced resources mean you're being asked to do more with less.

**The us-and-them dynamic undermines trust.** Governments must make big decisions that affect communities and stakeholders — often involving difficult trade-offs, such as reallocating water to meet environmental or urban needs. But when an us-and-them paradigm exists between government and communities, trust erodes. Stakeholders become adversaries rather than partners. The risk of conflict increases. Decisions become harder. Burnout follows. The very collaboration needed to navigate complex water challenges becomes nearly impossible.

**There's the boom-bust cycle.** A crisis hits and suddenly there's funding and political will to act. Reforms are drafted at speed, under pressure, reflecting the constraints of negotiated political mandates. But as time passes, momentum ebbs. Policy frameworks stall or end up sitting on shelves — too rigid to evolve, losing relevance, or too complex to implement in practice.

These compounding challenges make it hard to do the careful, considered work that effective policy reform requires. But there's another way.

# Using the quiet times

Crises often drive action — but they are rarely the best time to design lasting reform. Yet crisis policy windows cannot be ignored, and preparation for them is just as important. The quiet periods between crises are when the most valuable work can happen: diagnosing problems clearly, engaging stakeholders genuinely, and building frameworks that can adapt as conditions change. It is also when trust can be built — creating the foundations that allow faster, more coherent action when a crisis hits, and helping shift dynamics from us-and-them to working together.

This guide is designed to help policy leaders and practitioners work effectively both in the lead-up to crises and within them. It supports the use of limited windows of political will, while also making the most of periods between shocks. It outlines a practical, staged approach to reform that prioritises clarity, feasibility, adaptability, and trust — even when capacity is constrained, pressure is constant, and uncertainty is high.

## The Four Stages of Adaptive Reform

The guide is structured around four interconnected stages. While presented sequentially, they are not strictly linear. Reform is iterative, and movement between stages is often necessary as conditions change.

### **Stage 1: Define Your Destination**

Clarify why reform is needed and what success actually looks like. This stage focuses on honest problem definition, setting clear and measurable objectives, and grounding ambition in evidence, stakeholder realities, and feasibility. Without this clarity, reform risks drifting or solving the wrong problem.

### **Stage 2: Identify What Needs to Change**

Translate objectives into a coherent suite of policy, legislative, governance, and incentive measures. This stage ensures the full range of policy levers is considered, measures are evidence-based, and dependencies are understood — keeping reform focused on outcomes rather than familiar tools.

### **Stage 3: Determine How to Implement**

Confront the reality of implementation. This stage assesses organisational capability, systems, resourcing, and readiness, and designs adaptive mechanisms from the outset. It is where reform efforts most often falter — and where realism matters most.

### **Stage 4: Navigate Challenges**

Expect resistance and build the capacity to navigate it without losing trust or direction. This stage focuses on communication, genuine engagement, resourcing, and the courage to confront difficult trade-offs — shifting conflict into constructive progress wherever possible.

# Stage 1: Define Your Destination

## Be clear about your vision and objectives for change

Most policy reform efforts begin with solutions. New legislation. Updated regulations. Revised planning instruments. But starting with solutions means you're building before you know what you're building towards.

The essential starting point is clarity about your vision and objectives. Why is reform necessary? What are you actually trying to achieve? Not the political answer or the media-friendly soundbite, but the genuine underlying challenge you're trying to address.

Being clear about this requires you to be honest about why the current path isn't working. Sometimes frameworks are outdated. Sometimes they were never fit for purpose. Sometimes conditions have changed faster than policy could adapt. Sometimes you're responding to scrutiny over fish deaths, water market complexity, or compliance issues. Whatever the reason, you need clarity on both where you are and where you're trying to go before you can chart a course forward.

## Ground your objectives in what's actually possible

Once you understand the why, you need clarity on the where. What does success actually look like? Not aspirational rhetoric, but concrete, measurable outcomes you can point to and say "this is what we're working towards."

Your objectives need to be grounded in three realities. First, the evidence. What does the research, the data, the technical analysis actually tell you about what's achievable? Second, genuine stakeholder needs.

Not what you think they need, but what they're actually experiencing and expressing. Third, honest feasibility assessment. What's politically possible? What's financially resourceable? What's administratively implementable given current capacity?

This stage requires research, consultation, and difficult conversations. It's tempting to skip past it in favour of action. But objectives that aren't grounded in reality become expensive failures.

## The destination diagnostic

Before moving forward, test your clarity with these questions:

- **Can you articulate the problem in one sentence?** If it takes paragraphs to explain, clarity is still missing. Complexity in the system doesn't require complexity in problem definition.
- **Do your stakeholders agree this is the problem?** If affected communities, utilities, and industry bodies don't recognise it, you're not addressing their reality.
- **Is your desired outcome specific and measurable?** Vague goals like "improve water security" lack meaning. What does improvement actually look like?
- **Have you defined success for different groups?** Success will look different for irrigators, environmental water holders, and urban users — have those perspectives been considered?

# Stage 2: Identify What Needs to Change

## Define the suite of measures required

You've established clear objectives. Now you need to identify the specific measures that will achieve those outcomes. This is typically the more straightforward part of reform planning.

The “what” includes the full suite of policy instruments and changes required:

- **Policy changes.** What policy settings need to be updated or created? What principles or frameworks need to be established?
- **Legislative or regulatory changes.** What laws or regulations need amending? What new rules need to be created?
- **Planning instruments.** What changes are needed to water sharing plans, allocation plans, or management plans?
- **Licensing or allocation changes.** How do licensing processes, allocation frameworks, or trading rules need to be modified?
- **New incentives or accountability measures.** What mechanisms will drive the behaviours or outcomes you're seeking? What accountability structures will ensure implementation?
- **Governance structures.** What decision-making arrangements or institutional changes are required?

This stage draws directly from your evidence-based assessment of options. You've analysed what works, what doesn't, and what's needed. The “what” flows from that analysis.

## The measures diagnostic

To test whether you've identified the right suite of measures:

- Have you assessed all the policy levers available? Are you considering the full range of instruments, or defaulting to familiar approaches?
- Are your measures evidence-based? Can you point to research, case studies, or technical analysis that supports these choices?
- Do the measures address the problem you defined? It's easy to slip into addressing adjacent issues or pet projects. Stay focused on your stated objectives.
- Have you identified dependencies? Some measures only work if other changes happen first. Have you mapped these relationships?

# Stage 3: Determine How to Implement

## This is where reform efforts typically unravel

Identifying what needs to change is one thing. Working out how to actually implement those changes is where most reform efforts hit reality. The how requires honest assessment of capacity, resources, systems, and readiness.

- What capability exists within your organisation? Do you have the technical expertise, policy skills, stakeholder engagement capacity, and project management capability to implement these measures? Be honest about gaps.
- What systems and processes need to change? Will current IT systems support new licensing processes? Can existing data management handle new reporting requirements? Are administrative processes fit for purpose?
- What capacity building is required? Where do staff need new skills or knowledge? What training or support is needed? How will you build and maintain capability over time?
- What investment is necessary? Not just budget for external support, but investment in systems, tools, processes, and people. What's the realistic cost of making this work?
- What needs to be piloted or tested first? Some changes are too risky or uncertain to roll out fully. What should be piloted to test assumptions and build confidence before broader implementation?

## Build adaptive capacity from the start

We're dealing with living systems. Climate patterns change. Population demands shift. Political priorities evolve. Economic conditions fluctuate. Your frameworks need to adapt to these changing conditions without losing their core purpose.

This means building in review mechanisms from the beginning.

Not vague commitments to "monitor and evaluate," but specific accountability structures with clear responsibilities and timelines. It means designing policies with adaptive triggers. What conditions would prompt a review? What evidence would indicate the framework needs adjustment?

## The implementation diagnostic

Have you identified all required resources? Not just budget, but staff time, technical expertise, engagement capacity, and legislative support — the full cost of delivery.

- **Do you have the right capability?** Be honest about gaps. If expertise isn't in-house, where will it come from?
- **Are review and accountability built in?** How will you know the policy is working, when will you assess it, and who is responsible?
- **What's your pilot or testing approach?** Will you roll out everything at once, or test and adapt in stages?
- **Is there genuine buy-in from implementers?** If the people delivering the policy are sceptical, understand why.

# Stage 4: Navigate Challenges

## Expect resistance and understand its source

Here's the truth about water policy reform. You will face challenges. Political resistance from those who benefit from current arrangements. Pushback from stakeholders who fear change. Resource constraints that limit what's possible. Shifts in public opinion or government priorities that threaten momentum.

The question isn't whether these challenges will emerge, but whether you've built the capacity to navigate them without abandoning your objectives or losing stakeholder trust.

Some resistance is legitimate. People raising concerns about unintended consequences or implementation challenges are offering valuable insight. Some resistance is about power and protecting established interests. Discerning between these requires both empathy and courage.

## The four capacities for navigating complexity

Through years working in water policy reform, I've observed that successful navigation through complex challenges requires four interconnected capacities. Miss any one of them and your reform efforts will struggle.

**Clarity in communication.** When challenges arise, your ability to explain what you're trying to achieve and why becomes critical. If stakeholders can't grasp the problem you're solving, the solution you're proposing, and the pathway you're taking, resistance multiplies. Complexity in the system doesn't excuse complexity in communication. Your job is to translate technical requirements into language that builds understanding rather than creates barriers.

**Connection through genuine engagement.** Policies designed in isolation from the people they affect are policies that will face resistance at implementation. Connection isn't consultation theatre. It's not stakeholder meetings where you present predetermined solutions and gather feedback you don't intend to use. It's genuine co-design where affected communities and stakeholders shape the solutions. This takes more time upfront but saves years of conflict and revision down the track. Most importantly, it begins to shift the us-and-them dynamic towards working together.

**Commitment of resources and authority.** A policy without adequate budget, staff capacity, and executive mandate is a policy destined to fail. You need commitment secured before you're too far down the path to turn back. This means honest conversations about what reform actually costs and what trade-offs need to be made to resource it properly. Hoping to implement complex reform on goodwill and existing capacity is setting yourself up for failure.

**Courage for truth-telling and trade-offs.** Some reforms require acknowledging uncomfortable truths. In a cost-of-living crisis, explaining why water prices may need to increase to ensure supply in ten years is not a politically comfortable conversation. When you need to take water from some users to meet environmental or urban needs, that's not easy to communicate. But avoiding difficult conversations doesn't make the underlying challenge disappear. It just defers the crisis and erodes trust further. Courage means measured truth-telling even when it's not politically.

# The challenge diagnostic

When you encounter resistance or obstacles:

- **Can non-technical stakeholders explain your policy aims?** Ask someone outside your organisation to describe what you're trying to achieve. If they can't, you have a clarity problem.
- **Have you created genuine co-design opportunities?** Or have you presented predetermined solutions and called it consultation? Stakeholders can tell the difference.
- **Is your reform adequately resourced?** Be honest. Not optimistic, but honest. If the answer is no, you need to either secure proper resourcing or scale back your objectives.
- **Have you identified difficult trade-offs?** Every reform involves winners and losers, competing priorities, and imperfect choices. Have you named these explicitly? Are you prepared to navigate them?

# The Reform Readiness Framework

Use this framework to assess where your reform effort stands and what needs attention:

Stage	Key Question	Red Flags	Green Lights
Define Destination	Why is reform necessary and what does success look like?	Problem definition takes 3+ paragraphs. Stakeholders don't recognise the problem you've identified. Success metrics are vague or unmeasurable.	One-sentence problem statement. Stakeholder alignment on the challenge. Specific, measurable success criteria agreed across groups.
Identify What	What measures are needed to achieve your objectives?	Defaulting to familiar approaches. Measures aren't evidence-based. Addressing adjacent issues rather than stated objectives. Dependencies not mapped.	Full suite of policy levers assessed. Evidence-based measure selection. Clear link to stated objectives. Dependencies identified.
Determine How	How will implementation actually work?	Capacity gaps ignored. "We'll figure it out later." No pilot strategy. Resources uncertain. Systems requirements not assessed.	Honest capacity assessment. Investment requirements identified. Pilot approach defined. Buy-in from implementers. Review mechanisms built in.
Navigate Challenges	Do we have the capacity to maintain direction through obstacles?	Stakeholders can't explain the policy. Consultation is performative. Reform under-resourced. Trade-offs unacknowledged.	Non-technical stakeholders can articulate aims. Genuine co-design process. Adequate resourcing secured. Explicit trade-off discussions held.

# Next steps

If you're facing water policy reform and recognise the challenges outlined in this guide, you don't have to navigate them alone.

## Let's discuss your reform challenge.

I work with government departments, water utilities, regulators, industry bodies, and consulting partners to translate complexity into clarity, co-design frameworks that work in practice, and build the capacity to navigate challenges with confidence.

### **Yvette Colton**

Colton Consulting

Founder and Principal

Adelaide, Australia

Phone: +61 411 302 977

Email: [yvette@coltonconsulting.com.au](mailto:yvette@coltonconsulting.com.au)


# About Us

## Cultivating a resilient water future

Colton Consulting, led by Yvette Colton, supports governments, regulators, and other water sector organisations to design and deliver clear, practical and defensible water policy and reform. With more than 15 years of experience across government and consulting, Yvette specialises in translating complex technical analysis into accessible insights that support confident decision-making.

Her work includes developing practical tools to implement legislation, simplifying complex water market arrangements, and helping agencies build capability and stakeholder confidence.

Grounded in evidence, collaboration and careful listening, Yvette works with clients to design solutions that are technically robust, implementable in practice, and trusted by the communities they affect.



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