ANZSOG RESEARCH INSIGHTS

STRENGTHENING AUSTRALIA'S REFORM 'MUSCLE' VIA SOCIAL LICENCE TO OPERATE: CASE STUDY COLLECTION

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STRENGTHENING AUSTRALIA'S REFORM 'MUSCLE' VIA SOCIAL LICENCE TO OPERATE: CASE STUDY COLLECTION

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PREFACE

The cases in this collection were developed as part of the **Strengthening Australia's Reform 'Muscle' via Social Licence to Operate** project, a collaborative initiative between the Australia and New Zealand School of Government (ANZSOG), the Australian National University (ANU), and the South Australian Department of the Premier and Cabinet. The project explores how governments can build and sustain the "muscle" required to undertake complex reforms, with a particular focus on the role of social licence in enabling and shaping reform processes.

Each case study examines a distinct reform initiative across different jurisdictions and policy domains, offering a rich, practice-oriented lens into how public sector leaders navigated the challenges of reform. Central to each narrative is the strategic use of social licence, how trust, legitimacy, and credibility were cultivated to support reform efforts, and how these elements influenced outcomes.

Together, the case studies form the analytical foundation for the project's key findings. They highlight recurring themes such as:

- The importance of early and authentic engagement with stakeholders and communities.
- The role of narrative and framing in building public understanding.
- The need for adaptive leadership and institutional resilience.
- The risks and trade-offs involved in pursuing bold reforms.
- Proactive vs reactive policy making and policy driven by crisis

Each case study concludes with a set of **key lessons**, **practical insights**, and **questions for reflection**, designed to help public servants and policy practitioners apply these learnings to their own work. These reflective prompts encourage readers to consider how they might build reform capability within their own contexts, and how to leverage social licence as a strategic asset in reform design and delivery.

This report is intended not only as a resource for learning, but also as a catalyst for deeper conversations about reform readiness, capability, and courage in the public sector.

1 BUILDING SOCIAL LICENCE FOR CONTENTIOUS POLICY DEBATES: LOCAL GOVERNMENTS AND THE AUSTRALIA DAY CONTROVERSY

By Mark Chou and Rachel Busbridge

Keywords: social licence to operate; local government; community engagement; Australia Day/January 26

Abstract

This case study examines how Australian local governments use community engagement strategies to build a Social Licence to Operate (SLO) when navigating contentious policy reforms, focusing on the polarised debate over January 26 (Australia Day) celebrations. While local councils lack constitutional recognition, many have stepped into this contested space, employing proxy methods such as community consultations, formal partnerships, advisory groups, and public communications to foster legitimacy and public trust. The analysis highlights significant variation in council approaches, shaped by internal factors like leadership capacity and engagement quality, and external pressures including level of government and local community culture. Successful cases – such as Flinders and Fremantle – demonstrated the power of genuine, trust-based partnerships and culturally anchored mandates. Conversely, rushed processes and politicised decision-making (e.g., Darebin, Greater Shepparton) undermined trust and deepened divisions. The findings underscore the complexities of building legitimacy in divided communities, especially where cultural sensitivities and political dynamics intersect.

Key points and lessons

- Building trust is key
- The quality of community engagement determines credibility
- Cultural and political mandates shape legitimacy
- Political context influences outcomes
- Local culture matters.

Learn more: Recommended reading

Herriman, J. (2011). Local government and community engagement in Australia. Working Paper No 5. *Australian Centre of Excellence for Local Government*, University of Technology Sydney. https://www.uts.edu.au/globalassets/sites/default/files/1320191471_Community_Engagement_web.pdf

Busbridge, R. & Chou, M. (2022). Culture Wars and City Politics, Revisited: Local Councils and the Australia Day Controversy. *Urban Affairs Review*, 58(1), 68–102. https://doi.org/10.1177/1078087420945034

Chou, M. & Busbridge, R. (2020). *How local governments govern culture war conflicts*. Cambridge: Cambridge University Press

1.1. INTRODUCTION

Originally developed in the mining sector to assess community acceptance of industry initiatives (Moffat et al., 2016), the concept of Social Licence to Operate (SLO) has since been widely adopted by governments globally to manage diverse objectives such as citizen engagement, stakeholder relationships, public trust, and government legitimacy (Bice & Moffat, 2014; Butcher, 2019). As a form of "governance via persuasion" (Murphy-Gregory, 2018), SLO is particularly relevant when governments pursue contentious or polarising policy reforms that risk dividing communities (Boutilier, 2021). However, government engagement with SLO varies, while some adopt it explicitly through formal policies, others apply it indirectly via proxy concepts such as community engagement, public satisfaction, and legitimacy-building initiatives (Gunningham et al., 2004; Stuart et al., 2023).

This case study examines the latter approach, focusing on how Australian local governments increasingly rely on proxy practices to build social capital and secure a social licence to govern, especially on divisive social issues that extend beyond their traditional administrative remit (Head, 2007; Busbridge et al., 2024). As local government responsibilities have expanded – from core property-related services to broader social programs, regulation, and community wellbeing – effective community engagement has become critical for fostering public understanding and acceptance (Herriman, 2011). Now a legislative requirement across all jurisdictions, community engagement functions as a "proxy mechanism" for establishing community consent and governmental legitimacy, foundational to local governments' claims of social licence to operate (Osborne et al., 2021). Through analysis of recent local government decisions on January 26 (Australia Day) commemorations, this case study explores how councils deploy engagement strategies to secure legitimacy and build consensus for their practices and policies.

1.2. BACKGROUND

The campaign to change the date of Australia Day from January 26 has become one of the most prominent cultural flashpoints in contemporary Australia. As Paul Kelly (2018) observed in *The Australian*, "Australia Day is getting bigger, brighter, more celebratory and stained by the rising tide of culture war hostility" each year. At the heart of the debate lies the unresolved tension between the celebration of (white settler) Australian history and identity and the enduring legacy of Aboriginal dispossession – tensions that have intensified following the failed Indigenous Voice to Parliament referendum (Davis, 2014; Biddle et al., 2023).

Local governments have emerged as key actors in this contested space (Busbridge & Chou, 2022). Since 2013, nearly one in five councils nationwide have chosen – often after extensive community consultation with Indigenous groups and residents – to modify or cancel Australia Day events (Rushforth & Aubrey, 2024). These decisions have at times provoked strong backlash, including sanctions from state and federal governments (Chou & Busbridge, 2020). More recently, some councils have reversed their positions, occasionally with minimal community engagement (Marshall, 2025).

This case study critically examines the strategies local governments use to build public acceptance for their January 26 decisions, highlighting the factors that shape outcomes. The issue offers a particularly instructive lens for exploring SLO due to the dual polarisation involved. First, Australians remain divided over the scope of local government responsibilities – whether they should engage with contentious social issues or remain focused on basic services to property. Second, public opinion is sharply split over the appropriateness of celebrating Australia Day on January 26, as evidenced by the growing scale of annual 'Invasion Day' protests across the country.

These complexities challenge straightforward understandings of SLO as simply achieving public consent and government legitimacy. For deeply divisive debates, securing broad-based acceptance may require more nuanced and iterative engagement strategies.

Given the diversity of local governments and their varied responses to January 26, this study does not anchor itself at a single point in the policy cycle. Instead, it examines selected cases at different stages of reform to understand

how councils engage communities around contentious decisions. Particular attention is given to the use of community consultations with Indigenous groups and local residents, and advisory bodies to foster trust, legitimacy, and social licence.

Finally, it is important to situate this issue within Australia's federal system. Australia's 537 local governments sit at the bottom of our federal hierarchy, lacking constitutional recognition and with heavy reliance on state and federal support for resources and legitimacy (Grant & Drew, 2017). While their statutory roles traditionally centre on property, infrastructure, and basic services, recent legislative reforms have embedded community engagement as a "normative principle" (Christensen & McQuestin, 2019, p.454). Councils are now required to consult communities on a wide range of matters, from budgets and service delivery to social planning and major projects (Herriman, 2011). This sees local councils sometimes take on the role of advocate, representing local interests to higher levels of government, even as their actions are shaped – and often constrained – by state/territory and federal legislation and policies (Chou & Busbridge, 2020). Councils commonly interact with state/territory governments through regulatory compliance, planning approvals, service delivery agreements, and funding negotiations. These relationships are frequently asymmetrical, with state/territory governments able to impose new responsibilities through cost-shifting or mandate-setting that expand councils' roles without expanding their authority or resources (Commonwealth Grants Commission, 2001). Local-level policymaking can influence state and federal agendas by highlighting emerging community issues or mobilising public sentiment – just as higher-level policies can shape, constrain, or enable what is possible on the ground.

1.3. BUILDING SOCIAL LICENCE FOR POLICY REFORM

This section examines the key actions local governments took – along with their underlying aims – to build social licence for their January 26 decisions. While different local governments acted differently for different reasons, here we focus on four key local government actions and two main aims. In the main, these actions were spearheaded by elected councillors although council officers, community partnerships, and formal advisory committees also played varying roles in building social licence. In particular, council officers – especially senior executives such as CEOs and policy directors – played an important enabling role, advising on feasibility, implementing decisions, and liaising with state agencies and community stakeholders. In several cases, formal advisory committees and community partnerships were key too in supporting broader legitimacy and engagement efforts. Thus, while our emphasis is on elected officials as the principal decision-makers, the cases offer policymakers and public servants a broader view of how councillors and council staff interact to build social licence and respond to contested policy challenges.

Partnerships (Flinders Council and the Flinders Island Aboriginal Association Incorporated)

Flinders Council (Tasmania) provides a compelling example of partnership-driven reform. Flinders Island is a tiny and remote agricultural community of about 1000 people, of which approximately 17% are Aboriginal (compared to 3% nationally). The Council first broached the issue in 2012 in response to the concerns of the local Aboriginal community, initiating a set of workshops – two involving elected members in 2013 – which looked at supporting another event on a day that would be less divisive (Flinders Council, 2013). Beginning in 2013, the Council sought to transition from its traditional Australia Day beach celebrations to a more inclusive event for both Aboriginal and non-Aboriginal residents. Central to this was sustained consultation with the local Indigenous community, culminating in a formal partnership with the Flinders Island Aboriginal Association Incorporated (FIAAI) (Chou & Busbridge, 2020).

Acknowledging the Island's fraught colonial history and significant Aboriginal population, the Council convened community workshops to explore alternatives. Two major outcomes emerged: the disbanding of the Australia Day Committee and the proposal for a community-led event. These efforts culminated in the creation of the Furneaux Islands Festival, held the week before January 26. As former Mayor Carol Cox noted, the festival aimed to recognise "the diverse background of Islanders, Aboriginal and European…to celebrate being Australian" (Flinders Council, 2015). FIAAI hailed the Council's actions as "a giant step forward" in building positive relationships.

In 2016, the Council formalised its partnership with FIAAI to expand the festival into a three-day event celebrating local arts, food, and culture. Despite widespread Indigenous support, resistance remained: a petition signed by 145 residents (around 10% of the Island's population) called for continued recognition of January 26. Nevertheless, the Council stood firm, maintaining unanimous support for both FIAAI and the festival. In this regard, the Council framed SLO in terms of support earned from the local Aboriginal community, with the former Mayor emphasising that they did not 'want to offend that population' (Holmes, 2019).

Community engagement through interviews and surveys (Yarra City Council; Darebin City Council; Lismore City Council)

Several councils pursued formal engagement processes to gauge community sentiment, though the scope and impact varied. For policymakers, understanding community sentiment is crucial for building social licence: it helps identify which issues matter most to communities, anticipate sources of resistance or support, and tailor communication or policy framing accordingly. In some cases, gauging sentiment can also help make an issue more locally salient, prompting greater buy-in or participation.

Yarra City Council (Victoria), the first council to cancel all January 26 events – including its citizenship ceremony – initiated action in 2017 via a unanimous councillor motion. Situated in Melbourne's inner north, Yarra is a progressive and economically prosperous city, which has historically been a counterculture hub and a stronghold of the Australian Greens Party. The councillor-initiated decision to cancel January 26 events triggered consultations with local Indigenous bodies, including the Council's Aboriginal Advisory Group and the Wurundjeri Tribe Council. Although the councillors were eager to act swiftly, the decision to engage in Indigenous community consultation was prompted by a senior councillor who emphasised the importance of Indigenous inclusion. In addition to this, council officers wanted to proceed with added caution and initiated a series of street-level surveys with local residents as a risk mitigation strategy. While these surveys revealed strong community support for Yarra's efforts to acknowledge Indigenous perspectives on January 26 (Yarra City Council, 2017), the bulk of councillors saw community consultation as secondary to making a strong political statement about January 26.

Motivated by Yarra's decision, neighbouring Darebin City Council (Victoria) – under the leadership of its mayor – brought forward a scheduled vote on whether to stop referring to January 26 as Australia Day and replace its annual citizenship ceremony with an Indigenous-themed event, which was passed 6:2. As a city undergoing gentrification, marked by a sharper social, cultural, and economic divisions than neighbouring Yarra, Darebin's population is split between younger, progressive residents and older, more conservative communities. Departing from standard procedure, Darebin undertook only a brief two-week staff-initiated consultation involving just 81 residents – less than 0.05% of the population. Within this limited sample, only 6% supported changing the date of citizenship ceremonies. The Indigenous roundtable consultation included only seven participants, omitting several key Elders (Chou & Busbridge, 2020). This narrow approach left the council exposed to criticism of inadequate engagement, although the mayor argued that the Council's extensive prior consultations with Aboriginal Advisory Groups and Land Councils had greater weight (Busbridge & Chou, 2022).

In contrast, Lismore City Council (New South Wales) adopted a broader approach, conducting an extensive online survey in 2018 to capture local views. Lismore is a city in the Northern Rivers region with agricultural and manufacturing history and an above average Indigenous population (around 7%). Rather than using the findings to inform a council decision, Lismore forwarded the results to the federal government to contribute to the national debate and start a conversation locally (Paterson, 2018; Busbridge & Chou, 2022). This approach positioned the Council as a facilitator of community dialogue, rather than a decision-maker on the issue.

Formal advisory entities (City of Ballarat; City of Fremantle; Greate Shepparton City Council)

Some councils turned to formal advisory entities to enhance legitimacy and guide decision-making, with mixed results. Formal advisory committees can be helpful in building effective relationships with affected communities but may have negative consequences for those relationships if recommendations are dismissed or overturned. The strongest social licence would appear to come when advisory entities are engaged seriously by councillors and supported by community and other council initiatives.

In the regional city of Ballarat (Victoria), the Council's Koori Engagement Action Group (KEAG) urged councillors in 2017 to reconsider their approach to January 26 and recommended that all councillors undertake cultural awareness training. Despite these efforts, progress was limited. By 2020, frustration mounted as only a few councillors participated in training, leading to the resignation of KEAG's co-chair Rachel Muir. She expressed deep disappointment, stating the Council sought "feel-good" outcomes but avoided the difficult, transformative changes needed (Bell, 2020). Despite sustained advocacy, including an 8,000-signature petition opposing Australia Day fireworks, the Council remained largely unresponsive. Muir concluded that: "They're not hearing our plain and simple everyday words, I don't think they're listening." In response, Deputy Mayor and KEAG co-chair Belinda Coates acknowledged KEAG "advocacy has been quite strong and consistent, and unfortunately we had a majority of councillors who have struggled to come to the table in hearing those concerns." For policymakers, this case highlights the dangers of undermining social licence when advisory group recommendations and community pressure go unheeded. While policymakers must ultimately work within the decisions of elected officials, they can help build momentum by supporting internal champions who are positioned to shift the debate from within council structures.

The City of Fremantle (Western Australia) presents a more successful example. Through meaningful engagement with its Walyalup Reconciliation Action Plan (WRAP) Working Group, the Council developed its One Day in Fremantle event, launched in 2017. The celebration won the Promoting Indigenous Reconciliation Award at the 2019 National Awards for Local Government. In 2024, the Council, in collaboration with the WRAP Working Group, chose to suspend One Day in Fremantle in favour of a year-long program centred on truth-telling, aligning with the Uluru Statement from the Heart. Explaining the shift, Mayor Hannah Fitzhardinge noted: "As a City, we know that listening is one of the most important attributes to building effective relationships with Aboriginal and Torres Strait Islander communities. Listening informs our decisions to challenge the status quo" (City of Fremantle, 2024). An established local progressive culture – reflected in the composition and leadership of the Fremantle Council – arguably made councillors more receptive than their equivalents in the more conservative city of Ballarat. Formal consultations with Indigenous community members also served to buttress WRAP recommendations (Busbridge & Chou, 2022).

Greater Shepparton City Council (Victoria), a regional city in the north-east of Victoria, offers a cautionary contrast. Following the 2024 elections, newly elected councillors voted 8-1 to reinstate January 26 events, claiming an electoral mandate. Crucially, this decision occurred without consulting key Indigenous stakeholders, including the Yorta Yorta Nation Aboriginal Corporation (YYNAC) and the First Peoples' Assembly of Victoria. YYNAC Chair Bobby Nicholls expressed profound disappointment, stating: "I don't have any faith or trust in Council because what they say and what they do contradict their Reconciliation Action Plan" (Jeffers, 2024; Butler, 2024). Levi Power, the Assembly's North East representative, echoed these concerns, noting the absence of any engagement from councillors. Councillor Sam Spinks, the sole dissenting vote, encapsulated the criticism: "This motion essentially says, 'We hear you, but we know better.' This motion does not protect the Aboriginal community."

Whole-of-government Integration (City of Hobart)

A final strategy involved scaling the issue beyond local decision-making to the national stage. In 2017, the City of Hobart (Tasmania) voted to retain the city's January 26 Australia Day events and formally join the campaign to Change the Date (Chou & Busbridge, 2020). As part of this motion, the Council committed to 'joining with other Australian councils that support a change of date from 26 January, to lobby the Australia government' (Hobart City

Council, 2017). In late 2017, Hobart submitted a motion to the Australian Local Government Association (ALGA) National General Assembly, advocating for a national debate on changing the date of Australia Day. The motion, recognising January 26 as a day of mourning for many Indigenous Australians, called on ALGA to encourage councils nationwide to lobby the federal government for change. It passed narrowly, 64-62, reflecting the contentious nature of the issue.

Hobart Lord Mayor Sue Hickey highlighted the significance of this outcome, noting that ALGA, representing over 565 councils at the time, could "encourage other Australian councils to consider efforts they could take to lobby the federal government to change the date of recognition of Australia Day" (City of Hobart, 2017). Hobart later planned to present a similar motion at the Local Government Association of Tasmania, further advancing the conversation at the state level.

The effective ground-up action of the City of Hobart to nationalise the issue of January 26 reflects an important dynamic of social licence which operates at multiple levels, here, city government, ALGA, and state and federal government. Social licence most often flows from the grassroots up. It rarely trickles from the top down.

1.4. REFORM AIMS AND SLO

The four actions outlined above – typically seen as proxies for building or undermining SLO – reflect two main aims: building trust and navigating competing cultural and political mandates.

Building trust

For councils pursuing genuine relationships with their communities – both Indigenous and non-Indigenous – a key goal was to build trust between local government and affected communities. Flinders Council exemplifies this approach. Trust was cultivated over time and formalised through its partnership with the FIAAI. Together, they reimagined January 26 as an inclusive, culturally respectful event. Highlighting this collaboration, FIAAI CEO Maxine Roughley reflected:

> "For Flinders Island Aboriginal people, [January 26] means we lost a lot of our culture and a lot of our language which we are only just getting back… Each year that festival is just getting bigger and bigger. So if anyone in Australia wants us to tell them how you can work together, this community can do it" (Shine, 2018).

Similarly, trust was central to the City of Fremantle's initial shift to an inclusive celebration. Recognising that the local Indigenous community wished to celebrate "but just not on that day", Fremantle redesigned its event to bring the whole community together (Busbridge & Chou, 2022). Trust also underpinned the Council's later decision to suspend One Day in Fremantle in favour of truth-telling. As Whadjuk Nyoongar Elder Gerrard Shaw explained, truth-telling is the first step toward "the dream of walking together" (City of Fremantle, 2024). Mayor Hannah Fitzhardinge echoed this, affirming: "The wisdom and guidance we can gain from listening to the First People of this place is essential, as we walk together towards a better future for all."

By contrast, Darebin, Ballarat, and Greater Shepparton Councils provide examples where trust with Indigenous communities was damaged. Darebin's rushed consultation excluded key Indigenous voices, notably omitting an Elder who later publicly criticised the process (Masanauskas, 2017). Similarly, Ballarat and Greater Shepparton undermined earlier commitments to Indigenous communities, eroding trust. Reflecting on Greater Shepparton's reversal, Levi Power described the decision as "a real trust breaker" (Butler, 2024).

For policymakers, the key insight is that building social licence, especially on culturally sensitive and contested issues, takes time and commitment. It depends on long-term relationship-building, consistency between words and actions, and a willingness to listen. Symbolic gestures without substantive follow-through can do more harm than good, while rushed efforts can be fraught, even if they are well-intentioned.

Cultural and political mandates

Local government mandates speak to the pursuit of legitimacy and acceptance. Across the cases, two patterns emerge that speak to distinctions and tensions between cultural and political mandates.

Flinders and Fremantle illustrate councils focused on establishing a cultural mandate by prioritising legitimacy among their Indigenous communities. Both faced community backlash: in Flinders, for example, a petition opposing the Council's stance attracted signatures from roughly 10% of the population. Yet, the Council reaffirmed its commitment to the FIAAI and the Furneaux Islands Festival, while clarifying that residents remained free to mark January 26 privately. This balance reflected a conscious effort to maintain cultural integrity while acknowledging broader community sentiment. In these cases, council officers played important roles in facilitating the development and maintenance of relationships and partnerships with Indigenous communities. In both cases, the alignment between council officers and elected councillors was imperative in embedding cultural change within the organisation and ensure consistent follow-through.

In contrast, Yarra and Darebin were driven more by political mandates even as they claimed cultural mandates. Yarra's decision to cancel all January 26 events reflected a newly elected council determined to make its mark on the Change the Date movement. The decision triggered a fierce national response, with then-Prime Minister Malcolm Turnbull condemning it as "an attack on Australia Day" and stripping Yarra of its citizenship ceremony rights (Chou & Busbridge, 2020). According to Yarra Council, its January 26 project was not solely about local sentiment but about "advocating the interests of the local community to other communities and governments" (Ibid., p. 51). The Council sought to influence national debate as much as local practice.

Darebin's expedited decision-making, skipping usual procedures, similarly reflected a desire to take a principled political stand, despite limited consultation and formalised community support. The move suggested the Council was motivated less by deliberative consensus-building than by alignment with the broader political momentum sparked by Yarra.

Finally, Greater Shepparton offers perhaps the clearest illustration of the tension between cultural and political mandates. In 2024, a newly elected council voted 8-1 to reinstate January 26 celebrations, reversing an earlier decision to discontinue them. Several councillors had campaigned explicitly on returning Australia Day commemorations, framing their decision as an expression of electoral mandate (Jeffers, 2024). However, this reversal sidelined prior commitments to Indigenous communities, such as YYNAC, who were not consulted. The outcome reflects a broader dynamic in which an electoral mandate – or political licence to operate – is positioned as overriding an existing cultural mandate, particularly one grounded in relationships with local Indigenous communities. This case highlights the precariousness of trust-based, culturally sensitive initiatives within volatile political landscapes and raises critical questions about the stability of local government commitments to Indigenous recognition, and the extent to which culturally sensitive initiatives can be sustained amid shifting political tides.

Clearly, a 'political licence' is also often in play, especially when it comes to social licence and policy reform of highly public, culturally sensitive issues. A keen awareness of the interplay of social and political licences is vital for policymakers aiming to strengthen their capacity for successful policy reform.

1.5. KEY FACTORS INFLUENCING REFORM SUCCESS

The success of local government decisions about January 26 was shaped by a combination of internal dynamics and external pressures. Internally, outcomes depended on the politicisation of the decision, council capacity, and the quality of community participation. Externally, factors such as the policy domain, government level, and local political culture played decisive roles.

INTERNAL FACTORS

Politicisation

State and federal politicisation was a major force shaping local outcomes. In many instances, the political licence at the federal level was in tension with social licence at the local level. In 2017, the federal government launched an 'Australia Day crackdown', stripping Yarra and Darebin of their citizenship ceremony rights after they shifted away from January 26. Prime Ministers and state leaders accused these councils of going "rogue" and "playing politics" with the national day (Chou & Busbridge, 2020, p.45). The Morrison government escalated this in 2019, mandating all councils hold ceremonies on January 26, regardless of council size or community demand. These directives were only reversed in 2022 with the change of federal government. The political firestorm not only deepened divisions within communities but also undermined local government authority, often fuelling resident frustration toward their councils.

In contrast, Flinders Council experienced a supportive political environment. After deciding to reimagine Australia Day, Tasmania's Department of Premier and Cabinet commended the Council, affirming its community-led approach (Chou & Busbridge, 2019). This early endorsement legitimised Flinders' actions, shielding it from political backlash and reinforcing local confidence in the alternative celebration.

The contrast between these cases highlights important institutional dynamics often overlooked in intergovernmental tensions. At the local level, council staff and elected councillors are part of one organisation, with the two having work in close collaboration with one another. In state and federal contexts, public servants and the departments they serve are structurally separate from elected political decision-makers. These differences necessarily shape how political and social licences are navigated – what is possible, by whom, and with what consequences.

Council capacity

Council capacity – defined as the ability and willingness of leaders and staff to foster understanding and acceptance of reform – is critical to building SLO. Research consistently shows that organisational culture, adequate resourcing, and councillor engagement underpin effective community engagement (Herriman, 2011).

Yarra Council exemplified this capacity. Councillors and council officers were committed to ensuring that their January 26 project was implemented not only swiftly but with broad community support. Recognising the councillors' eagerness to proceed, council officers moved quickly to engage the community, actively seeking local views to inform the proposed changes. This proactive approach helped to build trust and foster acceptance. By contrast, Ballarat Council lacked this internal cohesion. Despite persistent advocacy from its Indigenous advisory body KEAG, Ballarat councillors resisted calls for greater cultural sensitivity, leading to the resignation of key Indigenous representatives. Yarra's unified, proactive stance contrasts starkly with Ballarat's division and reluctance, underlining the ability of internal alignment to enhance community legitimacy.

Opportunities for participation

Meaningful community participation is fundamental to SLO. Councils that embedded community voices – through partnerships, advisory groups, and proactive consultation – set best practice examples. Flinders Council's partnership with the FIAAI, Fremantle's collaboration with its WRAP Working Group, and Lismore's extensive community survey all demonstrate genuine engagement processes that moved beyond tokenism.

These councils treated engagement as an ongoing, integral part of policymaking rather than a procedural formality (Herriman, 2011; Grant & Drew, 2017). By doing so, they strengthened trust and bolstered the legitimacy of their decisions. Their examples reinforce that SLO is most robust when participation is embedded throughout the policy process.

But building this reform capacity involved more than consultation. It also required effective alignment between political and administrative leadership. In several cases, councillors were the visible drivers of change, articulating moral and cultural mandates. Yet the reform muscle was often only possible because council staff, particularly CEOs and directors, shared in the commitment and advised on legal, procedural, and intergovernmental issues and facilitated ongoing community partnerships. The political-administrative interface was thus key: reforms gained traction when councillors and executives worked in tandem.

EXTERNAL FACTORS

Policy domain

The Australia Day debate is inherently polarised, complicating efforts to secure SLO. For Aboriginal and Torres Strait Islander peoples, January 26 marks invasion and dispossession, sustaining its status as a site of protest since the 1938 Day of Mourning. These deep divisions make any policy reform highly contentious, risking alienation of one or more community groups. Given this contested landscape, achieving shared understanding and legitimacy is exceptionally challenging. Policy changes around January 26 are easily portrayed as partisan or culturally exclusionary, making it difficult for councils to navigate reform without deepening community fractures (Busbridge, 2023). This situation also makes clear that there is rarely only one social licence in play. In reality, several social licences, related to diverse groups, different levels of government or jurisdictions, need to be managed.

Level of government

Local governments, when stepping beyond traditional roles to address polarising social issues like Australia Day, expose themselves to heightened scrutiny and perceptions of overreach. Without constitutional recognition or the political weight of state and federal counterparts, local councils are particularly vulnerable to criticisms of exceeding their mandate (Busbridge et al., 2024). Former Adelaide Lord Mayor Martin Haese warned that disparate local actions on Australia Day risk creating “chaos” rather than inclusion, stressing that such decisions belong at the federal level (Chou & Busbridge, 2019). Similarly, former Lismore Mayor Isaac Smith positioned the council as a facilitator rather than a decision-maker, providing community feedback to federal leaders rather than leading reform themselves. Hobart’s motion to the ALGA in 2017 reflected this view, seeking to escalate the debate to a national forum. These perspectives highlight how the perceived role and scale of government shape the boundaries of SLO in contested policy areas even as SLO from grassroots levels is critical for reform.

Local culture

Local political culture significantly influences the success of contentious reforms. Research shows that progressive communities – characterised by robust countercultures, higher education levels, and socially progressive values – are more likely to support local initiatives challenging the status quo (Rosdil, 1991; Sharp, 2002). Studies of urban contexts, including in Australia, confirm that such communities tend to prioritise cultural values over economic imperatives and are more receptive to activist local governments (Sharp, 1999; Chou et al., 2025). In these environments, councils more easily secure SLO for policies addressing ‘culture war’ issues like Indigenous reconciliation, climate action, and LGBTQIA+ rights.

Our cases align with this: progressive councils like Yarra, Fremantle, and Darebin were at the forefront of reimagining Australia Day celebrations. In contrast, more conservative localities often resisted these reforms, eroding community support and undermining council legitimacy. These findings illustrate how local culture either amplifies or constrains council capacity to enact culturally sensitive policy changes.

1.6. CONCLUSION

This case study analysed local government strategies to build a Social Licence to Operate (SLO) surrounding controversial January 26 celebrations.

Key findings demonstrate that local governments employing sustained, inclusive partnerships and authentic consultation processes – such as Flinders Council's collaboration with Indigenous groups and Fremantle's commitment to truth-telling – successfully established trust and legitimacy, despite facing opposition.

Conversely, limited or tokenistic engagement, illustrated by Darebin's rushed consultations and Ballarat's failure to act upon Indigenous advisory recommendations, significantly undermined trust and exacerbated community divisions.

Internally, factors such as politicisation, council capacity, and genuine community participation opportunities were essential determinants of reform success.

Externally, the policy domain, level of government, and local political culture significantly influenced local governments' ability to secure SLO. Particularly notable was the tension between cultural mandates – grounded in Indigenous recognition and reconciliation – and political mandates reflecting electoral majorities.

Factors influencing reform SLO and its success	Key elements to support SLO	Case examples
Actions	Partnerships	Flinders/FIAAI
	Community engagement	Yarra, Darebin, Lismore
	Formal advisory entities	Ballarat, Fremantle, Greater Shepparton
	Whole-of-government integration	Hobart
Aims	Building trust	Flinders, Fremantle, Darebin, Ballarat, Greater Shepparton
	Cultural and political mandates	Flinders, Fremantle, Yarra, Darebin, Greater Shepparton
Internal factors	Politicisation	Yarra, Darebin, Flinders
	Council capacity	Yarra, Ballarat
	Opportunities for participation	Flinders, Fremantle, Lismore
External factors	Policy domain	All
	Level of government	Lismore, Hobart
	Local culture	Yarra, Fremantle, Darebin

Table 1 Proxies for SLO and its success in local government action on January 26

Table 1 distils these key factors influencing the social licence for January 26 'Change the Date' policy reforms across Australia. These factors will likely be influential in similar policy reforms, especially at the local level. Table 1, therefore, offers a helpful guide for policymakers, outlining key factors and elements to consider in their own reform efforts.

Ultimately, the case study highlights that SLO in polarised contexts requires ongoing dialogue, consistent community involvement, and political leadership that prioritises cultural sensitivity and trust over short-term electoral gains.

1.7. SYNTHESIS/LESSONS LEARNED/INSIGHTS

The Social Licence to Operate (SLO), originally used in mining contexts, has been widely adopted by governments to manage citizen engagement, stakeholder relationships, and public trust, particularly on polarising issues. This study examines how Australian local governments deploy proxy methods – community engagement, consultations, advisory groups – to navigate controversies such as Australia Day celebrations.

Key lessons include:

1. **Building trust is key:** Effective reforms require genuine partnerships (Flinders, Fremantle). Building trust through sincere, inclusive consultations enhances legitimacy and acceptance.
2. **Community engagement quality matters:** Genuine, inclusive consultations (Yarra, Flinders, Fremantle, Lismore) foster legitimacy, while rushed or minimal consultations (Darebin, Greater Shepparton) damage trust and credibility.
3. **Political vs cultural mandates:** Reforms driven by cultural mandates, emphasising Indigenous perspectives and reconciliation (Fremantle, Flinders), tend to maintain greater legitimacy on culturally polarising issues. Political mandates, however, prioritising electoral promises (Greater Shepparton), risk alienating the Indigenous community. In these cases relating to Indigenous reconciliation, cultural licence generated through long-term relationships with local Indigenous communities can be jeopardised by political mandates, even if they are backed by majority support.
4. **External political context influences outcomes:** Higher-level political interference (federal and state government backlash against councils such as Yarra, Darebin, and Fremantle) significantly impacts local legitimacy. Positive state-level reinforcement, as experienced by Flinders Council, can bolster community acceptance.
5. **Local culture shapes outcomes:** Progressive communities are more receptive to challenging status quo practices, granting stronger legitimacy to councils that address cultural and social issues.

1.8. CASE REFLECTION: APPLYING LESSONS TO YOUR WORK

Now that you've read the Case Study, give yourself at least 10 minutes to reflect on lessons you can apply in your own work. The questions below can help guide your reflection or you may wish to write down your own notes. You've invested the time reading the case. Taking a few moments now to record your ideas will ensure you get the most from it!

1. What **key actions did policymakers take** in the case to build support for acceptance of the reform?
2. What **components of a social licence** played an important role in this case? For example, key components might include: Public acceptance, public sentiment or satisfaction, Public consent, Mandate for the reform, Legitimacy, Trust, Credibility
3. What **internal factors** (i.e., factors within the public service/government) played the most influential roles in the reform's effectiveness? For example, key internal factors might include: Political factors (between government departments/agencies or between elected politicians and public servants), Fairness/equity, Public service capacity, Systems efficiency, Resource availability and levels, Transparency, Opportunities for participation
4. What **external factors** (i.e., factors outside the public service/government) played the most influential roles in the reform's effectiveness? For example, key external factors might include: Community action, Features of the community, Mass and social media, Intrinsic nature of the reform's policy domain, Historical factors, Culture/country/region, Crises, System of government
5. How could you **apply the above lessons to your own work**? What actions, SLO components, internal or external factors would you now think about to shape your efforts?

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2. SOCIAL LICENCE FOR A NET ZERO AUSTRALIA: GRAPPLING WITH DECARBONISATION OF THE ELECTRICITY SYSTEM

by Colvin, R. M.

Keywords: community opposition; renewable energy infrastructure; urban-rural division; trust; fairness

Abstract

This case study examines the critical challenge of securing a social licence for Australia's transition to net zero emissions, focusing on electricity sector decarbonisation. Despite widespread climate change awareness and policy commitments, public support for climate action and renewable energy remains fragile, particularly in the regional communities contending with hosting the renewable energy infrastructure necessary for decarbonisation. This case study canvasses the importance of participation, trust, and fairness, along with the challenges of misinformation, media amplification of conflict, and entrenched community opposition: factors that are necessary to understand and navigate if Australia's reform muscle is to be strengthened. Examples of good efforts to secure a social licence include a locally led participatory process in Hay, NSW, the publication of resources for landholders by the Queensland Farmers' Federation and NSW Farmers, sub-national bipartisanship, and structures to support benefit sharing with communities.

Key points and lessons

- Trust is foundational: Policy reform processes ought to be viewed through a lens of trust, both how pre-existing levels of trust may shape policy reform viability, and how processes may earn trust through their design.
- Policy reformers should recognise that the social dimensions of change are ill-suited to conforming to commercial, political or technical timelines. Instead, process that centre social dimensions may appear in the immediate-term as protracted, yet in the longer-term are likely to be more durable (and ultimately resource efficient through, e.g. avoiding costly legal challenges).
- Community expectations for engagement can require policy actors to embrace arrangements where power is shared and accept the attendant risk to policy agendas. Proactive, community-led participation can succeed where ad hoc and non-genuine consultations fail.
- Successful reform requires fairness in relation to benefit distribution, procedure, recognition of social context and differences, and respect expressed and experienced in interactions.
- Trusted boundary-spanners with established credibility within specific communities are powerful messengers who can aid with broader social engagement and awareness. Investing in developing relationships with boundary-spanners is an important strategy for policymakers seeking to create the social conditions in which a social licence for policy reform may be earned.

Learn more: Recommended reading

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Declaration of interest R.M. Colvin serves as a non-executive member of the Board of the Energy Corporation of NSW (EnergyCo), which is the infrastructure planner for NSW's renewable energy zones and priority transmission infrastructure projects.

2.1. INTRODUCTION

The exigencies of climate change barely require introduction. Copious reports, journal articles, and books open variously with sterile scientific claims or impassioned pleas about the consequences of global warming and disruption of Earth's climate systems for human and non-human life alike. Thanks to science, advocacy and public debate, in the 2020s it's commonsense knowledge to most Australians that this thing called 'climate change' relates to claims about hotter summers, fiercer fires, angrier storms, and harsher droughts; according to Ipsos polling in 2025 around two thirds of Australians state concern about climate impacts already affecting the country (Ipsos, 2025). Using US political scientist Deva Woodly's (2015) terms, climate change has gained 'political acceptance' as worthy of public debate and holding space on the policy agenda.

Despite the prominence of climate change in public debate and on the policy agenda, abatement of the threat posed by a changing climate is by no means guaranteed. Understanding how to earn and maintain public support is crucial for success of policy reforms seeking to secure a safe future for humankind (Colvin, 2024, Condie and Condie, 2025, Gazmararian et al., 2025). This case study explores key considerations for policymakers seeking to earn and hold a social licence for ongoing policy reforms pursuing a 'net zero' emissions future for Australia. In this case study I focus on the first charge of pursuing net zero; decarbonisation of the electricity sector via the rapid buildout of new renewable generation, storage and transmission infrastructure.

2.2. BACKGROUND

Climate change certainly has not always been a household term nor item on the policy agenda. Early scientific insights into the human-caused enhancement of the natural greenhouse effect started to build from a little over 150 years ago. Eunice Foote's experiments in the mid-1800s demonstrated the power of carbonic acid gas (known to us today as carbon dioxide; CO_2) relative to common air in absorbing and retaining heat. Foote noted the implications of her findings for global temperatures, suggesting that "an atmosphere of that gas would give to our earth a high temperature" (Foote, 1856, p. 383). Forty years later in efforts to resolve puzzles about the shift between glacial and interglacial epochs, Svante Arrhenius published "tedious calculations" (p. 267) that quantified what is now described as the greenhouse effect. Arrhenius' efforts provided data that allowed for the "estimation of the effect on the earth's temperature which would be the result of a given variation of the aerial carbonic acid" (Arrhenius, 1896, p. 263). In 1938, Guy Callendar published analysis of temperature observations, concluding that observed small increases in temperature were due to emissions of carbon dioxide from the combustion of fossil fuels. Notwithstanding his conclusion that increasing emissions would prove good for humankind by expanding areas suitable for cultivation (Callendar, 1938, p. 236), his observations and analyses laid important foundations for the developing understanding of what we now call climate change. By the mid-1900s, Revelle and Suess identified the potential for change to the Earth's climate system due to the expected increase in emissions of carbon dioxide. They stated that "human beings are now carrying out a large scale geophysical experiment of a kind that could not have happened in the past nor be reproduced in the future" (Revelle and Suess, 1957, p. 19), and that the scientific community ought to take the opportunity to measure and study this real-world experiment.

In the decades since, understanding of the greenhouse effect, and the human-caused enhancement of it due to combustion of fossil fuels has only grown more detailed and precise. The accumulated knowledge has led many to declare a state of consensus amongst the suitably qualified scientific community about the reality of climate change and the role of human actions in enhancing the greenhouse effect (Cook et al., 2016). Ever-mounting evidence synthesised by the Intergovernmental Panel on Climate Change (IPCC) catalogues in forensic detail the causes,

multidimensional threats, and options for mitigating harms caused by global warming (see for example: IPCC 2023). The IPCC's synthesis of evidence provides a robust and expansive knowledge base for policymakers to act to ameliorate the threats posed by a changing climate.

Yet, governments around the world have not enacted policies that are sufficient to limit future warming to levels deemed safe for humankind (Rogelj et al., 2023, Buffier et al., 2025). And further, many governments have maintained policy conditions that are known to not only fail to limit, but instead to exacerbate the risks posed by a changing climate. Australia is a case in point: years of political debate over the reality and importance of climate change have produced a turbulent policy environment with few glimpses of the potential for a bipartisan basis for climate action (Colvin et al., 2025). Australia tried an economy wide mechanism for pricing emissions only to repeal it after a change in government, gaining "the dubious honour of being the first developed country to repeal a carbon price" (Green, 2021, p. 3). Climate change has been a lightning rod for political rupture, contributing to the premature ending of several prime ministerships (Crowley, 2013, Crowley, 2017, Crowley, 2021) and Australia has endured many instances of being singled out by the international community as a bad actor or laggard on climate action (Climate Action Tracker, 2022, Climate Change Performance Index, 2023). This is in no small part due to Australia's commitment to continue to extract and export coal and gas (Wright et al., 2021, Colvin, 2023, Martus, 2025), even alongside commitments to substantially reduce or offset emissions in the domestic sphere (Jotzo and Zou, 2025).

The Albanese-led federal Labor Government, at the time of writing now in its second term (2022-2025, 2025-current), shepherded a new era of climate policy in Australia. Under this government Australia has committed to reducing emissions by 43% below 2005 levels by 2030 (nevertheless, fossil fuel extraction and exports continue (Jotzo and Zou, 2025)). The 2030 emissions reduction target provides a near-term target that builds upon the former Morrison Coalition government's commitment to 'net zero' emissions by 2050[1] (Colvin et al., 2024). Nested within this national target are two key strategies adopted by the Commonwealth for achieving emissions reduction. First is the 2023 upscaling of the Safeguard Mechanism, Australia's industrial sector mitigation policy which was first implemented in a fairly weak form by an earlier Coalition government (Buffier et al., 2025). In its current upscaled form, the Safeguard Mechanism is expected to drive the reduction of emissions from about 200 industrial facilities that are responsible for over a quarter of Australia's emissions (Buffier et al., 2025). Second, and most relevant to the focus of this case study, is the target to have 82% of Australia's electricity supplied by renewable generation by 2030. While states, rather than the Commonwealth, hold primary responsibility for ensuring electricity supply and enabling development of required infrastructure, in pursuit of the 82% renewables target the Commonwealth has implemented the Capacity Investment Scheme which uses competitive tender processes to award government underwriting contracts to renewable energy generation and storage projects in order to accelerate the buildout of renewable energy infrastructure (Nelson et al., 2025). Efforts to reduce emissions do not end with decarbonisation of the electricity sector, arguably more complicated challenges face transport, industry and waste, agriculture and land, resources, and the built environment (Climate Change Authority, 2024). And indeed, various initiatives are underway in efforts to reduce emissions in these sectors (e.g. Boddington, 2025). However, the relative technological 'simplicity' of the rapid buildout of renewable energy infrastructure and the rallying pressure of the need to secure electricity supply means that electricity decarbonisation is the first front of concerted sector-wide efforts to mitigate climate change in Australia.

Despite these policy commitments to action on climate change, the concomitant reduction in Australia's emissions cannot be taken as guaranteed primarily due to the risks of frustrations or failures in implementation, or yet another upheaval to the climate policy landscape following a future election. Both risks pertain to levels of social support for efforts toward net zero (Gazmararian et al., 2025); risks that are especially salient given only about half the Australian

[1] The term 'net zero' describes "a balance between [greenhouse gas] emissions with sequestration and removals" (Green and Reyes 2023, p. 902). In practice net zero means the emissions ledger of a jurisdiction should have at least as many 'removals' as it has 'additions' of emissions to the atmosphere. Net zero therefore implies pursuit of reduction of emissions, i.e., standard mitigation, and removals such as via a range of technologies known as 'negative emissions', 'greenhouse gas removal', or 'carbon dioxide removal' technologies that span from natural (e.g. carbon offsets) or enhanced natural processes (e.g. enhanced rock weathering), to the use of chemical or physical machines (e.g. direct air capture) (Minx et al., 2018, Colvin et al., 2020, Schenuit et al. 2021).

population in 2025 expressed agreement about the importance of global warming as an issue and that “we should begin taking steps now even if this involves significant costs” (Neelam, 2025). In other words, despite everyday familiarity with the concept of climate change, concern about its impacts, and acceptance on the policy agenda, the social licence for efforts toward a net zero future for Australia remains delicate (Colvin, 2023). This is nowhere more the case than in parts of regional Australia that are experiencing the localised changes wrought by the rapid buildout of renewable energy infrastructure.

It is in regional Australia where there is availability of renewable resources like sunshine and wind, and the space to build new infrastructure (Zander and Garnett, 2025). Meanwhile, it is in the cities where electricity demand is most concentrated. These geographical realities of the renewables buildout provide a narrative framework of urban demands for renewable energy causing change to regions – often unwanted – via new renewable energy infrastructure development[2]. US scholarship describes this geographical disparity as the “rural burden” of renewable energy development (Nilson and Stedman, 2023), while similar insights from South Korea identify narratives of “rural exploitation” (Ko, 2025).

Extant research and public opinion polling data paint a complex and at times contradictory picture of levels of support for climate action generally and the renewables buildout specifically between urban and regional Australia. Colvin et al. (2024) found no statistically significant difference between levels of agreement with broad positions on climate and energy policy held by Australians living in urban versus regional areas. However, the results did indicate that there are strong *perceptions* of social difference between people living in Australia’s cities and regional areas. This perception of difference reflects an important area of research that demonstrates a lack of accuracy in how everyday people estimate the views of other everyday people. The inaccurate estimations can themselves shape what is seen to be socially common (Leviston et al., 2024), and therefore what is socially accepted or acceptable for a person to think or express within a given social setting (Colvin and Przybyszewski, 2022). For instance, widely held but empirically inaccurate perceptions that “nobody cares about climate change” may undermine legitimacy of action on climate change as it is perceived as attending to fringe rather than mainstream concerns. Such views can also drive social amplification effects, where a minority view that is falsely perceived as being socially normative gains discursive dominance and as a result closes down discussion of alternative perspectives (Colvin and Przybyszewski, 2022). As a consequence, community willingness to engage with policy reform efforts may be limited, and a subset of the full range of social perspectives may become established as representative of the majority when they are in fact held by a minority. Polling conducted by Porter Novelli (2024) illustrates this well, showing that while two thirds of people in regional Australia support renewables – effectively the same as in the cities – people in both cities and regional areas underestimate levels of support in the regions estimating that just one in two (rather than two in three) people support renewables (Figure 1).

[2] This urban-rural narrative and how it shapes renewables development in regional Australia is an area of growing research activity (e.g. Buckley and Colvin, under review, Colvin, under review, Cotton et al., under review).

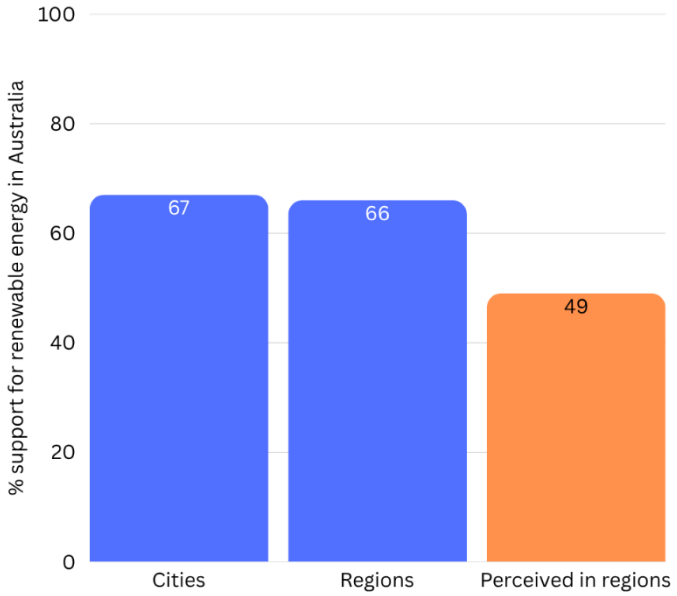

Figure 1 Polling data showing underestimation of support for renewables in regional Australia. Data from Porter Novelli (2024).

In contrast, polling by Ipsos in 2024 reported a measurable difference between levels of support/opposition for renewables between Australians in the cities and the regions (Ipsos, 2024). The Ipsos polling showed that while 60% of capital city residents support the transition from fossil fuels to renewables, only 45% of residents of outer regions were in support (Figure 2, left pane). An aligned capital city – outer regional gap was observed with the levels of opposition to the transition from fossil fuels to renewables, with 15% opposed in capital cities compared with 29% opposition in outer regions (Figure 2, right pane).

Figure 2 Ipsos (2024) polling showing differences in levels of support (left pane) and opposition (right pane) to Australia's transition away from fossil fuels and towards renewable energy generation in the capital cities and outer regions.

Taken together, the geographical realities of the buildout of utility scale renewable generation provides a narrative framework that is well positioned to exacerbate “us and them” divisions that see regional communities the natural

opponents of infrastructure development, and urban consumers as the beneficiaries of rural burden or exploitation. This complex social context offers a challenging space for pursuit of the social licence for net zero.

2.3. REFORM AIMS AND SLO

Public acceptance

In order to foster an enabling social environment for progress toward net zero emissions and electricity decarbonisation specifically, policymakers seek public acceptance at multiple levels. This includes support for the national 'agenda' for change (i.e., pursuit of net zero emissions) through to particular policy directions (i.e., a predominance of renewable generation, rather than alternative energy sources), whole sets of actors (i.e. renewable energy proponents), and specific projects (i.e., a defined renewable energy infrastructure development). These efforts seek to avoid the "implementation and reversal" of initiatives experienced during the "climate wars" era of Australian climate policy and politics (Chan, 2018).

Public opinion, as a means to measure public acceptance, can be conceptualised as a thermostat where the relative temperature indicates the overall support (or opposition) for an agenda or project (Wlezien, 1995). A recent contribution by Condie and Condie (2025) proposed a 'graphical model' of the social licence, which proposes to measure not only the 'thermostatic' mid-point of public acceptance, but also to account for the deviation around that thermostatic mid-point. As a result, their visual representation shows both (i) some central tendency of the public's warmth to an agenda or project, as well as (ii) the level of contention (and therefore, what may be an impending change to levels of public acceptance). As Condie and Condie argue, it is not just the 'temperature' of aggregate opinion that matters, but also the level of unification or division in the community. Such insight is especially important given a common concern of residents of regional areas facing substantial new renewable energy development is the risk of negative impacts on community cohesion and social division (for example as described in the first report, published in August 2025, of the NSW Parliament's inquiry into impacts of REZs on rural and regional communities (New South Wales Parliament. Legislative Council. Portfolio Committee No. 4 - Regional NSW, 2025)).

Trust

Trust in the actors and institutions that hold power to take action toward electricity decarbonisation is a central objective of efforts toward the social licence (Harvey and Bice, 2014). Perhaps the most important. Trust is a "psychological state that reflects a trustor accepting some form of vulnerability due to their positive expectations of a trustee's behaviours or intentions toward them" (Lacey et al., 2018, p. 22). Levels of trust may result from more general predispositions toward an actor or institution (for instance, the expectation that governments generally serve an important role, and that the people who make up government, i.e. public servants, act with integrity and the public interest in mind) or be shaped by specific direct or indirect experiences. Policy-makers seeking to achieve policy reform are most able to influence experiences that may affect trust rather than general predispositions. For instance, through adopting processes where government representatives engage with members of the public in high quality interactions. Research has shown that 'contact quality' matters more than 'contact quantity' for fostering positive relations and trust (Lacey et al., 2017, Hurst et al., 2022).

Trust in proponents including private developers and government entities that perform some functions akin to those of a proponent (such as VicGrid in Victoria or EnergyCo in New South Wales) is a resource that aids the smooth functioning of important enabling processes, such as securing development consent. For instance, if community members distrust a proponent, they are unlikely to participate in proponent-led consultative processes because they would distrust that the process would allow their input to influence project design, or feel personal animus that makes participation uncomfortable or unpleasant (Colvin et al., 2016).

Participation in consultative processes, when run well, can themselves build trust as a result of high quality company-community contact (Lacey et al., 2017). Accordingly distrust, over the course of a project proposal, is likely to snowball

to even greater levels of distrust due to a lack of contact throughout the consultative period when the proposal is highly salient in the community (Colvin et al., 2016). Those distrusting community members would therefore be more likely to mobilise in an action group seeking to prevent development consent, for instance organising to submit letters of objection to the consent authority or initiating legal actions against the proponent or consenting authority.

Trust, however, ought to be understood as an important resource but not one where the best social outcomes are expected to result from the highest levels of trust (Lacey et al., 2018). Community members who are overly trusting of proponents may find themselves disadvantaged, for instance through agreeing to unfavourable terms on land lease or acquisition agreements. So while proponents may see the benefits of reaching the highest levels of trust, positive social outcomes most likely arise in settings not of 'highest trust', but of 'optimal trust' where there is sufficient trust for functional exchange but excessive trust does not yield dynamics that foster vulnerability to exploitation (Lacey et al., 2018).

Legitimacy

Closely connected to trust is legitimacy. Trust in knowledge-producing government institutions generally or trust in organisations specifically, such as the Australian Energy Market Operator (AEMO) and the Commonwealth Scientific and Industry Research Organisation (CSIRO) give credibility to the knowledge products of these organisations. That credibility, in turn, lends legitimacy to the actions advancing policy reform that are prompted by the organisations' knowledge products. Importantly, many technical documents (such as those produced by AEMO or the CSIRO) are unlikely to be read by members of the general public directly. Instead, intermediaries such as academics, journalists, and commentators will play a sense-making role in signalling to the general public the credibility of institutions' knowledge products and therefore the legitimacy of the resulting policy reform actions.

An example is the Integrated System Plan (ISP) produced by AEMO. The ISP is in effect the authoritative multi-jurisdictional 'roadmap' for developing renewable energy network infrastructure (Australian Energy Market Operator (AEMO), 2024) which sets out, amongst other things, priority network projects (i.e., transmission) needed to accommodate new renewable generation, and identifies geographical regions with relatively high availability of renewable resources such as sunshine and wind. Inputs to the ISP include complex cost estimates produced by AEMO and other organisations, notably including CSIRO's GenCost reports (Graham et al., 2025). Trust in AEMO, CSIRO and the ISP and its inputs offers legitimacy to the prioritisation of new renewable energy infrastructure that aligns with AEMO's network priorities.

2.4. BUILDING SOCIAL LICENCE FOR POLICY REFORM

Participatory processes/ engagement

There are signs of positive relationships between regional host communities and renewable energy infrastructure proponents (including governments and private developers) in locales where there has been a concerted effort toward participatory processes and engagement. An example of this is the southern New South Wales community of Hay, which is within the South West Renewable Energy Zone (REZ).

Like many other regional communities in REZs and other areas of high renewable resources, Hay has experienced a proliferation of proponents seeking to test the viability of prospective projects through local surveys and community consultation. Unlike many other communities, though, Hay has the benefit of having prepared principles that outline the community's expectations of renewable developers. The "Fundamental Principles for Successful Renewable Development in Hay LGA" (Hay Shire Council, 2024) sets out principles to guide proponent-community relations, as well as locally identified opportunities for the area (such as affordable electricity, new infrastructure projects, economic diversification, and other initiatives). The benefit of these principles, though, is not just in their codification in a Council-published document, but also the participatory process through which they were developed.

Reports on the process indicate there was motivated local leadership, particularly via the efforts of Hay Shire Council's economic development manager Ali McLean who partnered with Kate Hook of RE-Alliance (Agar, 2024, Doak, 2024, RE-Alliance, 2025a), a not-for-profit working to promote positive relations between renewable energy and regional communities. While the meeting of McLean and Hook was described as a chance encounter (Agar, 2024), the Hay experience highlights the importance of local leadership both as a capacity of the public service, and a capacity that the public service might invest in building in efforts toward policy reform. RE-Alliance facilitated a participatory process that proactively engaged the Hay community in understanding the energy transition, its potential impacts on the region, and the opportunities (and constraints) for this proactive community (RE-Alliance, 2025a). In contexts where trust in an outside actor such as private developer or government agency may be lacking, enabling alternative processes that are locally led offers the promise of greater participation through benefitting from existing networks of trust.

Communications/ media

A great challenge for electricity decarbonisation is the circulation of "misinformation" in the public sphere and within communities' social networks. Misinformation is information that fails to accurately reflect reality. It can be spread unintentionally by people who simply believe it to be true, or it can be spread intentionally by actors seeking to benefit from the circulation of this false information (in which case it may be labelled disinformation) (Vraga and Bode, 2020).

False, dubious, and overblown claims can proliferate rapidly and gain social currency to the extent that they become 'common sense' understandings. Recent research found almost 30% of Australians agreed that wind turbines "emit more CO_2 than they save" (Winter et al., 2024). For comparison, Danish turbine manufacturer Vestas report that their own International Standards Organisation (ISO) compliant life cycle analysis of a 100 megawatt capacity wind plant comprised of 22 Vestas 4.5 megawatt turbines operating in medium wind conditions reaches an energy 'breakeven' point after 6.1 months of operation (Vestas, 2025). In other words, half a year into the 20+ year expected operational life of the plant, energy has been produced that is equal to the energy consumed by the plant across its entire life cycle.

The task for proponents, advocates, and policymakers is to provide robust information that communities consider trustworthy. Correcting 'misinformation' can lead to people updating their views (Ecker et al., 2011, Swire-Thompson et al., 2020). But, communicators need to ensure they are countering misinformation (or misinformation-like information) with robust and balanced information, rather than seeking to 'counterbalance' a biased negative claim with an equally biased positive claim. Building capacity in the art of effective misinformation correction, as well as having sufficient subject area expertise to engage robustly with misinformation, will be an important way to strengthen the reform muscle of the public service.

Boundary-spanning

The "us versus them" dynamics of climate action in Australia means that some actors are unlikely to be trusted by certain people and social groups. The presence of boundary-spanners, particularly those who hold credibility within a particular social identity whilst speaking for a net zero transition are particularly important actors (Colvin et al., 2025).

Two examples of boundary spanning in electricity decarbonisation are the peak agricultural associations of Queensland and New South Wales releasing informative material for landholders grappling with prospective renewable energy infrastructure development on their land. The *Queensland Renewable Energy Landholder Toolkit* (Queensland Farmers' Federation, 2023) and *NSW Renewable Energy and Transmission Landholder Guide* (NSW Farmers, 2025) provide resources such as checklists for discussions with developers, an overview of landholders' legal rights, and general information about why the infrastructure development is occurring. Where some landholders may not trust renewable energy advocates or government representatives, the material from the Queensland Farmers' Federation (2023) and NSW Farmers (2025) fills a valuable information gap leading to more informed and

empowered landholders. These boundary-spanning resources complement other recently released materials geared toward informing and empowering landholders (Table 1).

Table 1 Resources for landholders required to host (e.g. transmission) or considering hosting (e.g. generation) renewable energy infrastructure.

Citation	Report title
Queensland Farmers' Federation (2023)	*Queensland Renewable Energy Landholder Toolkit*
NSW Farmers (2025)	*NSW Renewable Energy and Transmission Landholder Guide*
Bomm and Stark (2025)	*Agrivoltaics Handbook: A guide for solar developers and landholders*
RE-Alliance (2025b)	*Refurbishment, repowering or retirement. What happens when renewables approach end of life?*

2.5. KEY FACTORS INFLUENCING REFORM SUCCESS

INTERNAL FACTORS

Political factors

At the federal level, whether a Labor or Coalition government holds power has been perhaps the main determinant of the ambition of Australia's climate commitments and robustness of climate policy. Where Labor has advanced various climate policy instruments over their tenures in government since 2007, the Coalition has tended to wind them back after regaining power (Crowley, 2013, Crowley, 2017, Crowley, 2021). However, an important punctuation to this pattern was in 2021 under a Morrison-led Coalition government, Australia committed to reaching net zero emissions by 2050 (Colvin et al., 2024). Although this commitment was not enshrined in a legislated target by the Coalition government, and lacked near term (i.e., 2030) emissions reduction targets, it offered an important rhetorical shift that appeared to signal a softening of the Coalition's climate recalcitrant position. Political rhetoric following the 2025 election, which centres regional discontent with the renewable energy infrastructure buildout, raises questions about whether the federal party divide on climate will grow wider in the years ahead.

In contrast, much of the 'doing' of electricity decarbonisation is the responsibility of state governments, rather than the Commonwealth. A benefit of multiple levels of government working toward decarbonisation means that there are multiple arenas for experimentation with policy reform. For instance, in 2007 South Australia was the first jurisdiction in the world to legislate a 2050 climate target, and its government was the first in Australia to enact framework climate policy (attributed, at least in part, to a desire to attenuate the lack of climate action at the federal level) (Christoff and Eckersley, 2021). At the time of South Australia's climate policy progress in 2007, the state's electricity supply contained virtually no renewables. At the time of writing, the state is on track to meet its target of 100% renewables by 2027 (Parkinson, 2024).

A further benefit is that where one jurisdiction may encounter political roadblocks to reform, other jurisdictions may yet progress (Christoff and Eckersley, 2021). Both South Australia and New South Wales offer encouraging bipartisan counterpoints to the federal political dynamics. In South Australia, the progress from near zero to near 100% renewables has been shepherded by bipartisan commitment across election cycles. Although implemented in 2007 by the Rann Labor government, commitment to the renewables was maintained by the Marshall Liberal government that won power in 2018 (Christoff and Eckersley, 2021), and subsequently by the Malinauskas Labor government from 2022. NSW's Electricity Infrastructure Roadmap, the state's plan for electricity decarbonisation (NSW Department of Planning, 2020), was designed and implemented by a NSW Liberal government in 2020. After a change of government in 2023, the incoming Labor Energy Minister Penny Sharpe reaffirmed commitment to the Roadmap and acknowledged the former government's efforts and bipartisan support that enabled its implementation (Office of Energy and Climate Change, 2023).

Fairness, equity

Questions of fairness and equity are paramount when it comes to pursuit of a social licence for individual renewable energy infrastructure projects, because people who perceive a development to be 'fair' are more likely to accept or support it (Gross, 2007). Fairness is inherently subjective, yet there are actions proponents can take that are likely to yield positive outcomes for the project's social licence through centring a multi-dimensional view on fairness. A multi-dimensional view on fairness includes attentiveness to distributional, procedural, recognition, and interactive fairness.

Distributional fairness refers to how the benefits and burdens of a project are shared across society. Specific initiatives that can enhance distributional fairness include but are not limited to adopting landholder payments, neighbour payments, community and regional benefit sharing, non-financial partnerships such as school educational programs, subsidies or discounts on utility bills, and favouring local people for employment and local firms for procurement and services.

Procedural fairness concerns the sense that a process offers meaningful opportunity for affected and interested people to have a say, to be heard, and for meaningful change to a project to be made in response (or a justifiable explanation for why change is not being made) (Colvin et al., 2016, Lacey et al., 2017). Gross's (2007) research on community conflict about wind energy in Australia demonstrated that perceptions of procedural fairness were also likely to lead to perceptions of outcomes as being fair (i.e., procedural fairness has a bearing on distributive fairness).

Importantly, therefore, distributional fairness interventions should not be seen as 'off the shelf' products that can be applied across contexts. Policymakers must commit first to procedural fairness, in order to work with affected people to determine *how* distributional fairness is enacted. In the context of energy transition unfolding in regional areas, this means prioritising process that is responsive to place and context, to elicit socially legitimate initiatives for pursuing distributive fairness.

Recognition and interactional fairness can be understood as relating to *how* distributional and procedural fairness are pursued. Fairness in recognition acknowledges that not all communities, groups and people share a common history or experience of the world, and in practice an understanding of these differences ought to be incorporated into processes and decisions (Healy and Barry, 2017). Interactive justice focuses on the personal experience of being heard and respected (Gross, 2014), aligning with the importance of contact quality (Lacey et al., 2017). Where procedural fairness alone may offer someone a seat at the decision-making table, interactional fairness ensures that the person's experiences and views are valued and respected and that their input is welcome.

A range of potential actions that can contribute to fairness are described in detail in free to access resources published by Australian renewable sector organisations (Table 2).

Table 2 A selection of free to access resources from leading Australian renewable sector organisations.

Citation	Report title
Clean Energy Council (2018a)	*Community Engagement Guidelines for the Australian Wind Industry*
Clean Energy Council (2018b)	*Enhancing Positive Social Outcomes from Wind Farm Development: Evaluating community engagement and benefit-sharing in Australia*
Clean Energy Council (2019)	*Benefit Sharing Options for Renewable Energy Projects*
RE-Alliance: Healey (2021)	*Building trust for transmission: Earning the social licence needed to plug in Australia's Renewable Energy Zones*
Farmers for Climate Action (2022)	*Farm Powered: Opportunities for regional communities in the renewable energy boom*
RE-Alliance (2023)	*Community Benefit Sharing: How community benefit funds from renewable energy projects support local outcomes*

The Energy Charter (2023)	*Better Practice Social Licence Guideline: Co-existence and shared value opportunities for transmission + agricultural landholders*
Clean Energy Council and Farmers for Climate Action (2024)	*Billions in the bush: Renewable energy for regional prosperity*
The Next Economy (2024)	*Reimagining Diversity in Clean Energy Careers: Opportunities to power Australia's energy transition through a diverse, equitable and inclusive clean energy workforce*
Currie Communications (2025)	*Making the clean energy transition work for farmers: A blueprint for better farmer and community engagement in Australia*
Community Power Agency: Mallee et al. (2025)	*Guide to Regional Benefit Sharing: How to create legacy outcomes for regions that host multiple renewable energy projects*
The Next Economy, RE Alliance, Foundation for Rural & Regional Renewal, and ProjectsJSA: Archer and Mathee (2025)	*Striking a New Deal for Renewables in Regions: The pathway to securing an enduring social licence for the energy shift and a good deal for new energy regions*

Resource availability for the public service

Particularly given the importance of fairness, appropriate resourcing of the public service is necessary for successful implementation of policy mechanisms to pursue net zero emissions. For example, some renewable energy zones (REZs) in New South Wales operate within bespoke 'access schemes' (EnergyCo, 2025). These access schemes are intended to optimise the amount of renewable generation developed within a REZ with the amount of new build network capacity to avoid an over- or under-build of generation. As a result of this coordination, access schemes provide greater certainty to developers relative to seeking connection to the network without an access scheme about likely levels of generation curtailment (which reduces some uncertainty about the risk of a generation project). When a generator is awarded access rights via an access scheme, they gain the 'right' to connect to the REZ network infrastructure. In return, generators are obligated to pay access fees, which include a portion of funds to be allocated for 'community benefit and employment purposes' which in turn distribute benefits of the REZ development to the host communities (Minister for Energy and Climate Change and Minister for Regional NSW, 2025). Structures such as access schemes, which are intended to distribute benefits from the renewable energy infrastructure buildout to affected communities and therefore can be viewed as an investment in efforts to earn a social licence, require substantial resourcing of the public service, in terms of both capability and personnel.

EXTERNAL FACTORS

Community action

The aspect of community action most relevant to electricity decarbonisation relates to local place-based opposition to unwanted infrastructure (Colvin et al., 2016). While there are instances of communities activating to advance the development of renewables, especially including instances of community owned renewable energy developments known as 'community energy' (Buckley et al., 2023), it is opposition movements that will demand the most out of the reform muscle in the public service. Such action sees communities activating to reject the policy reform and attendant infrastructure development. Collectives of local people have banded together into networks or formal groups to oppose unwanted land use changes in response to all manner of different types of infrastructure (Bice et al., 2019, O'Connor et al., 2025); opposition is certainty not a phenomenon unique to renewables.

Community action can challenge the viability of individual renewable energy infrastructure projects by: fostering local social norms that encourage landholders to decline to host infrastructure; raising objections to the project via the planning approval process (e.g. Williamson, 2025); initiating legal challenges against the project (e.g. Bushnell, 2024); creating a hostile social environment in which it may be perceived as unsafe for proponent personnel to

undertake on-ground activities such as consultations or surveys (e.g. Mackintosh and Lowe, 2024); prompting political action that threatens long-term policy stability (e.g. Rowley, 2025).

Importantly, community action to oppose renewables may become embedded in the social fabric of a place such that the stance on renewables is synonymous with what it means to be a part of the community (Buckley and Colvin, under review), becoming akin to the merging of a place-based (Wheeler, 2016) and opinion-based identity (McGarty et al., 2009).

Mass and social media

Mass media and social media together provide the architecture for a mass mediated public sphere (*sensu* Woodly, 2015) that is as if by design ideally suited to circulate and amplify stories of conflict and outrage (Sandman, 1993, Vosoughi et al., 2018, Colvin et al., 2020b, Robertson et al., 2023, McLoughlin et al., 2024). Curated flows (Thorson and Wells, 2016) of information increasingly enable people in information 'echo chambers' to consume materials that align with their existing beliefs. The volume of content available through social media feeds also drives high levels of familiarity with a topic, which creates a perception of understanding and a related confidence in opinions, whilst not contributing to genuine understanding in a substantive way (Schäfer, 2020).

While modern information systems offer unprecedented opportunities for distributing information that may contribute to informed and engaged communities, and therefore a social licence, headwinds blow against positive and neutral stories while negative stories of outrage receive a tailwind boost (Harari, 2024). These headwinds are due to the complex intersection of social-psychological and technical factors (Thorson and Wells, 2016). To illustrate, a protest movement that mobilised ahead of the 2019 federal election to express opposition to the expansion of thermal coal mining in Queensland received coverage that predominantly featured perspectives fostering an 'us and them' conflict between city-based environmentalist elites and regional mining communities (Colvin, 2020b). The actions of the protest movement and associated media coverage fostered a challenging social environment for regional advocates for decarbonisation in the immediate term, though in the longer term have been described as playing an important role in narratives acknowledging the necessity of change (Edwards et al., 2025).

Crises

Electricity decarbonisation in Australia sits between two crises. The first crisis was the catastrophic 'black summer' bushfires of the 2019-2020 summer. Not unlike the protest movement described above, these bushfires have served as an important narrative point for many Australians regarding climate change. For those already accepting of the reality of climate change, or at least open to it, the bushfires offered a demonstration of the threats posed by climate change, and an insight into what a climate changed future portends for Australia (Colvin, 2020a). The crisis of the black summer bushfires, therefore, does some heavy lifting for creating a narrative of public demand and acceptance of the need for policy reform, which in turn justifies the pursuit of net zero and the immediate challenge of decarbonisation of the electricity system.

The second crisis has not occurred, and with good progress on the renewable energy infrastructure buildout hopefully will not occur. Yet, the risk remains that new renewable generation and transmission capacity in the electricity grid is not built and operational in time to maintain a security electricity supply as legacy coal generation retires or becomes prone to unreliability due to the faults of age. Prior experience in Australia (such as the 2016 South Australian blackout) and internationally (such as the 2025 Iberian Peninsula blackout) shows that regardless of the cause, renewable energy is likely to receive blame. Further, unreliable electricity supply undermines consumer trust in utilities and governments (Montañés et al., 2025), undermining another important aspect of the social licence for net zero and electricity decarbonisation specifically.

2.6. LESSONS LEARNED

This case study considered the critical challenge of securing public support for Australia's transition to net zero emissions, with a specific focus on decarbonisation of the electricity sector. Despite widespread awareness of climate change, earning a social licence for renewable energy infrastructure remains precarious, especially in regional communities bearing the physical burden of development.

Key Takeaways and Insights

- Trust is foundational: Policy reform processes ought to be viewed through a lens of trust, both how pre-existing levels of trust may shape policy reform viability, and how processes may earn trust through their design. Trust in proponents and government institutions form an essential foundation for social licence. Without trust, participatory engagement fails, efforts promoting fairness lack credibility, and communities are likely to mobilise in opposition regardless of project benefits.
- Policy reformers should recognise that the social dimensions of change are ill-suited to conforming to commercial, political or technical timelines. Instead, process that centre social dimensions may appear in the immediate-term as protracted, yet in the longer-term are likely to be more durable (and ultimately resource efficient through, e.g. avoiding costly legal challenges).
- Community expectations for engagement can require policy actors to embrace arrangements where power is shared and accept the attendant risk to policy agendas. Proactive, community-led participation can succeed where ad hoc and non-genuine consultations fail.
- Successful reform requires fairness in relation to distributional fairness (e.g. benefit-sharing), procedural fairness (e.g. meaningful participation), recognition justice (e.g. acknowledging diverse experiences), and interactive justice (e.g. respectful personal engagement).
- Trusted boundary-spanners with established credibility within specific communities are powerful messengers who can aid with broader social engagement and awareness. Investing in developing relationships with boundary-spanners is an important strategy for policymakers seeking to create the social conditions in which a social licence for policy reform may be earned. Local leaders and other third parties such as non-energy industry associations are examples of boundary spanners whose efforts have yielded positive outcomes.
- Misinformation and the amplification of outrage in the mass media and on social media demands policy reformers to be skilled at countering misinformation. This requires skill in the art of correcting misinformation, as well as substantive knowledge and expertise to enable the use of robust and credible counter-information.

2.7. CONCLUSION

This case study explores some aspects of the complexity of pursuing a social licence for Australia's transition to net zero emissions. While climate science has achieved consensus and policy frameworks exist, securing and maintaining public support for renewable energy infrastructure remains a key challenge, particularly in regional communities experiencing the localised impacts of development.

Trust is foundational to the social licence. Without trust in proponents, government institutions, and planning processes, even well-intentioned participatory processes and fairness measures may lose credibility and effectiveness. To achieve policy reform, then, requires commitment to actions and efforts that will earn the trust of affected people and communities, in order to be able to implement and realise the promises of participatory processes that are themselves inherent to reform. The geographic inequality inherent in renewable energy development - where cities benefit while regions bear the burden - creates natural fault lines that can be exploited by misinformation and amplified by media. Yet, encouraging examples like the Hay experience illustrate that proactive, community-led participatory processes can yield successes.

The path forward requires sustained investment in trust-building through genuine participatory processes, centring fairness, adequate public service resourcing, and strategic use of credible boundary-spanners to effectively disseminate accurate and constructive information.

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3. BUILDING SOCIAL LICENCE FOR MONETARY POLICY IMPLEMENTATION: PUBLIC VIEWS ON THE RESERVE BANK'S CREDIBILITY

by Thuy Hang Duong

Keywords: social licence to operate; monetary policy; central bank's credibility; inflation expectations anchoring

Abstract

The credibility of a central bank is not directly observable. However, for central banks that operate under a framework aimed at keeping inflation stable, their credibility is often judged by how people expect prices to change in the future. Within this inflation-targeting framework, the central bank explicitly commits to maintaining inflation within a specified point or range over time. When public expectations about inflation remain stable and aligned with that target—what economists called "anchored"—it signals that the public views the central bank as credible in its commitment.

This case study examines how the Reserve Bank of Australia (RBA) has leveraged its "social licence to operate" (SLO)—the public's acceptance and trust that enables institutions to function effectively—to anchor inflation expectations formed by private agents and build its credibility. The findings highlight that the RBA's SLO-related reforms have evolved from relying primarily on technical expertise to cultivating a broader foundation of credibility that incorporates inclusive communication, a reinforced legislated mandate, accountability, transparency, social learning initiatives, openness to diverse perspectives, and stronger coordination but independence with fiscal policy. These efforts have enhanced the anchoring of inflation expectations and reinforced the Bank's credibility in the public's eyes. The analysis also shows the RBA's capacity to uphold its SLO over the past three decades reflects a complex interplay of internal institutional reforms and evolving external conditions.

Key points and lessons

- A central bank's credibility depends not only on macroeconomic outcomes but also on continuously building and sustaining its social licence to uphold the public's trust. SLO refers not merely to passive public acceptance but to an evolving relationship in which legitimacy is continually maintained through transparency, accountability, and responsiveness to societal expectations.
- The anchoring of inflation expectations reflects the public's trust in the RBA. Well-anchored expectations reduce the economic costs of disinflation, enhance the transmission of monetary policy and contribute to broader macroeconomic resilience.
- Strong coordination between monetary and fiscal policy supports macroeconomic stability, but preserving the RBA's clear operational independence is essential to maintaining its credibility.
- The flexibility of Australia's inflation-targeting framework facilitates a central bank's ability to obtain its credibility gains by allowing temporary deviations in inflation during economic shocks, without losing sight of long-term objectives.
- Economic disturbances test the central bank's credibility, but well-managed responses using diverse policy tools can reinforce the RBA's social licence.

Learn more: Recommended Reading

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3.1. INTRODUCTION

The Reserve Bank Act 1959 (*the Act*) mandates the Reserve Bank of Australia (RBA) to pursue three objectives: the stability of the currency of Australia, the maintenance of full employment in Australia, and the economic prosperity and welfare of the people of Australia. These objectives form the foundation of Australia's monetary policy framework. In 1996, the Reserve Bank Governor and the Treasurer signed a new agreement on how the RBA would approach these legislated objectives in the Statement on the Conduct of Monetary Policy (*the Statement*), marking the official adoption of an inflation-targeting framework in Australia. Under this framework, the RBA commits to maintaining average consumer price inflation between 2% and 3% over time[1].

Australia is not alone in adopting this approach. Inflation targeting was first introduced by the Reserve Bank of New Zealand in the late 1980s and has since been widely adopted by central banks around the world, largely due to its demonstrated effectiveness in promoting macroeconomic stability. While the inflation target provides a clear technical benchmark for guiding monetary policy, a substantial body of evidence shows that the framework's effectiveness relies heavily on the perceived credibility of the central bank (Woodford, 2004; Best, 2019; among others).

A central question arises: how can a central bank assess and maintain its credibility in the eyes of the public? A widely used proxy in the economics literature is the alignment between the central bank's stated inflation target and inflation expectations—that is, the public's beliefs about future inflation outcomes. When inflation expectations, particularly over the long term, remain stable and closely aligned with the target—a condition known as being "anchored"—this indicates that economic agents trust the central bank's commitment and capacity to achieve its inflation objective. These expectations, formed by private agents such as households, firms, and investors, play a critical role in shaping consumption, wage-setting, price-setting, and investment decisions, thereby influencing actual inflation dynamics. Well-anchored expectations, therefore, reduce the economic costs of disinflation and improve the effectiveness of monetary policy (Baumann et al., 2021).

However, credibility—whether assessed through anchored expectations or alternative measures—is neither automatic nor permanent. As Akerlof and Shiller (2011) observe, one of the most damaging consequences of the Global Financial Crisis (GFC) of 2008–2009 was a collapse of trust —first among financial institutions, then throughout the broader economy. The initial freezing of interbank markets, driven by a breakdown in mutual trust, quickly spilled over to households and firms, amplifying economic uncertainty. In such environments, when inflation expectations are "unanchored"—that is, they deviate significantly from the inflation target—the central bank must respond more forcefully, increasing the risk of output volatility and welfare losses.

Recognising these risks, the RBA has sought to strengthen its credibility not only through technical expertise, but also by actively fostering the anchoring of inflation expectations. Over the past three decades, the RBA has placed greater emphasis on the importance of anchoring inflation expectations within its policy framework and consistently reaffirmed its commitment to return inflation to target within a reasonable timeframe whenever deviations occur (RBA, 2024). The Bank has been implementing its policy framework with reforms designed to strengthen its *social licence to operate* (SLO)—an informal but essential foundation of public trust and legitimacy that underpins the institution's authority. In the context of central banking, **SLO refers not merely to passive public acceptance but to an evolving relationship in which legitimacy is continually maintained through transparency, accountability, and responsiveness to societal expectations**. To this end, the RBA has expanded efforts in strengthening its technical capacity, along with deepening the public's trust and its credibility through improving public awareness and understanding of its mandate and pursuing more transparent and accountable policymaking.

[1] The time horizon was "on average, over the business cycle" for periods before 2016.

This case study examines the evolution of these reforms and their role in anchoring inflation expectations. The RBA's experience offers valuable insights into how modern central banks can build policy credibility by fostering public understanding and support.

The case study proceeds as follows. It begins by tracing the evolution of inflation expectations in Australia since the 1990s, highlighting the degree of anchoring as an indicator of the Bank's credibility over time. It then examines the RBA's priorities and its multifaceted strategies to cultivate and maintain social licence. The final section explores the broader implications for institutional reform, emphasizing the internal and external conditions essential for preserving the social foundations of monetary policy.

3.2. BACKGROUND

Credibility of a central bank is a complicated and inherently unobservable concept. However, a substantial body of literature has established a close link between credibility and inflation expectations revolution (Demertzis et al., 2012, 2010; e.g.). Cukierman (1986) defines that "the ability of monetary policymakers to achieve their future objectives depends on the inflationary expectations of the public. These inflationary expectations depend, in turn, on the public's evaluation of the credibility of monetary policymakers". This concern for credibility is central to policy-making circles. Central banks are acutely aware the private sector's expectations as these will determine how effective and costly to achieve outcomes of low and stable inflation (Henckel et al., 2019).

Private sector's expectations about inflation actively shape inflation outcomes through their influence on wage bargaining, price-setting, consumption, saving, and investment decisions (Baumann et al., 2021; Bernanke, 2007; Mishkin, 2007). When workers expect rising prices, they demand higher wages to protect real income; firms may pre-emptively increase prices to maintain profit margins; and households may accelerate consumption or borrowing in anticipation of future price increases. Investors also embed inflation expectations in portfolio decisions and asset pricing. Professional forecasters, often seen as informed actors, play an outsized role in shaping the expectations of other economic agents through media channels and financial commentary. These behaviours feed back into inflation dynamics, reinforcing the central importance of expectations management.

As with many inflation-targeting central banks, the RBA closely monitors inflation expectations held by the private sector. Phrases such as "inflation expectations are well anchored" or "inflation expectations have not become de-anchored" are commonly invoked in RBA monetary policy statements and press conferences, signalling the central bank's emphasis on this goal. However, evaluating the validity of such claims requires a closer examination of the specific dimensions of expectations anchoring.

The term "anchored expectations" is widely used, nevertheless, there is no universal definition (Bems et al., 2021). Generally, the literature has converged on two key dimensions that signal whether inflation expectations are anchored:

(i) *Level anchoring*: Long-term expectations should remain close to the central bank's stated inflation target. Small forecast revisions and low dispersion across individual forecasters are also considered indicators of effective anchoring.

(ii) *Shock Responsiveness*: Well-anchored expectations should be relatively unresponsive to temporary economic shocks or inflation surprises. Agents should trust that the central bank will return inflation to target over the medium term, even in the face of short-term volatility.

On the first dimension, the RBA has generally succeeded in anchoring expectations since the adoption of a formal inflation-targeting framework in 1996. Before this, inflation outcomes were volatile and persistently above target, reflecting the absence of a coherent monetary policy framework and macroeconomic discipline (De Brouwer, Fry-

McKibbin, & Wilkins, 2023)[2]. Since formal inflation targeting began until the COVID-19 pandemic, inflation outcomes became more stable, averaging close to the RBA's 2%–3% band midpoint (Chart 1). Tracking a range of long-term inflation expectations measures, including multiple financial market measures (i.e. inflation swaps and inflation-linked bond yields) and surveys of professional forecasters, indicate that long-term expectations have generally remained within or near the target range (Chart 2). Although market-implied measures displayed elevated volatility during the GFC, they have since converged closer to the inflation target.

The second dimension is how inflation expectations respond to short-run disturbances. When long-term expectations are well anchored, they should remain relatively stable despite temporary inflation surprises or cyclical economic shocks, indicating confidence that the central bank will steer inflation back to target. However, static models for Australia (McKibbin & Panton, 2018; Demertzis, Marcellino, & Viegi, 2010) suggest that expectations have historically shown sensitivity to actual inflation outcomes, implying only partial anchoring. More recent work using time-varying parameter models (e.g. Duong, 2025; Christian & John, 2015) confirm this but also indicate that this sensitivity has declined, pointing to a strengthening of the RBA's credibility over time.

Overall, the RBA has made significant progress in building its credibility since the 1990s, as reflected in the anchoring of inflation expectations. However, this credibility remains vulnerable to change. Market-implied inflation expectations again deviated from the target during the COVID-19 pandemic—following earlier fluctuations during the GFC—highlighting the fragmentation of this credibility in times of heightened uncertainty.

Chart 1: Consumer Price Inflation

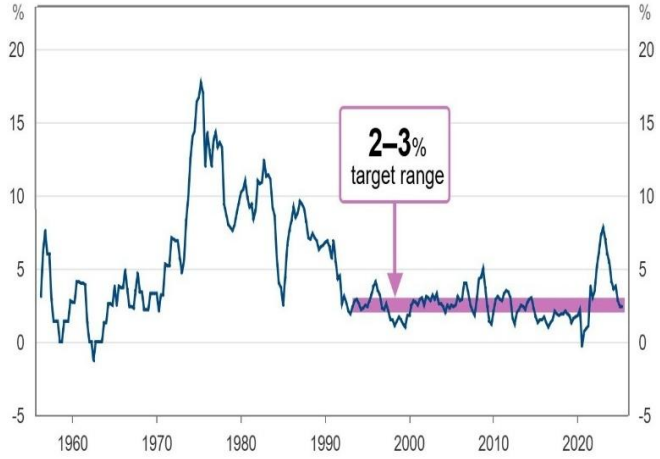
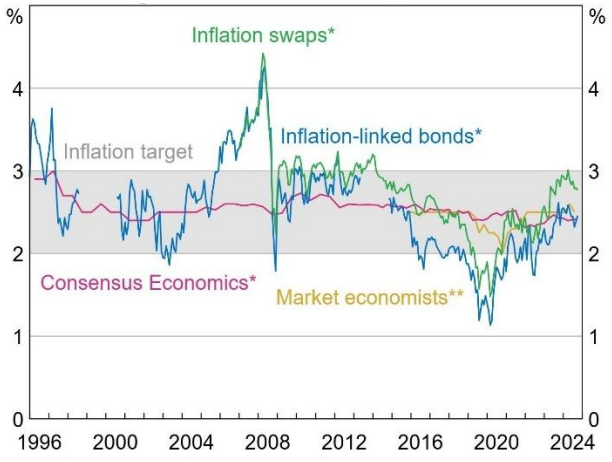


Chart 2: Long-term Inflation Expectations



Note: Year-ended inflation. Consumer price inflation is headline inflation excludes interest charges and is adjusted for the tax changes of 1999-2000. * Average over the five years. ** Average over the next 5-10 years.
Sources: ABS; RBA; Bloomberge; Consensus Economics

3.3. REFORM AIMS AND SLO

The RBA has not yet published a dedicated document outlining its specific reform aims regarding its SLO. However, in 2022, the Australian Government initiated the first ever independent and comprehensive review of the RBA (the *Review),* which provided a blueprint for change. The final report, released in April 2023, assessed the effectiveness of monetary policy over the past three decades, examining the Bank's objectives, instruments, governance, and culture. The *Review* produced 14 recommendations, 10 of which directly addressed the need to improve the clarity, transparency, and accountability of monetary policy and decision-making processes (see

[2] Also referred to as "the *Review*".

Chapters 2 and 3 of the *Review*). These recommendations underscore the critical importance of strengthening the social dimensions of the RBA's activities.

Drawing on the Bank's historical performance, the extent of inflation expectations anchoring, insights from the *Review*, and the reforms already undertaken, this case study identifies three key priorities for the RBA to further bolster public confidence in its credibility: (i) deepening public trust, (ii) enhancing credibility through policy competence and accountability; and (iii) improving public awareness and understanding.

Deepening public trust

Trust is the foundation of a central bank's SLO: "Institutional trust is generated when citizens appraise public institutions and/or the government and individual political leaders as promise-keeping, efficient, fair and honest" (OECD, 2017). For a central bank, trust reduces uncertainty about future inflation outcomes and amplifies the transmission of monetary policy (Ehrmann, 2025). In this way, trust serves not merely as a reputational asset but as a functional necessity for anchoring expectations, contributing to monetary stability.

Empirical evidence summarised by Ehrmann (2025) demonstrates that trust in a central bank facilitates the achievement of the central bank's objectives. Whether this trust reflects beliefs in the central bank's commitment to anti-inflationary policy, the accuracy of its forecasts, or its institutional integrity, the result is a more anchored inflation outlook and improved public alignment with the bank's policy intent. Trust also facilitates the management of expectations, reducing the social and political cost of policy tightening during inflationary periods.

Maintaining trust in decision-making is particularly important in the RBA's reforms. As articulated in the *Review*, trust begins with the belief among the public that the Bank possesses the institutional competence to make sound decisions and, crucially, that it acts in the public interest. Recent reforms have thus focused on deepening public trust through reinforcing legitimacy, improving procedural transparency and increasing diversity of perspectives in policy deliberations.

Credibility through competence and accountability

For a central bank, credibility is grounded not only in intentions but also in its performance. Credibility reflects the Bank's ability to deliver on its legislated objectives and to explain and justify its actions to the public: credibility is "prized by central bankers", who associate it with devotion to fighting inflation (Blinder, 2000). In contrast, diminished credibility makes expectations more backward-looking, amplifying the impact of transitory shocks and requiring more forceful policy action to bring inflation back to target (Svensson, 2010).

Over the past 30 years, the RBA has broadly succeeded under its flexible inflation-targeting framework. Yet, the *Review* identified several shortcomings in the Bank's recent policy performance. These include:

(i) *2016-2019 low inflation period*: During this time, policy rationales were insufficiently explained, creating divergent interpretations among stakeholders and exposing weaknesses in communication and clarity.

(ii) *Covid-19 pandemic response*: Although the RBA acted decisively, better decision-making arrangements with more expertise could have improved the design and implementation of unconventional tools like forward guidance, the yield target, and the bond purchase program.

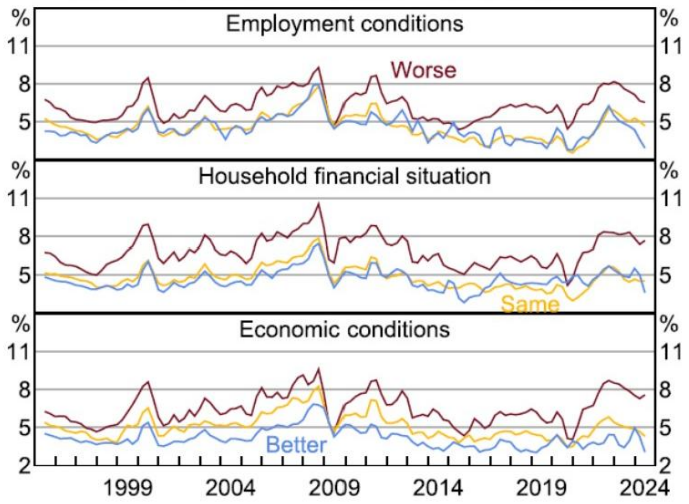
(iii) *2022 inflation response*: The Bank was slow to tighten policy amid accelerating inflation. Its overreliance on wage data, limited supply-side modelling, and the legacy effects of earlier guidance contributed to a delayed and more disruptive policy pivot.

These shortcomings reveal why the RBA has not gained a fully anchoring of public expectations. The ineffectiveness of the Bank's forward guidance on the cash rate during the pandemic, as noted in the *Review*, demonstrated the cost of miscommunication and overconfidence in forecasts. When inflation surged in 2022, driven by global supply shocks and domestic demand recovery, the Bank raised rates much earlier than anticipated, and this reversal eroded trust

among borrowers. Survey evidence (Chart 3) shows that households experiencing worse employment and financial conditions reported significantly higher 1-year-ahead inflation expectations. These elevated expectations persisted even after inflation began to moderate in 2023-2024, demonstrating the delayed recovery of public trust in the RBA's capacity to control inflation.

Looking ahead, restoring and reinforcing credibility will require more than sound technical judgment. It demands continuous improvements in policy competence—better data, modelling, and decision-making processes—paired with accountability through transparency, clear communication, and responsiveness to public concerns.

Chart 3: Households' Year-ahead Inflation Expectations



Note: Include rounded responses
Sources: Brassil et al. (2024)

Improving public awareness and understanding

The level of public awareness of the objectives of monetary policy plays a critical role in shaping inflation expectations—and, by extension, the credibility of the central bank. When individuals clearly understand the central bank's goals and constraints, their expectations are more likely to align with the stated inflation target. As Cukierman (1986) notes, credibility hinges not only on policy announcements but also the public's perception of the central bank's objectives: "The theoretical literature defines credibility as the extent to which the public believes that a shift in policy has taken place when, indeed, such a shift has actually occurred". He also adds that "the public will not believe an announced policy if it knows the policy is incompatible with the current objectives of policymakers". In other words, policy cannot be credible unless the public understands and believes in both the intention behind and the feasibility of the Bank's actions.

Yet public awareness of the RBA's objectives remains limited. A nationally representative survey of 3,000 Australian adults conducted by the RBA's Behavioural Insights Team in January 2023 found that only about 20% of respondents could correctly identify the Bank's inflation target of 2–3% (McCowage & Rickards, 2024). This knowledge gap was unevenly distributed, varying significantly by employment status, economic literacy, and gender. As a result, respondents' inflation expectations over the 1–3 year horizon were highly dispersed—ranging from 0% to 16%.

It is worth noting that, these short-run inflation expectations may not serve as a reliable proxy for the RBA's credibility under its inflation-targeting framework, which aims to achieve inflation targets over a more flexible horizon. However, these expectations risk destabilising longer-term anchoring if knowledge gaps persist. Limited financial and economic literacy—and the resulting low public awareness—remains a challenge the RBA must address.

3.4. BUILDING SOCIAL LICENCE FOR POLICY REFORM

What practices does the RBA employ to signal and produce its credibility? This section addresses this question by summarising a range of initiatives the RBA has undertaken to strengthen its social licence to operate, through its activities on communication, public education, engagement, and coordination.

Communication of policies and decisions

Over recent decades, the RBA has progressively reformed how it communicates its objectives and decisions to a broad audience, recognising that accessible communication is central to reinforcing public trust and maintaining its SLO. Historically, the RBA's communication strategy has mainly relied on technocratic channels such as speeches, research publications, Board meeting *Minutes*, and the quarterly *Statement on Monetary Policy*. While effective for experts and markets, these formats have not always been accessible or clear to the general public.

Clarifying objectives and legislated mandate

In the first line of recent reforms, as recommended by the *Review*, Parliament approved changes in *the Act* at the end of 2024 to clarify the RBA's legislated mandate. The *Review* proposed articulating a dual mandate focused on *price stability* and *full employment*, explicitly recognising these as the key channels through which monetary policy promotes broader economic welfare. The third mandate become an overarching mandate of the RBA to avoid any confusion about what the RBA was trying to achieve.

The definition of the inflation-targeting horizon in *the Statement* has become more specific. The 1996 *Statement* described the target as being achieved "on average, over the cycle," which was revised in 2016 to "on average, over time." In the 2023 *Statement*, this phrasing was updated to: "the appropriate timeframe for this depends on economic circumstances and should, where necessary, balance the price stability and full employment objectives of monetary policy." This updated language preserves flexibility while offering clearer guidance for monetary policy decision makers about the speed with which to return inflation to target.

Following the *Review*, the Statement also clarified the interpretation of inflation outcomes within the target range. It stated that "all outcomes within the target range are consistent with the Reserve Bank Board's price stability objective" and noted that "inflation is expected to return to the midpoint of the target." This refinement is important for anchoring inflation expectations more effectively. Research by Duong (2025) shows that inflation expectations tend to be better anchored when central banks articulate a more specific target, as evidenced by a comparison between Australia's past frameworks and that of the United States, making this refinement important for strengthening credibility.

Strengthening transparency and explanatory communication

The second line of reforms, RBA has focused on improving its transparency through the evaluation on how the RBA explains its decisions. During periods such as the low inflation episode from 2016 to 2019 and the post-pandemic inflation surge in 2022–2023, there were divergent public and expert views on the RBA's policy goals and the rationale behind its actions. The *Review* found that the Bank's regular communication often lacked sufficient clarity and detail, which undermined public understanding and trust. Missteps—such as the forward guidance during the pandemic that inaccurately shaped expectations about the timing of rate increases—undermined credibility.

The *Review* recommended shifting focus away from presenting facts and toward more explanatory communication, emphasising the reasoning behind decisions, the rejection of alternative options, and how current settings support broader policy objectives. Acting on these recommendations, and added with the Bank's regular surveys on inflation expectations across households, businesses, and financial markets that inform internal assessments of credibility, the RBA established a new Communications Department, tasked with elevating the role of communications within the RBA. The RBA has uplifted its communications with the public by introducing live press conferences after Board meetings, more accessible and inclusive public briefings. A notable development, effective from the July 2025 meeting, is the publication of an unattributed record of votes in the Monetary Policy Board's post-meeting statement. Board papers will be published after seven years.

These measures represent an important step toward greater transparency and accountability during the decision-making process.

Public education

Reforms in communicating with the public are constrained by limited public financial and economic literacy. Improving public awareness of monetary policy enables citizens to better understand the Bank's objectives and constraints, and strengthens their trust.

In recent years, the RBA has expanded its efforts to equip households and businesses with a clearer understanding of how monetary policy decisions affect their daily lives through a range of educational initiatives:

- *Public education program:* The Bank has invested in classroom materials, online modules, and school visits aimed at building financial and economic literacy from an early age. These programs explain inflation, interest rates, and the role of monetary policy in everyday terms. The annual Teacher Immersion Event provides a unique opportunity for secondary school Economics teachers from across Australia to enrich their understanding of current economic issues and concepts by engaging with professional economists and colleagues.
- *Professional outreach*: Workshops, conferences, and collaborations with universities and community organisations have helped bridge the gap between academic expertise and public awareness.
- *Public talks and forums:* Lectures, regional forums, and outreach events have been broadened to reach audiences beyond financial markets and academia, ensuring diverse voices are heard and informed.
- *Accessible resources*: The RBA has modernised its website, producing simplified explainers, infographics, and video content to make its policy objectives and decisions easier to understand for the general public.

These social learning initiatives encompass the Bank's voluntary activities that contribute to social development. By promoting its social responsiveness, openness, and accountability—key pillars of SLO, the RBA reinforces its legitimacy and credibility.

Stakeholder and community engagement

RBA has emphasized ethical elements of social responsibility, such as transparency and accountability, through its proactive engagement with independent perspectives and diverse stakeholders.

A major reform to the RBA's governance structure was implemented in March 2025, following legislative changes passed by the Commonwealth Parliament. Previously, the RBA operated with two boards: the *Reserve Bank Board*, responsible for monetary and banking policy as well as other matters excluding payments system policy, and the *Payment System Board*, which oversaw payments system policy.

Under the current governance model, the Reserve Bank Board was replaced by two distinct entities: the *Monetary Policy Board* and the *Governance Board*, while the *Payment System Board* remains unchanged. The *Monetary Policy Board* focuses solely on monetary policy, excluding internal corporate governance matters such as human resources,

cybersecurity, IT, and organisational culture. This Board comprises nine members: three *ex officio* members—namely the Governor (Chair), the Deputy Governor (Deputy Chair), and the Secretary to the Treasury—and six non-executive members drawn from diverse backgrounds, including business, academia, public policy, and the not-for-profit sector. Although the membership composition remains unchanged, this separation enhances policy deliberations by allowing external, non-RBA experts to contribute more freely without being entangled in operational governance. This structure is intended to broaden the perspectives informing monetary policy and increase public confidence in the decision-making process.

In addition to board reform, the *Regional and Industry Liaison Program*, established in 2001, continues to serve as a crucial channel for engaging with stakeholders across the economy. Through this program, RBA staff meet regularly with businesses, unions, community groups, and local agencies across all states and territories. These discussions provide valuable qualitative insights into real-time economic conditions, often preceding official statistical releases, and help the Bank assess the broader social and distributional impacts of its policies. This form of "nowcasting" enhances the responsiveness of monetary policy while reinforcing the RBA's connection to the lived experiences of diverse communities (Dwyer, McLoughlin, and Walker, 2022).

Moreover, senior RBA officials have increased their visibility in public discourse by participating more frequently in media interviews, parliamentary hearings, and public commentary. The Bank has also expanded its social media presence, providing timely updates and explanations of its activities. These initiatives offer important platforms to clarify policy decisions, correct misconceptions, and engage constructively with public and political scrutiny.

Boundary-spanning coordination

As monetary policy increasingly confronts constraints such as the effective lower bound and frequent supply-side disruptions, the interaction between monetary and fiscal policy becomes more critical. These interactions are not merely theoretical but are embedded in the fundamental mechanics of the macroeconomy. Leeper (2023) emphasises that monetary actions inevitably carry fiscal consequences—for instance, by altering the interest payments on government debt and shifting the market value of public liabilities. Likewise, fiscal decisions—such as adjustments in government spending or taxation—impact aggregate demand and inflation dynamics, directly influencing the central bank's ability to achieve its price stability mandate.

In Australia, the RBA has maintained operational independence while demonstrating a track record of effective boundary-spanning coordination, particularly during periods of economic stress. During the GFC, rapid monetary easing was paired with fiscal stimulus focused on direct transfers and public investment. Similarly, during the COVID-19 pandemic, the RBA implemented a suite of unconventional tools—such as the Term Funding Facility, yield curve control, and large-scale government bond purchases—while the Australian Government introduced programs like JobKeeper, enhanced welfare payments, and targeted industry support. The simultaneity and complementarity of these policies were crucial in averting a deeper recession, safeguarding employment, and maintaining financial market stability.

An institutional channel that facilitates coordination is the presence of the Secretary to the Treasury as an *ex officio* member of the Reserve Bank Board or equivalent since the 1920s and is a voting member. This embedding arrangement ensures that fiscal policy perspectives are incorporated into monetary policy deliberations, enhancing shared understanding of the broader macroeconomic landscape.

When shocks are severe, coordination becomes even more important, often requiring both authorities to deploy unconventional tools once conventional space has been exhausted. These instruments help preserve market functioning and mitigate systemic risks. Recognising the growing complexity of these interactions, the *Review* also called for stronger, institutionalised coordination mechanisms between the RBA and Treasury. These include more structured and regular high-level engagement, formalised information-sharing protocols, and the joint development of analysis and research on the interactions and mutual effects of fiscal and monetary policy.

Such boundary-spanning coordination strengthens policy coherence and contributes to a more stable macroeconomic environment. It thereby reinforces the RBA's commitment to price stability, helps anchor inflation expectations, and enhances the Bank's credibility.

3.5. KEY FACTORS INFLUENCING REFORM SUCCESS

The RBA's capacity to uphold its SLO over the past three decades reflects a complex interplay of internal institutional reforms and evolving external conditions.

INTERNAL FACTORS

Flexibility of the monetary policy framework

Credibility must ultimately be earned regardless of the specific monetary framework. Nevertheless, the design of the current inflation-targeting framework itself facilitates a central bank's ability to build and maintain that credibility.

By aiming to keep inflation between 2%-3% over the medium term, rather than targeting a fixed point at every moment, the framework allows the RBA to respond to inflationary pressures in a balanced and context-dependent manner. This flexibility recognises that temporary shocks—such as those arising from supply chain disruptions, commodity price volatility, or exchange rate movements—need not provoke immediate or sharp policy reactions. This flexibility helps the RBA avoids policy overreactions that could destabilize output and employment. This feature is crucial in a small open economy like Australia's, which is frequently exposed to external shocks beyond the control of domestic policymakers.

Compared with alternative frameworks—such as targeting nominal income levels or nominal GDP growth—flexible inflation targeting offers clear practical advantages. Inflation is measured more frequently, is widely understood by the public, and can be monitored with fewer revisions than nominal income data. The inverse relationship between interest rates and inflation makes policy intentions easier to interpret, supporting effective market signalling. While nominal income targeting might, in theory, result in a similar monetary stance under certain conditions, it represents a more complex and less transparent benchmark for policy decisions. Transitioning to such a regime may risk confusing the public and markets and entail significant communication challenges.

The *Review* ultimately found no compelling evidence to support a switch to an alternative regime, concluding that flexible inflation targeting currently remains appropriate for Australia. However, it also emphasised the need for refinement—particularly to strengthen the framework's robustness in the face of different types of shocks and heightened global uncertainty.

Political independence

The failure of monetarism in the UK during the 1980s illustrates the importance of institutional and social foundations in supporting a policy's success (Best, 2019). Under the Thatcher government, a new regime was introduced based on monetarist principles, replacing earlier incomes policies with monetary and borrowing targets. However, this shift lacked the institutional legitimacy and public support necessary for its success. The regime relied on politically costly interest rate hikes that went beyond the government's electoral mandate, ultimately resulting in its collapse due to a credibility gap. Empirical research shows that such political pressure on central banks is associated with higher inflation and greater inflation persistence (Binder, 2021).

The current legitimacy suggests the RBA somewhat secures an institutional independence in implementing its policy framework. Since the formalisation of the inflation-targeting regime and the signing of the 1996 *Statement*, Australian governments have refrained from interfering in the RBA's interest rate decisions. While elected officials are responsible for setting broad macroeconomic objectives, the Bank retains autonomy over the use of its monetary

policy instruments. Debelle (2018) notes that, this institutional arrangement evolved gradually rather than emerging through abrupt reform. This independence protects policy from short-term political distortions and enables the Bank to concentrate on its long-term objectives of price stability and full employment.

The Review affirmed the importance of central bank independence and proposed further reforms to strengthen it. One key proposal was the removal of the Treasurer's legislative power to override RBA Board decisions—a provision that, while never used, symbolically undermined the Bank's autonomy. This change aims to place a higher institutional threshold on political interference and reinforcing the principle of central bank independence.

The *Review* also addressed the dual role of the Secretary to the Treasury, who remains an *ex officio* member of the Monetary Policy Board (formerly the Reserve Bank Board). While this position ensures coordination between fiscal and monetary authorities, the *Review* recommended amending the Reserve Bank Act to clarify that the Secretary serves on the Board in an individual capacity—not at the direction of the Treasurer. This reform aims to further insulate monetary policy deliberations from political influence while preserving constructive policy coordination.

Technical capacity

The performance of the RBA under the inflation-targeting framework has been broadly favourable. Inflation has remained within or close to target for much of the period since its adoption, contributing to sustained growth in real incomes and relatively low unemployment.

A factor behind this performance is the Bank's competent internal technical capacity. The RBA is widely recognised as having a high-calibre staff with strong technical skills and expertise. Its sophisticated suite of macroeconomic models—such as MARTIN[3] model, developed in 2016 for economy-wide policy analysis and forecasting, and its predecessors—has enabled the Bank to produce timely, data-driven projections that inform policy decisions (Ballantyne et al., 2020; Cusbert & Kendall, 2018). These models have underpinned the RBA's decisive actions at the start of the COVID-19 pandemic which were critical in supporting Australia through this crisis.

Communication missteps on forward guidance issued before COVID-19 and other shortcomings in the past performance serve as reminders that technical capacity must be continually improved and paired with careful communication, rather than diminishing the value of the RBA staff's expertise. Continuous model evaluation and transparency around forecast uncertainty have bolstered credibility over time. Crucially, having credible tools and evidence also safeguards the RBA's institutional autonomy by strengthening its operational independence. When decisions are backed by rigorous analysis, the Bank is less reliant on political approval, and its legitimacy in the eyes of Parliament, financial markets, and the public is enhanced.

To sustain and strengthen this internal capacity, the RBA actively invests in recruitment and staff development to sustain and enhance this capacity. According to its annual reports, the Bank places strong emphasis on attracting economists with advanced academic backgrounds, fostering a culture of research excellence, and supporting continued learning. Staff are provided with financial and logistical support to pursue further education—whether part-time or full-time—in fields relevant to the RBA's core functions, contributing to a deep and evolving pool of internal expertise.

The *Review* proposed some areas that could further enhance the RBA's use of technical skills and research capability to support better policy outcomes. Key proposals include establishing a dedicated monetary policy strategy team, increasing collaboration across departments, developing a formal research strategy overseen by the Monetary Policy Board, deepening engagement with universities and think tanks, and continuing to attract, develop, and retain technical talent.

[3] MARTIN stands for Macroeconomic Relationships for Targeting INflation.

EXTERNAL FACTORS

System of government

Australia's stable democratic framework and strong institutional checks—such as the Parliamentary scrutiny of RBA decisions—have supported the RBA's credibility and monetary discipline. Regular parliamentary scrutiny—particularly through the Governor's appearances before the House of Representatives Standing Committee on Economics—ensures that the RBA's actions are transparent and subject to democratic oversight. This accountability is further institutionalised through formal reporting obligations, including the RBA's annual report to the Treasurer under the Public Governance, Performance and Accountability Act. Moreover, the joint signing of the *Statement* by the Treasurer and the RBA Governor reflects a clear alignment between elected officials and the central bank, reinforcing the legitimacy of the RBA's inflation mandate.

Features of the community

Public understanding of inflation dynamics is shaped not only by official communication but also by media framing and the community's overall level of financial and economic literacy. Numerous surveys and empirical studies highlight persistent financial knowledge gaps among the Australian population, particularly among younger individuals, those with lower incomes, and the unemployed (McCowage & Rickards, 2024; Worthington, 2005; Beal & Delpachitra, 2003). These disparities in economic understanding can hinder expectation formation, underscoring the need for clearer outreach and education.

Australia's economy is also characterised by high household debt (RBA, 2023). This structural feature amplifies consumption behaviour and sentiment to interest rate changes. During the low-inflation environment of the COVID-19 pandemic, the RBA's aggressive rate cuts were broadly supported, as they helped ease household financial pressures and stimulate demand. However, the sharp rate increases from mid-2022—triggered by global inflationary pressures—led to significant public criticism. The public backlash revealed a gap between the technical rationale behind rate rises and the community's lived experience, reinforcing the importance of narrative legitimacy in maintaining the RBA's social licence to operate.

Economic disturbances and policy responses

Periods of economic disturbances often test the credibility and agility of central banks. Since the adoption of its inflation-targeting regime in the early 1990s, the RBA has navigated several major episodes that challenged its ability to maintain stable inflation expectations and inflation outcomes:

- Asian financial crisis (1997): Tested the resilience of Australia's financial system and required vigilant monetary policy to contain spillovers.
- The introduction of Goods and Services Tax (2000): A one-off price level increase tested the RBA's communication strategy in distinguishing transitory inflation.
- Global financial crisis (2008–2009): Sharp monetary easing was required to mitigate recession risks without derailing the inflation anchor.
- Mining investment downturn (2012–2015): The decline in resource-sector activity and weak demand pressured inflation and growth, requiring sustained policy accommodation.
- COVID-19 pandemic (2020–2021): A health and economic crisis prompted the use of unconventional tools to combat deflationary risks and support recovery.
- Global inflation shock (2022–2023): Surging inflation led to aggressive policy tightening, raising challenges for expectation management and credibility.

The RBA's proactive and adaptive responses contributed to preventing sustained deviations from the inflation target and supported overall macroeconomic stability, although the efficacy and timing of some responses could be further improved (the *Review*; Lowe, 2022). The RBA employed a mix of conventional and unconventional monetary policy instruments—including interest rate adjustments, forward guidance, yield curve control, the Term Funding Facility, and quantitative easing. The effectiveness of Australia's unconventional policy programs has been evaluated in some recent studies, such as the *Review*, RBA (2022). The use of such unconventional tools reflects what Lentner (2017) terms the *economic responsibility* of central banks as part of their broader social responsibility: that is, to be responsive not only to macroeconomic indicators but also to the broader social consequences of economic crises.

While disturbances inevitably pose risks to central bank credibility, well-managed responses—particularly when viewed as effective and transparently justified—can serve to strengthen the RBA's social licence and reinforce the anchoring of inflation expectations over the long term.

3.6. LESSONS LEARNED

The Australian experience in building its social tasks offers several key lessons:

1. **Social licence must be actively maintained:** The RBA's overall credibility has, in many respects, strengthened over time. However, public trust is not a static achievement. The erosion of expectation anchoring among financial investors during the GFC or among mortgage borrowers in the post-COVID period illustrates how quickly credibility can fragment when trust is strained. Building and sustaining credibility gains therefore require ongoing reinforcement through sound policy performance, and also through the active cultivation of the Bank's social licence. This involves clarifying legitimacy, ensuring clear and accessible communication of decisions and their rationale, strengthening transparency, creating meaningful opportunities for public input, and improving financial and economic literacy across society.

2. **Anchored expectations act as a stabilising buffer for monetary policy:** When private-sector expectations are closely aligned with the RBA's inflation target, it reflects public trust in the central bank's competence and commitment. Anchored inflation expectations limit the extent to which changes in the decisions and behaviours of households, firms, and investors feed through into actual inflation dynamics. Well-anchored expectations, therefore, reduce the economic costs of disinflation, enhance the transmission of monetary policy and contribute to broader macroeconomic resilience.

3. **Safeguarding the RBA's institutional independence has been crucial to its success:** A key to the RBA's sustained success in performing its mandate has relied on its ability to operate free from political interference. Although effective coordination between monetary and fiscal policy enhances macroeconomic stability, especially when conventional space is exhausted, government respect for the RBA's autonomy has allowed the Bank to maintain its focus on price stability and employment. This independence protects against perceptions of fiscal dominance, preserves credibility, and reinforces the effectiveness of policy actions.

4. **Flexibility of policy framework facilitates the Bank's credibility:** The flexibility of Australia's inflation-targeting framework has supported the RBA's credibility by allowing monetary policy to adapt to changing economic conditions without overreacting to short-term fluctuations. This flexibility ensures that the Bank can respond appropriately to shocks while remaining focused on its long-term objectives of price stability, full employment, and Australian prosperity and welfare. Moreover, the transparency of the framework enhances public understanding and trust in the RBA's actions.

5. **Economic shocks pose risks to credibility but, when managed well, can strengthen the Bank's social licence**: Periods of economic disturbances inevitably test the credibility and responsiveness of

central banks, especially when their actions are perceived as effective and clearly justified to the public. Since the 1990s, the RBA's inflation-targeting framework has faced multiple significant challenges that put its ability to maintain stable inflation expectations to the test. By deploying a combination of conventional and unconventional policy tools, the Bank mitigated risks to macroeconomic stability, exercised its *economic responsibility* and reinforced public trust in its long-term commitment.

3.7. CONCLUSION

The RBA's experience with inflation targeting presents a valuable case study in how a central bank can build, sustain, and adapt its social licence over time. While responsiveness-based measures suggest that RBA's anchoring channel is not yet complete, the overall credibility of the monetary authority has, in many respects, strengthened over time, driven by its efforts to strengthen public trust, demonstrate social responsibility, and deliver sound policy performance.

The RBA's SLO-related reforms reflect an evolution from relying primarily on technical expertise to cultivating a broader foundation of credibility that incorporates inclusive communication, a reinforced legislated mandate, accountability, transparency, social learning initiatives, openness to diverse perspectives, and stronger coordination but independence with fiscal policy. This trajectory highlights the increasing importance of social licence in modern central banking. As monetary policy continues to operate and adapt in a politically and socially sensitive environment, safeguarding the Bank's credibility will depend as much on maintaining its social licence.

3.8. CASE REFLECTION: APPLYING LESSONS TO YOUR WORK

Now that you've read the Case Study, give yourself at least 10 minutes to reflect on lessons you can apply in your own work. The questions below can help guide your reflection or you may wish to write down your own notes. You've invested the time reading the case. Taking a few moments now to record your ideas will ensure you get the most from it!

1. What **key actions did policymakers take** in the case to build support for acceptance of the reform?
2. What **components of a social licence** played an important role in this case? For example, key components might include: Public acceptance, public sentiment or satisfaction, Public consent, Mandate for the reform, Legitimacy, Trust, Credibility
3. What **internal factors** (i.e., factors within the public service/government) played the most influential roles in the reform's effectiveness? For example, key internal factors might include: Political factors (between government departments/agencies or between elected politicians and public servants), Fairness/equity, Public service capacity, Systems efficiency, Resource availability and levels, Transparency, Opportunities for participation
4. What **external factors** (i.e., factors outside the public service/government) played the most influential roles in the reform's effectiveness? For example, key external factors might include: Community action, Features of the community, Mass and social media, Intrinsic nature of the reform's policy domain, Historical factors, Culture/country/region, Crises, System of government

How could you **apply the above lessons to your own work**? What actions, SLO components, internal or external factors would you now think about to shape your efforts?

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4. URBAN WATER SUSTAINABILITY - SYDNEY

by *Ruth O'Connor and Jason Alexandra*

Keywords: water recycling, drought, community and stakeholder engagement, acceptance, trust

Abstract

The Social Licence to Operate (SLO) concept, originated in the mining industry and refers to the level of acceptance of a policy or initiative within a defined community, for purposes of this study. This case analyses how SLO and its components such as trust and legitimacy have shaped urban water reform in Greater Sydney. Reform to support diversification of water supply and management options has reached a critical point in Sydney driven by climate change and population increases. Drawing on academic and policy documents as well as six interviews with water sector professionals we conclude that building acceptance of the need for reform and its implications while maintaining trust in the delivery agency Sydney Water Corporation are critical to reform implementation. Communication, education and participatory processes that engage the public and stakeholders across the policy cycle are building the reform muscle of Sydney Water and DCCEEW to achieve water sustainability. A legacy of risk aversion from previous politicised decision-making during droughts and complex governance arrangements across State and local governments remain as challenges.

Key points and lessons

- Policy reform is needed to deliver more sustainable and publicly acceptable urban water solutions.
- Public **acceptance** is critical and has multiple components. In this case it is acceptance of the need for reform, new supply options, the cost of reform (and who pays), and the benefits of behaviour change.
- Different levels of **participation across the policy cycle** that focus on the different components of acceptance are needed to build trust in government.
- **Complex governance arrangements** across multiple State agencies can be managed by coordinated engagement but complexity becomes limiting across different levels of government.
- **Crises can be powerful prompts** for reform but to be effective rely on policy groundwork so that crisis response options are evidence-based, socialised and readily available.
- **Reform muscle requires constant commitment** and involves trust in government agencies delivering reform. In this case, it requires evidence-informed responses to emerging issues and consistent, transparent communication.
- **Politicisation** is an ongoing risk to reform itself and achieving an SLO for urban water reform

Learn more: Recommended reading

Chong, J., & White, S. (2017). *Urban—Major Reforms in Urban Water Policy and Management in Major Australian Cities.* In B. Hart & J. Doolan (Eds.), Decision Making in Water Resources Policy and Management (pp. 85-96). Elsevier.

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Watson, R., Mukheibir, P., & Mitchell, C. (2017). Local recycled water in Sydney: A policy and regulatory tug-of-war. *Journal of Cleaner Production*, 148, 583-594. https://doi.org/10.1016/j.jclepro.2017.01.174

Declaration of authorship

This case is the work of R. O'Connor and J. Alexandra as commissioned by ANZSOG (see below). While it draws on the experiences of Sydney Water staff, it was neither commissioned or written by Sydney Water.

4.1. INTRODUCTION

This case focuses on urban water reform in the Greater Sydney metropolitan region. The potential for Australia's capital cities to run out of water was recognised as early as 1977, but action to develop and implement appropriate policies that underpin sustainability has been patchy. Modern water reform in Australia to increase productivity, sustainability and efficiency of water use started in 1994 led by the Council of Australian Governments. Further reforms were introduced through the Commonwealth Water Act and the accompanying A$13.4 billion Water for the Future Program[1]. Federal reforms resulted in governance changes at the State level including the separation of the roles of regulator and operator, and corporatisation of some urban water utilities including the Sydney Water Board. This was ostensibly to achieve efficiency and innovation particularly in the context of significant future infrastructure investment. However, these reforms didn't result in the necessary investments until crises in the form of droughts and floods from the late 1990s jolted federal and state governments out of water policy complacency. Decision-making during times of crisis was often politicised with little transparency, public engagement or reliance on evidence. This has left a legacy of debt for under-utilised infrastructure, and a risk-aversion to recycled water options among some governments, stakeholders and citizens.

In Sydney, climate change and increasing pressure from population growth mean that current demand for water exceeds forecast sustainable supply. Policy reform is needed to drive and support more sustainable and publicly acceptable urban water solutions. All solutions require change and trade-offs. Some options such as desalination require significant capital investment with associated issues around who pays. Options where water quality is perceived to be threatened (recycled water) or that require large-scale changes in behaviour (water restrictions) can spark public opposition. On the other hand, re-use options can have environmental co-benefits such as greening and cooling our cities and improving river health. The urban water sustainability case highlights how the key entity—Sydney Water Corporation—is working to develop and maintain a collective capacity for reform (or "reform muscle") and its social licence through communication and public participation. While there are early indications they are building trust and acceptance of alternatives further muscle to convert this SLO to a political licence for the large-scale financial investment in infrastructure over a number of years and avoid politicisation associated with particular reform options.

4.2. BACKGROUND

This case of policy reform is current. The Greater Sydney Water Strategy[2] is the key policy instrument and is at the **implementation stage** of the policy cycle. **The problem** reform addresses is water sustainability. Approximately 82% of Australia's urban water supply is from surface water (such as dams)[3] which are cost-effective but highly dependent on rainfall and so at risk from increasing climate variability. Sydney is highly reliant on dams that have seen their average water inflows decrease to half the long-term average over the past 30 years[3]. Greater Sydney is also projected to grow by over 1 million extra people by 2036. This means current **demand for water exceeds forecast sustainable supply,** making Sydney vulnerable to rapid onset and prolonged drought.

Policy reform is needed to drive and support more sustainable and publicly acceptable urban water solutions that meet liveability as well as water security needs. This should include consideration of all options, including the various forms of recycled water, blue-green infrastructure and water efficiency mechanisms. A holistic approach to

[1] Alexandra, J. (2018). Evolving governance and contested water reforms in Australia's Murray Darling Basin. *Water*, *10*(2), 113. https://doi.org/10.3390/w10020113

[2] DPIE. (2022). *Greater Sydney Water Strategy: Water for a thriving, sustainable and resilient Sydney*. NSW Department of Planning and Environment. https://water.dpie.nsw.gov.au/__data/assets/pdf_file/0006/527316/greater-sydney-water-strategy.pdf

[3] Infrastructure Australia. (2021). *Reforms to meet Australia's future infrastructure needs. 2021 Australian Infrastructure Plan*.

urban water management needs to balance the often-competing policy objectives of water access, affordability, equity, environmental protection and economic efficiency[4].

Context: Water governance in Australia is primarily a state government domain, although federal influence through intergovernmental agreements (e.g. the National Water Initiative) has also been a driver of policy reform. The Commonwealth has also played a role in, developing guidelines, granting or withdrawing funds, and funding research. The Greater Sydney region (Figure 1) has a complex mix of state and local government agencies across water, environment and health with responsibilities relevant to Integrated Water Catchment Management (IWCM). There are also water utilities, and their customers who include businesses and residents and peak bodies such as the Australian Water Association (AWA) and the Water Services Association of Australia (WSSA) who play a key lobbying role. An indicative breakdown is in Table 1.

Table 1: Key institutional stakeholders in Greater Sydney urban water reform

Stakeholder	Interest/role in urban water reform
Federal government	
Council of Australian Governments	National Water Initiative: urban water reform
Dept Climate Change, Energy, the Environment & Water	Responsible for the NWI
NSW State government	
NSW Dept Climate Change, Energy, the Environment & Water	Leads and coordinates the Greater Sydney Water Strategy, regulates sustainability standards for residential development, etc
Sydney Water Corporation	A State-owned corporation that treats and delivers raw water, collects and treats wastewater and manages some stormwater infrastructure
WaterNSW	A State-owned corporation that manages and operates Sydney's dams
NSW Environment Protection Agency	Issues licences for and regulates wastewater discharges
NSW Health	Public health requirements for drinking water and recycled water
IPART (the Independent Pricing and Regulatory Tribunal)	The economic regulator that determines the price of water
Local governments (29)	Manage most stormwater infrastructure across Greater Sydney
Private sector	
Private water entities (~6)	Access established infrastructure for private provision of water and wastewater services e.g. for large residential developments.
Private businesses	Customers of Sydney Water

Status of acceptance & politicisation: Engagement by Sydney Water to inform their water strategy in 2021 indicated communities were open to new approaches to water management that delivered resilience[5]. Communities also wanted transparency and involvement in long-term water planning. Sydney Water's view is that it takes **ten or more years to build acceptance** of new water supplies like recycled water for drinking. The level of **politicisation is volatile** with little media attention in recent times given dams are full. Recent emergent issues like PFAS contamination of water supplies were linked to temporary dips in trust of Sydney Water according to some interviewees. The IPART submission from Sydney Water to increase water charges to pay for new infrastructure has also been in the media[6] with as yet unknown community or political response.

[4] Chong, J. (2014). Climate-readiness, competition and sustainability: an analysis of the legal and regulatory frameworks for providing water services in Sydney. *Water Policy*, *16*(1), 1-18. https://doi.org/10.2166/wp.2013.058

[5] Sydney Water. (2023b). *Our Water, Our Voice Customer Engagement. Phase 1 Findings Report*. https://www.sydneywater.com.au/content/dam/sydneywater/documents/our-water-our-voice-phase-1-findings.pdf

[6] https://www.smh.com.au/politics/nsw/sydneysiders-were-facing-a-50-per-cent-water-bill-hike-that-s-now-been-halved-20250522-p5m1g5.html

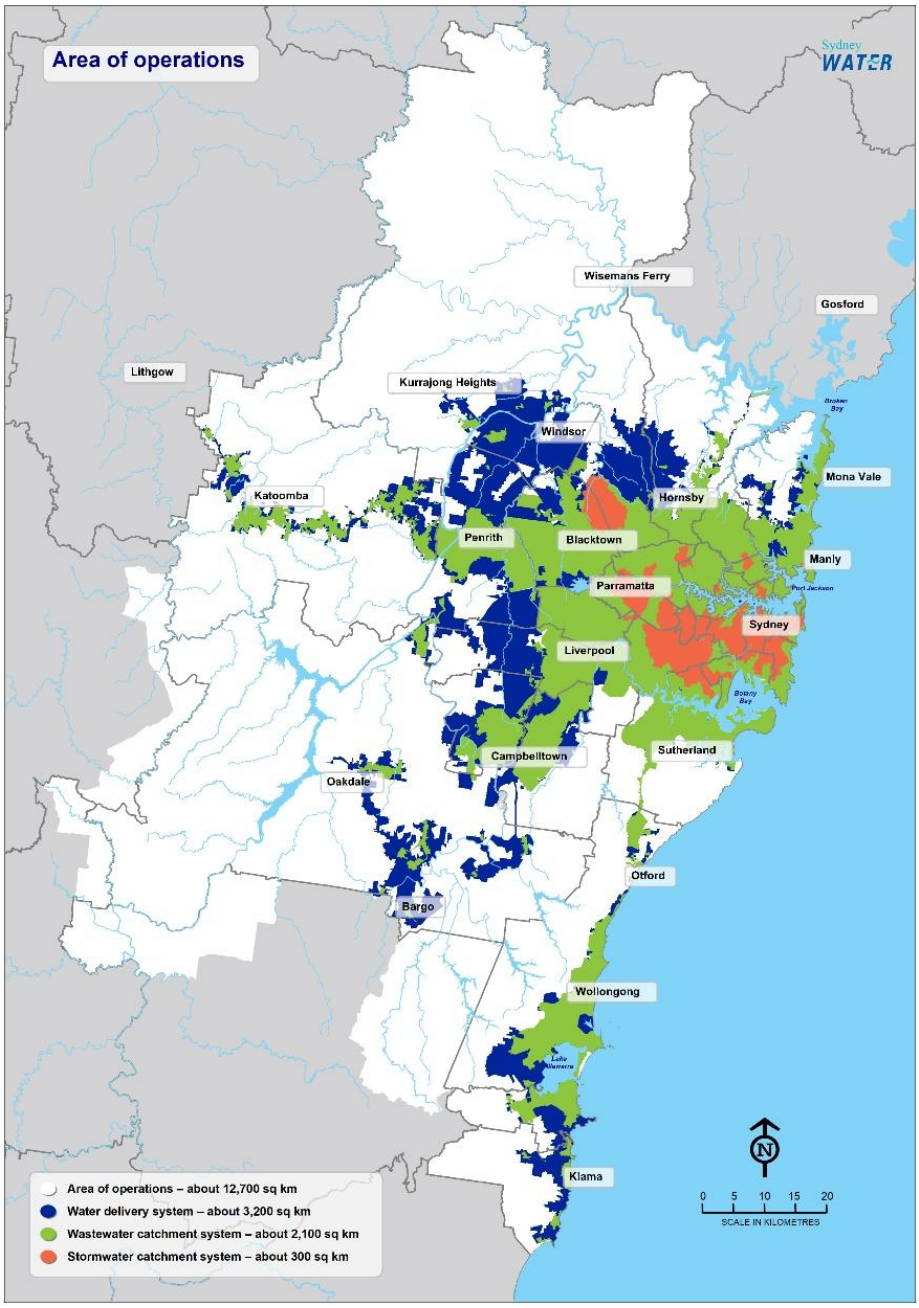

Figure 1: Sydney Water's area of operations. *Source: Sydney Water*

Further reading/key sources:

Chong, J., & White, S. (2017). *Urban—Major Reforms in Urban Water Policy and Management in Major Australian Cities.* In B. Hart & J. Doolan (Eds.), Decision Making in Water Resources Policy and Management (pp. 85-96). Elsevier.

DPIE. (2022). *Greater Sydney Water Strategy: Water for a thriving, sustainable and resilient Sydney*. NSW Department of Planning and Environment. https://water.dpie.nsw.gov.au/data/assets/pdf_file/0006/527316/greater-sydney-water-strategy.pdf

Watson, R., Mukheibir, P., & Mitchell, C. (2017). Local recycled water in Sydney: A policy and regulatory tug-of-war. *Journal of Cleaner Production,* 148, 583-594. https://doi.org/10.1016/j.jclepro.2017.01.174

4.3. REFORM AIMS AND SLO

Public acceptance

Relevant strategy documents and much of the academic literature consistently state that **public acceptance is a critical barrier** to the introduction of recycled water schemes in Australian cities. For example, Infrastructure Australia's strategy to secure our water future describes removing "perception barriers to the use of alternative water sources, particularly PRW[7]". The NSW Productivity Commission[8] also states that "securing public support" is key to ensuring recycled water options are considered. Studies in Sydney and elsewhere in Australia have shown households are willing to pay for wastewater recycling but would generally prefer it is not used in their houses and back yards[9]. A proposal to add recycled sewage and stormwater to the city's drinking supplies has also been linked to electoral defeat for the coalition in 2007[10]. However, more recent sentiment surveys by Sydney Water suggest community acceptance of domestic water reuse is currently high (based on interviews).

While diversifying water supply to include recycled water addresses the issue of rainfall dependence, water reform and consideration of public acceptance goes beyond consideration of recycled water for domestic use. The COAG National Urban Water Planning Principles[11] stipulate all water management options should be on the table and the Greater Sydney Water Strategy reflects this in a holistic approach to managing water, wastewater and stormwater. From this perspective, water reform in Sydney involves four possible elements of public acceptance:

a) acceptance of the need to change the status quo regarding water supply and management
b) acceptance of the financial cost of that change (particularly if it is borne directly by water users as proposed)
c) acceptance of proposed alternatives such as recycled water as part of the solution
d) acceptance of behaviour change (reducing use) to achieve security

A priority in the Greater Sydney Water Strategy is to "Enhance community confidence through engagement and transparency". However, the anomalies and risks of conducting "engagement" to secure "acceptance" have been recognised[12]. In this case, community engagement around water security when there are existing commitments to particular types of water infrastructure. This raises questions about what influence communities actually have over water sustainability policy? If all options are on the table, are efficiencies and demand management being explored fully as low-cost alternatives? Is raising water bills the only option to pay for new infrastructure? Tokenistic engagement in which communities have no real influence over decision-making risks loss of SLO.

Trust

While public acceptance pertains to different water sustainability options and their costs, implementation of reform also requires **trust in the agencies who plan and deliver water services**. This trust consists firstly of confidence that agencies like Sydney Water are acting in the community's best interest – are financial investments justified? Will water quality be jeopardised? Secondly, trust is based on confidence in the competence of agencies to deliver their plans efficiently. The necessity of trust is recognised in the Greater Sydney Water Strategy and one mechanism to address the first aspect of trust is "through engagement and transparency". Demonstrating competence, the second part of trust, is likely to require action in line with community expectations. For example, all interviewees noted that

[7] Infrastructure Australia. (2021). Reforms to meet Australia's future infrastructure needs. 2021 Australian Infrastructure Plan.

[8] NSW Productivity Commission. (2021). White Paper 2021. Rebooting the economy. NSW Productivity Commission. https://www.productivity.nsw.gov.au/sites/default/files/2022-04/Productivity-Green-Paper-Executive-Summary.pdf

[9] Bennett, J., McNair, B., & Cheesman, J. (2016). Community preferences for recycled water in Sydney. Australasian Journal of Environmental Management, 23(1), 51-66. https://doi.org/10.1080/14486563.2015.1129364

[10] abc.net.au/news/pumped-treated-sewage-wastewater-sydney-supply-recycled/103311158

[11] https://www.dcceew.gov.au/water/policy/urban/policy-reform-urban-water/review-national-urban-water-planning-principles

[12] Kearnes, M., Motion, J., & Beckett, J. (2014). Australian Water Futures: Rethinking Community Engagement. Australian Water Recycling Centre of Excellence.

recent PFAS (or forever chemicals) contamination of some water supplies[13] had damaged trust in Sydney Water. While this is a separate issue to water sustainability, failure to address PFAS transparently and in-line with community expectations also threatens trust in delivering water sustainability. A recent increase in transparency through engagement and communication regarding PFAS appears to have restored levels of trust.

4.4. BUILDING SOCIAL LICENCE FOR POLICY REFORM

Communication and public education

As the entity responsible for water services, Sydney Water is making a significant investment in communications and public education as the means to **build "water literacy" and public acceptance** of water reform. These efforts are most notable around building understanding and so acceptance of the need for change plus acceptance of recycled water as part of the climate resilient water supply mix. Their in-house research has found a correlation between climatic events, such as floods, and customers' attitudes towards water use[14]. This knowledge underpins their strategy for **regular and consistent messaging** in the most appropriate mediums to impactfully deliver campaigns – a combination of social media, traditional media, and public relations. There is also significant specific investment in building acceptance of PRW (Purified Recycled Water)[15], notably the **PRW Discovery Centre** at Quakers Hill Water Resources Recovery Facility. This is a functioning facility producing PRW with an adjacent education centre. Such demonstration facilities are recommended by the peak body Water Services Association Australia as a key element of public education about alternative water supplies[16]. Interviewees also noted that the Centre is important for building **public trust** through **transparency** and demonstrating **competence** to deliver high-tech solutions safely. Overall, Sydney Water is demonstrating strong reform muscle in terms of its capacity to generate and draw upon appropriate sources of evidence to strategize their communication activities.

Communication and public education are also increasing awareness around water usage and behavioural changes, which can improve water efficiency while reducing water bills and contributing to environmental benefits. Research has shown that such public education programs can contribute to their increased acceptance by the public[17]. However, large bodies of research about attitudes and behavioural change in relation to climate change (e.g. Moser & Dilling 2011[18]) show better access to information is not generally the main driver of attitudinal or behavioural change which may be of particular importance when thinking about improving water efficiency. Instead, deeply held values and beliefs, incentives, perceived benefits, a sense of efficacy, and social factors have been shown to foster behaviour change[18]. Some of these gaps can be addressed through more participatory processes.

Participatory processes

Participatory processes involve two-way interactions or engagement that enable communities to make contributions to decision making. The NSW government undertook extensive engagement to develop the Greater Sydney Water Strategy. **Public exhibition of the draft strategy** resulted in >700 direct interactions over 6 weeks[19]. Opportunities

[13] https://www.sbs.com.au/news/article/forever-chemicals-in-water-for-decades/lg4y1agc6

[14] Sydney Water. (2023a). *Annual Water Conservation Report 2022-23*. Sydney Water. https://www.sydneywater.com.au/content/dam/sydneywater/documents/annual-water-conservation-report-2022-23.pdf

[15] Sydney Water defines PRW as water recycled from industry and homes (including from kitchens, showers and toilets) that has been purified to meet strict Australian Guidelines for Water Recycling to supplement drinking water sources (such as rivers and dams)

[16] WSAA. (2019). *All options on the table: lessons from the journeys of others. Water Services Association of Australia*. https://wsaa.asn.au/Common/Uploaded%20files/library/report/WSAA_%20All_%20Options_%20on_%20the_%20Table_%20full_%20report.pdf

[17] Lee, K., & Jepson, W. (2020). Drivers and barriers to urban water reuse: A systematic review. *Water Security*, *11*, 100073. https://doi.org/10.1016/j.wasec.2020.100073

[18] Moser, S. C., & Dilling, L. (2011). Communicating climate change: Closing the science-action gap. In J. S. Dryzek, R. B. Norgaard, & D. Schlosberg (Eds.), *The Oxford handbook of climate change and society* (pp. 161-174). Oxford University Press. https://doi.org/10.1093/oxfordhb/9780199566600.001.0001

[19] DPIE. (2022). *Greater Sydney Water Strategy: Water for a thriving, sustainable and resilient Sydney*. NSW Department of Planning and Environment. https://water.dpie.nsw.gov.au/__data/assets/pdf_file/0006/527316/greater-sydney-water-strategy.pdf

for participation in policy formulation like this foster input legitimacy and acceptance. It also signals government integrity which can build trust. Community engagement also played a significant role during droughts in Sydney (and in other cities like Brisbane) to build acceptance of restrictions on water usage that were implemented by water utilities[20].

Successive droughts in the 1990s and 2017-20 (discussed below) bought the inadequacy of traditional water supplies into sharp relief. Sydney Water concluded that a major investment in infrastructure was needed with associated pricing implications. They implemented the 'Our Water Our Voice' **customer engagement program** to better understand the water priorities of customers and communities and to help guide investments. The program was carried out over two years and involved more than 13,000 customers and stakeholders through customer forums, surveys, interviews, focus groups and workshops[21]. The results informed Sydney Water's price submission to IPART and also ongoing education and engagement on the implementation of PRW. These opportunities for participation in policy formulation specifically seek **acceptance of the cost** of implementation (through input legitimacy) with both communities and the regulator IPART.

Currently, participatory processes are happening primarily at a project level as Sydney Water starts designing key pieces of major infrastructure for water sustainability while continuing to build broad community understanding and acceptance around the use of PRW. For example, the Quakers Hill to Prospect project (which includes a new PRW Treatment Plant) has involved **engagement with a range of agency stakeholders and MPs** as part of developing the project. They have been engaged via tours of the PRW Discovery Centre or through individual briefings about the project and its potential impacts[22]. Previous experiences with implementing major infrastructure to improve urban water sustainability in Australia indicate that long term engagement with decision-makers can help depoliticise the planning process[23]. In Perth for example the water service provider worked with decision-makers for two decades to plan their operational groundwater replenishment scheme including a trial that assisted regulators to develop health and environmental regulation and water allocation policy[23]. Engagement with health and other regulators also needs to be included in a structured and transparent process. Interviews indicated that this **coordination across state-level agencies** is taking place, particularly between Sydney Water, DCCEEW and WaterNSW (Table 1) with multiple levels of working groups keeping communication channels open. These processes are currently not transparent to the public however, which one interviewee noted might improve public trust.

It has been suggested that a broad public debate (or participatory process) about water recycling with the consuming public is necessary[24]. However, previous experience in Queensland suggests such a direct approach may lend itself to politicisation and mis/disinformation campaigns and so be counterproductive to a social licence. For example, the 2006 referendum on a proposed potable reuse scheme in drought-stricken Toowoomba which became politicised and was rejected by voters[25]. Currently Sydney Water is embarking on an incremental and transparent approach to engagement around infrastructure development rather than starting with a broad conversation focussed on particular end options such as PRW.

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[20] Chong, J., & White, S. (2017). Urban—Major Reforms in Urban Water Policy and Management in Major Australian Cities. In B. Hart & J. Doolan (Eds.), Decision Making in Water Resources Policy and Management (pp. 85-96). Elsevier.

[21] Sydney Water. (2023b). *Our Water, Our Voice Customer Engagement. Phase 1 Findings Report*. https://www.sydneywater.com.au/content/dam/sydneywater/documents/our-water-our-voice-phase-1-findings.pdf

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4.5. KEY FACTORS INFLUENCING REFORM SUCCESS

INTERNAL FACTORS

Political factors

Water policy reform has a history of politicisation in Australia arising in part from competing policy paradigms of development, economic rationalism and environmentalism[26]. The experience in Australia to date suggests this politicisation of decision-making is more likely during times of crisis (see below) and in the lead-up to elections. The COAG National Urban Water Planning Principles stipulate that water planners must "consider the full portfolio of water supply and demand options[27]". However, in Sydney, politicisation has led to the **non-transparent prioritisation of particular solutions**. For example, in 2005 during the millennium drought, the new Premier of NSW announced that a desalination plant would be built 'drought or no drought'. Subsequent regulatory changes allowed the NSW Government to assume control over the approvals process[28] allowing Sydney Water to develop the desalination plant without development consent. The relevant amendment to the State Environmental Planning Policy (since repealed) was criticised for the extent of discretion it allowed the Minister. Of particular interest to this case were inadequate provisions for public participation, consultation, appeals or judicial review[29]. Ultimately Sydney Water needed to recoup its $2 billion debt by leasing the plant for 50 years with a contract to pay associated costs. While the plant continues to be in use (albeit generally below capacity), such decision-making threatens SLO and arguably does not produce the best solution by economic, social or environmental measures.

The **high cost of new water sources** such as desalination and some recycled water options, and **who pays for them** is another area of policy implementation prone to politicisation. Sustainable investment in infrastructure was commonly identified by the water professionals interviewed as one of the top challenges to water sustainability in Sydney. Investment is also needed to service new housing and replace aging infrastructure. As mentioned previously, following Sydney Water's submission to IPART, the prospect of increasing water bills is playing out in the media at the time of writing. Whether increasing water bills will be politicised to delay implementation or influence what water supply options are prioritised remains to be seen. However, gaining political and community acceptance for investment to support new housing development may be an easier case to make than investment for sustainability. This is because one of the key benefits of sustainability investment is security of supply which acknowledges business as usual risks water supply failure. Such conversations risk invoking fear and a perception of government incompetence.

EXTERNAL FACTORS

Crises – drought

"There is no question that the Millennium drought, and the national water reforms of the early 1990s, triggered major changes to the Australian water industry[30]"

The Millennium drought impacted Australian cities and agricultural areas from 1997 to 2009. In Greater Sydney, the subsequent drought from 2017-2020 saw storage levels drop by 50% of full dam capacity in two and a half years,

[26] Alexandra, J. (2018). Evolving governance and contested water reforms in Australia's Murray Darling Basin. *Water*, *10*(2), 113. https://doi.org/10.3390/w10020113

[27] https://www.dcceew.gov.au/water/policy/urban/policy-reform-urban-water/review-national-urban-water-planning-principles

[28] Chong, J. (2014). Climate-readiness, competition and sustainability: an analysis of the legal and regulatory frameworks for providing water services in Sydney. Water Policy, 16(1), 1-18. https://doi.org/10.2166/wp.2013.058

[29] Ibid.

[30] Chong, J., & White, S. (2017). Urban—Major Reforms in Urban Water Policy and Management in Major Australian Cities. In B. Hart & J. Doolan (Eds.), Decision Making in Water Resources Policy and Management (pp. 85-96). Elsevier.

which was a much faster rate of depletion than in previous droughts[31]. These crises had several impacts on water reform in Sydney:

1. They provided a **political impetus to act**. The drivers for water reform preceded the millennium drought and were flagged as early as 1977, yet the use of rainwater independent supplies only became widespread in Sydney during the Millennium drought[32]. As running out of water became an imminent reality, governments saw recycled water as a necessary addition to water portfolios, desalination kicked off and water restrictions were implemented.
2. They **changed the framing and scope of the issue**. Urban water security expanded to sustainability which includes goals of resilience and liveability[23] as drought was recognised as being one of the artefacts of climate change. Policy for the sustainable use of water needed to consider urban cooling, health goals and adaptability to climate change.
3. They **heightened public awareness** of the water sustainability issue. The droughts ensured urban water issues were front and centre in the newspapers and discussed regularly on talk-back radio[33]. There is also evidence to suggest that attitudes to recycled water sources becomes more positive in times of drought.

While crises such as drought can accelerate reform, several problems can arise with reform during crises. Experience in Australia shows that if the decision to implement expensive water infrastructure is driven by an emergency, those **decisions can be reversed** when the emergency passes as it is cheaper to revert to established supplies. For example, in Southeast Queensland as the millennium drought broke, the government moderated water restrictions, and use of recycled water to augment drinking water is “off the table’ to this day. Currently the $2.4 billion Western Corridor Recycled Water Scheme developed during the millennium drought is working at 25% capacity to supply industry[34]. Crises also require **quick responses**, which can be **at the expense of consultation and transparency.** In Sydney, water-use restrictions and major infrastructure investments such as the desalination plant during drought sparked heated debate about the effectiveness and appropriateness of the institutions and regulations governing the urban water sector[35]. Drought responses across Australia relied on such "concrete solutions" to water scarcity as desalination plants to “climate proof” metropolitan water supplies. However, these crisis decisions may focus on short term fixes which come with higher user charges, raising concerns about efficiency and equity[36]. So, while the public may be more aware of the need for action, acceptance of decisions is threatened by a lack of transparency and consultation.

System of government

Achieving urban water sustainability requires a focus not only on infrastructure but on the policies, regulations, and institutions that govern the water sector. In Sydney, **water sector functions and responsibilities are complex** and shared across different levels of government, different agencies and corporations (Table 1) which means a high degree of coordination and clarity about responsibilities is required for long-term decision-making. Evidence from the interviews suggests a range of mechanisms exist that support deliberate engagement and cooperation among state

[31] DPIE. (2022). Greater Sydney Water Strategy: Water for a thriving, sustainable and resilient Sydney. NSW Department of Planning and Environment. https://water.dpie.nsw.gov.au/__data/assets/pdf_file/0006/527316/greater-sydney-water-strategy.pdf

[32] Watson, R., Mukheibir, P., & Mitchell, C. (2017). Local recycled water in Sydney: A policy and regulatory tug-of-war. Journal of Cleaner Production, 148, 583-594. https://doi.org/10.1016/j.jclepro.2017.01.174

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[34] https://www.seqwater.com.au/sites/default/files/2024-12/Western%20Corridor%20Recycled%20Water%20Scheme%20%28WCRWS%29%20Recycled%20Water%20Management%20Plan%20%28RWMP%29%20Annual%20~%2024.pdf

[35] Chong, J. (2014). Climate-readiness, competition and sustainability: an analysis of the legal and regulatory frameworks for providing water services in Sydney. Water Policy, 16(1), 1-18. https://doi.org/10.2166/wp.2013.058

[36] Alexandra, J., & Rickards, L. (2021). The Contested Politics of Drought, Water Security and Climate Adaptation in Australia's Murray-Darling Basin. *Water Alternatives*, *14*(3). https://www.water-alternatives.org/index.php/alldoc/articles/vol14/v14issue3/644-a14-3-7/file

government agencies. This has been enabled by strong governance recommendations laid out in the Greater Sydney Water Strategy. The system of government is creating more obvious barriers to reform implementation in the integration of stormwater (particularly for liveability outcomes) because it is generally under local government control. Complex regulatory regimes, additional administrative hurdles and excessive transaction costs can restrict the range of water sustainability options considered[37]. This is evident Sydney where stormwater reuse is not being prioritised by Sydney Water.

A key element of strategic water reform in Australia has been Federal intervention through COAG to **corporatise and commercialise government-owned water utilities** like the now Sydney Water Corporation. Changes were underpinned by the principle that competitive markets would generally best serve the interests of consumers and the community, by promoting supplier innovation and efficiency through user pays mechanisms. State-owned water utilities are monopolies expected to act as profit maximisers (raising the need for an economic regulator – IPART). However, they are subject to political pressures and have been found to tend towards under-pricing meaning insufficient investment in sustainable systems[38]. Sydney Water is addressing this issue through the preparation of a new price proposal to IPART for 2025-30, informed by an intensive community engagement process (see "Participatory process" above). The response from IPART and the ability of Sydney Water to implement the proposed changes will be a measure of the success of corporatisation in generating output legitimacy in the eyes of the public.

4.6. LESSONS LEARNED

- Policy reform is needed to deliver more sustainable and publicly acceptable urban water solutions.
- Public **acceptance** is critical and has multiple components. In this case it is acceptance of the need for reform, new supply options, the cost of reform (and who pays), and the benefits of behaviour change.
- Different levels of **participation across the policy cycle** that focus on the different components of acceptance are needed to build trust in government.
- **Complex governance arrangements** across multiple State agencies can be managed by coordinated engagement but complexity becomes limiting across different levels of government
- **Crises can be powerful prompts** for reform but to be effective rely on policy groundwork so that crisis response options are evidence-based, socialised and readily available
- **Reform muscle requires constant maintenance** and involves trust in government agencies delivering reform. In this case, it requires appropriate response to emerging issues and consistent, transparent communication.
- **Politicisation** is an ongoing risk to reform itself and achieving an SLO for urban water reform

4.7. CONCLUSION

Urban water reform in Australia and Sydney is a work in progress as cities adapt to climate change and increasing urban populations. Building public understanding of water management options and the trade-off in cost, environmental benefits and security is a long-term endeavour but fundamental to acceptance of reform. Policy delivery and consistency are also required to build trust in the key agencies implementing reform. Sydney Water and the NSW government are implementing a strategy that partially addresses these needs. Arguably not "all options are on the table" due to complex governance arrangements and risk aversion to options such as PRW for direct consumption. However, extensive community and stakeholder engagement to underpin necessary pricing changes

[37] Productivity Commission. (2020). *Integrated Urban Water Management — Why a good idea seems hard to implement*. C. R. Paper. https://www.pc.gov.au/research/completed/water-cycle/integrated-urban-water.pdf

[38] Chong, J. (2014). Climate-readiness, competition and sustainability: an analysis of the legal and regulatory frameworks for providing water services in Sydney. Water Policy, 16(1), 1-18. https://doi.org/10.2166/wp.2013.058

and a long-term commitment to build public water literacy and political support are based on successful reform practice elsewhere.

4.8. CASE REFLECTION: APPLYING LESSONS TO YOUR WORK

Now that you've read the Case Study, give yourself at least 10 minutes to reflect on lessons you can apply in your own work. The questions below can help guide your reflection or you may wish to write down your own notes. You've invested the time reading the case. Taking a few moments now to record your ideas will ensure you get the most from it:

1. What **key actions did policymakers take** in the case to build support for acceptance of the reform?
2. What **components of a social licence** played an important role in this case? For example, key components might include: Public acceptance, public sentiment or satisfaction, public consent, Mandate for the reform, Legitimacy, Trust, Credibility.
3. What **internal factors** (i.e., factors within the public service/government) played the most influential roles in the reform's effectiveness? For example, key internal factors might include: Political factors (between government departments/agencies or between elected politicians and public servants), Fairness/equity, Public service capacity, Systems efficiency, Resource availability and levels, Transparency, Opportunities for participation.
4. What **external factors** (i.e., factors outside the public service/government) played the most influential roles in the reform's effectiveness? For example, key external factors might include: Community action, Features of the community, Mass and social media, Intrinsic nature of the reform's policy domain, Historical factors, Culture/country/region, Crises, System of government.

How could you **apply the above lessons to your own work**? What actions, SLO components, internal or external factors would you now think about to shape your efforts?

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Watson, R., Mukheibir, P., & Mitchell, C. (2017). Local recycled water in Sydney: A policy and regulatory tug-of-war. *Journal of Cleaner Production*, *148*, 583-594. https://doi.org/10.1016/j.jclepro.2017.01.174

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5. DISINFORMATION AND SOCIAL LICENCE

by Ika Trijsburg.

Keywords: Disinformation, Misinformation, Information Integrity, Social Licence

Abstract

Disinformation has rapidly emerged as one of the key societal – and governance – challenges of our time. Its impacts are characterised by institutional and informational distrust, increased polarisation and incivility. This has extensive impacts on social licence for policymaking throughout the policy cycle. As disinformation response continues to mature globally, the opportunities and impacts of local government level response are increasingly recognised. Disinformation represents a key factor that can influence the success of policy reform across all levels of government and policy domains. This is a case study therefore of an emerging critical driver of Social License to Operate (SLO) explored at the local government level. This case study draws on the 2024 Disinformation in the City Response Playbook which was co-created by over 40 multi-sector experts to guide local disinformation response. Applying this to SLO specifically, this case study articulates the overarching importance of disinformation response in maintaining and restoring institutional trust. It also provides a model for boundary spanning and integrated collaboration across sectors, cities and levels of government. Evidence-informed capacity development of public sector employees is key to enable them to master and lead in a rapidly changing information and technological environment. Sustained, consistent, transparent response is critical to respond to disinformation that threatens social licence to operate.

Key points and lessons

- Disinformation is a significant detractor to social licence to operate.
- Trust in institutions, information and others is eroded by disinformation, with significant implications for SLO and for the renegotiation of priorities, resources and functions necessitated by reform.
- Boundary-spanning across sectors, geographies and levels of government offers critical additional capacities.
- Transparency and longevity of government disinformation response are key to effectively response to disinformation.
- Public sector capabilities need to be increased, including capacity building of public servants and the systems and processes that they have access to.

Learn more: Recommended reading

Trijsburg, I., Sullivan, H., Park, E., Bonotti, M., Costello, P., Nwokora, Z., Pejic, D., Peucker, M. & Ridge, W. (2024) Disinformation in the City: Response Playbook. The University of Melbourne. DOI 10.26188/26866972
Bateman, J. & Jackson, D. (2024) Countering Disinformation Effectively: An Evidence-Based Policy Guide. Carnegie Endowment for International Peace.

5.1. INTRODUCTION

Disinformation and broader trends of mass information manipulation have significant implications for social licence to operate (SLO). Disinformation, or false information that is deliberately created to harm, mislead, or evoke an emotional response within a target audience (Fallis, 2014), has rapidly escalated in global prominence in recent years. Following years of reports warning threats to elections, national security and institutional trust, the profile of this issue reached new heights when the World Economic Forum ranked mis- and disinformation the top global risk of the immediate term in 2024 (WEF, 2024), and again in 2025 (WEF, 2025).

Whilst disinformation is not a new phenomenon, the current digital information environment enables the sharing of information at unprecedented speed and scale, enabled by novel forms of technology including artificial Intelligence (AI) and amplified by algorithms that prioritise engagement over accuracy (McLoughlin & Brady, 2024). Disinformation is deeply insidious, destructive and rapidly evolving. It can erode social cohesion, trust in democratic functioning and participation, promote polarisation, and erode public confidence in communication (Palfrey, 2024). These have significant implications for SLO at all levels of government, and indeed all sectors.

In this way, disinformation is a key factor influencing reform, with specific and general implications including dramatically impacting the politicisation of target issues and impacting reform salience – the extent to which voters and policymakers prioritise and are willing to engage (Moniz & Wlezien, 2020). The focus of this case study is the local level of government, where the impact of disinformation can be broadly categorised into four areas, each with their own implications for SLO.

1. LEGITIMACY: Discrediting leaders, and by extension the institutions they lead, through targeted attacks and harassment including deepfakes, misrepresentation of events, and misattribution.
2. TRUST: Impacting trust in institutions and information, while eroding social cohesion and collective identity by exacerbating social fault lines using ‘othering’ rhetoric.
3. PERFORMANCE: Promoting risk-aversion, influencing the integrity of information used in policymaking and impacting local government functioning.
4. GOVERNANCE: Manipulating local election results or perceptions of validity, and influencing the safe and effective functioning of governance processes.

This case study presents key aspects of response models from the Disinformation in the City Response Playbook (The Playbook) (Trijsburg et. al., 2024). The Playbook was co-created by over 40 experts across multiple sectors including city administrations, social media and technology, media, civil society and academia from North America, Europe and Australasia. The draft playbook was then peer reviewed by experts from other levels of government, and other geographies to ensure its recommendations were both robust and coherent for different audiences. Data was captured from senior representatives from the fourteen participating cities in a descriptive survey (N=14) which provided qualitative insights into the types and impact of disinformation, as well as the breadth of responses.

5.2. BACKGROUND

Social licence to operate has been defined in this project as the level of acceptance of a policy or initiative within a defined community, (O’Connor et. al., 2025). Disinformation impacts social licence, and at the same time is symptomatic of eroded social licence as existing fault lines of grievance, distrust, inequity and alienation present fertile grounds for disinformation to take hold. As disinformation manipulates the social and political milieu within which local policymaking occurs, it corrupts the integrity of the information landscape with potential impacts throughout the policy cycle:

Early agenda setting phase. This includes manipulating or misrepresenting public sentiment or evidence to influence the policy agenda. An example of this is a recent chatbot-based climate disinformation campaign in

Canadian Cities, with elected representatives receiving – and in some cases reportedly acting on - falsified scientific briefing documents (White, 2025).

Policy development phase. This includes direct influence on policymaking – and especially public participation – processes including by misrepresenting their intent or legitimacy or 'astroturfing' – using a variety of tactics to create a false representation of public opinion (Lits, 2020). Disinformation also indirectly impacts the conditions within which public participation processes occur, driving disengagement and cynicism about democratic processes, and using language that promotes polarisation, harassment and vitriol (Hameleers et. al., 2021).

Policy endorsement phase. This includes targeted campaigns, disruptions to governance processes and at times violent, threatening protests against the adoption of specific policies. Policy debate or adoption was identified as the most prevalent prompt for targeted disinformation campaigns in cities (Trijsburg et, al., 2024). The impact of such campaigns has been seen with policy initiatives including the anti-15 minute cities conspiracy that led to protests in cities trying to implement this urban planning framework across the globe (Marquet, et. al., 2024).

Policy implementation phase. This includes both direct manipulation and distortion of information related to policy implementation or rollout of initiatives, and indirect impact on SLO due to decreased institutional trust and social cohesion, leading to a reduction of willingness to embrace collective behaviour or systems change. This was evident in the disinformation-plagued 5G telecommunications rollout, which led to arson attacks on telecommunications towers and attacks against engineers around the globe, indicating significant retraction of SLO (Jolley, 2020).

Responding to impacts at all phases of the policy cycle above, the focus of this case study is the impact of, and response to, disinformation on SLO at the local government level. Local government is increasingly impacted by disinformation and offers unique capabilities for multi-level disinformation response. Their relatively small size and agility, local embeddedness, broad service delivery and connection points across communities offer distinct and important capabilities that can be integrated with national government assets including intelligence apparatus and other specialised agencies, and state or territory level system capabilities including education, policing and health.

5.3. REFORM AIMS AND SLO

Trust: in institutions, information, people and places

The central issue connecting disinformation and social licence to operate is trust. Trust is integral to the latter, and profoundly threatened by the former, as disinformation erodes trust in institutions, information and individuals. Local government is widely considered the most trusted level of government (OECD, 2022). The Playbook states:

> Trust is the currency of a strong, resilient democracy. This includes trust in institutions and among members of the public. Institutional trust has declined in recent decades, threatening the social license afforded to local governments by their constituents. Disinformation erodes this trust, by calling into question the validity of every aspect of the democratic process, from decision-making to electoral integrity… The process of responding to disinformation must engender trust. This means that cities should be transparent and inclusive about the goals of their initiatives and the desired outcomes. Initiatives should be clearly contained and only aim to address disinformation rather than to diminish political expression or advocate for a specific policy position. (Trijsburg et al. 2024 p23)

Responding to disinformation requires process legitimacy and transparency to engender trust. In an area fraught with accusations – and legitimate fears – of censorship and propaganda, building and maintaining social licence for disinformation response activities requires significant attention. The Playbook provides a foundational model of trust upon which to build disinformation response, which is particularly pertinent for SLO: trusted institutions, trusted information, trusted people, and trusted places (expanded below). In the complex, diverse communities of modern Australia this includes understanding which institutions are trusted by different groups, and taking steps to both

collaborate with, and ensure the trustworthiness of these institutions by enhancing competence, consistency and transparency. In this way, SLO can be strengthened by enhancing the connectedness and trustworthiness of institutions that are already highly trusted by community. People trust institutions where they, or their peers, feel they have a voice (OECD, 2025). This might include, for example, Farmers Federations, or Aboriginal Community Controlled Organisations, or Emergency Services, or religious entities – each of which hold high levels of trust within specific communities.

Trusted information: different information sources and delivery platforms vary in their trust across communities. Some cultures place high value on orally delivered, culturally-embedded knowledge spoken by identified people of high standing (Kelly, 2015), and may not, for example, equally trust the institutionalised processes of scholarly information. Understanding what information is trusted, by whom, enables local governments to work with others to enhance the trustworthiness of this information. This includes articulating the evidence-base, ensuring that information is accessible and outlines processes and priorities that are consistently applied.

Trusted people: are key to delivery of trusted information. No one is universally trusted, but different people are highly trusted across communities. People are predisposed to trust others for a variety of professional and personal reasons (IPSOS, 2024). Local governments can assist those who are already highly trusted in communities to increase their trustworthiness – or increase their transparency, competence and consistency within the information they share to extend the information integrity within their spheres of influence. When working transparently in collaboration with local government to address disinformation, this also lends the existing legitimacy of these trusted people to the process – encouraging a broader cross-section of the community to respond – and, importantly, to confer SLO.

Trusted places: understanding trusted places is as much about what's trusted as what's not, and how this impacts people's willingness to engage. Much has been written about the importance of libraries - consistently one of the most trusted local place-based institutions (Adle, 2025), and one that exists explicitly to provide access to information and knowledge exchange. Some who may not frequent libraries, however, may trust their place of worship or a particular online platform. Physical places can erode trust if they are associated with historical injustice, for example, or are known to be frequented by those using high levels of disinformation such as some social media platforms. Recognising the different places for trusted information sharing is the final quadrant of this trust model, with each aspect key in conjunction with the others to engender trust – and through it, SLO.

5.4. BUILDING SOCIAL LICENCE FOR POLICY REFORM

Boundary spanning & partnerships: an integrated, networked approach

Threats to SLO posed by disinformation span the boundaries between sectors and geographies, and in return its response necessitates boundary-spanning across sectors and levels of government. This serves to expand the available knowledge, resources, and diversity of lenses by which information is analysed and connected to encourage innovation in disinformation response (WEF, 2025(2)). The enhanced access to knowledge afforded by virtue of boundary spanning greatly extends the potential competencies of individual cities and competence is one of the key elements of community trust in local government agencies. As previously stated, local government offers unique and complementary capabilities to an integrated, multilevel response to disinformation. Disinformation response itself is a necessary precursor to effective reform, whether policy reform or broader systemic reform, as it threatens trust.

Figure 1 below shows the breadth and extent of current and future identified partnerships and boundary spanning collaboration for city disinformation response. In this way, boundary spanning can include sharing resources and information, as well as shared, combined or aligned action. The gap between current collaborators (in orange) and future collaborators (in yellow) demonstrates a high level of desired collaboration on the part of these local governments. It also demonstrates enduring difficulties in collaborating across sectors and levels in this field. This

can in part be explained by the novel and rapidly evolving technology shaping the fields of disinformation and response, necessitating that unfamiliar parts of the national, state and local government apparatus work together.

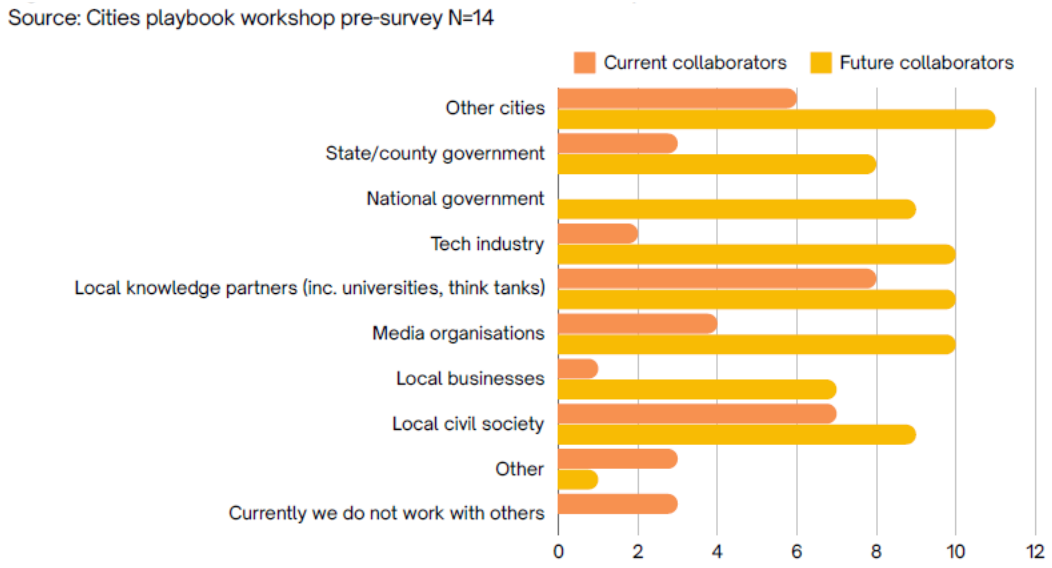

Figure 1: Current and future collaborators for disinformation response (Trijsburg et al, 2024 p38). Surveys of fourteen cities in North America, Europe and Australasia, completed by senior local government delegates.

Multi-city boundary spanning has three main benefits to SLO: Firstly, for sharing and learning of data, policy and challenges. Being able to stay informed of global disinformation trends enables evidence-informed decision-making, and innovative practice in response. Secondly, to provide a collective heat shield for innovation. As disinformation and associated algorithmic siloes drive increased polarisation and incivility, this can reduce political will to pilot novel responses with an inherent risk of failure. By working and supporting each other to innovate together it can improve the political – and social – acceptability of novel approaches. Thirdly, local governments can benefit significantly from the greater influence and relative power of collective action, enabling enhanced interaction in decision-making at other levels of government – especially in the supranational realm.

Multi-sector boundary spanning allows local government to apply the legitimacy, contributions and system capabilities of other sectors to collective response efforts (OECD, 2023). Of the fourteen cities surveyed during The Playbook development process, eleven (79%) currently work across boundaries, primarily to engage with additional knowledge and expertise about responding to disinformation. Necessary future collaborators included other cities (79%), with the technology industry, local knowledge partners, and media organisations (all 71%) the most frequently identified other sectors. These exchanges offer potential to both inform and embed disinformation response across the many diverse parts of community.

Multi-level boundary spanning, or embeddedness, offers greater expertise, resourcing, and the harnessing of complementary system responsibilities and attributes between the three levels of government in Australia. The majority of existing disinformation response occurs at the national level, harnessing the benefits of highly specialised departmental expertise including the intelligence apparatus. National governments offer advanced capacities and large-scale, influential structures and resources to support disinformation response, and although none of the cities surveyed were currently collaborating with their national governments, 64% plan to in the future. In addition, state governments are often responsible for many sectors that are key to disinformation response, including health, education and policing. Fifty-seven percent of the cities surveyed identified state governments as key future partners. Local governments, by comparison, offer complementary attributes to a multi-level response. They are smaller and relatively more agile, their generalist workforce provides services across a large number of professional areas and

there is majority support for local governments to be involved in decision-making about societal issues that impact local communities (Chou et. al., 2023). Local governments are also embedded within the local contexts and realities of communities positioning them well to formulate community-informed, contextually appropriate solutions.

Figure 2 draws boundary spanning and multi-level integration together in a three-part disinformation response model for cities: multi-city, multi-level and multi-sector.

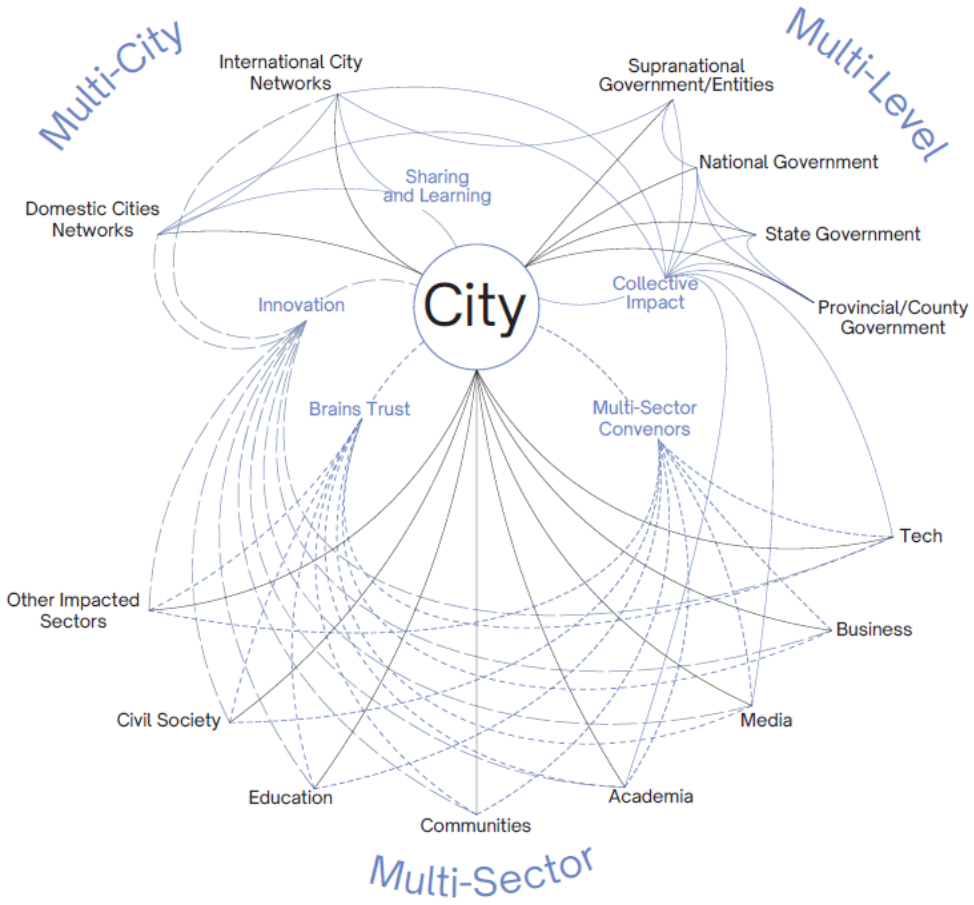

Figure 2: Boundary-spanning disinformation collaboration model (Trijsburg et al, 2024 p37)

5.5. KEY FACTORS INFLUENCING REFORM SUCCESS

INTERNAL FACTORS

Transparency and longevity of approach

Addressing disinformation requires a sustained, consistent, and transparent response. Within this, transparency of intention is key, as disinformation response is itself highly contested and politicised. This should be clearly articulated in any policy framework, along with the corresponding rationale and evidence base for the proposed response. This is for two reasons. Firstly, for the efficacy of the disinformation response itself, which requires a sustained, multi-phased effort (Bateman & Jackson, 2024). Secondly, transparency of intent is critical given disinformation can impact SLO during all stages of the policymaking lifecycle (as outlined above).

For the efficacy of disinformation response itself, The Playbook proposes a three-phase response model, as outlined in Figure 3. Pre-emption and early detection forms the anticipatory phase of disinformation response, involving recognition of the societal fault lines that disinformation most frequently follows and the events likely to spark disinformation campaigns, including policymaking, elections, global and local events, and crises or disasters.

Figure 3: Three-phase process for disinformation response (Trijsburg et al, 2024).

Pre-bunking and spread prevention form the basis of the 'active' response phase, giving people the tools to help make sense of disinformation and the topic it seeks to misrepresent should they encounter it. It also includes putting in place the strategies to contain disinformation once it has taken root. This can include peer interventions, online moderating and deplatforming.

De-bunking and recovery elongate the disinformation response continuum beyond the event, and its immediate aftermath. De-bunking - the sharing of accurate information along with an explanation of the disinformation, its inaccuracies and harms - is used alongside other immediate responses such as public statements and supports for those impacted. The recovery phase recognises that disinformation has deep impacts on trust, and on SLO, with eroded institutional, informational and interpersonal trust leaving people at heightened risk of further disinformation if not actively addressed, de-escalated and supported to recover. This can be likened to an emergency management community recovery process, working through the trusted networks outlined above.

Social licence is highly temporal, accruing over time yet in constant flux. There is no set point at which social licence is achieved, but rather a constant balancing of trust and legitimacy, derived from information, experiences and perceptions that are constantly being updated.

Capacity of public sector employees and systems

Disinformation response is key to reform success. To achieve this, public sector employees must have the capabilities and embedded structures and protocols to enable effective response. On the structural side of this internal capacity, an internal scan of levers will reveal any number of integrated opportunities for disinformation response to be effectively integrated into organisational functioning. For example: procurement and grant contracts can be reviewed to include conditions ensuring that those receiving funds or delivering work on behalf of local government entities have conducted a disinformation risk assessment and have appropriate disinformation response

procedures in place so that SLO of the project is not negatively impacted. Embedded, whole of organisation approaches such as this enable public sector employees to transparently influence the information integrity of their operating environment.

Importantly, public sector employees must ensure that they are not using or sharing disinformation, with internal protocols for verifying information before sharing, and codes of conduct updated to include expectations and consequences for using disinformation, including vexatious use of processes. Transparently holding public sector employees to account is important also in engendering trust in the community, and building legitimacy in holding community members equally accountable.

Internal coordination is also key to enabling effective disinformation response, to ensure that public sector employees are able to work together to share knowledge and assist others in preparing for or responding to disinformation. Such structures can be embedded in the policymaking process, promoting interdepartmental exchange and support as disinformation exploits multiple fault lines. From The Playbook:

> Policy endorsement at both the city and other levels of government has been identified as a key flashpoint of disinformation campaigns. This is especially likely in relation to the thematic areas outlined previously but it is not limited to these. Any new policy should thus be considered a flashpoint for disinformation and planned for accordingly. Proactively communicate the policy intentions and process, and plan enhanced communications monitoring and information sharing with communities and stakeholders in the lead-up to policy endorsement can enable the pre-emption of potential disruptions and support implementation of safety measures. (Trijsburg et al. 2024 p48)

Public sector employees also need to have access to appropriate supports to promote psychosocial safety as they navigate work environments increasingly characterised by incivility, polarisation and safety concerns. Being repeatedly exposed to disinformation – which can be violent or explicit but can also 'simply' be untrue and manipulative – can be harmful. Beyond this, targeted disinformation and harassment is increasingly weaponised against high-level public-sector employees and elected representatives (Bridging Divides Initiative, 2024). This has personal impacts on those involved and also impacts SLO in the community as such disinformation often seeks to discredit or humiliate the person involved, with impacts for observers who may believe the increasingly sophisticated tactics used, such as deepfakes. Such targeted behaviour disproportionately impacts women and cultural minorities, further driving inequality of representation (ibid).

Public sector employees also may need to engage in professional learning to understand disinformation and to confidently enact the specific organisational approach. Three forms of professional learning are particularly valuable: First, general disinformation training to recognise disinformation, its drivers, and its social harms and learn basic techniques to manage it. Secondly, discipline-specific learning to understand the specific risk profiles of projects and communities that they are working with based on communication patterns, current global and local trends, and technological innovations. Thirdly, scenario-based learning to collectively develop agile skills to respond quickly to disinformation and prevent escalation or contagion that may threaten SLO.

5.6. LESSONS LEARNED

- Trust is paramount to Social Licence to Operate, and disinformation poses a critical threat to trust in governments that underpins policy reform. Responding to disinformation is key to protecting and engendering SLO for policy reform.
- Local government is well placed for localised disinformation response.
- Disinformation, now part of the information landscape, and disinformation responses must be ongoing and constantly building adaptive capacity and resilience.
- Disinformation impacts SLO at every stage of the policymaking process for reform, from early agenda setting to policy development, endorsement and implementation.

- Boundary spanning across sectors, cities and levels of government is key to effective response as no one entity can address this complex, societal-level challenge.
- Transparency and longevity are key, extending the continuum of disinformation response through three broad phases: pre-emption and early detection; pre-bunking and spread prevention; and de-bunking and recovery.
- Public servants need the support of robust internal processes to plan for and respond to disinformation, with appropriate capacity building and professional learning alongside to build confidence to respond decisively, consistently and effectively to disinformation.

5.7. CONCLUSION

Disinformation has been recognised as the top global risk of the immediate term. Its impacts extend across all areas of government and all sectors. The crippling impacts of disinformation on the Social Licence for local governments to enact policy reform have been demonstrated time and time again: Emissions reductions zones repealed in the United Kingdom due to protests; Local governments basing policy decisions on falsified Climate Briefs in Canada; and the now ubiquitous arson attacks on 5G towers, to name but a few. The role of disinformation in driving distrust of institutions, of information, and of others, is critical. The impacts of disinformation on SLO for policy reform cannot be ignored.

Local governments are on the front line of disinformation, experiencing significant impacts and in turn offering significant capacities to a boundary-spanning response. Likewise, SLO for projects of all levels of government and all scales are experienced in the local, where people live and interact and make decisions. Local disinformation response is a collaborative strategy to address a major threat to SLO, and as local governments and their employees build increasing capabilities to enact agile disinformation response, they will require active support from other levels of government to enable this. This case highlights the manner by which a blind spot for collaborative governance to a shared challenge to SLO has been ameliorated through the playbook process, and the importance of effective translation of supports to the local level. National government support for extending local government capabilities to continue to address this threat to SLO include resourcing of local government response activities, inclusion of local government in national frameworks and capability building and creating structures to enable local government engagement in timely information sharing.

5.8. CASE REFLECTION: APPLYING LESSONS TO YOUR WORK

Now that you've read the Case Study, give yourself at least 10 minutes to reflect on lessons you can apply in your own work. The questions below can help guide your reflection or you may wish to write down your own notes. You've invested the time reading the case. Taking a few moments now to record your ideas will ensure you get the most from it!

1. What **key actions did policymakers take** in the case to build support for acceptance of the reform?
2. What **components of a social licence** played an important role in this case? For example, key components might include: Public acceptance, Public sentiment or satisfaction, Public consent, Mandate for the reform, Legitimacy, Trust, Credibility.
3. What **internal factors** (i.e., factors within the public service/government) played the most influential roles in the reform's effectiveness? For example, key internal factors might include: Political factors (between government departments/agencies or between elected politicians and public servants), Fairness/equity, Public service capacity, Systems efficiency, Resource availability and levels, Transparency, Opportunities for participation.

4. What **external factors** (i.e., factors outside the public service/government) played the most influential roles in the reform's effectiveness? For example, key external factors might include: Community action, Features of the community, Mass and social media, Intrinsic nature of the reform's policy domain, Historical factors, Culture/country/region, Crises, System of government.

How could you **apply the above lessons to your own work**? What actions, SLO components, internal or external factors would you now think about to shape your efforts?

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6. BUILDING A SUSTAINABLE NATIONAL DISABILITY INSURANCE SCHEME: CONTENTION, COMPROMISE AND COURSE CORRECTION

by Sophie Yates and Sue Olney

Keywords: disability, NDIS, trust, co-production

Abstract

In mid-2025, the Australian Federal Government was designing and implementing a large package of reforms to the National Disability Insurance Scheme (NDIS), the third largest program in the federal budget. The NDIS was just over a decade old and had only been fully rolled out across Australia since 2020, but already participant numbers and costs were significantly exceeding estimates, putting government under pressure to cap the scheme's growth. Two key factors fuelling its growth were an increase in the prevalence of disability among Australians aged under 65 years, particularly among children, and limited supports available to people with disability outside the NDIS. Both factors - arguably exacerbated by policy drivers - posed significant governance challenges. There was a ministerial split in responsibility for people with disability inside the NDIS and outside the NDIS, but NDIS Ministers had a propensity to discuss the scheme as support for 'people with disability', rather than a subset of the whole. This masked growing inequality between the two groups: the NDIS was providing funding to just 700,000 of the 5.5 million people with disability in Australia, but it was consuming almost all available resources for disability support, at the expense of a promised ecosystem of supports for all Australians with disability. Moreover, while the NDIS was proving transformative for some participants and their families, there had been ongoing challenges with its design and implementation and blurring of accountability between the NDIS and other service systems. Many current and potential NDIS participants were dissatisfied with the scheme's parameters, processes and perceived lip service to co-design with the disability community, and many service providers were unhappy with its regulated pricing structure. Cost pressures were complicated by Australia's obligations as a signatory to the UN Convention on the Rights of Persons with Disabilities. Ultimately, the future of the NDIS hinged not only on demonstrating its value to those with a direct stake, but also to taxpayers funding it. The Federal Government had multiple publics and many competing interests to satisfy in reforming the NDIS to ensure its sustainability. This case explores numerous factors impacting on the government's Social Licence to Operate (SLO) with regard to enacting these reforms.

Key points and lessons

- **The fragility of trust**: Relational trust builds over years of observation and experience, but it can be destroyed very quickly.
- **The power of politics**: Strategic alliances are very powerful in driving policy change.
- **The importance of transparency:** SLO can hinge on how government navigates gaps between vision and implementation with stakeholders in reform processes, how it engages stakeholders (including those excluded by current design) in framing and solving problems, who is prioritised in that process, and how evidence is weighted in decision-making. 'Fairness' is a paramount concern.
- **The limits of rigid budgetary accountability:** People working in government are commonly held accountable for budgets and outputs tied to particular Ministerial portfolios. This budgetary siloing can perpetuate cost-shifting and unintended consequences of policy decisions across jurisdictions, blurring the boundaries for SLO.

- **Understanding value:** In reforms addressing cost blowouts in social policy reforms, achieving balance between the priorities of service users and the priorities of taxpayers calls for both an economic and a human rights lens in measuring and explaining impact.

Learn more: Recommended reading

Dickinson, H., & Yates, S. (2023). A decade on: The achievements and challenges of the National Disability Insurance Scheme's implementation. *Australian Journal of Social Issues*, *58*(3), 460–475. https://doi.org/10.1002/ajs4.277

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6.1. INTRODUCTION

In mid-2025, the Australian Federal Government was entrenched in designing and implementing a large package of reforms to the National Disability Insurance Scheme (NDIS). The NDIS—which was the most significant Australian social policy reform since Medicare, and by 2024, the third largest program in the federal budget—had only been in existence since 2013 and fully rolled out across Australia since 2020.

As might reasonably be expected in a reform of this scale, the NDIS had been constantly in flux since it was created. However, the years 2022-2024 marked an especially turbulent time for the uncapped scheme. Participant numbers and costs were far higher than economic modelling by the Productivity Commission in 2011 and 2017 had suggested, leading to public and political pressure to cap the scheme's growth. The number of Australians under the age of 65 years identifying as having disability increased between 2018 and 2022 from 2.4m to nearly 3.2m.[1] In turn, this increased budgetary pressures tied to Australia's obligations as a signatory to the UN Convention on the Rights of Persons with Disabilities. The NDIS was not intended to support all Australians with disability, but with few alternatives on offer, demand for access to the scheme was rising.

While the NDIS was proving transformative for some Australians with disability and their families, there had been significant challenges with its design and implementation. Numerous current and potential participants were unhappy with how the scheme operated, and with the government's approach to co-design of the scheme with the disability community. In addition, many service providers were unhappy with its pricing structure, claiming that pricing arrangements and price limits determined by the National Disability Insurance Agency (NDIA)[2] did not cover costs of delivery.[3] Lack of clarity in lines of accountability between the NDIS and other service systems also exposed the scheme to cost-shifting for disability-related adjustments in services across jurisdictions. Common problems as perceived by stakeholders included timeliness of NDIS funding decisions, lack of transparency in decision-making, turnover and lack of expertise in the frontline workforce, lack of disability representation in the scheme's governance

[1] ABS (2024). Survey of Disability, Ageing and Carers 2022. https://www.abs.gov.au/statistics/health/disability/disability-ageing-and-carers-australia-summary-findings/latest-release

[2] https://www.ndis.gov.au/providers/pricing-arrangements

[3] Bink, M. (2025) Presentation to DSC Conference 2025 - Sector Sustainability.https://www.abilityroundtable.org/post/presentation-to-dsc-conference-2025-sector-sustainability

and management structure, difficulty having decisions reviewed, administrative burden and complexity, the market structure, and lack of options for disability support outside the NDIS.

Broader tensions emerged in divided ministerial responsibility for support for people with disability inside and outside the NDIS. The propensity of NDIS Ministers to refer to supporting 'people with disability' in general when discussing the NDIS budget (as opposed to acknowledging that the NDIS only supports a subset of people with disability), masked growing inequality between those who were eligible for NDIS support and those who were not. The NDIS was providing funding to 700,000 of the 5.5 million people with disability in Australia, but it was consuming almost all available resources for disability support at the expense of a promised 'ecosystem' of supports for all Australians with disability, which was intended to complement the scheme. The transfer of money from Commonwealth, state and territory disability programs to fund the NDIS left Australians with disability who were either ineligible based on their type of disability or age, or potentially eligible but facing structural or personal barriers to entry, struggling to find support. In the absence of other options, demand for entry to the NDIS soared as people sought funding to cover rising disability-related costs of living, and families of children with developmental delay were steered towards the scheme to access early intervention therapy and support.

In this context, then-NDIS Minister Bill Shorten announced an independent review in October 2022, with the stated intention to "put people with disability back at the centre of the NDIS" and "restore trust, confidence and pride in the Scheme".[4] The Minister committed to co-design key reforms with the disability community, underpinned by the NDIA's Engagement Framework which stated that "people who are impacted by NDIS processes or decisions have a right to be involved in how those processes are designed and implemented, and how decisions are made."[5] But it was also clear from government statements that NDIS cost containment was front of mind for any reform efforts. Following publication of the NDIS Review report, new legislation was introduced into parliament to begin a series of fundamental changes to the way the NDIS works. However, 2024 proved a difficult year for the NDIS reform package, with public outcry coming from media sources who deplored scheme 'waste' and 'rorting' (see also Exhibit A),[6] and an uproar from disability stakeholders who were unhappy with both the pace and the content of reforms. According to a leaked report from an evaluation commissioned by the NDIA Co-design Advisory Group, the "most significant finding…was that there was a limited authorising environment for co-design, and not enough accountability to implement decisions made through co-design."[7] Further, the states and territories, who form a crucial part of the NDIS authorising environment, were unconvinced on some key elements of the required changes.

6.2. BACKGROUND

The NDIS in brief

The NDIS was established to partly meet Australia's obligations under the UN Convention on the Rights of Persons with Disability (CRPD), to which Australia became a signatory in 2007. The CRPD encourages law and policy aimed at increasing independence and social and economic participation for people with disability "on an equal basis with others". A key aim of the NDIS is to give people with significant and permanent disability choice and control in the provision of their care and support, by allocating them an individual funding package. The NDIS – a national scheme

[4] NDIS Review. https://www.ndisreview.gov.au/about/terms-of-reference

[5] https://www.ndis.gov.au/community/community-participation/engagement-framework

[6] For example: a) https://www.afr.com/policy/economy/the-ndis-is-a-taxpayer-sinkhole-is-it-an-economy-killer-too-20240606-p5jjp6

b) https://www.afr.com/policy/economy/ndis-spending-blows-out-by-5-4b-20240510-p5jclx

c) https://www.theaustralian.com.au/nation/politics/2bn-ndis-top-up-payments-in-one-year-for-just-25000-participants/news-story/1e5873eca217d37ef4818edd24a2b20e

[7] Clear Horizon. (2024). Evaluation of Co-Design Projects. Prepared for the National Disability Insurance Agency. Accessed through https://www.dropbox.com/scl/fi/qvcrfb0413izfl45fm9zf/Clear-Horizon-Retrospective-Codesign-Evaluation-Report-Final-1.docx?rlkey=ht3b2fuk9fkdmqn3hrvuttg8q&e=3&st=wybehs6n&dl=0

funded by all Australian governments – contrasts with the previously dominant 'block funding' model for disability services and support, which was dispersed primarily across state and territory governments. Funding was allocated to providers and people with disability got little or no choice in who delivered their services, how, or when. Now, once people are determined eligible for the NDIS, they meet with planning staff to discuss their needs and goals. They are then allocated an individual annual budget, which they can use to purchase services and supports deemed 'reasonable and necessary' to meet their needs. They purchase these supports from a quasi-market of providers (some of whom previously received block government funding and some new to the market) at prices set by government. Participants' budgets must be spent within approved categories and time parameters.

The NDIS is not means tested and there is no cap to the cost or the number of participants. In that aspect, it represents 'insurance' for all Australians; any Australian who acquires a significant and permanent disability can receive funding to participate in society and live a full and dignified life. However, the NDIS does not function as an insurance scheme in its operational risk-management, because aside from its eligibility criteria, the scheme lacks levers to manage demand for support. There is no equivalent in the NDIS of an insurance company assessing risk and taking measures to avert or reduce claims (in the private sector, these might include increasing the cost of insurance, adding exclusions in specific contexts, or sending hailstorm alerts by text to car owners). Successive federal, state and territory governments have backed away from funding alternative supports that could delay, reduce or prevent the need for people with disability to seek individual support from the NDIS, and power to address lack of supports outside the NDIS is beyond the scope of the scheme and the NDIS Minister. Furthermore, while there is officially no cap to the cost or size of the NDIS, continued delivery of the scheme ultimately hinges on taxpayers' willingness to fund it. This relies on taxpayers supporting its intent and understanding its value, which is a challenge in an environment of constrained resources and competing priorities. A 'social licence' for the NDIS is elemental to its sustainability.

The NDIS represented a considerable overall increase in funding for disability services in Australia, and a watershed moment for how these services were delivered. Its development was marked by hope and enthusiasm. A sophisticated grassroots campaign to introduce the NDIS achieved bipartisan support, the agreement of the states and territories to co-fund the scheme and involved a significant coordinated effort from people with disability, families, and community organisations. Importantly, this included the formation of the National Disability and Carer Alliance by three peak organisations in the disability sector – the Australian Federation of Disability Organisations, representing **people with disability**; Carers Australia, representing **families and carers**; and National Disability Services, representing **specialist disability service providers**. These organisations had previously advocated for reform of the disability support system from the perspective of their membership bases, rarely seeing eye to eye, but they recognised that presenting a united front to push for systemic change would be politically incontestable.[8] In addition, the broad-based social movement Every Australian Counts harnessed public support for the NDIS through media campaigns and strategically targeted key politicians to make a public commitment to the scheme.[9] A key turning point came in 2008, when the new Labor government convened a 2020 Summit to discuss big ideas for new policy directions in the future. The disability community lobbied delegates to get the NDIS onto the Summit's agenda, backed by a compelling economic and human rights case for change. It landed, and Cabinet referred the idea of an NDIS to the Productivity Commission for economic modelling.[10] Through this concerted and persistent effort, the campaign to establish the NDIS achieved an almost unprecedented licence to operate – however, this proved unsustainable as the scheme rolled out. The subsequent decade of implementation and financial pressures substantially eroded trust, collaboration and willingness to compromise between the disability community,

[8] Macklin, J. & Deane, J. (2025). *Making Progress: how good policy happens*. Melbourne University Press, p. 83

[9] Dickinson, H., & Yates, S. (2023). A decade on: The achievements and challenges of the National Disability Insurance Scheme's implementation. *Australian Journal of Social Issues*, *58*(3), 460–475. https://doi.org/10.1002/ajs4.277

[10] https://everyaustraliancounts.com.au/about/journey-so-far/

government and service providers. Cracks formed between stakeholders' interests, leading to a fractured and fractious authorising environment for the current reform efforts.

Multiple publics

Challenges facing the Federal Government in reforming the NDIS included the tensions inherent in delivering a $45 billion taxpayer-funded program that provides direct support to just 2.6% of the total population. The intended reframing of disability support from 'welfare' to 'insurance for all Australians' in creating the NDIS had failed to gain traction, and scrutiny on who was benefitting from the scheme had intensified under a combination of competing budgetary pressures and dwindling trust in government. As mentioned earlier, while the NDIS is officially an 'uncapped' social insurance scheme, the Productivity Commission observed that in reality "the ultimate cap – and test of financial sustainability – is taxpayers' continuing willingness to pay for it".[11] The NDIS *Insurance Principles and Financial Sustainability Manual* (2016) further illuminated the importance of these two key publics, observing that "the NDIS will have satisfied its functions and the NDIS will be sustainable (including financially sustainable) provided that both participants (people with disability) and financial contributors (Governments/taxpayers) continue to believe that it is worthwhile". For this to occur, "participants believe that they are getting enough money to buy enough high-quality goods and services to allow them reasonable access to life opportunities", while "contributors think the cost is affordable, under control, represents value for money and therefore remain willing to contribute what is needed".[12] Yet lack of clear messaging around the scheme's design and operations made it very difficult for people without a direct stake in the NDIS to assess its public value in relation to cost. In recent years, this had been jeopardised by mixed messages in mainstream and social media about who is supported by the NDIS, how NDIS funding can be used, government's management of risk, profiteering in the scheme, and the availability of alternative or complementary sources of support for people with disability. Statements from politicians, bureaucrats, independent reviews and the disability community also cast doubt on the scheme's fairness and return on investment.[13]

But beyond NDIS participants and taxpayers, other key publics had emerged. The sustainability of the NDIS also hinged on the support of NDIS service providers; state and territory governments, who are expected to meet demand for disability support falling outside the scope of the NDIS for people both inside and outside the scheme; and people with disability who do not meet the scheme's eligibility criteria. All have been vocal critics of the scheme's design and implementation.

Under the NDIS, the service 'purchaser' has shifted from government to individuals. This means that traditional commissioning levers that government might use to manage supply and market risk under contractual arrangements with service providers do not apply. However, the provision of services for NDIS participants is subject to regulation by the NDIA and the NDIS Quality and Safeguards Commission, and pricing arrangements and price limits are determined by the NDIA. In a quasi-market of this design, where service providers are not under contract to government, they can choose whether or to what extent they are willing to engage in the market on these terms. The disability service sector had lobbied for price increases since the scheme's inception, and despite media depiction of the NDIS as a gravy train, 2025 sector benchmarking data indicated that a quarter of NDIS providers were operating at a level that was financially unsustainable.[14] As there was no government service provider of last resort, this heightened risks of market concentration and market failure. The shift from government contracts to an individual customer purchasing model, which generates variable income, calls for substantial shifts in organisational planning, operations and culture on the service supply side. In that context, the willingness of providers to engage with the NDIS was critical to reform success.

[11] https://www.pc.gov.au/inquiries/completed/ndis-costs/report/ndis-costs.pdf p. 7

[12] https://www.ndis.gov.au/media/6072/download?attachment p. 4

[13] https://www.abc.net.au/news/2025-03-27/budget-2025-shows-ndis-has-a-pr-problem/105095724

[14] https://www.abilityroundtable.org/post/presentation-to-dsc-conference-2025-sector-sustainability

Furthermore, state and territory governments were asking for more funding from the federal government to deliver reforms proposed under the National Foundational Support Strategy[15] and intergovernmental funding agreement in December 2023.[16] Negotiations across jurisdictions had been tense and protracted, and by mid-2025 had not yet been resolved. Reforms to the NDIS in the meantime had narrowed both eligibility for access to the scheme and how participants could use their funding – before alternative options were in place. This fuelled anger and uncertainty in the disability community and posed risks to the health and wellbeing of those left in limbo.

Finally, what was insufficiently addressed in the creation of the NDIS was how the scheme would impact the costs and availability of support for people with disability outside the scheme, and how it would ameliorate the entrenched barriers to community, social and economic inclusion faced by all Australians with disability. The original three-tiered vision for the NDIS had included actions to address all of these issues,[17] but the implementation process had focused overwhelmingly on individual funding packages. There were no clear answers on how non-NDIS supports would be delivered and funded as money flowed from other parts of government to the NDIS.

6.3. BUILDING SOCIAL LICENCE FOR POLICY REFORM

In this section we introduce some of the aims of the Federal Government relevant to building a social licence for policy reform, and actions it took to build SLO with both the disability community and financial contributors. It was very important for the government to achieve public acceptance, trust and credibility regarding the urgently needed reforms to the NDIS. For decades, international disability advocacy had increasingly emphasised the rights of people with disability to participate in society on an equal basis with non-disabled people, and to make decisions about their own care. This is best exemplified by the rallying cry “nothing about us without us”. The UNCRPD, to which Australia was an early signatory, aims to “promote, protect and ensure the full and equal enjoyment of all human rights and fundamental freedoms by all persons with disabilities, and to promote respect for their inherent dignity”.[18] Implementing the NDIS gave effect to some of these rights, empowering people with disability who were eligible for the scheme to choose their care providers and supports. Its introduction had been strongly supported by a well-coordinated disability advocacy sector, which remained organised and vocal about failures in NDIS implementation during the scheme’s first decade. Rhetoric surrounding scheme design and implementation had very much conformed to the narrative about putting people with disability in the driver’s seat (even if the reality did not always match). By early 2025, faced with a strong political and economic imperative to curb scheme costs, government maintained that it would continue to work with the disability community to ensure that proposed reforms would be acceptable to those most likely to be affected.

Another contextual factor related to SLO is that the operation of the NDIS relies very much on co-production with people with disability.[19] Participants must attend planning meetings where they discuss their needs and goals with agency staff, negotiate what their funding will cover, agree on who will manage their plan, and subsequently purchase approved services and supports. As plans are in place for fixed terms and processes for adjustments are cumbersome, participants tend to present their highest level of need in the planning process to allow room for contingencies. Once the plan is set, the amount of ongoing administrative work varies depending on whether

[15] Foundational supports were intended to support people outside the scheme, envisaged to include general supports (e.g. information, skill-building, programs aimed at community inclusion); and targeted supports (e.g. help with cleaning and grocery shopping. See https://www.dss.gov.au/foundational-supports

[16] https://www.pm.gov.au/media/meeting-national-cabinet-federation-working-australia

[17] See e.g. Figure 1 of the Productivity Commission’s seminal report on the creation of the NDIS, *Disability Care and Support* (p. 15). https://www.pc.gov.au/inquiries/completed/disability-support/report

[18] https://humanrights.gov.au/our-work/disability-rights/united-nations-convention-rights-persons-disabilities-uncrpd

[19] Yates, S., Dickinson, H., & West, R. (2024). ‘I’ve probably risk assessed this myself’: Choice, control and participant co-regulation in a disability individualised funding scheme. *Social Policy & Administration*, *58*(1), 1–17. https://doi.org/10.1111/spol.12940

participants choose to self-manage their NDIS funding or to delegate management to the NDIS or a registered plan manager, but many participants find the scheme's administrative burden very heavy, and NDIS participation has been described as 'a full time job'. The extent to which administration has been shifted to service users means that any scheme reforms that are strongly resisted by participants and their families and carers may run into implementation difficulties.

For these reasons, reform efforts needed the trust and acceptance of people with disability. The centrepiece of the government's NDIS reform program was the 2023 Independent Review into the National Disability Insurance Scheme, announced in 2022 as an initiative that would help "put people with disability back at the centre of the NDIS". This was a key action by the government to improve its SLO, as the review's independence and leadership by trusted high-profile disability leaders and advocates gave it credibility in the eyes of disability stakeholders. Despite only having a year to investigate and report, the review sought to incorporate many participatory processes: the independent reviewers and supporting staff from the Department of the Prime Minister and Cabinet travelled across the country, including to rural and remote areas, holding accessible meetings and forums and inviting input from a wide variety of people and organisations. The review received thousands of submissions and tested preliminary ideas with small groups of people with lived experience and disability expertise. In December 2023, the NDIS Review final report was released to hopeful but mixed reactions from disability community stakeholders.

However, the government had another key stakeholder group to appease: financial contributors, who increasingly demanded reassurance that something would be done about scheme costs.[20] By the time of the report's release, government had already started moving to reduce NDIS spending. In April 2023, it announced that National Cabinet had agreed to implement an "annual growth target" of 8% for total scheme costs by 2026 (growth was at that time around 15-20% per annum). The NDIA introduced new measures to target fraud and reduce growth in the size of participants' plans. Then in 2024, legislative changes to the scheme allowed the NDIA to ramp up their eligibility reassessments, meaning the agency increasingly requested evidence from participants that they were still eligible for support and to determine if their funding packages should continue at existing levels or if they could be reduced. Estimated scheme growth began to reduce, and politicians drove home this message in the media at every opportunity,[21] while disability stakeholders became increasingly alarmed that hard-won gains in services and supports would melt away. It became evident that in improving social licence to operate with the financial contributor public (taxpayers), government was making the disability public (NDIS participants) feel "like a political football".[22]

6.4. KEY FACTORS INFLUENCING REFORM SUCCESS

The biggest factor driving the disability community's resistance to NDIS reforms was lack of trust in government to deliver outcomes for the good of people with disability. Quite simply, trust had been significantly eroded by a decade of poor implementation, perceived lack of transparency, and lack of meaningful consultation and co-design. For example, in 2021 the NDIA had proposed a new way of assessing the functional level of people with disability for scheme entry, known as 'independent assessments'. It was proposed that rather than having a person's normal health care team assess their functioning, the NDIS would contract allied health organisations to assess people using a series of standardised clinical tools. Disability advocacy groups strongly opposed the reforms, arguing that they would not provide an accurate picture of people's lives. Despite this opposition the government went ahead with

[20] It is important to note that people with disability and their families and carers are often also very concerned about scheme costs and sustainability, as they need the scheme to continue for their own future security. Many of these disability stakeholders also pay taxes, and are therefore members of both key publics.

[21] For example: a) https://www.theaustralian.com.au/nation/politics/bill-relief-1bn-shaved-from-ndis-as-bill-shorten-puts-the-scheme-back-on-track/news-story/cfd8e702383cb94b52934a42c8bcb3f2
b) https://www.smh.com.au/politics/federal/ballooning-ndis-coming-under-control-but-key-reforms-in-flux-20250316-p5ljwu.html

[22] Ibid, footnote 13.

trials, but was ultimately forced to abandon the proposed reform in the face of sustained criticism. This was a highly antagonistic process that worked to damage trust between people with disability and the government.[23]

Public service capacity, linked to resource availability, had also impacted implementation performance, and therefore participants' perceptions of scheme quality. A 2014 staffing cap had restricted the NDIA to 3,000 direct employees, which the Productivity Commission observed could lead to poorer outcomes, especially in this key period of trials and increasing roll-out across the country.[24] A significant consequence of the agency staff cap was diversion of Local Area Coordinators from their original purpose of connecting all people with disability to their community and to mainstream services; instead they were required to perform administrative functions for scheme participants, such as planning and plan implementation.[25] Research and public inquiries consistently uncovered problems with scheme implementation attributable to inadequate staffing, including: administrative errors, long wait times, difficulty communicating with the agency, and perceptions that staff lacked disability knowledge and training.[26] Poor NDIS experiences led to emotional anxiety and were overwhelming for many participants, although others reported feeling lucky and well-supported in their NDIS journeys.

External factors also decreased trust. The debate over independent assessments occurred during the early years of the COVID-19 pandemic, during which the government's handling of the pandemic response for people with disability also received significant criticism.[27] The complex, highly atomised and individualised disability service ecosystem was not well prepared for the kind of coordinated response needed to keep people with disability safe from COVID-19. Moreover, people with disability were not considered a priority population early in the pandemic and were left out of key early pandemic response plans. Later on, the vaccine rollout for people with disability also left much to be desired, with vaccination rates of at-risk populations lagging behind the general community. Such a context left people with disability feeling as though government did not have their best interests at heart.

6.5. CONTENTIOUS CO-DESIGN AND 'RUSHED' IMPLEMENTATION

The recommendations of the NDIS Review did not emphasise cost savings, but instead focused on ways to improve scheme operations, oversight and safety, and included a proposal for 'foundational supports' for those unable to access the NDIS (i.e. the majority of Australians with disability).[28] Foundational supports would largely need to be provided at the state or territory level, and would thus need to be carefully negotiated with these 'financial contributors'. The report repeatedly emphasised that the substance of many of the 139 wide-ranging recommendations would need to be co-designed and implemented with stakeholders, particularly people with disability. The report was cautiously welcomed by some key advocacy groups and peak bodies,[29] but it was also clear that some elements of the recommendations made disability community members nervous. Every Australian Counts, the campaign group that had been instrumental in having the NDIS adopted in the first place, released a statement criticising some recommendations and urging the government to commit to co-design. It subsequently conducted a

[23] Dickinson and Yates (2023), ibid.

[24] https://www.pc.gov.au/inquiries/completed/ndis-costs/report/ndis-costs-overview.pdf

[25] Olney, S., Mills, A., & Fallon, L. (2022). The Tier 2 tipping point: access to support for working-age Australians with disability without individual NDIS funding. University of Melbourne. https://apo.org.au/node/319016

[26] See e.g.: Veli-Gold, S., Gilroy, J., Wright, W., Bulkeley, K., Jensen, H., Dew, A., & Lincoln, M. (2023). The experiences of people with disability and their families/carers navigating the NDIS planning process in regional, rural and remote regions of Australia: Scoping review. *Australian Journal of Rural Health*, *31*(4), 631–647. https://doi.org/10.1111/ajr.13011
Joint Standing Committee on the National Disability Insurance Scheme. (2023). Capability and Culture of the NDIA Interim Report. https://parlinfo.aph.gov.au/parlInfo/download/committees/reportjnt/025031/toc_pdf/CapabilityandCultureoftheNDIAInterimReport.pdf;fileType=application%2Fpdf

[27] Yates, S., & Dickinson, H. (2024). Public management challenges with the emergency response for people with disability during COVID-19. In H. Dickinson, S. Yates, J. O'Flynn, & C. Smith (Eds.), *Research Handbook on Public Management and COVID-19* (pp. 312–324). Edward Elgar Publishing. https://www.elgaronline.com/edcollchap/book/9781802205954/book-part-9781802205954-34.xml

[28] See footnote 15.

[29] For example, Children and Young People with Disability Australia: https://cyda.org.au/ndis-change-must-be-led-by-people-with-disability/

member survey and argued that some of the key recommendations (for example mandatory provider registration) did not enjoy high community support.[30]

Government actions following the NDIS Review further alarmed the disability community. By June 2025, the Federal Government had not formally responded to the Review's recommendations, but as discussed above, had put in train a series of reforms and legislation to fundamentally alter the operation of the scheme. In March 2024 it introduced the *National Disability Insurance Scheme Amendment (Getting the NDIS Back on Track No. 1) Bill 2024*, which generated substantial feedback.

Much of the Bill proved controversial, but one aspect of this legislative package, the 'Transitional Rules' (intended to clearly specify what was and was not considered an NDIS support), caused particular consternation. Previously, there had been no specific list of what constituted an NDIS support, and NDIS planners used broad categories and operational guidelines to determine what could be approved. Now the government was introducing a very detailed draft list of inclusions and exclusions, which was not something that the NDIS Review had recommended, and had not been suggested by community consultation or co-design. This move came as a shock after the rhetoric of putting people with disability back at the centre of the scheme. Further, there was very little time allowed for consultation and feedback upon release of the draft list in early August 2024, with an initial two weeks extended to three weeks after strong pressure from community groups. Many groups, including the Independent Advisory Council to the NDIS (a committee legislated under the NDIS Act to provide advice based on lived experience of disability), opposed the introduction of such a list.[31] Criticisms included that it would not achieve its aim of clarifying inclusions and reducing costs, but would in reality have the opposite effect, while limiting participants' choice and control.[32]

The NDIS Amendment Bill was eventually passed by Parliament on 22 August 2024 after considerable political strife, but the final list of supports had not yet been released. Participants knew that what they were allowed to purchase would change but did not know how until the list was finally released on 1 October – two days before the new legislation was to come into effect. Many were concerned that the delay would lead to them inadvertently purchasing services and supports that were now disallowed. While just one example of reforms underway at the time, both the substance and process of introducing the Transitional Rules left disability stakeholders feeling unheard and disheartened with the current tranche of NDIS reforms.

A February 2025 joint statement from 255 disability organisations and providers (see Exhibit B) protested the 'rushed' implementation and 'unjust' reassessments, urging the government to pause and engage in genuine co-design. Disability advocacy organisations repeatedly used the NDIS Review's emphasis on co-design to argue that government was falling short in its reform implementation. Meanwhile, the NDIA's May 2025 brief to the incoming government made it clear that despite disability community opposition, reform should "remain on the timeline if we are to achieve national cabinet's annual 8 per cent growth target"[33]

6.6. CONCLUSION

This case study has analysed ongoing policy reform of the NDIS. The case demonstrates that the NDIS, as it was operating in 2025, was not fit for purpose. Those charged with delivering NDIS reform, however, were facing dissatisfaction from Treasury, from the disability community, from disability service providers, from other government jurisdictions concerned about cost-shifting, and from taxpayers unconvinced that the scheme was being responsibly managed.

[30] https://everyaustraliancounts.com.au/ndis-participants-and-families-slam-the-ndis-review-mandatory-provider-registration-recommendations/

[31] https://www.ndis-iac.com.au/draft-lists-of-ndis-supports-submission

[32] https://theconversation.com/lists-of-eligible-supports-could-be-a-backwards-step-for-the-ndis-and-people-with-disability-236578

[33] https://www.theaustralian.com.au/nation/politics/dont-listen-to-disabled-groups-and-keep-slowing-growth-bureaucrats-frank-warning-to-labor-ministers/news-story/1c12b1c539b76d1be15fcb56d9b1d4f2

Key findings show that people with disability, their families and support networks wanted NDIS reform to emerge from participatory processes, including co-design and co-creation. These expectations aligned with wider discourses about the inclusion of people with disability in social and political life. However, after a stormy history of scheme implementation (for example, the introduction of a detailed NDIS support list without community backing), it was clear that government-led processes for involving the disability community in policy reform were falling short of what had been promised. Timelines for feedback were rushed, there were overlapping consultations putting resource-poor disability advocacy organisations under pressure to respond, and it was unclear how this evidence was weighted in policy reform. While the disability community welcomed the creation of a formal independent advisory entity with respected leadership, government action did not seem to align with the spirit of the entity's recommendations.

Internally, factors including politicisation, public service resource capacity, perceptions of system inequity and lack of decision-making transparency limited buy-in into the reform. Externally, the high visibility and impact of the NDIS on many Australians' daily lives meant that community action, the highly engaged and organised nature of the disability community and extensive mass and social media coverage created pressure on a complex reform system requiring cooperation of many layers and jurisdictions of government. Broader contextual factors included the lingering political effects of the COVID-19 crisis, especially concerning how governments had handled the COVID response for people with disability.

Table 2 distils the key factors influencing the social licence for recent NDIS policy reforms. These factors will likely be influential in similar policy reforms, especially complex reforms involving Federal and State/Territory jurisdictions with a direct impact on Australians' lives. Table 2, therefore, offers a helpful guide for policymakers, outlining key factors and elements to consider in their own reform efforts.

Ultimately, the case highlights that in complex reform, several social licences may be at play at any one time. Each group had competing priorities and, in certain instances, competing requirements for granting a social licence to NDIS reforms. Political licences clearly also intersect with SLO, sometimes taking precedence or affecting which publics (and their related concerns) are prioritised. The NDIS case demonstrates the importance of public acceptance necessary to long-term, large-scale policy reform, closely linked to public satisfaction with reform processes and results, and trust in government and related service providers to deliver. The 2023 NDIS Review further demonstrates the importance of credibility to strengthening policy reform, with key disability leaders lending their reputations to the Review – but such exercises can lose credibility if governments do not act on their recommendations in good faith.

Rebuilding the shared vision that sparked the NDIS would be a herculean undertaking, but it seemed clear that the future of the scheme hinged on it.

Table 2: Proxies for SLO and its success in NDIS reform

Factors influencing reform SLO & its success	Key elements to support SLO	Case examples
Aims	**Public acceptance**	Ongoing public acceptance is required to continue to deliver the NDIS; fraud and rising costs risk losing public support
	Public satisfaction	The Federal Government has multiple publics to serve (including other governments), and satisfaction likely means different things to each
	Trust	NDIS relies on active participation from multiple stakeholder groups so trust is important for effective scheme operation. There was evidence that disability stakeholders in particular had lost trust in the Federal Government having their best interests at heart when reforming the scheme

	Credibility	The Federal Government drew on the credibility of disability leaders in appointing them to the NDIS Review, seeking to increase acceptance of reforms – however, actions seemingly contrary to the Review had since diminished the credibility of this exercise
Actions	**Participatory processes/ engagement**	The NDIS engages in many consultation and co-design activities. However, these may not be perceived as genuine by participating stakeholders if government action does not follow
	Formal advisory entities	The 2023 Independent Review into the National Disability Insurance Scheme was conducted by respected disability leaders, and was also very consultative
	Communications/ media	Politicians' use of mass media to communicate rationale for reforms and demonstrate how they are driving down scheme costs
Internal factors	**Political factors**	NDIS participants feeling like "a political football" kicked around in government pursuit of cost savings
	Fairness, equity	System perceived as unfair because those outside the NDIS had very limited access to supports
	Resource availability for the public service	NDIA staffing cap was a factor in poor scheme implementation, damaging SLO
	Transparency of processes	Government decision-making processes perceived as not transparent, e.g. introduction of detailed support lists
	Opportunities for participation	Many opportunities for consultation and co-design in NDIS reforms, but these may be perceived as perfunctory if contributions are not acted upon
External factors	**Community action**	Lobbying, advocacy and protests had all been important in the NDIS reform story from the beginning. The economic and human rights case for creating the NDIS was built by the community
	Features of the community	Highly engaged and organised disability community, including disability advocacy organisations, carer groups, and disability provider groups
	Mass and social media	Extensive mass media reporting on NDIS costs and fraud put pressure on government to reduce costs, and negatively affected NDIS participants
	Crises	COVID-19 response for people with disability damaged trust in government
	System of government	NDIS implementation requires effective intergovernmental cooperation, but governments had not been able to reach agreement on respective responsibilities and costs

6.7. SYNTHESIS/LESSONS LEARNED/INSIGHTS

Key lessons from efforts to rebuild SLO for reform of the NDIS, after a decade in which multiple publics lost trust in government's will and capacity to work collaboratively to resolve issues with the scheme, include:

- **The fragility of trust**: Relational trust builds over years of observation and experience, but it can be destroyed very quickly.

- **The power of politics**: Strategic alliances are very powerful in driving policy change.
- **The importance of transparency**: SLO can hinge on how government navigates gaps between vision and implementation with stakeholders in reform processes, how it engages stakeholders (including those excluded by current design) in framing and solving problems, who is prioritised in that process, and how evidence is weighted in decision-making. 'Fairness' is a paramount concern.
- **The limits of accountability**: People working in government are commonly held accountable for budgets and outputs tied to particular Ministerial portfolios. This can perpetuate cost-shifting and unintended consequences of policy decisions across jurisdictions, complicating SLO.
- **Understanding value**: In reforms addressing cost blowouts, achieving balance between the priorities of service users and the priorities of taxpayers calls for both an economic and a human rights lens in measuring and explaining impact.
- **Not all publics can be served**: Complex reforms will have more than one SLO in play, meaning that earning a social licence with one public may mean foregoing it with another. The dynamics of SLO and the trade-offs for diverse publics need to be acknowledged and carefully considered.

6.8. CASE REFLECTION: APPLYING LESSONS TO YOUR WORK

Now that you've read the Case Study, give yourself at least 10 minutes to reflect on lessons you can apply in your own work. The questions below can help guide your reflection or you may wish to write down your own notes. You've invested the time reading the case. Taking a few moments now to record your ideas will ensure you get the most from it!

1. What **key actions did policymakers take** in the case to build support for acceptance of the reform?
2. What **components of a social licence** played an important role in this case? For example, key components might include: Public acceptance, Public sentiment or satisfaction, Public consent, Mandate for the reform, Legitimacy, Trust, Credibility
3. What **internal factors** (i.e., factors within the public service/government) played the most influential roles in the reform's effectiveness? For example, key internal factors might include: Political factors (between government departments/agencies or between elected politicians and public servants), Fairness/equity, Public service capacity, Systems efficiency, Resource availability and levels, Transparency, Opportunities for participation
4. What **external factors** (i.e., factors outside the public service/government) played the most influential roles in the reform's effectiveness? For example, key external factors might include: Community action, Features of the community, Mass and social media, Intrinsic nature of the reform's policy domain, Historical factors, Culture/country/region, Crises, System of government
5. How could you **apply the above lessons to your own work**? What actions, SLO components, internal or external factors would you now think about to shape your efforts?

6.9. EXHIBIT A: MEDIA HEADLINES ABOUT NDIS FRAUD AND COST

The Advertiser

Bloated NDIS cost blowout as CEO paid more than PM

Exclusive: NDIS spending is set to overtake defence by 2028, as an investigation into the $44 billion scheme reveals it has become a failing...

The Australian

NDIS a black hole swallowing the rest of our economy

Across the country, more and more companies are failing. Cafes are closing and construction firms are going into administration at a rate...

The Sydney Morning Herald

NDIS gets $1b injection to slow growth even as budget slides into deficit

The federal government will spend $1 billion as it reboots assessments for the National Disability Insurance Scheme after years of argument...

The Chronicle | The Chronicle

NDIS farce: Pensioner dad paid $200K to fulfil absurd request

Pensioner Mark Toomey, whose son Geoff suffered a brain haemorrhage, has been asked to re-prove his son's disabilities.

7NEWS

NDIS rorted by '$2 billion per year' as minister Clare O'Neil concedes issues are 'deep and systemic'

NDIS rorted by '$2 billion per year' as minister Clare O'Neil concedes issues are 'deep and systemic'. Fraudulent claims include a $20,000...

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Louis Vuitton and $45K to a drug trafficker: NDIS spending scandal

Exclusive: An NDIS provider has defended transferring more than $45000 to her drug trafficking Nigerian boyfriend and her purchase of a...

6.10. EXHIBIT B: DISABILITY SECTOR STATEMENT ON THE AUSTRALIAN GOVERNMENT'S PLANNED REFORMS TO THE NDIS

The Australian disability sector holds significant concerns about the Federal Government's planned changes to how people with disability will access the NDIS and, most importantly, how they will receive support.

Under the planned changes, all future NDIS participants will have to undergo a mandatory assessment in order to access the scheme. Existing participants will progressively be required to undergo the same assessment process before they receive their next NDIS plan and funds.

These assessments will be used by the National Disability Insurance Agency to decide who will be given access to the scheme, and how much funding and support they will receive.

These changes will fundamentally alter the individualised and personalised nature of the NDIS. While we all want greater consistency, we are very concerned this increasingly automated process will not adequately consider individual need and circumstance.

This is not the NDIS we fought for.

The NDIS has had a positive impact on many people's lives. But there is also room for improvement. The scheme is complex and constantly changing. It is hard to navigate. There are problems with fairness and consistency. While it is working well for some people, others are missing out.

We want to work with the Australian Government and the NDIA to change this picture. We want to deal with problems and come up with solutions that work for participants. We want to make sure this is the world-leading scheme we believe it can and should be.

Unfortunately, we have not seen evidence that what the Government is planning will resolve current problems with the scheme. In contrast these assessments, and the new process for determining individual plans and budgets, may actually compound existing problems or even create new unintended ones.

The introduction of mandatory assessments is the biggest change to the NDIS since it began. Despite the scale and cost of the changes, they have not been rigorously tested or undergone an independent evaluation. Consultation has been rushed and the questions and concerns of people with disability, their families and the organisations that support and represent them have not been addressed.

Based on the information released by the NDIA, we are concerned that a desire to cut costs is the main motivation for the hurried introduction of these reforms.

We want the NDIS to succeed. But we cannot support legislative or operational changes which we believe undermine the intent of the scheme. And may leave people with disability without the support they need.

An NDIS that serves all Australians with disability will be stronger and fairer if it:

- Upholds the rights and respects the dignity of people with disability
- Involves people with disability and their families in all stages of the assessment and decision-making process
- Is free from conflict of interest and bias
- Based on the principles of natural justice including review and appeal.

See the full statement at: https://everyaustraliancounts.com.au/ndis-sector-statement/

7. ADVANCING A REFORM AGENDA FOR NATURE-BASED FLOOD MITIGATION: IPSWICH AND THE BREMER RIVER CATCHMENT, QUEENSLAND

By Henderson H., Alexandra J., Cordova A., and Prinsley R.

Keywords: Nature-based Solutions; Nature-based Flood Mitigation; Catchment Management; Public policy reform; Social licence; Public Acceptance**.**

Abstract

This case study explores the emergence of Nature-based Solutions (NbS) in flood planning in Ipswich, Southeast Queensland (SEQ), a rapidly growing city with a history of flooding. Ipswich, located in the Bremer River catchment, faces the dual challenge of accommodating extensive urban growth while managing escalating flood risks intensified by climate change and land development. Drawing on a collaboration (2022-2024) between Ipswich City Council (ICC), the Australian National University (ANU) and the National Emergency Management Agency (NEMA), the study investigates how policy reform and other public initiatives for NbS are gaining traction. Key insights around what has worked to support the integration of NbS in river restoration and waterway management reforms include the importance of public participation and boundary-spanning partnerships as well as the existence of top-down mandates, backed by institutional capacity and resourcing. Progress toward integrated floodplain management and NbS adoption has been non-linear, however, with momentum driven by flood crises but constrained by competing priorities and fragmented governance. Acceptance of reform has political, community and market dimensions. This case contributes to national efforts to mainstream NbS in Australian flood policy, offering key insights in the development of the Guidelines for Nature-based Solutions for flood mitigation in Australia (2025) - funded by NEMA - and supporting new guidelines on nature-based flood mitigation supported by Natural Hazards Research Australia (underway, 2025-2028).

Five key points and lessons:

1. Flood crises can spark momentum for reform, but they do not guarantee sustained change.
2. A mandate for reform was generated by official responses to flooding; however, acceptance is unevenly distributed with community, political and market dimensions.
3. Policy reform for flood and waterway management often play out in localised areas, placing Local Councils in key policy building roles.
4. Participation has fostered social acceptance of NbS in Ipsiwch, introducing valuable local knowledge and strengthening reform durability, including when supported by trusted institutions and partnerships.
5. Reform must continually navigate competing priorities and stakeholder interests. A recurring tension lies between pressures for land development and land management for flood management, including NbS.

Learn more:

Projected-related publications

1. Prinsley, R., Sedighkia, M., Herath, P., Alexandra, J., Webster, T., Menzies, K., Croke, B., Hunt, S., Smith, J., Cordova, A.,Falconer, N., Manning, M., Chen, L. Y. W., & Wissing, K. (2025). Nature-based Solutions

for flood mitigation in Australia - Book 1: National Guidelines. ANU Institute for Climate, Energy & Disaster Solutions: Canberra

2. Herath, P., Prinsley, R., Croke, B., Vaze, J., and Pollino,C. (2025). A bibliometric analysis and overview of the effectiveness of Nature-based Solutions in catchment scale flood mitigation. *Nature-Based Solutions* 7:100235. https://doi.org/10.1016/j.nbsj.2025.100235.

Relevant international literature

1. Anderson, C. C. & Renaud, F. G. (2021). A review of public acceptance of nature-based solutions: The 'why', 'when', and 'how' of success for disaster risk reduction measures. *Ambio* **50**, 1552–1573 (2021).
2. Anderson C.C.; Renaud F.G.; Hanscomb S.; Munro K.E.; Gonzalez-Ollauri A.; Thomson C.S.; Pouta E.; Soini K.; Loupis M.; Panga D.; Stefanopoulou M. (2021). Public Acceptance of Nature-Based Solutions for Natural Hazard Risk Reduction: Survey Findings From Three Study Sites in Europe. *Frontiers in Environmental Science*
3. Sari R.; Soytas U.; Kanoglu-Ozkan D.G.; Sivrikaya A. (2023). Improving the climate resilience of European cities via socially acceptable nature-based solutions Urban Sustainability

7.1. INTRODUCTION: NATURE-BASED SOLUTIONS IN FLOOD MITIGATION

Major flooding is a recurrent feature of eastern Australia's river systems, driven by episodic and increasingly intense weather events linked to climate change. Urban development continues to expand on floodplains, especially in rapidly growing regions like Southeast Queensland (SEQ), resulting in mounting risks to infrastructure, ecosystems and communities. Catastrophic floods in recent decades, particularly in SEQ and northern New South Wales, have triggered renewed calls for more integrated approaches to floodplain and catchment management. In some contexts, attention has turned toward Nature-based Solutions (NbS) as a means of mitigating flood impacts while aiming to deliver other societal benefits, like improved water quality and biodiversity enhancements. NbS are "actions to protect, sustainably manage and restore natural and modified ecosystems that address societal challenges effectively and adaptively, simultaneously benefiting people and nature" (International Union for Conservation of Nature, 2017).

This case study examines Ipswich in SEQ, one of Australia's fastest-growing cities and a flood-prone region increasingly exposed to climate-driven events. Located at the confluence of the Bremer and Brisbane Rivers, Ipswich has experienced repeated severe floods (notably in 2011, 2013 and 2022), prompting new planning efforts and policy initiatives to improve flood resilience. Specifically, this case study examines how NbS are gaining interest in Ipswich, reflected in both public consultation on NbS and efforts to trial innovative policy approaches within the local context. It shows that reform is non-linear and explores how moments of crisis can create openings for reform; what is required to sustain momentum for NbS in flood governance; and what can detract from reform progress and implementation.

NbS are being trialled across different local, state and territory jurisdictions through varied initiatives, prompting federal efforts to provide national guidance, including the Guidelines for Nature-based Solutions for flood mitigation in Australia (Prinsley et al., 2025) developed by an ANU-led team and funded by the National Emergency Management Agency (NEMA). Currently, Natural Hazards Research Australia (NHRA) is supporting additional research in collaboration with Queensland Healthy Land and Water to produce practicable tools to assess floodplain values and demonstrate the value of NbS for flood risk reduction. This case study of the Bremer River Catchment focuses on our experience investigating NbS in the Bremer River Catchment, in partnership with Ipswich City Council (ICC), which is a key case utilised to understand current issues and practice in the development of the above-mentioned national initiatives.

7.2. BACKGROUND: THE BREMER RIVER AND IPSWICH CONTEXTS

The city of Ipswich in SEQ is approximately 40 km southwest of Brisbane. The Local Government Authority (LGA) of Ipswich City Council (ICC) occupies 1090 km^2 of the Bremer River Catchment (itself, part of the Brisbane River system) and has a mix of urban centres, rural and peri urban landscapes and industrial zones. Located at the confluence of the Bremer and Brisbane Rivers, the city is prone to significant flood hazards, particularly in its low-lying floodplains. This natural flood propensity has been worsened by extensive vegetation clearing and land-use change across the Bremer catchment since European settlement and further intensified by the rapid growth of SEQ in recent decades. Ipswich is expected to grow from a current population of approximately 247,000 to 535,000 by 2046 (City of Ipswich, 2021a), the highest projected growth in SEQ.

In 2011, 2013 and 2022 dramatic floods in Ipswich, Brisbane and other areas of SEQ brought strong media and political attention to the damages caused to infrastructure, property, waterways, ecosystems and rural and urban livelihoods. The 2010-2011 floods affected 2.5 million people, and damaged 29,000 homes and businesses (City of Ipswich, 2021b). In 2012, the Queensland Flood Commission of Inquiry (QFCoI) was established to recommend how the Queensland Government and affected local governments should manage flooding including future development, emergency response procedures, dam operations and structural mitigation. The QFCoI recommended the development of the largest flood study ever conducted in Australia: the Brisbane River Catchment Flood Study (BRCFS) (Queensland Government, 2017). This Study's aims were to better understand flood risks, strengthen flood

resilience and inform regional floodplain management strategies. Policy reforms have followed in various parts of SEQ since this study (and from this crisis-led policy push), including in Ipswich with the following key policy initiatives relevant to this case study:

- Integrated Water Strategy 2015-2031. A Total Water Cycle Water Management Framework for Ipswich (City of Ipswich, 2015a).
- Floodplain Management Strategy. (City of Ipswich, 2015b).
- Ipswich Waterway Health Strategy. (City of Ipswich, 2020).
- Ipswich Integrated Catchment Plan: Strategy and Action Plan (City of Ipswich, 2021).
- Ipswich City Historical Flood Map. Interactive Tool online. (City of Ipswich, 2022a).
- Voluntary Stormwater Quality Offset Program (City of Ipswich, 2022b).
- Urban Greening Plan 2022-2024. (City of Ipswich. (2022c).
- Ipswich City Plan 2025 (City of Ipswich, 2025). This document was widely consulted on (Public Consultation Report, January 2024) and amended to consider the 2022 flood areas and urban catchment flows.

These documents recommend the inclusion of NbS for flood mitigation, as a primary or secondary goal with the main aim to reduce floods in the City of Ipswich. Ipswich is striving to balance urban growth with environmental sustainability, preserving green spaces and enhancing the resilience of its natural and urban landscapes as protection against future flood events. By recognising its flood challenges and seeking to integrate multiple types of interventions and policy initiatives, Ipswich is becoming a national leader in studying and trialling NbS in flood resilience policy. However, urban and other land use pressures come into tension with flood mitigation actions, and at times politicisation of issues like housing affordability, can influence commitments to sustainable flood planning reforms. This case study considers the period of reform from 2011 to the present, including planning through to implementation in the policy cycle.

Problem definition

Recurrent and damaging floods in Ipswich and the lower Bremer are well known, yet sustainable catchment management and flood mitigation policy have lagged. The flooding crises of 2010-2011, 2013, 2022 prompted large investments in flood recovery and led to a series of initiatives aimed at enhancing local and regional flood resilience (e.g. inquiries, policy reform, Queensland Reconstruction Authority). The problem of flooding in the Bremer system is multifaceted, directly damaging houses, businesses and infrastructure as well as the environment, for example with increased erosion, damaged stream banks and ecosystems, deposition of sediments and nutrients into the sensitive environments of Moreton Bay (a Ramsar-listed wetland). Flow-on effects are numerous, from algal blooms to costly dredging of the Port of Brisbane. The challenge has been how to manage the often-competing priorities of affordable housing and urban development, ongoing farming practices and new infrastructure projects, at the same time as reconnecting and preserving water catchments with floodplains able to absorb stormwater and mitigate flooding.

At the same time, while NbS offer promising approaches to flood risk management, they remain characterised by some uncertainty. We still lack robust evidence on the extent of their effectiveness and on some of the long-term possible benefits (e.g. biodiversity) and costs of maintenance. Unlike grey infrastructure, NbS are not yet mainstreamed into the suite of options routinely considered by governments, local authorities or the private sector, where decision-makers are more familiar with traditional engineering approaches. As scholars Anderson and Renaud found, “Using nature to address societal challenges like risk from natural hazards is often highly effective and can deliver a wide range of co-benefits. However, the approach is still perceived as novel compared to traditional grey measures, common for practitioners and the public to rely on in contexts of risk (2021, p. 1570). There is the need for extensive modelling, analysis and consultation; “Although the evidence base for NbS is increasing, there is still substantial work to be done” (Anderson et al., 2021, p. 15). Their cost-effectiveness is also difficult to estimate, in part because of their multifunctionality: benefits such as improved mental health, biodiversity and food security are

hard to value monetarily within existing policy frameworks and guidelines, which often leads to undervaluation. Even when the overall benefits clearly outweigh costs, they are usually long-term and dispersed across multiple groups, making coordinated investment and financing a challenge. In this way, questions of social licence intersect with broader institutional, financing and design barriers to advancing NbS.

Key stakeholders

Short- and longer-term responses to flooding in SEQ, including those in the Bremer and Brisbane Rivers, involve numerous national, state and local authorities. Short-term responses involve emergency actions. Nationally, this has included NEMA and the Office of the Prime Minister and Cabinet, from authorising the use of the military in flood clean-up in 2022 to initiating local SES and other localised actions. In ongoing flood planning in Ipswich, key stakeholders include the Council, numerous Queensland Government agencies, local communities, and businesses from urban to rural contexts. The Commonwealth also has the Amberley RAAF Base located upstream of Ipswich city and within the LGA. Local environmental groups, Landcare groups as well as individual landowners, including major agricultural holdings, are also key stakeholders. Due to the rapid urbanisation of the region, housing and related public agencies, developers, and the building sector are an additional set of important stakeholders. Thus, diverse stakeholders with different objectives come into play and tension, leading to different considerations for building a social licence and, ultimately, a non-linear reform journey that is highly sensitive to critical flooding events.

7.3. BUILDING SOCIAL LICENCE FOR POLICY REFORM

Participatory process

ICC has prioritised public participation in flood planning, engaging the community in flood impact analysis, response capability analysis, as well as in future flood management plans, including initiatives involving NbS. Their commitment to information communication as well as engaged processes are evidenced in the ICC news releases[1] and on their webpage, which has live sections for public engagement, including details from community meetings on flood planning, the 2022 Flood Strategic Review and the Ipswich City Plan 2025. In general, the ICC seeks to actively engage the community and affected stakeholders in flood planning using a variety of engagement methods.

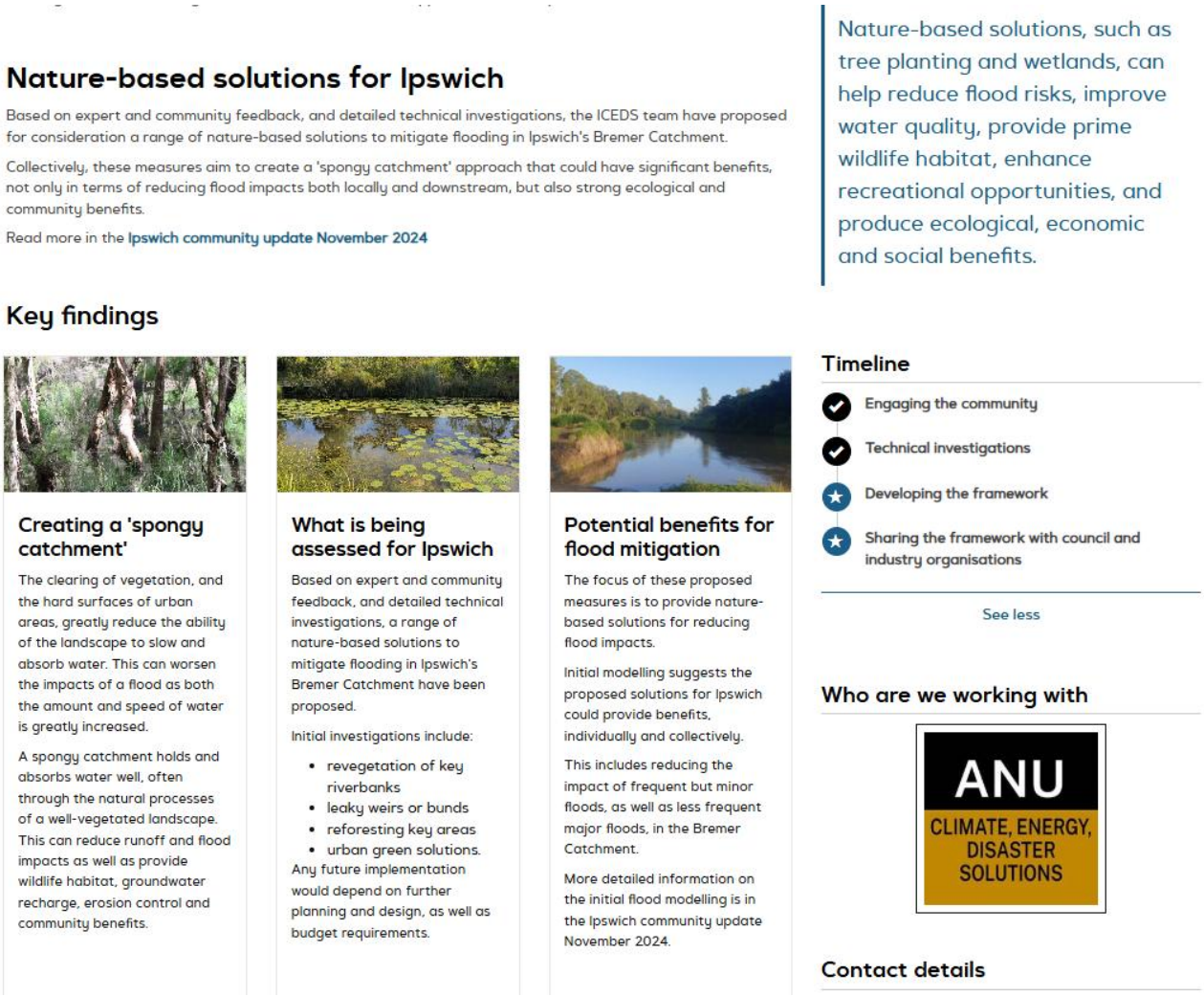
Recently, the ICC was a key partner in the development of the Guidelines for Nature-based Solutions for flood mitigation in Australia developed by an ANU-led team (Prinsley et al., 2025) and funded by NEMA. In the context of this national initiative, ICC worked with ANU researchers to engage the community in the development of these guidelines, with local stakeholders participating to define the scope, understand the catchment, establish objectives, gather information, and identify constraints and benefits of nature-based flood management between 2022 and 2024. During the ANU-ICC collaboration, there were several community meetings to explore the potential of NbS, focusing on a range of issues, including the development of a community-based understanding of NbS, resulting in a list of co-benefits they valued from NbS beyond flood mitigation (e.g. better water quality and more sustainable agriculture) as well as existing NbS examples (e.g. Bushcare group examples, new residential estates with Blue Green Infrastructure (BGI), voluntary land buy-backs by government of flood-prone land for restoration) in Ipswich as well as recommended considerations for the national guidelines.[2] Discussions focused on what would be effective and socially acceptable, along with difficult considerations about costs and funding. In this regard, participation served to integrate local knowledge and values, while also building social acceptance, which research has shown to be vital for NbS policy development and uptake (Herath, Prinsley, Croke, Vaze & Pollino, 2025).

In October 2023, the ANU showcased the NbS project in the highly attended Sustainable Ipswich Festival. Later that month, a second community workshop took place where more specific feedback on the emerging hydrological modelling results was elicited. Participants observed the concurring co-benefits, acknowledged that the uptake of NbS could be influenced by modified governmental priorities (e.g. the designation of land-use for residential purposes versus agriculture), and raised concerns about who would pay NbS establishment and maintenance costs. In December 2023, an Expert Panel, with community representation, took place to consider the findings of the hydrodynamic modelling thus far and other factors (ecological, social or institutional) that might impact the success of the proposal. In March and November of 2024, community updates on the project were published in ICC's Shape your Ipswich Nature-based Solutions to flood webpage. On 14 November a community drop-in session took place, where attendees discussed social and institutional considerations of flooding in Ipswich. On 15 November a second Expert Panel was conducted where detailed results from hydrological, ecological and economic analyses were discussed. These were valuable steps in firming up decisions on the NbS options for Ipswich and additional advice was offered for the Guidelines to Nature-based Solutions for flood mitigation in Australia (funded by NEMA). Local guidance was also informed by local knowledge and developed to complement existing NbS efforts, such as the Ipswich Integrated Catchment Plan (City of Ipswich, 2021).

[1] *See for example: 1. Project Community Update November, 2024 on Nature-based Solutions to Flooding, ICC: https://hdp-au-prod-app-ipsw-shapeyouripswich-files.s3.ap-southeast-2.amazonaws.com/7317/3094/6802/Project_community_update_November_2024_Final.pdf*

[2] *See NbS co-benefits engagement workshop summary, 2023: hdp-au-prod-app-ipsw-shapeyouripswich-files.s3.ap-southeast-2.amazonaws.com*

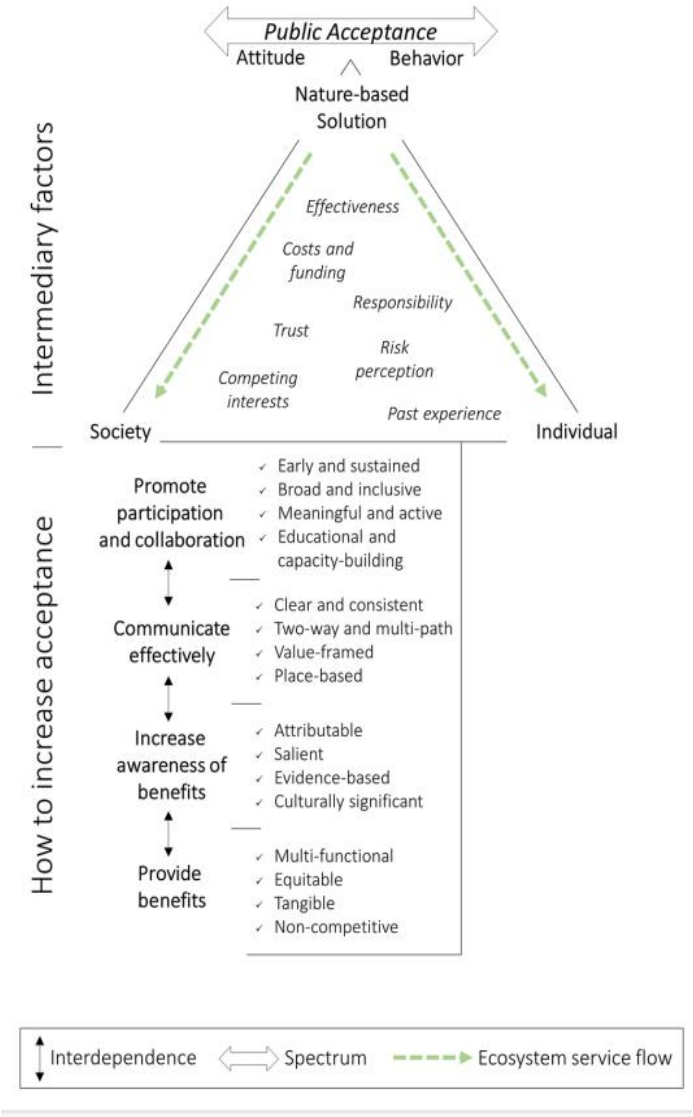
Figure 2. Illustration of Communication Tools for Engagement on NbS for ICC (current webpage)



Source: Ipswich City Council webpage, sourced 30.05.25

In this case study, public participation shared multiple objectives in terms of raising awareness about NbS, learning from community experiences, communicating research results and, ultimately, increasing interest and acceptance of ongoing reform for better flood planning, including with nature-based mitigation initiatives. Other studies have shown a clear positive association between procedural fairness and greater trust, as well as procedural fairness and social acceptance of NbS (e.g. Sari et al., 2023). Following a meta-review of scholarly publications, Anderson and Renaud (2021) have also highlighted the important role of promoting participation and collaboration as well as effective communication in their Model of Public Acceptance of NbS (see Figure 2), including by increasing awareness of multi-functional benefits of NbS. Overall, research shows that "public administrations play a critical role in creating enabling conditions for NbS, particularly through participatory processes that foster legitimacy and trust" (Nóblega-Carriquiry, March, & Saurí, 2022, p. 13). The Ipswich case illustrates how local government, supported by strong partnerships, can play this role effectively, though sustaining engagement and advancing NbS will ultimately depend on continued political will and adequate resources.

Figure 1. Anderson and Renaud's Model of Public Acceptance of NbS (2021)



Source: Anderson, C. C. & Renaud, F. G. (2021). A review of public acceptance of nature-based solutions: The 'why', 'when', and 'how' of success for disaster risk reduction measures. Ambio 50, 1552–1573

Partnerships and boundary spanning

Collaboration and partnerships are central to catchment and floodplain planning (and Natural Resources Management (NRM) more generally) because of the nature and scale of riverine systems involved which cut across administrative boundaries and agency responsibilities. In SEQ, Healthy Land and Water is a regional NRM body that sponsors diverse partnerships across government agencies, communities and the business sectors, including the abovementioned new partnership initiative to address knowledge gaps around implementing nature-based flood risk mitigation strategies.

The investigations into NbS in the Bremer catchment during the NEMA project (2022-2024) involved multiple partners, including ICC, NEMA, ANU, Water Technology (see report Webster et al., 2025) and Griffith University (the latter 2 for some portions of the work), in addition to strategic periodic engagement work with community-based stakeholders (as above). Other collaborations that have informed recent reforms in flood planning included QLD Government agencies, including the QLD Reconstruction Authority-ICC collaboration after the Brisbane River Catchment Flood Study (Queensland Government, 2017) to develop the Ipswich Floodplain Management Strategy 2015 and the Ipswich Integrated Catchment Plan (2021).

Specifically, ANU and ICC undertook partnership and boundary-spanning work on NbS, establishing policy and research networks involving a broad range of actors from numerous local governments, other universities, consultants and state agencies. The research team adopted a boundary-spanning model, working across diverse disciplines, organisations and locations. This emerged from an institutional analysis that identified complex governance structures, with coordination needed between different government levels, as well as current and likely funders and investors in relevant NbS work, such as on water quality, as well asl local organisations, landowners and Landcare groups. This model contributed to the development and sharing of resources (e.g. the development of the NbS guidelines and case studies) for the purposes of shaping a range of practical and policy outcomes.

For example, multi-agency coordination can help identify opportunities to pool funding but also utilise funding opportunities for particular actions for multiple purposes. In this case, the involvement of the SEQ NRM body, Healthy Land and Water, helped identify how water quality improvements could be financed as offsets paid for by the

Sewerage Treatment Plant (STP) operators who are working within stringent targets for nutrient pollutants discharged to waterways supplying Moreton Bay. STP operators in the neighbouring Lockyer and Logan catchments have co-funded riparian channel repairs to reduce total nitrogen loads and generate nitrogen load offsets based on the 2019 Queensland Point Source Water Quality Offset Policy (McAlister, Medland, North, Smart, Hasan and Sheldon, 2025). This finding emphasised the importance of the broader policy settings in supporting investment in co-benefits associated with NbS beyond the focus of flood risk mitigation. An advisory entity was also established as part of the initiative, the Expert Panel, during which discussions emphasised that large-scale interventions require coordinated multi-stakeholder engagement, and that environmental restoration is a long-term process with the analysis providing end goals for incremental actions. Meeting environmental restoration targets, like increasing riparian vegetation, can start by using voluntary adoption methods, like landholder agreements, but also rests on the need to use a range of policy instruments, including financial incentives if catchment wide targets are to be met.

Overall, collaborative action and formalised partnerships have played a key role in the Bremer catchment, supporting information exchange, shared problem definition and creative exploration of NbS, including recognition of co-benefits such as water quality improvements and opportunities for co-funding. The literature similarly emphasises that because NbS are inherently multifunctional and cross-sectoral, they generate "more potential for value-dependent trade-offs…as well as the need for multiactor collaborations" (Anderson & Renaud, 2021, p. 1567). Partnerships enable government agencies and other organisations to coordinate priorities, align resources, and reduce the risks of fragmented or short-lived NbS initiatives (Nóblega-Carriquiry, March, & Saurí, 2022). In doing so, they strengthen governance capacity and provide a foundation for embedding NbS within long-term strategies and programs. The ICC continues to collaborate with Healthy Land and Water and ANU researchers, among other stakeholders, in growing work on NbS following the NEMA guidelines (2025) with an initiative led by National Hazards Research Australia to develop specific guidance on the role of NbS in conserving and reconnecting floodplains in Australia (2025-2028).

7.4. REFORM AIMS AND SOCIAL LICENCE

Public Acceptance

International research shows that "public acceptance has become increasingly recognised as a key consideration within natural hazard risk reduction policy" (Anderson et al., 2021. p.83). After floods in SEQ many people, including key stakeholders, accepted the need for changes to flood planning and policies in the Brisbane and Bremer River Valleys. Like major bushfires, flooding disasters in Australia generate a predictable cycle of media attention, elevated public interest and urgent calls for political action, followed by more detailed and slower inquiries (e.g. Royal Commissions, flood studies). The latter have produced numerous recommendations, of which some may be adopted, though often after a crisis, business as usual can return. This happens both because it is difficult for institutions to undergo transformative change (i.e. path dependency) but also because there are vested interests to continue a model of suburban land development with minimal costs in sustainability features like Water Sensitive Urban Design (e.g. swales, rainwater gardens). In recent times, this drive for land development is coupled with public and political pressure to deliver affordable housing quickly given high population growth and the cost-of-living crisis.

Indeed, the classic text by Margaret Cook (2023) "*A river with a city problem: a history of Brisbane floods,* underscores this challenge. The urban areas prone to inundation are well known, yet the land use planning system in SEQ has enabled urban and industrial development on many of these areas. After the devastating 1974 floods, many Brisbane residents put their hopes in the Wivenhoe and Somerset Dams, planned and built as both flood control and urban water supply structures. These hopes were broken by the 2010-11 floods, with record dam releases, with the blame for the devastation almost immediately placed on the dam operators, who endured a marathon court case, before being cleared of wrongdoing (Ayre, Malone, & Ruffini, 2024; Cook, 2018).

A series of investigations followed, and flood planning and management reforms occurred after this 2011 flood crisis (many listed above), however commitments waned over time. While some stakeholders recognise the risks of future

flooding, including some community members present in public participation activities, other stakeholders such as property developers, the building sector and state economic development agencies, pushing for further development in flood prone areas in the Bremer Catchment or the reduction of sustainability measures, succeeding for example to revert reforms in favour of Water Sensitive Urban Design in new residential estates in Ipswich and surrounds (Cook, 2018).

In this regard, whether a level of public acceptance translates into reform appears tied to the level of acceptance among other interest groups. Policymakers have also described how public policy priorities can change, influencing political discourse and acceptance. Urban greening was previously a political focus, but once housing affordability concerns emerged, the emphasis on urban greening was overruled. This indicates that, like social licence, public acceptance may be multidimensional. A “three-fold view” has been applied to understanding acceptance of NbS in other settings (Sari et al., 2023, p.81), with political acceptance, community acceptance and market acceptance. For communities, research has shown that acceptance is tied to how fair and inclusive the decision process is as well as the co-benefits provided, while market acceptance relates to “finding investors and developing business models for NbS.” (p.3) This is a matter of focus and concern for NbS uptake in the Ipswich and other Australian contexts: it will be important to discover which stakeholders are interested in supporting and investing in NbS, alongside or instead of other mechanisms (e.g. for water retention, soil quality improvements), as well as understanding where NbS is seen to detract from other priorities and interests. “Competing interests” feature as an intermediary factor in Anderson and Renaud’s (2021) Model of Public Acceptance of NbS, highlighting that acceptance is “case-specific, exists on a spectrum, and is manifested by attitudes and behaviours, which also act on each other causally” (p.1569).

Overall, it is difficult to determine whether there is consistent, widespread acceptance of the need for flood planning reform in Ipswich, including NbS. Acceptance tends to peak when memories of crises are vivid, particularly among those directly affected, who often remain engaged in efforts to resolve flood issues. Public acceptance can vary based on individual perceptions and lived experiences, and the research shows that participation and cross-sector partnerships play an important role in building public acceptance of NbS (as above). Further research is needed to better understand the competing interests and shifting policy priorities that often exert influence over reform outcomes, and ultimately to deepen understanding of the factors that contribute to public acceptance.

Mandate

The mandate for reform and innovation towards more sustainable flood planning in Ipswich derives from the ongoing responses to declining water quality in Moreton Bay and from the QLD Commission of Inquiry. Specifically, the Inquiry generated a regional flood management study (BRFCS) to guide the development of more detailed local studies to be conducted in several phases. Following the QFCoI, Queensland Government and Local Governments committed to long-term floodplain management practices to reduce the impact of current and future flood risks. In this way, there was an official authorisation to (and legitimisation of) local governments to carry out flood planning revisions.

The mandate of ICC to undertake revised flood planning directly arises from the QFCoI and the BRFCS, which authorised and required local governments to revitalise their flood mitigation functions, applying better practice principles. The executive summary of the Ipswich Integrated Catchment Plan (City of Ipswich, 2021) summarises how this legitimisation emerged from the QFCoI, which recommended that “Local Councils in floodplain areas should, resources allowing, develop comprehensive floodplain management plans that accord as closely as practicable with best practice principles.” These best practice principles (known as sustainable flood management practices or SFMP) were later developed through additional studies and plans. Now, the Ipswich Integrated Catchment Plan states that while “traditional flood mitigation approaches have focused on large scale infrastructure such as dams and levees that have fundamentally modified waterways and their ecosystems, the IICP seeks to locally refine the SFMP approach to engage the floodplain and identify a suite of actions, recommendations and policies across the catchment that mitigate flood risk.” This is the explicit opening for NbS and floodplain reconnections.

ICC willingness to investigate NbS is consistent with this commitment and fits within this quest to identify a suite of actions. For example, the stormwater quality offsets program in SEQ was developed to improve water quality, not because of the flood crises (despite contributing to flood mitigation through NbS) yet people consent to it because of the water quality mandate which has emerged gradually in SEQ, due to strong public awareness and education campaigns, high quality research and strong attachments to Moreton Bay (and its Ramsar designation) (Abal, Dennison & Greenfield, 2001; Gibbes, Grinham, Neil, Olds, Maxwell, Connolly & Udy, 2014; McPhee, D. 2017).

While there may be a mandate for reform, the direction and specific actions arising from these reforms may remain contested, resulting in the need for a public authority to have broader legitimacy and build public acceptance of their decisions, not just a state directive. Public acceptance can depend on many dimensions of the policy settings, and for NbS initiatives questions of effectiveness and cost, including who pays, who benefits and cost sharing can influence the levels of support (or consent) (Anderson & Renaud, 2021). Further work is needed to understand the extent of acceptance of NbS among different stakeholders in the case context and Australia more broadly, however the actions described above, including public participation, partnerships and boundary spanning, indicate the ICC's clear aim to build support and a more enduring mandate for broadening their NbS approach.

7.5. KEY FACTORS INFLUENCING REFORM SUCCESS

INTERNAL FACTORS

Political Factors

Politicisation of flooding has at times favoured the initiation of reform efforts, creating the impetus to do something about the crisis of recurrent flooding in SEQ. This impetus stems from pressure by local stakeholders and is amplified by the media, particularly during and after floods (McKinnon, 2019; Bohensky & Leitch, 2014), or in periods of high prospective flood risk, such as during the wait for Cyclone Alfred. Political will also emerges from formal mandates and top-down directives to act. A review of ICC communications, from News Releases to their website, highlights strong political support for flood planning, including innovative NbS (see above), as well as reforms underway. However, political support is not a consistent factor influencing reform success, but as research shows, political will is one of the most important considerations in driving an NbS agenda (Henderson, Bush, & Kozak, 2020) and when lost, can be detrimental to reform success. This occurs across multiple fronts.

While flood mitigation itself is rarely politically divisive in SEQ, vested interests (i.e. property sector) significantly influence which land use policies are adopted and how fully they are applied. Incremental, piecemeal reforms often result, which can be compounded by the fact that decision-makers who approve developments may no longer be in office when downstream flood impacts occur, weakening accountability. This dynamic exists in Ipswich, as elsewhere is SEQ and Australia, where high growth pressures and housing demand drive continued urban expansion, even into flood-prone areas or areas upstream from those areas, without full mitigation actions. Restrictive land use planning and widespread adoption of NbS can be seen as obstacles to development, with some reforms, like rainwater harvesting or Water Sensitive Urban Design, being overturned as a result of development pressure (e.g. in Ripley Valley, Ipswich) or others bypassed through state appeals processes. Limiting property rights is politically difficult, as urban development and land speculation have long been economic drivers, and the housing crisis continues to grow. Similarly, efforts to modify rural land uses upstream, such as grazing, face resistance, with most NRM initiatives relying on voluntary participation. Past attempts to regulate practices like vegetation clearing have been highly contentious and fluctuate when administrations change. Climate change further complicates matters. While flood risks are increasing, with models and observations pointing to more frequent and severe events, climate adaptation policies remain politically fraught in Australia. Despite clear scientific warnings, political contention over climate action has delayed more transformative responses for decades (Alexandra, 2020; 2021).

Capacity of Public Servants

The ICC has demonstrated strong reform capacity in flood risk and sustainable waterway management over the last decade since the QFCoI, from the introduction of the Total Water Cycle Management Framework for Ipswich (2015a) and the Floodplain Management Strategy (2015c) through to more recent initiatives, such as the Urban Greening Plan (2022c). ICC has updated the Ipswich Planning Scheme (2025) to account for flood prone areas following broad public consultation efforts in 2024 and have been agile, and proactive to reform, actively supporting investigations and consultations focused on NbS options, as described above (see Participation). The 2022 Ipswich Flood Strategic Review involved broad public consultation and demonstrates high capacity for strategic assessment and planning. The ICC was an active partner investigating the technical, social and policy dimensions of NbS during the NEMA-supported project to develop the Guidelines to Nature-based Solutions for flood mitigation in Australia (Pinsley et al., 2025). Council staff demonstrate skills in leadership, subject and process expertise and willingness and capacity to innovate, for example in conducting and publishing mapping of urban green infrastructure and walkability. Furthermore, new generations of technical experts and policymakers have introduced modern approaches and strengthened internal capacity. In this way, technical subject expertise combines with the commitment and ability to collaborate with external partners and engage communities to support reform processes at the local government level.

While other levels of government are vital to flood management and risk reduction, and they fund important programs for flood resilience (e.g. for households) and invest in major infrastructure, statutory frameworks or policy priorities do not always align between the three levels of government. For example, in the ICC context and for other LGAs, policy changes at the Queensland Government-level have at times constrained nature-based approaches to flood management in order to advance housing development and other priority policy areas. Vertical coordination where local NbS initiatives are supported by higher level frameworks is important for advancing reform effectively and at scale. As Nóblega-Carriquiry, March & Saurí (2022) have shown, “the lack of institutional coordination between different levels of government is perceived by stakeholders as one of the main barriers to the acceptance and implementation of NbS” (p. 11).

Coordination between levels of government and trust in the capacity of governments more broadly are important in the context of flood risk management, and in testing and applying novel NbS. The capacity of public servants as implementors and project managers is a key element to building confidence, together with other strategies like transparent information communication and promoting public participation and stakeholder collaboration and partnerships. As Anderson et al (2021) found in their survey of three NbS study sites in Europe “trust in the implementer was found to be a decisive factor in the acceptance of NbS, underlining the importance of transparency and accountability in public institutions” (p. 8). The Ipswich case demonstrates local government capacity in building a pathway for reform with NbS, with strengths in technical policy as well as information communication, public participation and partnerships.

Resource Availability for the Public Service

Public investment generally has been high in flood response action and, to a lesser degree, longer-term flood mitigation and protection. Setting up emergency responses, creating maps, protocols, etc., have been a key focus of flood management. In general, public policies and the financial resources are biased towards flood responses and fewer resources are directed to planning and prevention. Margaret Cook, renowned flood researcher from Brisbane sums up this problem: “until recently, 97% of Australian disaster funding was spent on recovery, compared to 3% invested in mitigating risk and building resilience” (NSW Government, 2022, p.3) She advocates for more proactive flood disaster action including, raising homes and use of land use planning such as rezoning to prevent further urban development in flood-prone areas. She argues that agencies like NEMA and QRA are helping the shift towards proactive flood measures (Cook, 2025). More recently, the Queensland Government’s responses to the

floods in terms of inquiries and planning resulted in increased flood studies and development of plans like those of the ICC.

Queensland's current flood resilience funding includes direct support for households and broader risk management initiatives. The Resilient Homes Fund offers eligible homeowners grants of up to $50,000 for resilience repairs or retrofits, up to $150,000 (with co-contribution) to raise their homes, or up to $150,000 (without co-contribution) for demolition, relocation, or extension, which together aim to help households reduce their vulnerability to flood and cyclone impacts. There is also a $49 million Flood Risk Management Program (FRMP), funded by Australian and Queensland Government (50:50) under the 2021-22 Rainfall and Flooding - Exceptional circumstances Category C and D funding package approved under the *Disaster Recovery Funding Arrangements* (DRFA). It provides wider investment in community education, LiDAR and floor-level data capture, and flood studies and risk management strategies. This program is directed more to support governments and communities to develop mitigation and resilience strategies to manage river, creek and overland flood risk. Together, these initiatives channel funding into both household-level adaptation and catchment-scale resilience planning. Also, at the national scale, the Commonwealth has established and funded a National Emergency Management Agency (NEMA) to fund more coordinated and effective emergency management, as well as strategic, flood resilience planning.

EXTERNAL FACTORS

Historical Factors

Many of Australia's coastal cities developed on rivers due to the pre-eminence of sea-borne transport for freight and people. The patterns of development and evolution of these cities since the early colonial days depends on many historical factors, including any formal planning decisions. Many historical factors contribute to the flood prone nature of some of the older parts of these cities. Any continuation of urbanisation on floodplains can be also explained by an adherence to entrenched historical patterns – the political economy of urban land development. Other factors that change flood risks include the degradation of catchments, the extensive clearing of native vegetation for agriculture and grazing over the past two centuries, to continued intensive growth in population in SEQ. The pressures to house a rapidly growing population are well recognised including in the mid-1990s with the preparation of the SEQ 2001 Strategy (Abbott, 1995). SEQ continues to experience rapid population growth placing pressure on infrastructure and the environment. SEQ has a population approaching 4 million people, which is up from 2.4 million people in 2001.

There are also important historical factors in the way floods and flood mitigation measures are understood. Cook sums up some of the historical tensions, stating that although: …collective memory aids community resilience to hazards, sociopolitical forces erode this transformative potential. A study of Brisbane River floods highlights the entanglement of memory with a myth of flood immunity, created by community faith in dams to prevent flooding, infrequent floods, drought and hydrological misunderstandings, and upheld by floodplain development perceived as an economic booster. When flooding threatened the myth of immunity in 2011, the event was framed as dam mismanagement to deflect attention from poor land use practices and government culpability. This myth endures, leaving South East Queensland no more resilient for unpredictable but certain future flooding (Cook, 2018). Evidently, historical events and processes are important influences on flood and catchment policy reform, including social factors affecting expectations around flood.

Crises

Research shows that natural disasters, including flooding, often catalyse shifts in public policy and drive increased investment in infrastructure aimed at resilience-building. For example, Ishiwatari and Sasaki (2021) found that across Asia, "greater flood damage is associated with a larger budget for flood protection" (p. 1). These events frequently expose critical weaknesses in existing water management systems, sparking public frustration and prompting political

momentum for reform. However, these responses tend to prioritise emergency preparedness and recovery over long-term adaptation. Further, analysis of policy responses to crises indicates that these responses typically do not generate the adoption of innovations but instead rely on the reformulation of established concepts, or the reorganisation of pre-existing policy ideas, resulting in some kind of policy bricolage (Alexandra and Rickards, 2021), evidenced in the abovementioned public policy and program funding options available (see Resource Availability).

In Queensland, recurrent flooding in Brisbane and Ipswich has functioned as a crisis trigger, legitimising the need for policy reform and creating openings for exploring integrated flood mitigation strategies, including NbS. Crises have provided justification for government action, as is again evident during the current flooding emergency in northern New South Wales. Yet, once the immediate urgency recedes, policy ambition can wane. Progressive reforms, including the integration of Water Sensitive Urban Design in SEQ, are often vulnerable to rollback. As described above, this occurred between flood crisis periods in an area of Ipswich (Ripley) under sustained pressure from the development industry, with current land clearing and site preparations in the area for future residential development not currently incorporating WSUD or other NbS. The rollback of reform as crises recede highlights the fragility of certain forms of acceptance when attention to the issue fades, which ultimately underscores the limits of crises as a sustainable driver of reform. While crises, like droughts and floods, may trigger some policy reforms, these are often constrained by institutional path dependencies in addition to active opposition or undermining by vested interests (Marshall and Alexandra, 2016).

The adoption of NbS is therefore far from assured. Many urban planning standards in SEQ do not systematically incorporate NbS. While crises create policy windows and initiate momentum, long-term change ultimately relies on continued political will and multiple factors and strategies to be in place, from funding and technical capacity to supportive cross-sector partnerships and meaningful public participation. Once reforms have been initiated there is no guarantee that their wider adoption will become institutionalised. Without robust policy and institutional support between levels of government, the consistent application of NbS at the catchment or regional scale remains a challenge, and without wider adoption across catchments, opportunities for reducing flood impacts and improving water quality will be missed. Therefore, more sustained reforms are needed to embed NbS into the fabric of water governance and land use planning. Furthermore, as NbS represent a novel approach to flood risk management in many jurisdictions, more work is needed to investigate and test types of NbS suitable for different scenarios to continue to build the evidence base for sustained reform and NbS uptake. A key element in this is ongoing public sector leadership that builds confidence in flood risk mitigation strategies. The high technical capacity as well as sustained resourcing are important elements. In this regard, “until NbS are well-established and there exists ample evidence of their contextual effectiveness, trust in implementers as a consistent attitudinal determinant of acceptance will be even more heavily relied on and must be maintained and/or strengthened (Howgate and Kenyon 2009). Trust-building should be a continuous priority, since it can be hard to gain but easy to lose in contexts of risk (Slovic 1999) (Anderson et al., 2021, p.15).

7.6. SYNTHESIS/LESSONS LEARNED/INSIGHTS

Five Key Summary Lessons

1. **Crises can spark momentum but do not guarantee reform**
   Major floods in Ipswich and SEQ provided crucial windows of opportunity to investigate NbS and advance reform agendas. However, crises alone are not sufficient; building legitimacy and long-term policy change requires sustained political will, institutional follow-through, public engagement and effective partnerships.

2. **Public acceptance can have multiple dimensions, including political, community and market factors.**
   Public acceptance of nature-based flood planning reforms is multidimensional, shaped by community

engagement, political will and market interests. Crises have generated support for sustainable reforms, but this momentum is often undermined when competing priorities conflict with long-term flood resilience, including pressures for affordable housing.

3. **Public participation and collaboration are important strategies for building a social licence for NbS**
   Public participation is vital for integrating local knowledge and fostering acceptance of NbS. Ipswich City Council's communication initiatives and participatory work, together with key partnerships, illustrate how engagement and collaboration can inform policy development and strengthen social licence.

4. **Policy coherence and mandates enable reform, but these must be translated into implementation**
   Ipswich benefited from a supportive mandate via the QFCoI and regional flood studies. However, as the case shows, and the literature confirms, mandates must be backed by clear strategies, aligned incentives, adequate resourcing and sustained public engagement (and demands) to overcome policy drift and regulatory rollback under pressure from contestation.

5. **Reform must navigate competing policy priorities and stakeholder interests**
   The tension between rapid urban growth and sustainable catchment planning in Ipswich presents a dilemma common to other regions. A deeper understanding is needed into how competing interests and shifting priorities influence NbS acceptance, and what strategies can be used to explore NbS suitability and uptake in such contests.

The Ipswich case demonstrates that coherent policies in line with overarching mandates, and sustained political will, public investment and community interest/engagement are required if the impacts of flooding problems are to be reduced and innovative NbS are to form part of sustainable solutions. Continuation of historic patterns of urbanisation are likely to leave a legacy of profound social, economic and environmental problems. The commitment to investigate NbS is indicative of emerging awareness of the need for change, but success is by no means assured.

7.7. CONCLUSION

Sustainable and integrated catchment and floodplain management remains one of Australia's most pressing reform needs. The Ipswich case shows both the promise and the fragility of efforts to embed NbS into flood governance. While episodic crises have created openings for innovation, lasting reform depends on more than reactive responses. It requires institutional capacity, coherent mandates, political will, and, critically, building public acceptance across community, political and market domains.

Two levers are especially important. First, maintaining political accountability through an engaged and informed citizenry, with local governments such as Ipswich City Council playing an anchor role in boundary-spanning partnerships and participatory planning. Second, embedding higher standards and regulatory frameworks that move beyond business-as-usual to support experimentation, adaptation and investment in natural infrastructure. These dimensions are mutually reinforcing: informed citizens and stakeholders demand higher standards, while strong institutions and regulations provide the credibility and durability to sustain reforms.

The Ipswich experience highlights how NbS reform cannot be pursued in isolation from other domains. Water quality, housing, development standards and climate resilience are interconnected, and tackling them in a piecemeal way risks undermining the integrated approaches required. Highly skilled public servants, adequate resourcing, and multi-level and multi-organisational partnerships are central to boundary-spanning and navigating these pressures, and building adaptive governance capable of addressing 21st-century challenges.

Overall, this case study of Ipswich demonstrates the incremental and politically contingent nature of policy reform for flood management and NbS. While episodic flood crises catalysed important investigations and provided legitimacy for reform, lasting change depends on strengthening the institutional and social foundations that will support and sustain more integrated policies.

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