



Halt further water buybacks currently included in the budget	
Party:	The Coalition
Summary of proposal:  The proposal would halt further water buybacks currently included in the budget, with any savings reinvested into the budget.  The proposal would start on 1 July 2025.	

## Costing overview

While it could be reasonably expected that the proposal would increase the fiscal and underlying cash balances, the financial impacts of water buybacks are ‘not-for-publication’ in the budget papers due to the commercial sensitivity of water prices (see Table 1).

The proposal would be expected to have an impact beyond the 2025-26 Budget forward estimates period.

**Table 1: Halt further water buybacks currently included in the budget – Financial implications (\$m)**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>
Underlying cash balance	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>

*nfp* Not for publication.

## Methodology and Key assumptions

The savings from this policy would be the reverse of the estimated Australian Government expenditure currently budgeted to purchase water entitlements. There is a high degree of uncertainty on total expenditure as participation in water buyback schemes is voluntary and the availability of water varies year on year subject to environmental conditions and agricultural demands.

## Data sources

The Department of Climate Change, Energy, the Environment and Water provided information on water prices and forecasting as at 10 May 2025.

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

The Department of Climate Change, Energy, the Environment and Water (2025) [Australian Government water purchasing in the Murray–Darling Basin - DCCEEW](#), The Department of Climate Change, Energy, the Environment and Water website, accessed 26 May 2025.

## Attachment A – Halt further water buybacks currently included in the budget – Financial implications

**Table A1: Halt further water buybacks currently included in the budget – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Expenses</b>													
<b>Administered</b>													
<i>Water buybacks</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>
<b>Total (excluding PDI)</b>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

- Indicates nil.

*nfp* Not for publication.

**Table A2: Halt further water buybacks currently included in the budget – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>
<b>Underlying cash balance</b>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>	<i>nfp</i>

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>1</sup>.

- Indicates nil.

*nfp* Not for publication.

<sup>1</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)