



MEDIA RELEASE

Are Billions at Risk? Government water buybacks fail the economic test

18 June 2026, Canberra ACT – The National Irrigators' Council (NIC) has warned the Federal Government's continued pursuit of additional water buybacks under the Murray-Darling Basin Plan risks becoming one of Australia's most expensive environmental program without demonstrating that it delivers value to the Australian economy.

A new NIC review has found the Government's 450 GL additional environmental water program has moved well beyond its original budget and purpose, with taxpayers facing a potential multi-billion-dollar bill despite growing evidence that further water purchases are delivering diminishing environmental returns.

NIC CEO Zara Lowien said the Government must answer a simple question: how much are Australians prepared to pay for water that cannot be used to deliver the environmental outcomes?

"More than \$1.1 billion has already been spent on water purchases in the program, yet 77 per cent of the water recovered to date is subject to major delivery restrictions, meaning much of it cannot be delivered through the river system as originally intended," Ms Lowien said.

"The original \$1.575 billion budget has now been exhausted with purchases and other program commitments and estimates of an additional \$1.3 billion required to complete the program are likely conservative. Yet there has been no public reassessment of whether this escalating investment remains in the interests of Australian taxpayers or the broader economy."

"The Government has changed the scope, cost and assumptions of the program, but has not gone back and asked whether the benefits still justify the price tag."

Ms Lowien said the Basin Plan has already achieved its fundamental objective of establishing Sustainable Diversion Limits, with environmental water now making up around 72 per cent of the Basin water balance.

"The debate cannot remain about limits and how many more litres of water need to be purchased. It must be about what delivers the greatest environmental outcomes for every dollar invested," she said.

"The Government's own environmental science is increasingly showing that many of the remaining environmental challenges are not solved by simply adding more water. Investments in community supported constraints management, habitat restoration, fish passage and other complementary measures may deliver far greater outcomes."

NIC is calling for an immediate independent review of the 450 GL program to assess whether continued purchases represent an effective, efficient and economical use of public funds, before any further taxpayer dollars are committed.

"At a time when Australia faces enormous fiscal pressures, every dollar matters. We cannot continue spending public money simply because it was once a political commitment. The Government must have the courage to follow the evidence, reassess priorities and invest where the environment receives the greatest benefit," Ms Lowien said.

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