

## **Critical importance of High Security Water Licences in the Murrumbidgee Irrigation Area**

Riverina Citrus represents over 400 citrus growers in the Murrumbidgee Irrigation Area , Narranderra and Hillston regions of southern NSW. Citrus growers pay a statutory levy to Riverina Citrus as required by the Agricultural Industry Services Act 2002. Riverina is the largest citrus growing region in Australia.

The industry continues to be successful and innovative because of secure supplies of its key input – water. Riverina Citrus is a member of NSW Irrigators Council. We reviewed the submission by NSWIC and support its viewpoint. We cannot add to references A and C, however the circumstances of our industry warrant a supplementary submission in relation to reference point B.

B.Approaches to the management of water resources by all water users including provision for environmental flows.

The current practice of the NSW Office of Water is to allocate water for all 'take' by hierarchy. Sections 57,58 and 60 of the NSW Water Management Act 2000, 'state that regulated river (high security) access licences have priority over general security and supplementary water licences..' It is worth noting that in the Murrumbidgee, high security licences account for around 11% of the irrigation 'take' (excluding supplementary licences). Even though the proportion of high to general allocation is quite low, sustained economic production predominately comes from agriculture supported by high security licences ie citrus, viticulture and a range of nut trees.

The rationale for government granting high security entitlement is perennial crops such as citrus and wine require surety of supply for agronomic and investment purposes. We strongly urge the NSW government to maintain this highly successful hierarchy of allocation for economic and environmental reasons.

The Co-operative Research Centre for Irrigation Futures produced a report in 2005 that outlined the economic value of the Murrumbidgee basin.<sup>1</sup> The author grouped fruit and tree nuts. The farm gate revenue for these crops in the Murrumbidgee in 2001/01 was \$73,404,000. The grape industry had a value of \$103,251,000 in that year. However the remarkable economic importance of the fruit and nut industries arises in its value adding. The report shows the value of the fruit and nut rose to **\$613,211,000** when all upstream and downstream value associated with production, processing and distribution was included. The grape industry was more than double the fruit and nut industry. These industries are completely reliant on high security water licences to continue to be a significant economic driver in New South Wales.

The high security system also benefits our natural resources. The NSW Office of Water has a greater capacity to deliver water for environmental purposes when flows are allocated in a consistent, predictable manner. One of the key outcomes for water management is water quality influenced by timing of flows, sediment loads, nutrient loads, and pollution. All these

indicators are more likely to be favourable in systems favouring perennial crops and high security licences. High Security allocations are more likely to be delivered in a measured, manageable and predictable fashion which complements planning water 'take' for the environment rather than an opportunistic approach.

This is evidenced by the 5% allocation taken off High Security licence holders specifically destined for the environment. The '5% for the Environment' for the life of the Water Sharing Plan was agreed by all stakeholders in the Murrumbidgee because of the greater likelihood the environment would ultimately benefit.

The NSW Government needs to be vigilant the Sustainable Diversion Limit to be announced by the Murray Darling Authority in the middle of 2010 does not diminish the High Security licence and any additional environmental 'take' is inclusive of the 5% Environmental Flows already surrendered by HS licence holders.

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