

**INQUIRY INTO STATUS OF WATER TRADING IN NEW
SOUTH WALES**

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Partially
Confidential

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Legislative Council
Select Committee on the Status of Water trading in NSW

RE: Inquiry into the status of Water Trading in NSW

BACKGROUND

My name is Stuart Heffer, and our family has been farming in the Murrumbidgee Irrigation Area since the 50's. We are third generation irrigation farmers on this farm. We took over the farm in 1996 and since that time water trading has become a bigger and bigger money spinner for Murrumbidgee Irrigation.

Term of Reference

1(d)(e)

Murrumbidgee Irrigation is a government mandated company (that is shareholder owned) that was setup to simply deliver water and maintain the delivery system to their shareholders who are local farmers. As more and more outsiders are bought into Executive management and Board positions the further the company has gone away from what the company was set up to do, which as stated above is to solely deliver water and maintain the system.

Murrumbidgee Irrigation's focus now is slanted (despite their rhetoric) towards Water Trading, their corporate shareholders, large family operations with influence, which is to the detriment of the majority of shareholders.

Murrumbidgee Irrigation has built up a \$150 Million water portfolio with shareholders money. Bearing in mind Murrumbidgee Irrigation is a Not for Profit and does not pay dividends. They also have huge unpaid tax bills, for what!

The company has other registered companies they do not report on e.g., MI Holdings. What is unclear is where the money all goes!

Government Inaction

Murrumbidgee Irrigation is a self-regulating monopoly:

- NRAR say they have no jurisdiction,
- the State and Federal Water Ministers say they do not have jurisdiction,
- EWON do not have jurisdiction

- The Inspector General's office has said they have problems doing anything about Murrumbidgee Irrigation because they are State based not Federal,
- The Local Police have refused to take action against Murrumbidgee Irrigation and their staff in criminal matters such as trespass, property destruction, theft, bribes and other matters.

**Attached documents 1A

Murrumbidgee Irrigation Contracts

Murrumbidgee Irrigation for over a decade have bullied their shareholders because of the contracts they say they have in place. The contracts that shareholders must adhere to. In actual fact for over a decade there are no contracts in place, as when the contracts were originally put out shareholders refused to sign them, because of the draconian and predatory conditions they contained. If a staff member gets their nose out of joint with you for example if they played for an opposing football club (Leeton Greenies), they can then steal thousands of megalitres of water from your account say your account is in arrears and cut off your water supply to your farms. If you hire a lawyer to dispute the accounts they put a stopper on your accounts and take the allocation you have and you still have to pay their charges and you are in breach of the member contract. We were called into a meeting with
regarding Murrumbidgee Irrigations non-compliant meters, before entering the room the CEO said, "That if I didn't pull my head in he would put his ex-Sydney footballer he has on staff onto me to sort me out".

We are paying their wages.

Murrumbidgee Irrigations way of getting around shareholders refusal is to state "That if you take water you are bound by the contracts".

Pretty hard to grow irrigated crops without water.

Our legal advice is this is simply not true.

The company has used these contracts to sue us in court for costs (on meters they did not maintain and were non-compliant and for our livestock damaging a channel that was built of its easement on our land that the company has since moved) and have now cut off our farms from water access, closed our accounts and sold of our water entitlements without our consent because we haven't signed these contracts. How can they have it both ways? Murrumbidgee Irrigation and their lawyers lied to the courts about these facts. We have now had to start selling off our farms to pay the bank as we can't irrigate our farms, but the new owners can.

During the court process our lawyer disclosed to us that he had met with Helen Dalton MP and discussed our case, this was done without our permission as her husband was Chairman of Murrumbidgee Irrigation at the time and also of Yenda Producers. Clayton Barr MP was also present and confirmed this to us. Mr B Horne then signed off on all Murrumbidgee Irrigations demands which we didn't agree to, we believe to protect Helen Dalton MP and her families water trading activities. We have taken this to the Legal Commissioner, and he was cautioned which we find was totally unacceptable as we lost our whole farming business over his mis- representation.

So, over the years the Murrumbidgee Irrigation has stolen shareholders water licenses, Supplementary, Stock and Domestic, General security, and also High security. They have stolen allocations, Delivery entitlements and bullied many shareholders off their land. The ACCC are fully aware of these issues and refuse to take action.

Enablers

Another big issue of the way Murrumbidgee Irrigation are able to conduct their corrupt behaviour is their enablers.

If you are a shareholder and deal with livestock in your business they go to their water brokers who are also livestock agents to shut down your business e.g. Elders, Breed and Hutchinson and Yenda Producers.

If your business is cropping they will go to your suppliers to shut you down e.g. Yenda Producers, Rawlinson and Brown and Elders.

They have also been able to get help with their corruption through Government departments for example

- [redacted] was fully aware of these issues before NRAR was set up, but NRAR now say they have no jurisdiction over IIO's.
- [redacted] was fully aware of Murrumbidgee irrigations long standing metering issues when drawing up the Non-Urban Metering Framework and gave IIO's an exemption on their internal meters. The old MACE meters that MI still have past and present company staff have openly admitted are not accurate, are known to over read and were knowingly installed incorrectly with undersized pipes and low-grade pipes. On top of that the company staff interfere with the meters to cover up the issues e.g. remove the memory cards. These issues are known Industry wide hence not on the approved meter list.
- The Interim Inspector said they had no powers to act
- The Federal department DPIE were aware Murrumbidgee Irrigations water savings project which yielded them \$347 Million are a fraud and coached the company staff to get around the regulations.
- The departments Mary Colreavy told Senate Estimates in 2017 that MI is largely automated and updated its system which will soon be completed. In 2022 it is still not completed and MI are to receive another \$126 Million. WHERE DID ALL THE MONEY GO?
- Rice farmers in the MIA have been heavily impacted by MI's non-compliant meters that over read as they were incorrectly installed decades ago, the company was advised of the inaccuracy issues with the MACE meters before they installed them and other irrigation companies Murray Irrigation and Coleambally Irrigation chose not to instal the meters because the meters were unreliable which is stated in a report by George Warne of RMCG(former CEO of Murray Irrigation) also former Coleambally Irrigation engineer and Member for Murray Austin Evans shared those

views as did former water minister Niall Blairs adviser Matt Coulton from his days at the CSIRO. All confirmed in testing done by Andrew Judge at the governments Manly Hydraulics lab in Sydney. The company Ricegrowers are well aware of the issue and refuse to take action; we are aware that they received huge financial benefits by being part of the MIA Alliance with Murrumbidgee Irrigation and shared with staff members and Board members that benefitted financially from the arrangements.

- Local bank managers (mates) NAB, ANZ

Conclusion

All of these issues have given Murrumbidgee Irrigation more water to trade and it is not theirs it is their shareholders. It is stolen water!

The former CEO Raveen Jaduram at the Murrumbidgee Irrigation 2014 AGM told the shareholders that once the Government PIIOP money ran out the company was not viable. Mr Jaduram left the company soon after.

We have been advised by Murrumbidgee Irrigation through their lawyer that if these issues go forth under Corporate Law the company will be placed into administration. Why hasn't current CEO Brett Jones already done that if they are trading in insolvency? All these matters are the responsibility of the Executive and the Board of MI and ultimately the government not us as a shareholder, these are their issues not ours to deal with that is what they are getting paid to do as their job.

We were never willing sellers we were forced sellers.

RECOMMENDATIONS / SUGGESTIONS

- Firstly there needs to be a public judicial inquiry into Murrumbidgee Irrigation so that the family farmers that have been impacted past and present are compensated.
- Secondly there needs to be an Ombudsman with jurisdiction over IIO's. It's not to be a voluntary requirement but a mandatory one so they have to be part of it.

As you can appreciate we have numerous documents, photos, AGM recordings and videos so have only attached a few. If anymore are required do not hesitate to contact us via email contact details.

Kind Regards
Stuart and Katrina Heffer