BOGGABRI

UNDERSTANDING COMMUNITY CONDITIONS

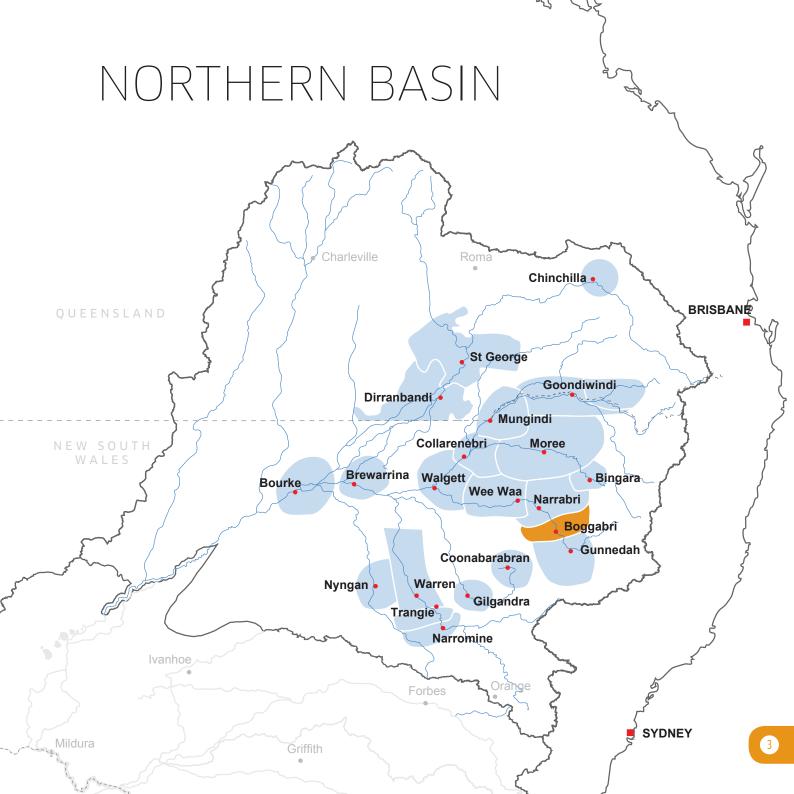




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The economic and social structure in the Boggabri community has changed considerably across the last 15 years. While the town population grew, the population in the farming part of the community fell. These changes coincided with a significant shift in the structure of the local economy. In 2001, over half the jobs in the Boggabri community were in agriculture. By 2011, 50% of jobs were in the non-agriculture private sector, which includes the mining sector.

The Boggabri community benefited from the growth in mining since 2006. However, fall in the population and jobs across the farming areas of the community and generally weak social and economic conditions could mean potential challenges if the region is required to adapt to large changes in water availability. To date, the Australian Government has recovered less than 1% of the surface water entitlements held in the Boggabri area.

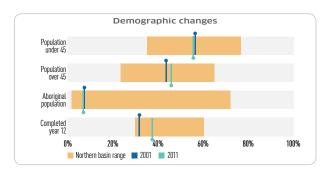




POPULATION

	2001	2006	2011
Total area population	1,524	1,585	1,398
Total town population	802	902	864

Between 2001 and 2011, the region's population fell by 126 people (8%), while the town population increased by 8%. The farming part of the community saw a major change: a 26% decrease in the population between 2001 and 2011. Most of this change occurred between 2006 and 2011. The main increase in the town population occurred in 2001 to 2006. In 2011, 6% of



Boggabri's town population identified as Aboriginal.

In 2001, 43% of the town population was 45 years or older. This increased to 45% by 2011. The change in population includes a 12% increase in the number of people aged 45 years or older and a 4% increase in the number of people under 45.

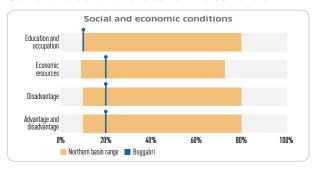
EDUCATION

In 2011, 37% of people in the town (aged over 15) had completed year 12; and 22% of the town population had completed some post-school qualifications. The latter is an increase from 18% in 2001.

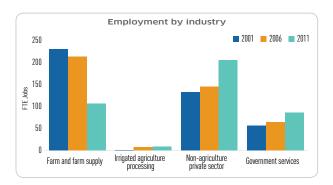
In 2011, Boggabri town had an index score of 2 for economic resources, 2 for disadvantage, 2 for advantage and disadvantage, and 2 for education and occupation. For 2006, Boggabri town had index scores of 2 for education and

occupation, 2 for economic resources, 1 for disadvantage, and advantage and disadvantage.

General social and economic condition



EMPLOYMENT



The Boggabri community workforce was relative stable overall between 2001 and 2011 with around 420 full-time equivalent (FTE) jobs. However, there were large changes to the economic structure during this period.

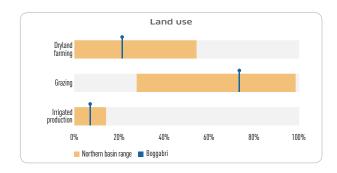
Jobs in the agriculture and agriculture supply sector fell by 54% (73 FTE), mostly between 2001 and 2006. Employment in the non-agriculture private sector increased by 55% (124 FTE) and 54% (30 FTE) in the government services sector. The largest changes were between 2006 and 2011.

In 2001, over half the jobs in the Boggabri community were in agriculture. By 2011, there was a significant change in the economic structure with 50% of jobs in the non-agriculture private sector.

LAND USE

Land use in the Boggabri area is predominantly grazing; occupying 73% of the land area. 21% of the land area is used for dryland farming. Irrigated production has been developed across 7% of the land area. Cotton is the main irrigated crop, with a small amount of horticulture production, and irrigated pasture and cereal production. Other agricultural outputs include wheat, barley, legumes and sheep.

The irrigated area has varied between 1,300 and 3,800 hectares. The maximum area equates to 2 hectares of irrigated area per person.

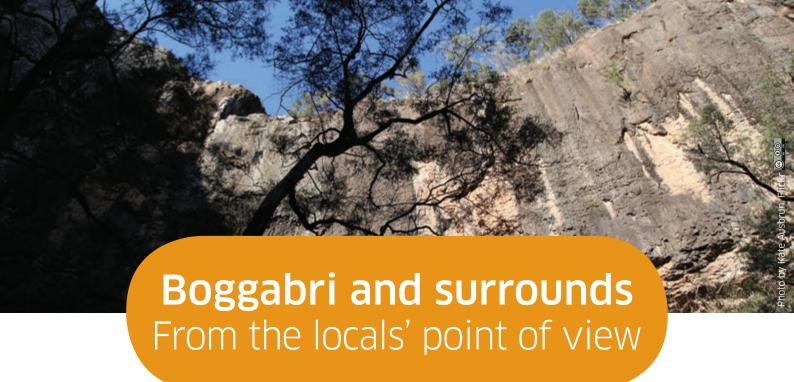


IRRIGATION WATER AVAILABILITY

Water in the Boggabri area is sourced from the Namoi catchment. Main water sources are regulated surface water and groundwater. Access to groundwater allows irrigators to produce irrigated crops even when surface water allocations are zero. In 2004, the *Water Sharing Plan for the Upper Namoi and Lower Namoi Regulated River Sources* came into effect, reducing the volume of supplementary water that could be extracted. The groundwater recovery process in the Lower Namoi has reduced the sustainable diversion limit from 172 GL of entitlement in 2006 to 86 GL by 2017.

Water resources available for irrigation are 4 GL of surface water and 18 GL of groundwater. Water recovered by the Commonwealth in the Boggabri community to date represents around 1% of the surface water entitlements





Looking back

Boggabri is located in the traditional lands of the Kamilaroi people, whose lands extend across much of the Liverpool Plains, in northern New South Wales.

Originally, Boggabri was located 20 kilometres south of where it stands today. After being washed away by a flood in the 1850s, it was decided that a location out of flood reach would be better. Boggabri was proclaimed in 1860 and after a slow start, the township grew.

This area has a long history as a major producer of wool and wheat and was also

supported by several timber mills during the 1900s. In more recent times, the rich fertile land has gained its reputation for producing high quality beef and for growing wheat, barley, corn, legumes and cotton.

The 1990s saw the construction of a cotton gin outside Boggabri to service the significant upper Namoi cotton growing area.

As cotton emerged in the area, locals say there was a significant decline in the number of cattle and sheep run. However, the majority of the service industries for cotton were established, and have remained, in the neighbouring towns of Narrabri and Gunnedah.

While cotton started to expand in the district, local resident and president of the town's progress association, John Shaw, said Boggabri went through a period of 'decay and apathy' – after mines closed in Gunnedah.

'We lost essential services — like a doctor and a pharmacist. They were talking about taking the train line away from us. Even the hospital was threatened with closure during the 90s.' John Shaw

By the start of the new millennium, this town started to experience a new 'mining boom', with the development of two significant coal mines in the district – Whitehaven and Boggabri Coal.

From around 2011 to 2015, locals told us that a lot of 'out of town' investors purchased local homes as rental properties. Local agent, Guy Gallon, said many of those homes were rented out for around \$700 a week

It was difficult for locals though, who were used to paying \$80 a week for their homes.' Guy Gallon

During the mining construction phase, many farming families sold their properties to the mines. Former local Narrabri Shire Councillor Catherine Collyer says she knows of more than 20 farming families who sold. Some have leased them back from the mines and some have left town for good.

'It has changed the social fabric of our town. There is good and there is bad. I don't have a huge worry as they (the mines) are not on my doorstep. But those that do — the dust and noise are an issue. There is a dull hum all the time.' Catherine Collyer

Managing change - business owners' view

Justin Grover took over managing the Boggabri RSL 12 years ago. Back then, he said the club was 'destitute'. Justin said the club had \$30,000 in the bank and hadn't been painted for more than 15 years. It had one full-time member of staff

'As a whole, the club is in good stead. We had to spend a lot of money to entice people to come here.'

Justin Grover

Since then, the Boggabri local says he has worked closely with the club's Board of Directors, focusing on creating a facility in town that has something to offer everyone.

In total, Mr Grover told us that they have spent more than \$800,000 doing up the club during his time as manager. He told us that over the years they have put in an enormous effort to build membership numbers. Justin told us that they now have a good quality Chinese restaurant that opens 6 days a week, regular meat raffles, and the RSL supports many local sporting groups and charities.

'The club has two full-time employees and nine part-time staff. It now has \$600,000 in the bank.'

Justin Grover

While mining has brought a number of people into the district for work, Mr Grover said the impact hasn't been huge, but he said 'I won't say it isn't a factor'.

Peter Brien set up Petonna Services, a plumbing and roofing business in 2005. Since then, his business has grown from just one employee to 8 permanent staff.

Peter Brien told us that the establishment of Whitehaven and Boggabri Coal were significant events for his business, with work at the two mines now representing more than 80% of his business.

'When they start a new mine, we do the water infrastructure and fire systems. They have a lot of water out there, with dams being moved and pumps being put in. We are not permanent there, but we are pretty much out there a lot of the time. I am still a contractor.' Peter Brien

Peter told us that over the years, he has employed more than 30 staff. While he said he has 'good' staff now, training new people is always a challenge as the work is difficult.

'You have to find the right people with the right attitude. We have seen people come and go over the years. Some just don't like the work obviously.'

'You have your ups and downs. In 2013-2014, we had a super couple of years. It was during the expansion programs at the mines. They were our best years, but it has just evened off now.' Peter Brien

Peter told us that they are spending money constantly to train staff. He has two adult staff doing apprenticeships at the moment and says he is confident his business will have a bright future because of the mining activity in the district.

'We have a fleet of vehicles, and a lot of equipment and we have people paying off their homes – and that all comes from working in our little business.' Peter Brien

What is happening now?

While Boggabri has seen the establishment of the Mac Centre, a 500 room accommodation facility for the mining industry on the outskirts of town, it's hard not to notice the main street of Boggabri hasn't changed a lot in the last 20 years.

The town does have a pharmacy and a local IGA supermarket. It has a successful hairdressing salon, women's clothing store and beautician. Just recently, the new owners of the town's only service station have given it a new lease of life and locals are impressed by its appearance. The Royal Hotel is the only pub left in town.

Some of the locals told us that they felt the benefits that come with the emergence of the mining sector have gone to the neighbouring towns of Gunnedah and Narrabri, which are both just over 40 kilometres away.

McKechnie's Garage has been in Boggabri for more than 50 years. It's the only garage in town and James McKechnie is now running his family owned business.

During the construction phase of the mines, James told us that he was servicing up to 10 cars a day. However, he didn't put on any extra staff, as he just worked longer hours.

'Back when the boom was on I could have probably put on four more mechanics and I was turning customers away. It probably started seven years ago and we advertised to get more staff but we couldn't find anyone.' James McKechnie

However, James told us that things started to slow again about 12 months ago and he has just kept the same number of staff on. He is now servicing 2 vehicles a day.

'Farmers are pretty much our livelihood. If you took the farmers away, we would have nothing. Farmers are a big contributor to our business.'

James McKechnie

In Boggabri, there are 2 primary schools. Local Principal of Boggabri Public School, Charna Wood, says student numbers have increased from 89 to more than 125 in the last four years. Many of the families are transient and they move here for work at the local mines. However, she did say that some families opt for schooling in Gunnedah and Narrabri, once their eldest child reaches high school age.

'They come and they go. We get 6 kids, and then we lose 6 kids. There aren't many farming families coming to town.' Charna Wood

Robyn Traynor has been an educational assistant and secretary at Sacred Heart Catholic School for more than 20 years. She said the number of students has dropped from 46 to 25 over the last 5 years.

'Mining has been big, but it hasn't helped out the town at all. We don't have any mining families at our school. When the rents went sky high, the average pensioner couldn't afford to live here. It hasn't helped.'

Robyn Traynor

From a real estate perspective, local agent Guy Gallon said the local residential sales market is now 'non-existent'. Guy is the only local real estate agent and said there has been very little interest in residential property over the last 12 months. He says the downturn in the coal industry is the major factor.

'If investors were trying to sell their property, they would have to take a \$50,000 loss and that is if you could sell,'

Guy Gallon

While he says he does have more than 100 properties on his rental roll, the rent has also dropped recently to about \$300 a week (down from around \$700).

Rural property on the other hand is very strong. However, Guy says there aren't many places coming on the market. He told us that the favourable season and high cattle prices are seeing many local landholders 'enjoying the good times at the moment'.

Guy says the mining and agricultural industries around Boggabri are trying very hard to co-exist.

President of the Boggabri Business Promotions and the Community Progress Association, John Shaw, told us that while some locals do have 'issues' with the mining sector, his organisation is trying very hard to work with them.

John said his organisation would like to attract some of the workforce who stay at the Mac Centre

'Miners are allowed to stay for 3 months, and then they have to find alternative accommodation.'

When the facility was opened in 2014, John said it was expected that 10-15% of people who stayed there would eventually end up living in Boggabri. He said that it hasn't happened yet, but he does hope the next wave of mining activity in the area will achieve that result.

'There are still things that are being pushed for Boggabri. If you have a good business plan, you can't go far wrong.'

John Shaw

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