

CHINCHILLA

UNDERSTANDING COMMUNITY CONDITIONS





Chinchilla and surrounds, What the research tells us

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Looking back

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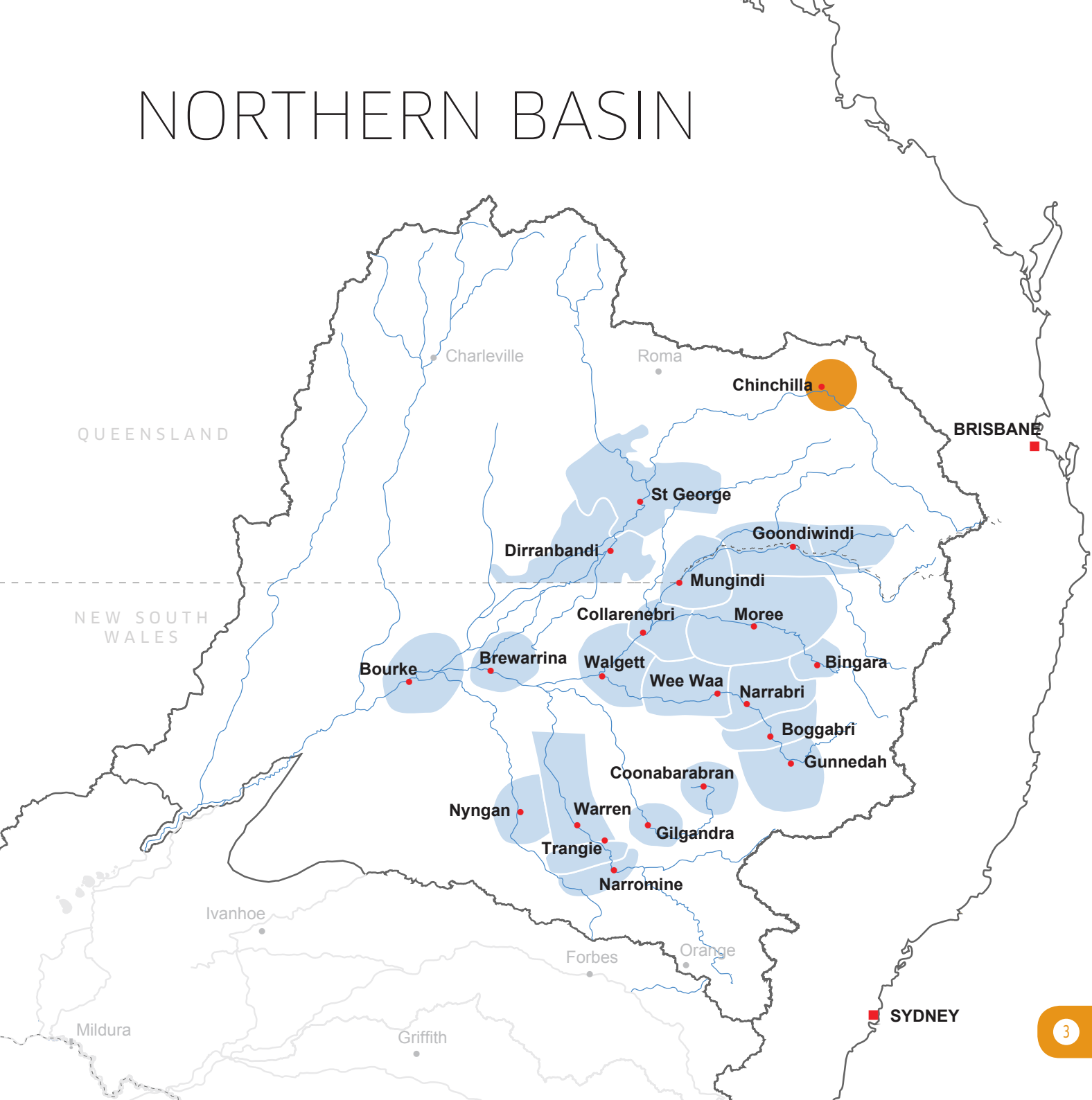
What is happening

The agricultural community of Chinchilla went through a large growth phase in the early 2000s. The construction phase associated with mining saw the population in the town and community increase by around 40%.

While there was a small decrease (7%) in agriculture and agriculture supply jobs, employment increased by 21% in government services jobs and almost trebled in the non-agriculture private sector. This is consistent with the changing age profile of the community, with the number of people in the age groups of over and under 45 both increasing.

While the general social and economic conditions of the community remain positive, Chinchilla is responding to the pace of the changes, including the economic slowdown since 2015. There have been no changes under the Basin Plan to add to those pressures in Chinchilla.

NORTHERN BASIN



Chinchilla and surrounds

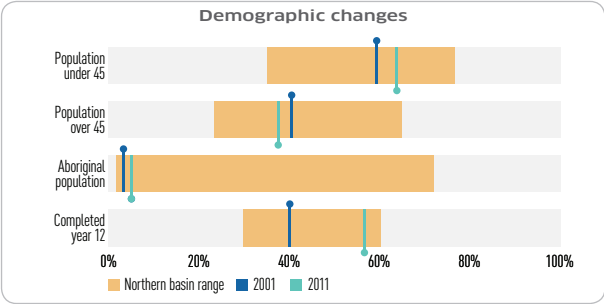
What the research tells us



POPULATION

	2001	2006	2011
Total area population	4,889	5,259	6,841
Total town population	3,366	3,683	4,779

Between 2001 and 2011, the Chinchilla region population increased by 1,952 people (40%). During this time, the town population increased by 1,421 (42%). Most of this increase occurred between 2006 and 2011. In 2011, 4% of the town of Chinchilla’s population identified as Aboriginal.



In 2001, 41% of the town population was 45 years or older. This decreased to 37% between 2001 and 2011. The change in population includes a 29% increase in the number of people aged 45 years or over and a 51% increase in the number of people under 45. Most of this change occurred between 2006 and 2011.

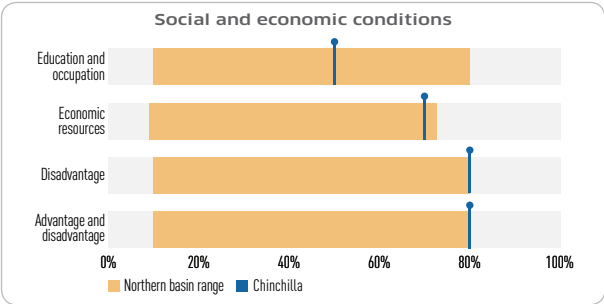
EDUCATION

In 2011, 56% of people in the town (aged over 15) had completed year 12 and 28% had completed some post-school qualifications. This is an increase from 24% in 2001.

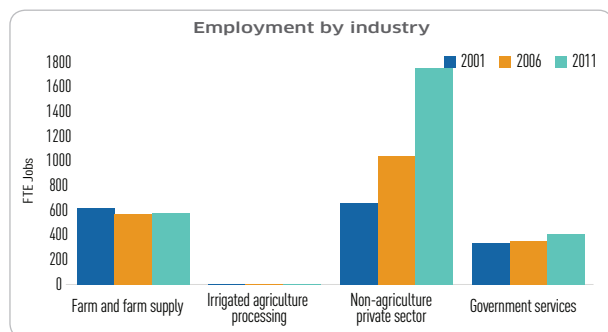
In 2011, Chinchilla town had index scores of 5 for education and occupation, 7 for economic resources, 8 for disadvantage and advantage, and 8 for disadvantage. For 2006, Chinchilla town had index scores of 5 for education and occupation, 7 for economic

resources, 6 for disadvantage and advantage, and 6 for disadvantage.

General social and economic condition



EMPLOYMENT



In 2011, there were 2,748 full time equivalent (FTE) jobs in the Chinchilla community. This represents a 70% (1,130 FTE) increase in employment over the preceding decade.

Most of this increase occurred between 2006 and 2011. Unemployment in the town of Chinchilla was 4% in 2011.

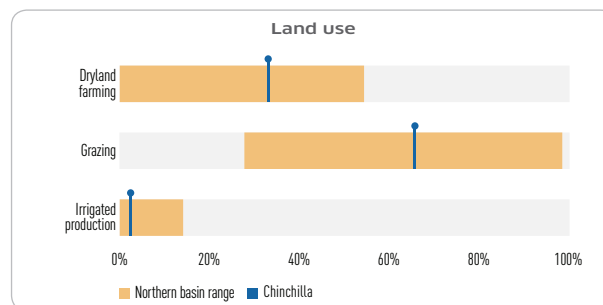
In 2001, the agriculture and agriculture supply and non-agriculture private sectors were similar in size (600-660 FTE). Since that time, the non-agriculture private sector expanded rapidly and now dominates the local economy. While the non-agriculture private sector almost tripled its employment between 2001 and 2011, the agriculture and agriculture supply sector fell by 7% (42 FTE) with most of that change between 2001 and 2006. Across this period, government services employment rose 21% (72 FTE).

LAND USE

Land use in the Chinchilla community is largely a mix of dryland farming (33%) and grazing (65% of land). A maximum of around 2% of land has been developed for irrigation.

The irrigated area has varied between 200 and 3,100 hectares. The maximum area equates to 0.5 hectares of potential irrigated area per person.

Beef and pork are the main grazing enterprises in the Chinchilla community. Irrigated produce includes cotton, corn, sorghum and melons.



IRRIGATION WATER AVAILABILITY

Water in the Chinchilla area is sourced from the Condamine–Balonne catchment. Main water sources are unregulated surface water and groundwater. The availability of groundwater allows irrigators to produce irrigated crops even when surface water allocations are zero. The *Condamine and Balonne Water Resource Plan* was approved in 2004. This placed a limit on total diversions in the community area.

As part of the *Resource Operations Plan 2008*, most licences were converted to tradeable water allocations which have greater security. There was a small reduction in the volume of all allocations to allow for a small number of inactive (“sleeper”) licences to be developed.

To date, there has been no water recovery by the Australian Government from the Chinchilla community.





Chinchilla and surrounds

From the locals' point of view

Looking back

A reliable source of water prompted the development of the Chinchilla district.

A succession of good seasons in the 1850s-60s saw many landholders take up properties near Chinchilla Station. The settlement needed rail to transport their goods and by 1877, construction of the Roma to Dalby railway line began.

Local farmer Murray Sturgess said that during the 1950s and 1960s, dairy farmers around the district were making a living off 300 acres.

Around this time, farmers in the district started clearing brigalow scrub and prickly pears, to open up the country for crops. This transformed the area from a dairy farming area and was the start of grain growing and the cattle industry around Chinchilla.

Cotton grower Kim Bremner said that the cotton industry emerged around Chinchilla in the early 1980s.

'There hasn't been a lot of change in the ownership of cotton places up here. We are not the big corporate up here. There are a lot of single operators.' Kim Bremner

Kim said most farmers who started growing cotton in the district, were mixed farmers and also planted wheat or corn rotations. This trend is still common practice now. He said 'while every cotton grower grows grain, not every grain grower grows cotton'.

Kim said the introduction of Bollgard cotton changed the way growers managed their crops across the industry, including Chinchilla.

'If you go back to 1998, it was a bad year. We were spraying 16 to 17 sprays and it blew out the cost of chemicals. Bollgard is a fixed price and you know it will control the grubs. You may only have to do 2 sprays.' Kim Bremner

By the mid 1990s, several feedlots for growing cattle emerged around Chinchilla. The area's proximity to grain supplies and the selling centre at Roma, made this an ideal location for the growth of this industry.

When mining (coal seam gas) came to town in the early 2000s, there was an enormous demand for accommodation. Hundreds of people needed homes in Chinchilla and Don Hart, the local agent said the real estate industry boomed.

'People were getting big rents. There was a shortage of houses and we had to just keep building.' Don Hart

Don said that around 600 new homes and units were built in the town, with the peak being from 2006-11.

'To rent a good 4 bedroom home here, people were paying about \$600 a week. That same home in Chinchilla is now available for \$200 a week.'

'It (Chinchilla) changed in around 2006 and became a mining town. Not everyone was in favour of it. Nothing stays the same and now we have McDonalds and KFC. It's all progress.' Don Hart

At this time, locals said that the population grew to an unofficial figure of 10,000 people, and new business emerged in all sectors.

In early 2015, the construction phase associated with mining came to a halt and the shock was felt immediately in the housing market, employment sector and small business.

Locals here said that they knew that the construction boom wouldn't last forever, but were surprised by the pace of the slowdown.

Managing change – a business owner's view

Murray Sturgess has been growing watermelons around Chinchilla for more than

40 years. However, over the last 20 years, he has been growing his cattle operation and winding back his melon business.

'There has been a lot of market pressure from bigger growing areas and it has become harder and harder to get staff since the mining industry came to town.'

Murray Sturgess

He said that nowadays there are a lot of new disease issues they have to contend with and yield has dropped considerably because of the age of his cultivation country.

Three years ago, Murray produced 1,500 tonnes of watermelons annually. Now that figure has more than halved to 700 tonnes.

Murray said he used to employ around 12 staff during the picking season. Now he relies on family members and backpackers.

'I wouldn't be surprised to see in 10 years, there are no melon growers around Chinchilla.'

Murray Sturgess

Murray is now running 500 breeding cows north of Chinchilla.

Doug McNally bought the Chinchilla Tyre and Battery business 18 years ago. It offers 24 hour on-site service to the oil and gas, agricultural and road transport industries.

Since 1998, Doug has grown the business from 5.5 staff members to 12 at the peak of construction in the district.

'The construction side of coal seam gas brought 120-140 trucks and contractors to town. I reckon we were servicing 90 of those trucks. We were doing 100 tyres day.'

Doug McNally

When the construction phase came to an end 18 months ago, Doug said his figures dropped by around 50%. However, he said his business didn't feel the shock as much as others around town because he hadn't spent significant capital to service the coal seam gas industry.

'My biggest advantage was I didn't have to spend any money other than on staff and stock. We just worked harder and smarter in that time.'

Doug McNally

Doug said he has just completed a \$300,000 upgrade to his building and says he's confident the town has a solid economic future – having both a solid agricultural and energy industry.

'There are people here who say that it (Chinchilla) is not the same. But if it stays the same, and it doesn't change, then you are going backward.'

Doug McNally

What is happening now?

Paul McVeigh has been the Mayor of Chinchilla for less than a year. While he says the downturn in the mining sector had a significant effect on the local economy, now he says it's 'on the upswing' because of the upturn in the agricultural sector.

'We have had tremendous rain and the majority of our ag sector has seen two strong seasons. We have had strong production and strong prices.'

Paul McVeigh

Summer plantings of corn, sorghum and cotton start in September around Chinchilla.

'The moment farmers' start planting, they are going to start spending money in our town.'

'If you look at the region, we are in a better place than before the (mining) boom. The mining resource sector has invested millions of dollars upgrading our roads and injected funds into a lot of sporting clubs around town.'

'As a community we are better off. Instead of just being a rural town, for generations, we will have another layer in the resource sector.'

Paul McVeigh

Around the district, Western Downs Shire Council is dealing with several large private capital works projects. The mayor said that SunPork is spending \$50 million on an expansion project at their piggery outside Chinchilla. This will bring 30 new jobs to the area.

He also said that plans are well underway for Australia's largest solar farm outside Chinchilla. This project will bring a further 200 construction jobs into Chinchilla and neighbouring town Dalby.

Chinchilla has 4 schools; with 2 public and 2 private schools in town. Generally, student numbers at the schools have remained stable. At Chinchilla Primary School, Principal Dale Wagner said numbers have increased by 100 to 620 over the last 18 months.

At Chinchilla State High School, numbers did increase last year, however, most of that can be attributed to the change in school structure in Queensland, when Year 7 classes were transferred from primary to high school.

Principal of St Joseph's Primary School, Aaron Wells says that event did see an obvious drop in student numbers at his school, but he expects numbers will be back to 220 next year.

However, Chinchilla's Christian School has seen a drop in numbers over the last 18

months. We were told that more than 30 families left the school almost overnight when the mining sector slowed down.

From a real estate perspective, local agent Don Hart from First National Real Estate said things here are still very tough. He says you can buy a house cheaper than you can build it and there are around 200 vacant homes and units around town.

'A lot of people are having a fire sale. They are just biting the bullet and getting out.'

Don Hart

Don Hart said that the majority of new homes and units that were built in the town during the mining boom were done by out of town investors – mainly from Western Australia. However, some locals did invest.

'Locals saw the writing on the wall and were a bit quicker to get out.'

Don Hart

To date, there are still hundreds of workers living in mining camps around Chinchilla. Mayor Paul McVeigh said council is trying to encourage many of these people to take up residence in Chinchilla.

'We want them to become part of our community and not just work here. You will never stop people living in the camps, but we are starting to get people to appreciate living in a country town.'

Paul McVeigh

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