

# DIRRANBANDI

UNDERSTANDING COMMUNITY CONDITIONS



Northern  
Basin  
Review



## Dirranbandi and surrounds, What the research tells us

Population

Education

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Land use

Water availability

## Dirranbandi and surrounds, From the locals' point of view

Looking back

Managing change

What is happening

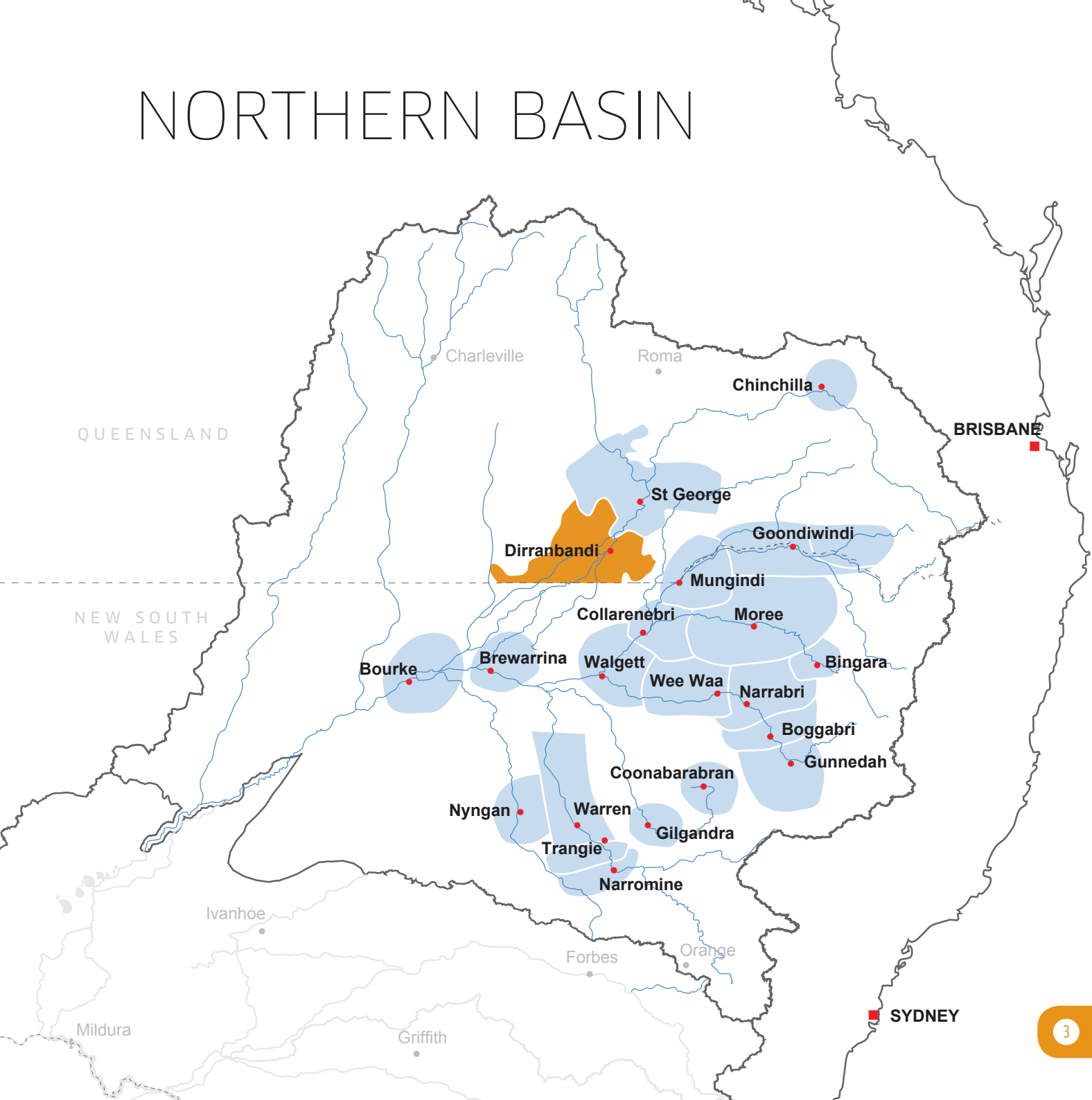
Dirranbandi-Hebel is a small rural community largely supporting grazing and irrigation. Since 2001, there has been a considerable decrease in the population. Most of the change occurred between 2001 and 2006, and was associated with the farming areas of the community.

Across the Dirranbandi-Hebel community, the total number of jobs fell by 23% between 2001 and 2011. This included a 65% reduction in the jobs held in the non-agricultural private sector.

Each of the general social and economic conditions for the Dirranbandi-Hebel community indicate the extent of the challenges the community is likely to face when adapting to significant changes. Those challenges are evident with the water recovery that has occurred to date.

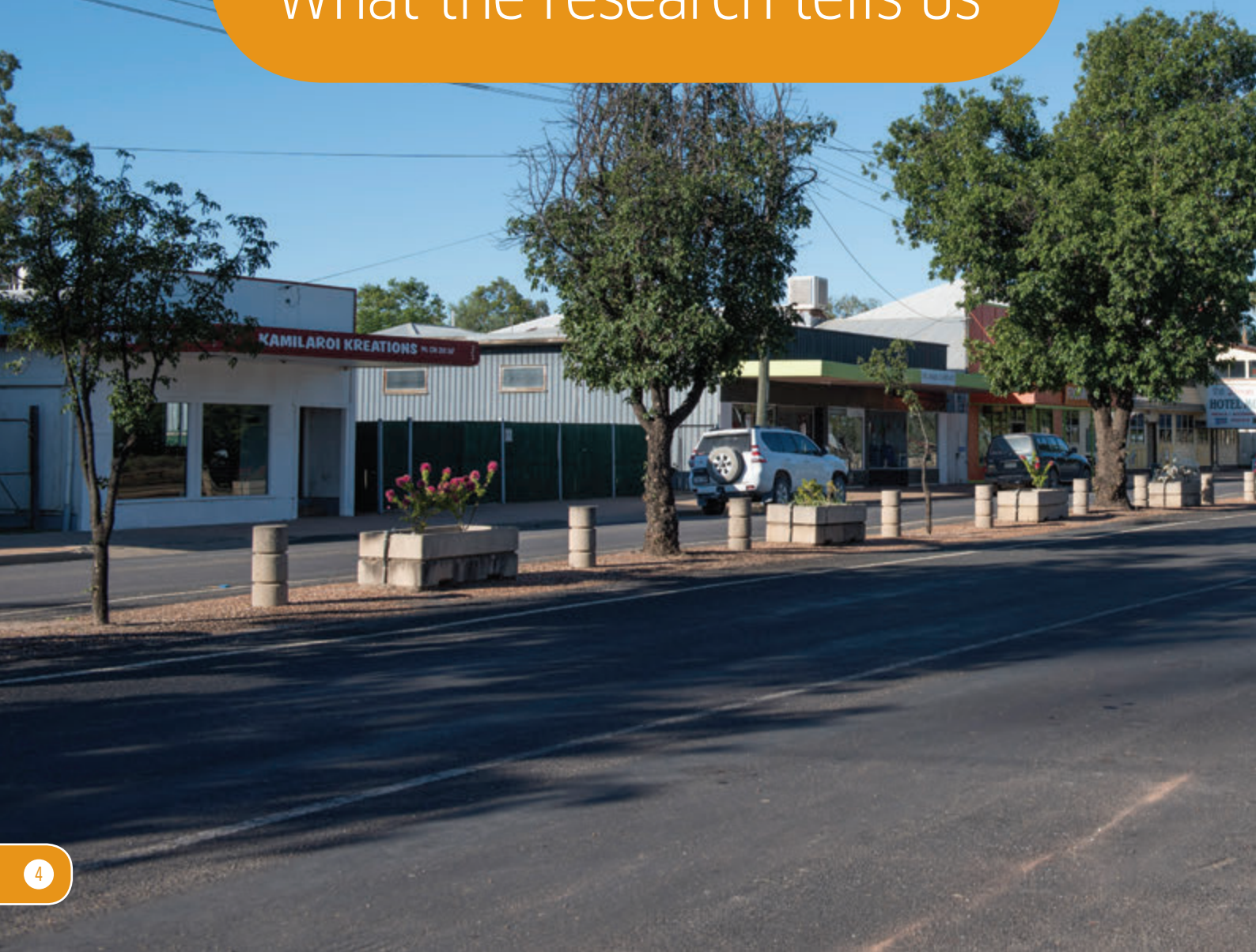


# NORTHERN BASIN



# Dirranbandi and surrounds

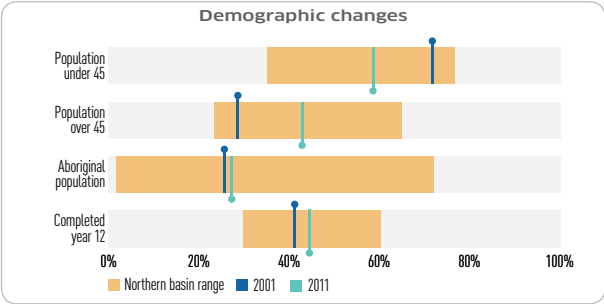
## What the research tells us



# POPULATION

	2001	2006	2011
<b>Total area population</b>	762	620	596
<b>Total town population</b>	516	440	446

Between 2001 and 2011, the Dirranbandi-Hebel community population fell by 166 people (22%). During this time, the town population fell by 70 people (14%). The farming part of the community had a 39% (96 people) fall in the population between 2001 and 2011. Most of these changes occurred between 2001 and 2006. In 2011, 27% of Dirranbandi’s town population identified as Aboriginal.



In 2001, 28% of the town population was 45 years or older. This increased to 42% by 2011. The change in population includes a 29% increase in the number of people aged 45 years or older and a 30% decrease in the number of people under 45. Most of this change occurred between 2006 and 2011.

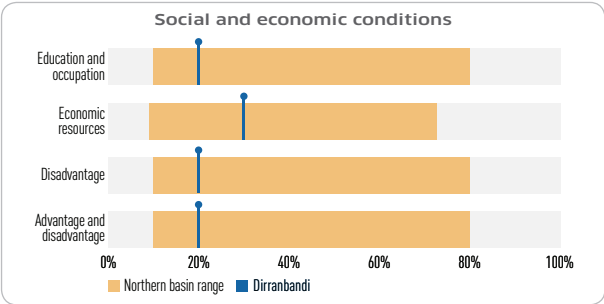
# EDUCATION

In 2011, 44% of people in the town had completed year 12. At that time, 21% of the town population had completed some post-school qualifications. This was unchanged from 2001.

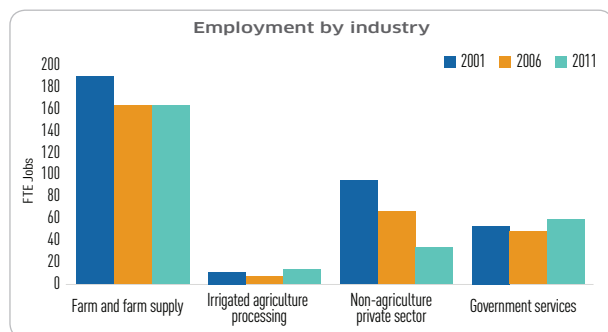
In 2011, Dirranbandi town had index scores of 3 for economic resources, and 2 for disadvantage, advantage and disadvantage, and education and occupation. For 2006, the index scores were 3 for economic resources,

disadvantage, advantage and disadvantage, and education and occupation.

## General social and economic condition



# EMPLOYMENT



In 2011, there were 260 full time equivalent (FTE) jobs in the Dirranbandi-Hebel community (excluding seasonal workers). FTE employment in 2011 was 23% (79 FTE) below

its 2001 level. Unemployment in the town of Dirranbandi was 5% in 2011.

The agriculture and agriculture supply sector dominates the Dirranbandi-Hebel economy representing 61% of all jobs in 2011. Between 2001 and 2011, employment in agriculture and agriculture supply sector jobs fell by 14% (26 FTE), nearly all between 2001 and 2006.

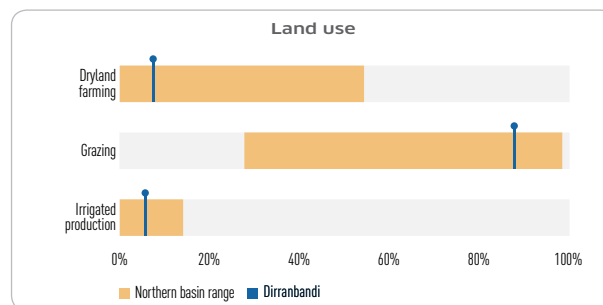
Between 2001 and 2011, employment declined by 65% (61 FTE) in the non-agricultural private sector. Employment in government services increased by 11% (6 FTE), all between 2006 and 2011.

# LAND USE

Land use in the Dirranbandi-Hebel community is predominantly dryland grazing (covering 87% of the land area) with 7% of the land used for dryland farming. The maximum area developed for irrigated production accounts for 5% of the land area, with cotton the main crop grown when water is available. Other irrigated crops grown include sunflowers, wheat, mungbeans and chickpeas.

The irrigated area has varied between 0 and 30,900 hectares. The maximum area

developed for irrigation equates to 52 hectares of irrigated area per person.





## IRRIGATION WATER AVAILABILITY

Water in the Dirranbandi-Hebel area is sourced from the Condamine-Balonne catchment. The water sources are water harvesting and overland flows (or floodplain harvesting). The *Condamine and Balonne Water Resource Plan* was finalised in 2004, placing a limit on total diversions. At that time, flow event management rules were introduced, reducing the rate of extraction of water from environmental flow events.

As part of the *Resource Operations Plan 2008*, licences could be converted to tradeable water allocations which can be traded separate from land. To ensure overall water use did not increase, there was a small reduction in the rate of all allocations to allow for a small number of inactive ('sleeper') licences to be developed.

Around 218 GL of surface water entitlements are held by irrigators in the Dirranbandi-Hebel community. Since 2011-12, around 44 GL of surface water has been recovered from the Dirranbandi-Hebel community through purchase by the Australian Government. Most of the water was purchased in 2011-12. The effect is a reduction in water available for irrigation of 20%.





# Dirranbandi and surrounds

## From the locals' point of view

### Looking back

It is important to look historically at some of the changes that have impacted this community.

In the 1990s, this town was known as a large trucking centre, bringing wool and sheep into the rail head. There were several agricultural supply agents and garages in town.

Local stock and station agent Stephen Burnett was here in the 90s when Dirranbandi was crippled by drought and farmers were shooting sheep due to low commodity prices.

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*'The 1990s was far worse as far as droughts went – and we also had high interest rates as well – but we were able to bash through and come out the other side.'*

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Stephen Burnett

The early 2000s saw the expansion of the irrigation industry and the town swell in size from around 400 to 1,100 residents. As local irrigation farms developed, the need for staff, seasonal workers and support businesses grew.



Sixteen years down the track, farm production around Dirranbandi has changed again. The amount of water available for agriculture has decreased significantly due to drought and the introduction of government water policies such as the State Water Resources Operation Plan and more recently water recovery (or water buybacks) associated with the Basin Plan.

The size of the business community in this town has decreased, with agricultural supply stores such as Cotton Grower Services, Landmark, and AGnVET all leaving the town.

The introduction of Roundup ready cotton drastically cut the number of seasonal workers needed for cotton chipping, as well as spray contractors throughout the spray season.

When round balers replaced modular bales in the cotton industry, the labour requirements and demand for equipment (bale loaders) was slashed almost overnight. Equipment (i.e. modular bale loaders) worth around \$300,000 each became obsolete. Part of the reduction in labour demand can be attributed to the farmers' ability to load and transport their own round bales.

## Managing change – a business owner's view

Peter McCosker came to Dirranbandi in 1998 and established Dirran Ag Supplies to service the irrigation industry.

When he opened the doors, he employed one part-time staff member. By 2013, Peter was employing 7 permanent staff. The growth in the business also gave Peter the opportunity to purchase his building and invest money to develop the store.

Peter said when the drought hit again 4 years ago, he decided to diversify to try and manage the fluctuations in turnover and retain staff. When Landmark left Dirranbandi, Peter bought that agency's rights to sell farm produce out of his store.

But in 2013, Peter said the government's water buybacks devastated his business almost overnight. Peter lost his biggest client, Ballandool, and 3 other significant clients when they sold their licences back to the government.

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*'It devastated the town and our business.  
It came out of left field and stunned us.'*  
Peter McCosker

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Dirran Ag Supply now employs 2 staff. However, Peter and his wife Ellen have recently opened a branch in St George. They hope this will help manage the challenges they are facing in Dirranbandi.

Greg Nicholls also saw the potential in Dirranbandi when he opened up his rural reseller business, Total Ag, in 2007. Greg now says he has the support of 95% of farmers in the district.

When the season is good here at Dirranbandi, Greg says this is an extremely profitable business. But he says the lesson he has learned over the last decade is that this is a 'boom and bust' town.

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*'The first five years were amazing – because it rained and we had full cotton acres in around the area. I had the support of growers.'* Greg Nicholls

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However, drought soon followed this period of prosperity and Greg says this is the first year in last 4 that people in the district have had a winter crop.

Barbara and Ralph Benz re-opened the old Hebel general store, (located 65 kilometres south-west of Dirranbandi) in 2005.

Between 2005 and 2014, turnover increased from zero to \$490,000. Barbara said that they have reinvested a large percentage of the profits back into the business, with major improvements to the adjoining caravan park and residence.

This business adjusts staff numbers to accommodate for seasonal demand. During summer, tourist numbers drop off due to hot weather. Throughout autumn, winter and parts of spring, 2 permanent staff and 2 casuals are employed.

## What is happening now?

Family farm operators in the district are loyal to the local business community. They seek to split their farm expenditure across Dirranbandi and neighboring town St George – which is 100 kilometres away. However, large household items have to be purchased outside the district as there are no local options.

As local business owners look to diversify to manage their way through the challenges that are facing them at Dirranbandi, it is clear that they are very conscious not to take business away from others in the town.

Dirranbandi's business community is heavily reliant on a reliable freight service, due to its remote location. Many used the rail service from Brisbane, until the closure of the Thallon – Dirranbandi line in July 2010. The town is now serviced by one freight company that operates out of St George.

Dirranbandi Progress Association President and local irrigator, Jonathan Burrell says many local businesses are servicing debt that was initiated 5-10 years ago, when the local economy was growing on the strength of the irrigation industry.

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*'Our community is deeply concerned that the Commonwealth will continue to tender for water in our area.'* Jonathan Burrell

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At the local school, numbers have dropped over recent years, from 130 down to 60 students.

The town's local stock and station agent of 30 years, Stephen Burnett, says he has never seen the market so bad. Over the last 2 years, only 2 houses have sold and both went for under \$50,000. When development of the irrigation industry was underway, Stephen said you couldn't buy a house for under \$100,000.

These days, he says there are no enquiries at all about rentals or from buyers wanting to purchase homes. He said that some people are surrendering their homes to council for failure to pay rates.

Work opportunities for agricultural contractors have also diminished, with many contractors leaving the area – or already gone.

Craig Timmins moved to Dirranbandi 6 years ago to run his trucking business – carting cotton and wheat off-farm. Craig said that this business was doing extremely well before the water buybacks in 2012, but since then he has struggled to make ends meet.

In 2011, Timmins Transport earned \$170,000 carting cotton out of Dirranbandi. Last year, it brought in \$8,000.

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*'I know rain has a lot to do with it, but it was getting too tough and we have decided to sell.'*  
Craig Timmins

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In good production years, local transport operators would sub-contract local work, and engage up to 30 sub-contractors to meet the demand of moving cotton and grain in the district. Contractors say the demand for them is no longer there, due to drought and limited water available to grow crops.

Additional competition has also come from contractors outside the area (e.g. Namoi, Gwydir, and Macquarie Valley) who are now chasing work. Not only has cotton contracting become more challenging, there has been increased competition for spraying dryland crops.

Recent good rain over the last few months has lifted the spirits of many in Dirranbandi, with hopes of good winter crops on the horizon.

But despite the recent change in the season, people from all sectors of the community have said that the Basin Plan has placed a cloud of uncertainty over the town.

Business owners are nervous about investing in Dirranbandi as they are unsure which clients or customers might sell their water, which would reduce the demand for certain goods and services.

People here say that they won't be able to confidently assess their future until the Basin Plan is finalised in 2019.



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