

MUNGINDI

UNDERSTANDING COMMUNITY CONDITIONS



Northern
Basin
Review



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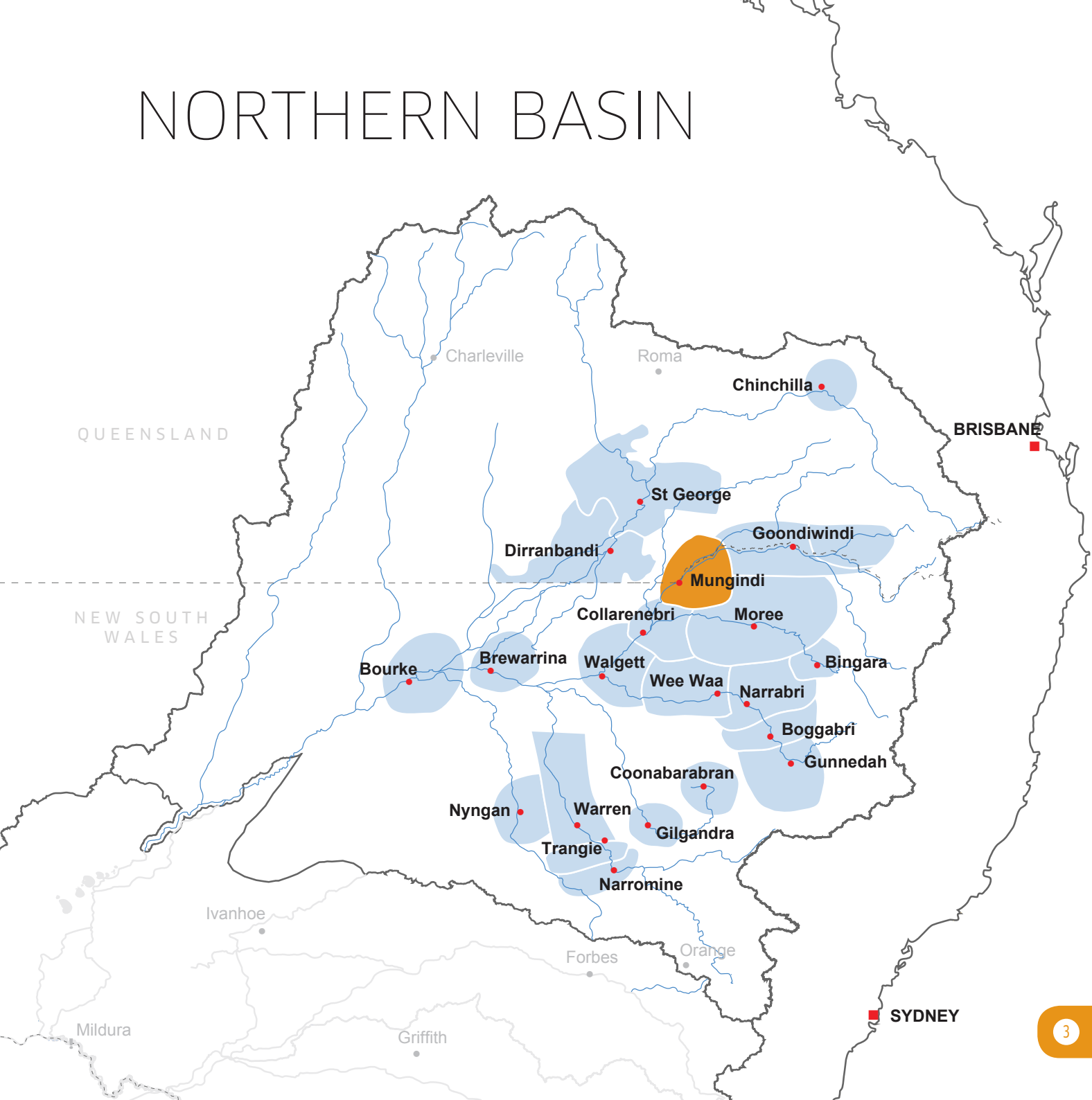
Mungindi is a small rural community to the west of Goondiwindi on the New South Wales-Queensland border. The fall in the community population since 2001 is largely associated with the changes in the town itself, and mostly occurred between 2001 and 2006.

The changes to the town population coincided with a large decrease in employment for the non-agricultural private sector between 2001 and 2006. There have been relatively small changes (decreases) to employment in the agriculture and agriculture supply sector since 2001.

In the Mungindi community, agricultural production is a mix of grazing, dryland farming and irrigation.

Each of the social and economic conditions examined indicate the Mungindi community would be challenged to respond and adapt to large changes. Water recovery to date in the Mungindi area has largely been through infrastructure investment, limiting the effect on irrigated production and the local community.

NORTHERN BASIN





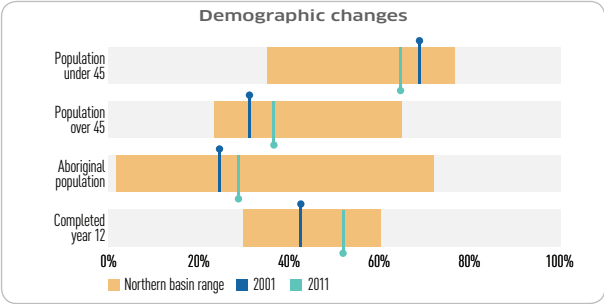
Mungindi and surrounds

What the research tells us

POPULATION

	2001	2006	2011
Total area population	1,441	1,212	1,193
Total town population	645	543	486

Between 2001 and 2011, the Mungindi area population fell by 248 people (17%). During this time, the town population fell by 159 people (25%). Most of the decline occurred between 2001 and 2006 and is associated with the town. In 2011, 28% of Mungindi’s town population identified as Aboriginal.



In 2001, 31% of the town population was 45 years or older. This increased to 36% by 2011. The change in population includes a 13% decrease in the number of people aged 45 years and over and a 30% decrease in the number of people under 45.

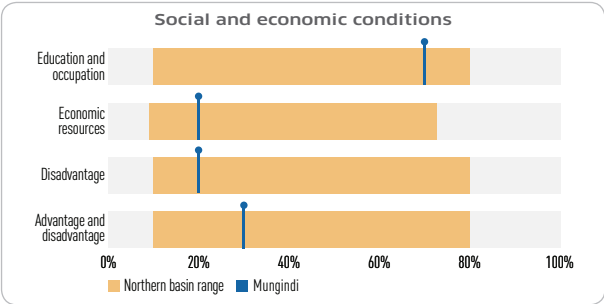
EDUCATION

In 2011, 51% of the town population (aged over 15) had completed year 12 and 25% had completed some post-school qualifications. The latter is an increase from 20% in 2001.

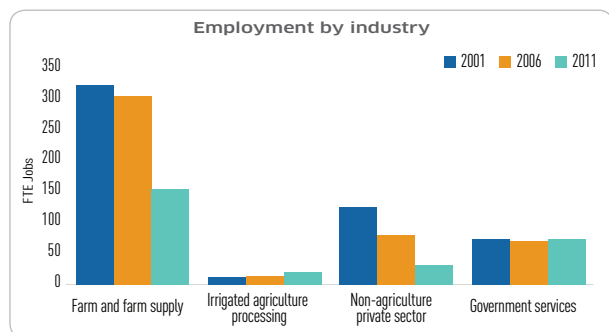
In 2011, the town of Mungindi had index scores of 7 for education and occupation, 3 for advantage and disadvantage, 2 for disadvantage, and 2 for economic resources. For 2006, the index scores were the same

for 3 of the measures, the difference being an index score of 5 for education and occupation.

General social and economic condition



EMPLOYMENT



In 2011, there were 468 full time equivalent (FTE) jobs in the Mungindi community (excluding seasonal workers). Between 2001 and 2011, there was a 13% (133 FTE) decrease in employment. Most of this

decrease occurred between 2001 and 2006. Unemployment in the town of Mungindi was 6% in 2011.

The agriculture and agriculture supply sector represented 64% of all jobs in the local economy in 2011. Between 2001 and 2011, employment in this sector fell by 7% (23 FTE).

During this period, employment in the non-agriculture private sector fell by 46% (58 FTE). Most of this decline occurred between 2001 and 2006.

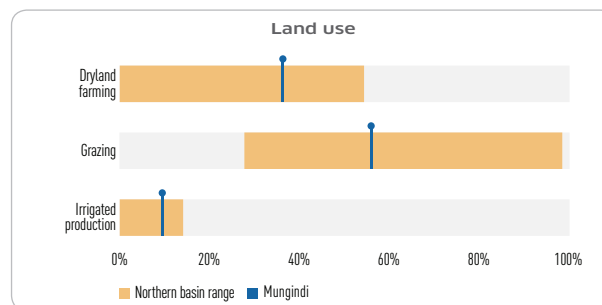
Employment in the government services sector increased by 15% (11 FTE) between 2001 and 2011. Most of this change was between 2006 and 2011.

LAND USE

In the Mungindi area 36% of land is used for dryland farming (predominantly wheat) and 55% for grazing, mostly sheep and cattle. The maximum area developed for irrigated production is 9%. Cotton is the main irrigated crop grown. Other crops grown include wheat, cereal, legumes and chickpeas.

The irrigated area in the Mungindi community has varied between 560 and 24,650 hectares.

The maximum area developed for irrigation equates to 21 hectares per person.



IRRIGATION WATER AVAILABILITY

Water in the Mungindi area is sourced from the Border Rivers, the lower Weir River, the Gwydir (the lower reaches of Gil Gil Creek) and the Barwon-Darling below Mungindi Weir. The *Border Rivers Intergovernmental Agreement* between New South Wales and Queensland was signed in 2009. This formalised existing water sharing arrangements and introduced an environmental flow of 25% of the available volume during unsupplemented access periods. This may have impacted on the reliability of take for some entitlement holders, but not the total volume able to be taken. Interstate water trading was introduced in 2010 to facilitate cross-border access to water.

States have developed plans that align with this agreement – In Queensland the *Border Rivers Resource Operations Plan* and in New South Wales the *NSW Border Rivers Regulated River Water Sharing Plan*. Other plans include the *Barwon-Darling Unregulated and Alluvial Water Sharing Plan* and the *Gwydir Regulated River Water Sharing Plan*.

The total volume of water entitlements held by irrigators in the Mungindi area is around 150 GL of surface water. Since 2009-10, about 5% of that water has been recovered by the Australian Government.

Water savings arising from infrastructure investment, such as NSW State Priority Project – Irrigated Farm Modernisation Pilot, and Queensland State Priority Project – On Farm Water Use Efficiency, have resulted in farmers keeping a share of those savings. The net result is an effective increase in the volume of water available to farmers to support their irrigation enterprises.





Mungindi and surrounds

From the locals' point of view

Looking back

While the area was traditionally settled in the 1830s as grazing country for beef and wool production, the irrigation sector and broad acre farming has dominated the countryside since the 1980s.

Today, the town is a service centre for the surrounding agricultural district which principally produces cotton, wheat, cereal crops, legumes, wool, sheep and beef cattle.

The development of the cotton industry brought many jobs to the area. Locals reported that hundreds of cotton chippers would find jobs here in the 1980s and 1990s, and the

local cotton gins always provided a source for employment.

However, industry mechanisation and crop advancements have dramatically reduced job opportunities in this district.

When 'Roundup ready' cotton was introduced shortly after 2000, the need for cotton chippers was almost slashed overnight, cutting out job opportunities for unskilled workers.

As with many cotton growing areas, locals also said that the introduction of round bales stifled the job market.

'Machines do the work of 3 men. If you had talked about 100 foot machines ten years ago, people would have thought you were mad! They are going forward with machines and leaving labour behind.'

Jimmy Brown

There are 2 schools but there is a concern about the dwindling numbers. Mungindi Central School caters for students from kindergarten to year 12. Student numbers have dropped from 150 (in the 1990s) to 50. St Joseph's Catholic School has also seen a decline from 80 to just 50 students.

Several droughts since 2000 have not only hit local growers and graziers, but have also affected local businesses. Local Butcher Gary 'Red' Trindle has been running the town's only butchery for the last 16 years.

He said that there has been a gradual decline in the local economy since 2000 and things now are 'bloody tight'. When he bought the business, he was selling around two bodies of beef, 20 lambs and 2 pigs every week. Now, he says he is selling just one beast (beef) and a lamb.

'When harvest comes along, it generally does turn around. We have contractors come in who start an account and it can be really good. But we haven't seen that happen in the last few seasons.'

Gary Trindle.

Gary is also the president of the local fishing club. For the last 17 years, they have been raising money to re-stock the Barwon River with yellow belly and Murray cod. Most years they raise between \$8,000 and \$10,000.

Some of these funds are put back into community to help local sporting clubs. However, most is used to purchase about 25,000 fingerling to go into the river.

However, this event has been hampered over the last few years due to drought and the subsequent state of the river.

In 2009-2010, around 3 GLs of water was recovered from the Mungindi area through purchases by the Australian Government in partnership with New South Wales and Queensland. Every business owner we spoke to in town was very aware of the water recovery process and wider issues affecting local irrigators.

Most business owners in Mungindi are very concerned about any future buybacks and the impact it will have on population and in turn their business.

Managing change – a business owner's view

Jimmy Brown has owned the Jolly Swagman Hotel in Mungindi since 2001 and remembers when cotton chippers would inundate his

pub and spend their day's earnings around the town. Back then, more than 150 to 200 people would come into town and spend several months working on properties around Mungindi.

Fifteen years later Jimmy said that things now are 'very, very ordinary' in Mungindi. He says his turnover has dropped more than 50% since he bought the business. To keep things ticking over, Jimmy has cut staff numbers and he is now working more than 85 hours a week to keep operating costs down.

'In the last 6 years, we have only had one year out here where there has been a wheat crop and then cotton crop – but that's it. They haven't had a consistent run.'

'If we lose more water, Mungindi won't be here in 10 years.' Jimmy Brown

Jeff Sykes has owned the local SPAR supermarket in Mungindi for 18 years. It has been in his family for more than 33 years. He currently has 10 full-time staff members.

Jeff says the peak in the business occurred during the 1980s and 90s. But his business has been slowly shrinking.

Two year ago, Jeff purchased the local SPAR supermarket in Bourke, which is 400 kilometres away. He is now living at Bourke 4 days a week and travelling back to Mungindi

on the weekend to be with this wife and young family.

'If my children said they wanted to buy the business off me, I would say there is no way in the world – there is no future. Sometimes I think we are very much swimming against the tide to make a go of it.' Jeff Sykes

What is happening now?

While the sign on the outskirts of town says it has a population of 1,000, locals here said that the population has dropped over the last decade to an 'unofficial' 600 residents.

This town is heavily reliant on agriculture as there is no significant secondary industry. Latest figures show 64% of jobs are in the agricultural industry. Of all 21 towns the Murray-Darling Basin Authority is looking at as part of the Northern Basin Review, Mungindi has the highest percentage of jobs in the agricultural sector. The non-agriculture private sector accounts for 15% of employment.

Among the businesses in Mungindi, there is a supermarket, hairdresser, stock and station agency, butchery, two hotels, an RSL club, clothing and giftware store, cafe and petrol station.

Most businesses in the main street are owned by locals and have been family owned for many years. While Mungindi does have a pharmacy, the owners are located elsewhere.

Jane Harrison and her daughter Prue Sykes own PJ Countrywares in the main street of Mungindi. The store stocks homewares and clothing. Over the last 5 years, the owners said that they have had to change the ratio of stock in their store significantly to keep profits from plummeting.

'It was great going back 5 years ago. We would be flat out with men buying work wear. We still sell boots – Blundstones, steel caps, and Bisley clothing. But that only accounts for 20% of our business now, whereas it used to be 40%.'

Jane Harrison

Jane's daughter Prue says they have witnessed the dramatic drop in population in town and now they have focused more on buying homewares to sell to locals to keep them from shopping out of town.

Jane said that cotton growers in the district are all very big supporters of their business, but she says they need a crop to be able to spend money in the town, and they need the government to allow them to have water.

'Release the water please! We certainly don't want to take any more hits. We are there for the long haul, but it's going to be tough. Release the water please!'

Prue Sykes

Local stock and station agent Peter Prosser has lived in Mungindi for 30 years. He said that there has been little growth in the town since the 1990s and there has only been one house built in Mungindi since that time. However, he feels the town is 'stable'.

During a good year, Peter said he can sell a house every 4 to 6 weeks. He said most houses are worth around \$100,000. However, the last few years have been very slow and only 2 homes have sold in the last 12 months. Peter says his business relies on livestock sales and not real estate.

In town, houses rent for around \$160 a week, however most farmers provide on-farm accommodation for their staff.

Around the Mungindi area, there is now a significant chickpea crop in the ground, with more than half the country sown to chickpea alone. Local agronomists say the remainder of the available country has been sown to wheat and barley and there are pockets of grazing oats for stock feed in the ground.

Broad acre farming is done on a large scale with the consolidation of many family farms

over the last 20 years. Where farm sizes ranging from 2,000 to 5,000 acres was considered the 'norm' around Mungindi in the 1990s, many are now reaching around 40,000 acres in size.

All things going well, growers are predicting the biggest crop here in several years, with returns also favourable due to the current chickpea price.

Across New South Wales and Queensland, many rural towns have lost agricultural contractors from their communities due to drought. This is the case for Mungindi; however growers are confident they will be able to get headers here at harvest time. They said that their location and size of the crops will attract contractors looking for work, although, most contractors will come from other regions.

Manager of B and W Rural, Mick Brosnan, has run the local agricultural supply store for the last 21 years. He has seen other supply stores such as Landmark leave the area after periods of drought. He says other suppliers from Moree are servicing growers, but still don't have a local presence.

'We have really good years and then we have really bad years. We make about 50% out of irrigated cotton and 50% out of dryland.'

Mick Brosnan

Mick says one of the main reasons that B and W Rural has survived through drought times is the fact that they service both the irrigation and dryland sectors.

While the season and water availability are common topics of conversation for most businesses, Mick Brosnan says the lack of education opportunities is the biggest reason for the decline in the population in Mungindi.

He said the best thing the government could do is make boarding school education tax deductible and this would allow parents to stay in the rural towns they are working in and still be able to afford to send their children away to school.

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GPO Box 1801 Canberra ACT 2601

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getinvolved.mdba.gov.au



engagement@mdba.gov.au