

NARRABRI

UNDERSTANDING COMMUNITY CONDITIONS



Northern
Basin
Review



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Water availability

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What is happening

The economic and social structure of the Narrabri community has changed considerably across the last 15 years. While agriculture remains an important part of the local economy, the fall in agricultural employment and then town jobs, and the population between 2001 and 2006 had been partly offset by the growth associated with mining between 2006 and 2011.

The declining employment trend for agriculture continued beyond 2006. Even with the benefits from mining, the town businesses have struggled in recent times as a consequence of the drought affecting the farming enterprises. The general social and economic conditions of the community indicate its potential for continuing to adapt to change.

With no water recovery to date in the Narrabri community, the Basin Plan would not have added in any significant way to the existing adjustment processes.

NORTHERN BASIN

The map displays the Northern Basin region in New South Wales, Australia, with the border to Queensland to the north. Major cities like Brisbane and Sydney are marked on the eastern coast. The basin area is highlighted with light blue shading, and several towns are labeled, including Bourke, Brewarrina, Walgett, Wee Waa, Narrabri, Boggabri, Gunnedah, Coonabarabran, Gilgandra, Warren, Trangie, Nyngan, Dirranbandi, St George, Mungindi, Goondiwindi, Moree, Collarenebri, Chinchilla, Roma, Charleville, Ivanhoe, Mildura, Griffith, Forbes, and Orange. The town of Narrabri is specifically highlighted with an orange background.

An aerial photograph of the Narrabri region in Australia. The foreground shows a mix of brown, dry agricultural fields and green, wooded areas. A small town with several buildings and a road is visible. In the background, there are rolling hills and a range of blue mountains under a bright blue sky with scattered white clouds.

Narrabri and surrounds

What the research tells us

POPULATION

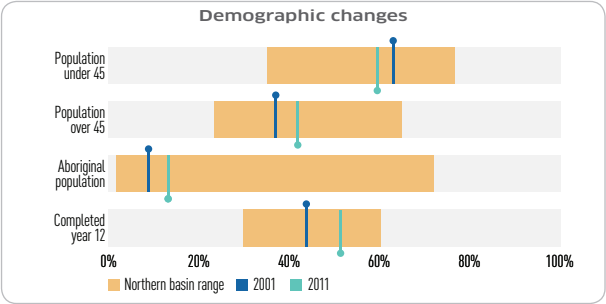
	2001	2006	2011
Total area population	8,957	8,241	8,414
Total town population	6,236	6,104	5,889

Between 2001 and 2011, there were multiple changes to the community and town population. For the community as a whole, the population fell by 716 people (8%) between 2001 and 2006. Most of these people left the farming area. Between 2006 and 2011, the community population increase of 2% coincided with the mining developments beyond the town of Narrabri. For the town itself, the population fell by 347 people (6%) between 2001 and 2011. Most of

EDUCATION

In 2011, 51% of people in the town (aged over 15) had completed year 12 and 27% had completed some post-school qualifications. This is an increase from 23% in 2001.

In 2011, Narrabri had an index score of 5 for education and occupation, 5 for disadvantage, 5 for advantage and disadvantage, and 4 for economic resources. For 2006, Narrabri had index scores of 5 for education and occupation, advantage and disadvantage,

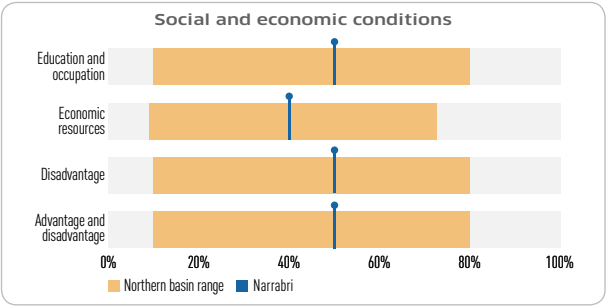


that change was between 2006 and 2011. In 2011, 13% of the town’s population identified as Aboriginal.

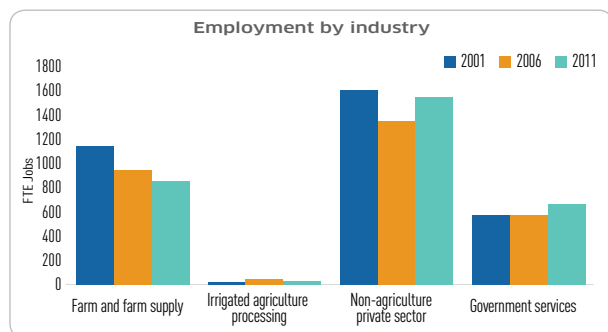
In 2001, 37% of the town population was 45 years or older. This increased to 41% by 2011. The change in population includes a 5% increase in the number of people aged 45 years or older and a 12% decrease in the number of people under 45.

4 for disadvantage, and 3 for economic resources.

General social and economic condition



EMPLOYMENT



In 2011, there were 3,099 full time equivalent (FTE) jobs in the Narrabri community (excluding seasonal workers). Between 2001 and 2011, there was a 7% (242 FTE) decrease in employment in the Narrabri community, mostly between 2001 and 2006. Unemployment in the town of Narrabri was 5% in 2011.

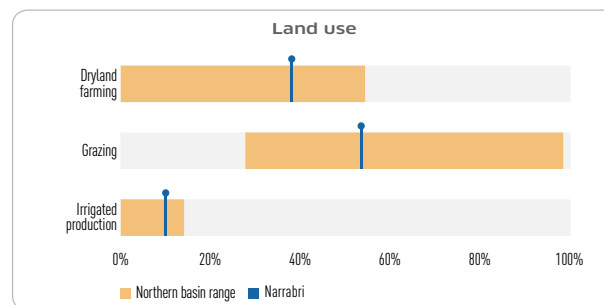
The non-agriculture private sector dominates the Narrabri economy representing 50% of the total employment in 2011.

Between 2001 and 2011, employment in the agriculture and agriculture supply sector declined by 25% (289 FTE). The decline in the agriculture and agriculture supply sector between 2001 and 2006 coincides with the 16% (253 FTE) fall in the non-agriculture private sector jobs in the same period. While the agriculture and agriculture supply jobs continued to fall between 2006 and 2011, the non-agriculture private sector jobs increased by 13% (202 FTE). The local economy benefited from the growth in mining and an increase in government services jobs (93 FTE) between 2006 and 2011.

LAND USE

Land use in the Narrabri community is a mix of cropping (34% of the land area) with 61% of the area used for grazing. Irrigated production accounts for a maximum of 5% of the land area with cotton the main crop grown when water is available. Dryland cotton is also grown in the region. Other crops grown include wheat, chickpeas, mungbeans and fava beans.

The irrigated area has varied between 3,900 and 14,500 hectares. The maximum area developed for irrigation equates to 2 hectares per person.



IRRIGATION WATER AVAILABILITY

Water for the Narrabri community is derived from the Namoi catchment, Gwydir catchment and groundwater sources. The volume of water entitlements held by irrigators is 20 GL of surface water and 15 GL of groundwater. There has been no recovery of water by the Australian Government in the Narrabri community. However, the state groundwater recovery and prior changes to water access entitlements have affected the water available for use by irrigators.





Narrabri and surrounds

From the locals' point of view

Looking back

Before the arrival of Europeans in the early 19th century, Narrabri was the home of the Kamilaroi people, who still make up a significant part of the local population.

Because of its location and the area that surrounds Narrabri, the town and the district has been very prone to significant flooding and fire throughout its history. Just south of the town is the Pilliga Forest, the largest remnant of semi-arid woodland in eastern Australia. It has been the site of many fires over the years.

Wheat growing began here in 1873 on a very small scale. Sheep and cattle were the major

agricultural commodity until the 1970s when farmers started to grow broad-acre crops.

Australia's first cotton crop was grown around the neighbouring town of Wee Waa in 1960. This sparked the beginning of the irrigation industry around Narrabri a few years later.

During the early 1990s, local stock agent Scott Hamilton reported that a lot of wool growers around Narrabri changed their enterprise.

'When the sheep business collapsed in the early 1990s, they went into cropping and into cattle.'

Scott Hamilton

In terms of research initiatives, the I. A. Watson Wheat Research Centre at Narrabri is the main field testing site for crops being developed by the University of Sydney.

In 2012, a new multi-million dollar hospital was built in Narrabri. Local real estate agent Rob Southwell said this development bought more than 140 workers to town.

Rob told us that a three bedroom house was being rented out for up to \$500 a week. Before the mining boom and hospital development, the same house made about \$250-300 a week.

The agricultural community has only just turned the corner, following successive years of drought in 2012, 2013, and 2015. While the outlook is good (for now) for agricultural commodities, many feel the flow-on and long-term effects of this most recent drought have not yet been felt in Narrabri.

Managing change – a business owner's view

Jim Purcell is the Managing Director of Aquatech in Narrabri. He is an engineer, who has been servicing the irrigation industry in Australia and overseas for more than 40 years. He also has an office in Warren.

Aquatech Consulting specialises in the investigation, design and construction of water resources and irrigation projects and

the assessment and improvement of irrigation water use efficiency.

Jim told us, that when government funding became available to irrigators under the On-farm Irrigation Efficiency Program in 2010, he expanded his business to handle the expected demand anticipated at their local level, but the work didn't come.

Jim said at the time, the local market was swamped by outside consultants and many local farmers chose to use them to do the local work.

Jim told us because of how difficult it was to attract qualified people, he held onto them, in the hope they would attract work generated by the Australian Government funding program for irrigation efficiency improvements.

Since then, he has reduced his staff levels to bring down costs.

'It will probably take me about five years to get over that hole that we dug for ourselves. We are still here – but we are bruised. I felt terribly injured at the time, but this is not a new story.' Jim Purcell

This is an example of how challenging it can be for local businesses to respond to government policy changes.

Laurie Godden started Kaputar Motors in Narrabri 10 years ago because there wasn't

a Ford dealership in town. Back then, he employed 4 staff.

Over the course of a decade, he has expanded the business to include a Holden, Mitsubishi and Hyundai dealership and now employs around 28 staff. While he said that the business had grown for 9 years, this year he is 'marking time'.

'If you go back 5 years, they were saying how the mines and gas were going to be big in Narrabri. We started building in anticipation of their increase – but it hasn't happened to the extent they said it would.'

Laurie Godden

Laurie said he was told he would be servicing 200 cars for the mining and gas industry. With that knowledge he invested more than \$1 million into building a new showroom and servicing division.

Mr Godden told us he now sells up to 900 cars a year, compared to 260 when he started in 2006.

While Laurie Godden said things have slowed slightly this year, he is expecting a very good Christmas following the recent rain around Narrabri.

What is happening now?

Today, Narrabri is the administrative centre of one of the most productive agricultural

shires in Australia. It is close to the centre of a major cotton growing area, and supports other industries such as beef, wheat and sheep.

While Narrabri has experienced a number of very dry years since 2000, decent falls of rain this year have significantly changed the prospects for many businesses in the last six months.

While mining is expanding in the region, local businesses say they are experiencing a slight downturn in the local economy and housing market.

Rob Southwell owns Narrabri Real Estate and told us while Narrabri is dependent on agriculture; it certainly does have other strings to its bow.

However, recently Rob said sales in the housing market have slowed and the prices of homes have dropped around \$40,000.

On the flip side, he said sales for rural property around Narrabri are going 'gangbusters'.

'We have low interest rates, good commodity prices, moisture in the ground and a stable government.'

Rob Southwell

David Maxwell is a senior partner at local accounting firm, C and W. His view is things are 'pretty tight' for a lot of his clients with businesses in the main street of Narrabri.

'The businesses in town have dropped in profits by about 40% in the last 4 years.'

'It's a real confidence thing whereby people are worried about the uncertainty of water. People are making a wage, but they are not making a profit.' David Maxwell

David told us that other than weather variability and government policy, increasing wages are another issue that is affecting many of his farming clients.

On the livestock side, local agent Scott Hamilton said that while the season is looking quite favourable for cattle producers, many clients are still struggling to get back on their feet after successive droughts in recent years around Narrabri.

He said a lot of people around Narrabri sold a significant number of cattle during 2012, 2013 and 2014 and now they are trying to restock in an inflated market.

'At the moment, the cattle market is strong. But who knows what it is going to be like in 6 months' time and when people are trying to get out of them (cattle).' Scott Hamilton

In town, there are 4 schools. Three cater for kindergarten to year 6 students and one is a high school. Narrabri High School has just over

560 students, slightly down from 5 years ago when the school had 600 students.

Principal of Narrabri West Public Stephen Maher told us his school has increased in numbers over the last 5 years from 240 to 360.

The mining industry has brought a number of new families to town in recent years.

'Where Dad might have been a fly-in, fly-out worker at the mines, we are now finding that the family has come to join him in Narrabri.' Stephen Maher

If you head to the industrial area of Narrabri, you will find Warren Michell. He owns Narrabri Farm Centre and has been servicing customers around Narrabri, Burren Junction, Rowena and Pilliga since 1987.

Warren's business has grown from a stockfeed outlet business to a diverse rural merchandising business. He explained that the last few years have been hard for his business – due to the dry weather conditions. While he does deal with cotton growers, Warren said dryland growers are the core of his business.

'There is a change of attitude in town, even with the town people who don't rely on agriculture. The rain makes a big difference. They talk about the Global Financial Crisis, but we are dependent on the weather.' Warren Michell

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