

WALGETT

UNDERSTANDING COMMUNITY CONDITIONS



Photo by Otis Williams



Northern
Basin
Review



Photo by Otis Williams

Walgett and surrounds, What the research tells us

- Population
- Education
- Employment
- Land use
- Water availability

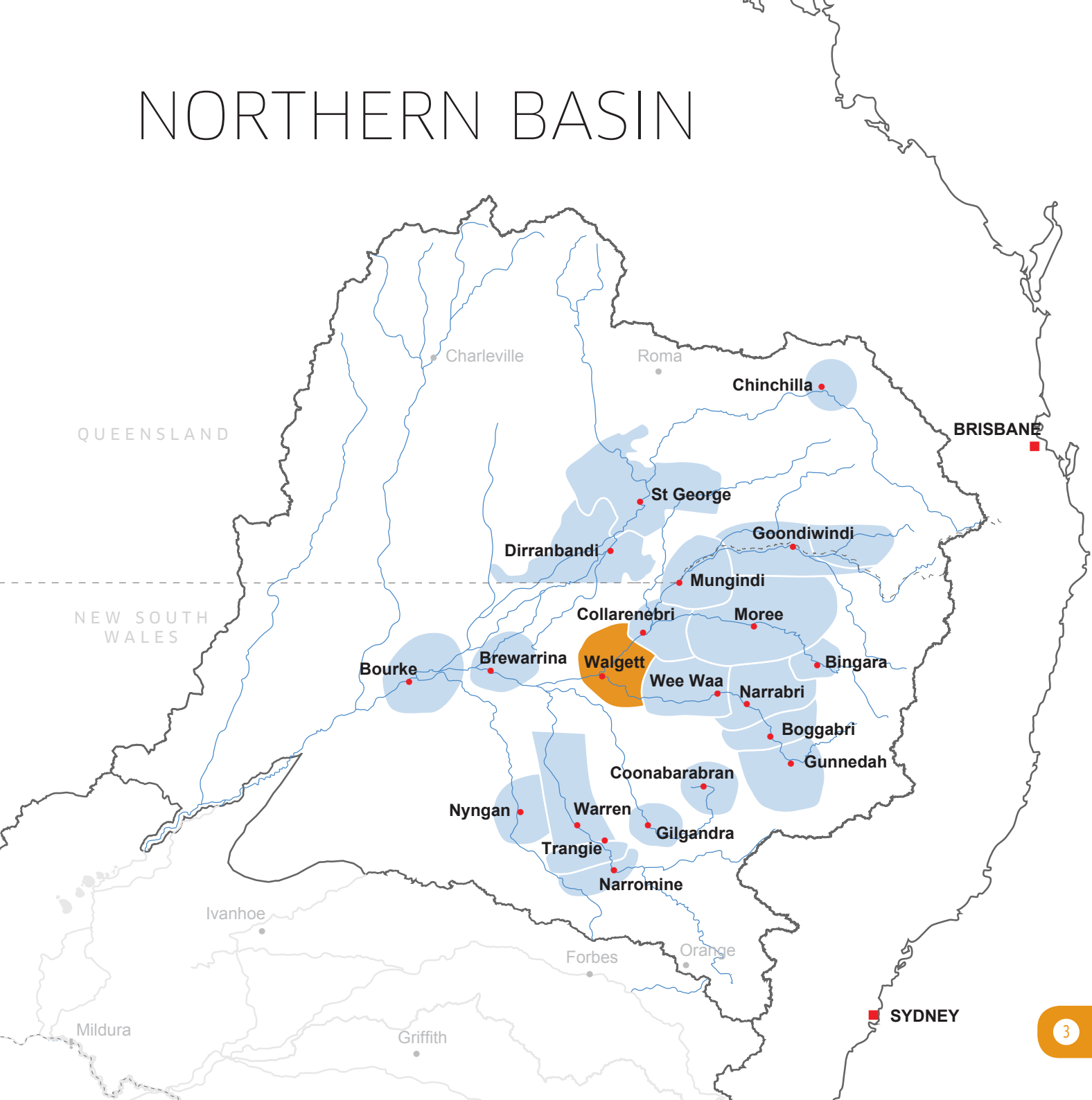
Walgett and surrounds, From the locals' point of view

- Looking back
- Managing change
- What is happening

Walgett community had a significant change in its local economy up until the mid-2000s. Dryland cropping expanded, grazing reduced and while employment in the private sector fell, there was an expansion in government services. This is reflected in the high levels of education and training held by people in the community, at a time when the local population has been falling.

The drought of 2013 to early 2016 had a major effect on the community. Limited irrigated production, which is highly variable, and dryland cropping placed further pressure on the community. Although no water has been recovered by the Australian Government from the Walgett community, it is important to consider the recent changes and the difficult social and economic conditions affecting the community.

NORTHERN BASIN



Walgett and surrounds

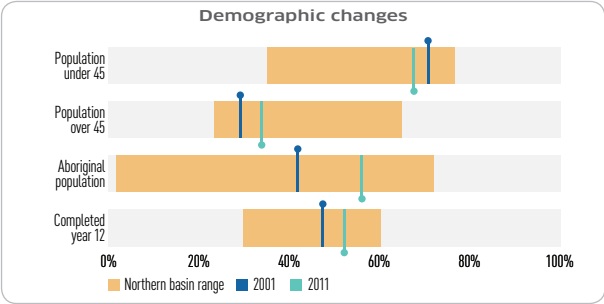
What the research tells us



POPULATION

| | 2001 | 2006 | 2011 |
|------------------------------|-------|-------|-------|
| Total area population | 2,582 | 2,353 | 2,242 |
| Total town population | 1,812 | 1,732 | 1,626 |

Between 2001 and 2011, the Walgett community population fell by 340 people (13%). During this time, the town population fell by 186 people (10%). Overall changes were greater for the farming community than for the town, noting most people who left the farming community did so between 2001 and 2006. With the town, most of the population who left did so between 2006 and 2011. In 2011, 56% of Walgett’s town population identified as Aboriginal.



In 2001, 32% of the town population was 45 years or older. This increased to 37% by 2011. The change in population includes a 3% decrease in the number of people aged 45 years or older and a 23% decrease in the number of people under 45. Most of this demographic change occurred between 2001 and 2006.

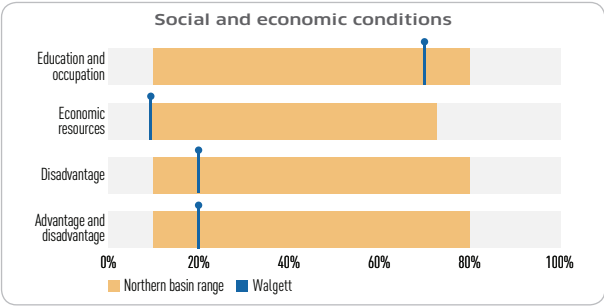
EDUCATION

In 2011, around 52% of people in the town (aged over 15) had completed year 12 and 26% had completed some post-school qualifications. This is an increase from 24% in 2001.

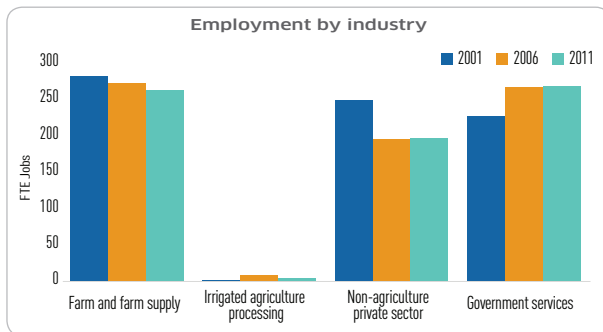
In 2011, Walgett had index scores of 7 for education and occupation, 1 for economic resources, and 2 for disadvantage, and 2 for advantage and disadvantage. For 2006, Walgett town had index scores of 6 for education and occupation, 1 for economic

resources and for disadvantage, and 3 for advantage and disadvantage.

General social and economic condition



EMPLOYMENT



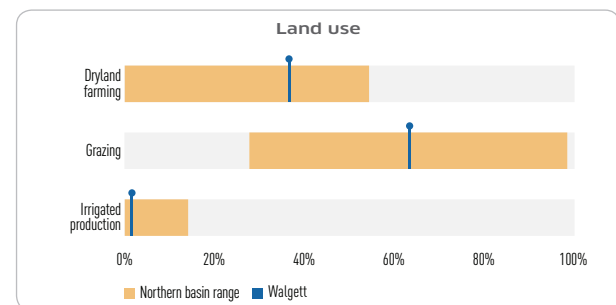
In 2011, there were 727 full time equivalent (FTE) jobs in Walgett (excluding seasonal workers). Between 2001 and 2011, there was a 3% (26 FTE) decrease in full time employment in the Walgett community. Most of the employment changes occurred between 2001 and 2006. Unemployment in the town of Walgett was 7% in 2011.

In 2011, the agriculture and agriculture supply and government services sectors were approximately the same size.

Across 2001 to 2011, employment in the agriculture and agriculture supply sector declined steadily by 7% (20 FTE). Between 2001 and 2011, employment in the non-agriculture private sector declined by 21% (52 FTE and nearly all between 2001 and 2006), while employment in the government services sector increased by 19% (42 FTE and nearly all between 2001 and 2006).

LAND USE

Land use in the Walgett community is predominantly dryland production. 36% of the land area is used for dryland farming and 63% used for grazing. Around 1% of the land area has been developed for irrigation, which is quite variable. The maximum area developed for irrigation is almost 5,000 hectares or 2 hectares per person.



IRRIGATION WATER AVAILABILITY

In Walgett, a small amount of entitlements are held for water from the Namoi and Barwon-Darling catchments. 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.

Around 46 GL of water entitlements are held by irrigators in the Walgett community. There has been no recovery of water by the Australian Government in this community to date.





Walgett and surrounds

From the locals' point of view

Looking back

The mid-1990s saw the town benefit from a major growth phase in both dryland and irrigated agriculture, which continued up until 2003.

Since 1996, sheep numbers in the district have dropped from 1.2 million to 200,000. Cattle numbers have also dropped from 89,000 to just 23,000.

Most local production is focused on dryland agriculture, with around 14,000 ha of irrigation in the Walgett Shire (with a large part of the irrigation development outside the community area studied in this report), mainly in the

south-western part of the shire near Carinda. Irrigators felt the changes to their surface water entitlements in 2005-06 and 2006-07 impacted on the reliability of accessing water.

Irrigated cotton production within the area is mostly carried out by external contractors. Water used to produce irrigated cotton in this area is sourced from on-farm storages and regulated water sources released from storages near the upper reaches of the catchment.

When the catchment is dry, it takes a long time for water to get down the system. Catchment

managers seek to work with farmers to deliver water to the end of the Namoi system. When it is dry, they look at supplying water as bulk releases for irrigators. During these periods, there is considerable risk in getting the irrigation water when it's needed.

Spending habits in town are dictated by the seasons. The local Case machinery dealer told us that in a dry spell, irrigators are the only farmers who purchase locally from his business. However, he said irrigators only represent 20% of his business. Most equipment for irrigation enterprises is purchased from other larger centres, like Moree or Narrabri.

Business owners say when a downturn occurs in the local economy, they work hard to maintain contact with their customers and try to create social opportunities to keep farmers engaged with the community.

This town is a close-knit community and they rally together in times of adversity. When the Walgett Sports Club went broke, locals raised \$800,000 to keep the doors open.

When the local economy slows, many business owners look to diversify in an attempt to meet the commitments on existing debt.

A downturn in farming activity in the district during the drought, coupled with mechanisation, has had a direct impact on the workforce size and capabilities.

Twenty years ago, locals told us that each farm had 2-3 full-time workers. However, fewer employees are now needed, or can be justified financially and most have changed their labour demands between permanent and seasonal workers, seeking to utilise more seasonal workers.

Local employers in Walgett say many Aboriginal workers only stay a short time as they pick up alternative work with government agencies. Local businesses report the casual wages they can afford to offer are unable to compete with the wages and other benefits offered by government employers.

Walgett does offer most goods and services locally with groceries, white goods, vehicles, and large machinery all available in the town.

Walgett is a town where a large number of government services are available. In recent years, Walgett has had some limited benefits from construction of a new police station and health centre.

Locals here say the economic benefits associated with these construction jobs have helped Walgett make it through the recent drought. However, those benefits were mainly associated with the retail and accommodation sectors, as the workers involved were nearly all from outside the area.

Managing change – a business owners view

For 26 years, Hunter Hobcroft has been a spray contractor at Walgett and also provides earth moving services to local businesses. In 2014, the drought crippled his business and he reduced his staff numbers from 12 to 3. Hunter also had a lot of equipment that he had to sell to stay afloat. So when the season finally turned, Hunter found himself short of equipment.

Hunter told us that he is working almost around the clock at the moment, and only a few weeks ago he had his 16 year old son working with him on a 40 hour shift.

'I dug myself a big hole during the drought (financially) and I have big repayments to make on the machinery. It's going to take a long time to get out of this hole and its taking longer than I thought. My clients need to get this crop off to pay me.'

Hunter Hobcroft

According to Hunter, there has to be a process put in place that allows locals to win local jobs before the government brings people in.

Chris Clemson has been a stock and station agent in Walgett for 20 years. He says during the last three years of drought, the property market has been very slow.

Chris and Russell Hiscox run a rural merchandise store in town. In 2013–14 their agency became the leading agent across Australia for the online auction platform, AuctionsPlus, due to the enormous number of cattle being sold out of the Walgett district as a consequence of the rapid shift from maximum production to drought.

However the merchandise arm of the business dropped by 80% and they had to throw out more than \$50,000 worth of animal vaccines because they couldn't sell them.

'We had to diversify our business, so we got a lot of our clients into feedlotting lambs and sold them the additives to get them through the drought.' Chris Clemson

What is happening now?

The number of students have remained stable at St Joseph's Primary School (180) and Walgett High School (100), and increased slowly from 100 to 130 at the Walgett Community College (primary).

A significant amount of farming land within the Walgett Shire is owned by corporate organisations or farming families from other areas including Moree and Narrabri.

Local businesses have told us that the corporate organisations have been, and

continue to be, very supportive of Walgett in terms of purchasing equipment and some parts locally, and sponsoring local community and sporting groups.

Local agents say all but 5% of cattle in the Walgett Shire were sold during the drought, with a small number sent away on agistment. Farmers are very tightly geared with many having used up their available cash reserves.

On the back of no cropping income for three years, local dryland farmer Michael O'Brien says there has been more than 1.3 million acres of country sown down to winter crops around Walgett in the last few months.

Former Farmer of the Year in 2009, Michael told us that while things have been tough here, the local farmers 'have hung in there – they are the best in Australia'.

'There have been very few forced sales (of land). Everyone is owing a lot more money, but the cost of owing money is only half of what it had been.'

Michael O'Brien

Michael said the fact that money can be borrowed at 4 and 5% has helped agricultural businesses handle the drought.

Michael now has more than 40,000 acres of crop in the ground this year. For the drought years of 2013, 2014 and 2015, he planted

less than 1,200 acres and of that crop, he had no income as all of it was feed for livestock.

While farmers around Walgett will be looking to the skies for good spring rain to finish the first winter crop in 4 years, there is now a concern about the availability of contractors to harvest the crop.

Four years ago, Michael's 26 year old son, Tom, returned home to the farm. Apparently this is a common trend around Walgett, with an increasing number of younger people coming back to town.

Lex Scotti, manager of Walgett Tyre and Machinery told us that staff numbers had dropped from 25 to just 10 in recent years. However, now Lex says things have turned around dramatically over the last few months.

Now with the rain, his repairs business has increased its turnover 10 fold. To date, sales of new machinery are up and they have sold five tractors worth \$300,000 each just in the last few months.

Walgett Tyres and Machinery has now put more staff on and have 14 people on the books.

'We have seen a complete turn around and things are moving ahead. It's a much brighter outlook because it has rained.'

Lex Scotti

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