



# “Social and Economic Analysis of the Warren Community”

The social and economic conditions of Cotton Catchment Communities have been documented in a set of case studies. The project *The Socio-economic Impact of the Australian Cotton Industry of Regional Communities in NSW and Queensland* was undertaken during 2007-08 analysing population census and other data to describe the social and economic conditions and to provide direction for the future development of those communities.

## Key findings from the study for Warren include:

- ◆ The Warren population has steadily decline in the past few decades. From 2001-2006, 15% or 1 in 7 people left the Warren local government area.
- ◆ There was a corresponding decline in employment most likely as a result of the current drought.
- ◆ Warren is a relatively small economy and heavily dependant on agriculture which accounts for 45% of the GRP.
- ◆ Businesses in the town of Warren have remained resilient with only a small number closing from 1981 to 2006.
- ◆ Warren has developed some outstanding community facilities.
- ◆ Amongst the communities studied, Warren has the highest rates of volunteers with 29.1% of people surveyed indicating they supported the community in this manner.

## The Warren Economy

The Warren economy data includes analysis of the industry structure and trends and an input-output model to assess the economic impact of the cotton industry on the economy (defined as the Warren Shire).

Warren is the most remote of the case study regions and smallest in terms of population and GRP. These factors are a massive constraint on the economic development opportunities in the region. Warren is also the gateway to the Macquarie Marshes, and the potential of that resource is yet to be realised.

In 2005-06, the Gross Regional Product (GRP) was \$110m and 1105 people were employed in local workplaces.



Those values have been reduced by the impact of drought on both dryland and irrigated farms.

Warren is a relatively small economy and heavily dependent on agriculture as indicated in Figure 1 where it accounts for 45% of GRP and almost all of the exports from the region. This makes Warren heavily vulnerable to the fluctuations in agricultural earnings. In this year (2008), agricultural production was around 40% below the expected level.

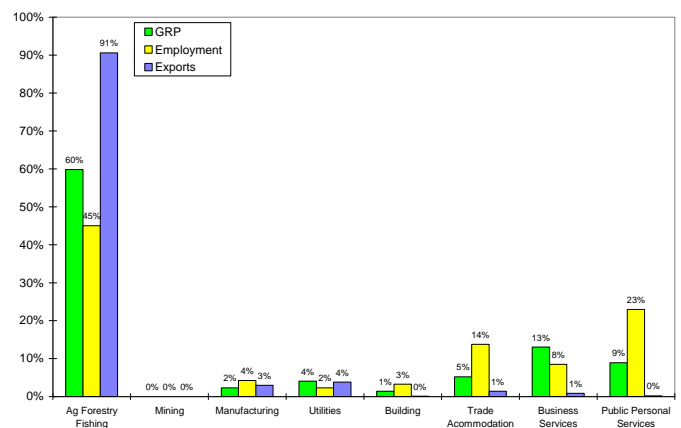


Figure 1: Industry Structure of Warren Economy 2005-06  
Source: Warren Input-output Table

Within the services industries, there are few in the business category with some in essential trade and accommodation, but most in the public and personal services. The public services of public administration, education and health represent critical components of the economy.

The cotton industry in Warren is expected to be about one-quarter of all agricultural production and represents a diversification from broadacre grazing and cropping. In 2005-06 it was estimated to be worth \$40m. The total impact

(includes flow-on impacts) on the Warren economy has been estimated at:

Gross output	\$61m (31% of economy)
GRP	\$24m (22% of economy)
Wages and salaries	\$8m (19% of economy)
Employment	185 (16% of economy)

The flow-on impacts are predominately in agricultural services and related activities including ginning. The limited flow-on effects reflect a low multiplier of less than 2.0 implicit in a small economy.

The steadily declining population and employment in Warren over two decades indicates that there are few options for adjustment when agriculture has low earnings. There are few local employment opportunities, limited opportunities for commuting to work nearby, so people leave.

Most of the job losses are from the agriculture and related industries such as wholesale trade. However, there are losses across many industries and few gains as indicated in Figure 2.

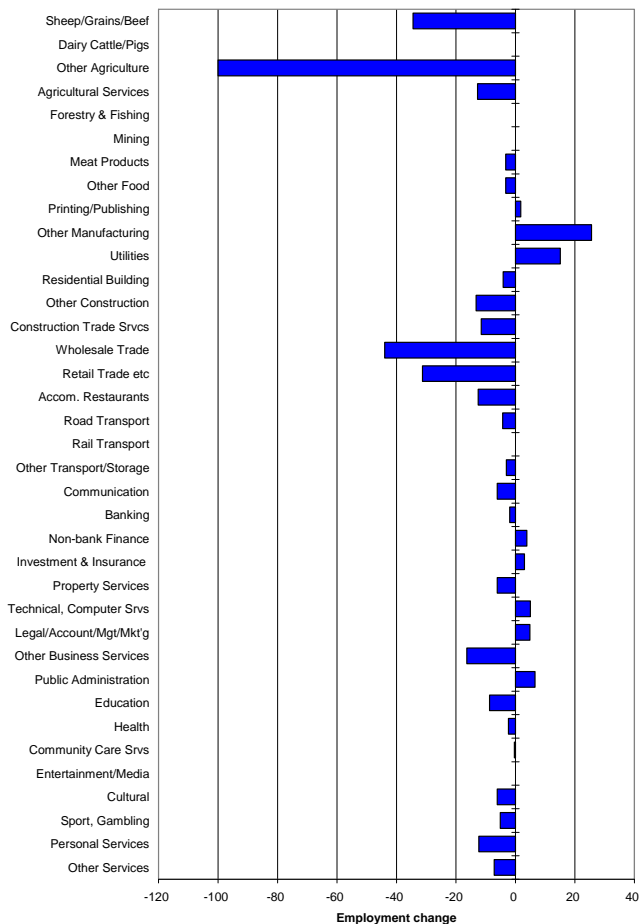


Figure 2: Employment Change by Industry, Warren 2001 to 2006  
Source: Population Census, 2001, 2006

In small and remote economies it is anticipated that the level of access to services is very low. The level of service delivery can be assessed through an index based on employment and population that relates the situation in Warren to the NSW average as shown in Figure 3.

The only adequate services are those of mechanical repairs and public administration (with values over 100). The next best are road transport (the essential lifeline) and education

which is largely based on population levels. Otherwise, the other services do not exist at all or are at a very low level.

The Warren economy is essentially agriculture with few development options. At this stage there are no mining or energy developments that are in prospect.

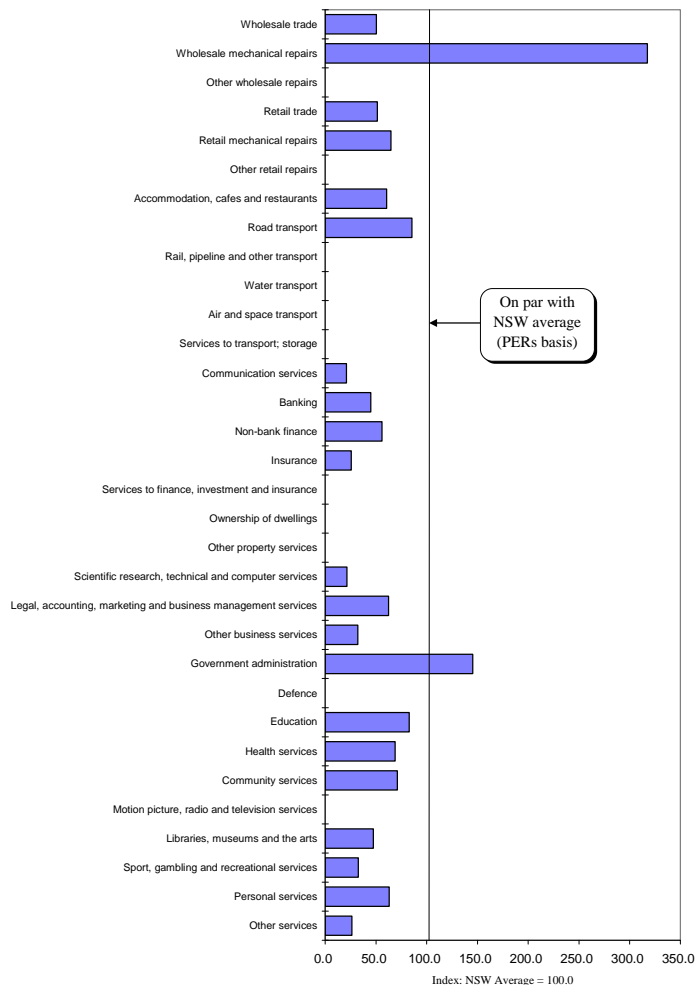


Figure 3: Service Delivery Index, Warren, 2006  
Source: Data from 2006 Population Census

The Macquarie Marshes is a wetland of global significance that potentially can be an attraction for visitors. That potential is far from realised in terms of appropriate facilities and promotional programs. Consideration of the development of similar wetlands in other countries should be undertaken in developing a model for the Marshes. One example can be found in the Okavango Delta in Botswana where the model involves small numbers of high paying visitors in environmentally blended facilities.

There are some places that promote "remoteness" as a valuable asset appreciated by some people. This concept should be explored.

The remote areas are becoming important suppliers of energy. The emphasis on using renewable energy under the climate change programs may provide Warren with some opportunities, even if initially limited to their own requirements.

Warren has developed some outstanding community facilities and should be seeking to have some outstanding service businesses that are able to limit the expenditure leakages from Warren. This will entail innovative business Communities structures and operating systems coupled with the technologies associated with the internet. There also needs to be a carefully defined focus on the particular leakages that are to be captured.

Some carefully selected local economic indicators to monitor regularly the performance of the economy should be developed.

## The Warren Community

Like the other cotton communities studies, Warren has felt the impact of the drought with agricultural production down by 40%. There are fewer jobs and some people have left the area. Despite the downturn, there are still good services in town including two doctors, shops and the ambulance.

Between 2001 and 2006, the population has declined by almost 15%. That has included a large number of young people aged 15 to 24. This reflects the limited local job opportunities in addition to young people leaving home to study, work or travel. All of the cotton communities studied, lost young people over 2001-2006, with Warren suffering the greatest change losing 36.7%.



Figure 4: % of Population Change Aged 15-24, 2001-2006  
Source: ABS (2006) Census of Population and Housing, Time Series Profiles, By Place of Enumeration

The proportion of total dwellings that are vacant is an indicator of the economic situation and investment in the area. In 2006, Warren had the highest rate of vacant properties (19.9%) among the cotton communities studied.



Warren is described as having a strong sense of community that provides a sense of belonging. The ease and affordability of small town life is an asset for the area. The



community has a strong spirit and capacity to improve their community capital.

If people see a need to do something for the community they will come together in support. This spirit has provided Warren with outstanding sport and recreational facilities.

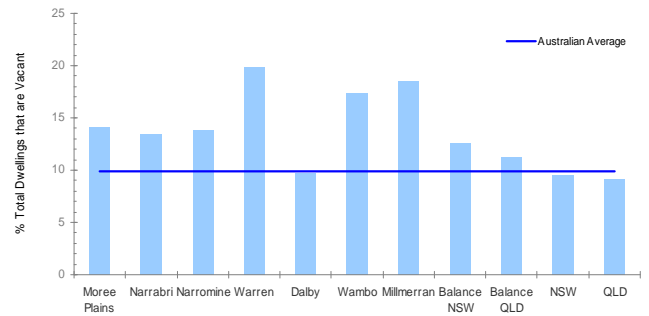


Figure 5: % of Total Dwellings that are Vacant  
Source: ABS (2006) Census of Population and Housing, Basic Community Profiles



St Thomas Anglican Church, Nevertire NSW

Despite this, 95% of the community survey indicated a negative change in quality of life over the past year. This sentiment was associated with the drought, with the high number of people moving out of the area, the depressed business situation and the difficulty of improving the situation. (figure 6)

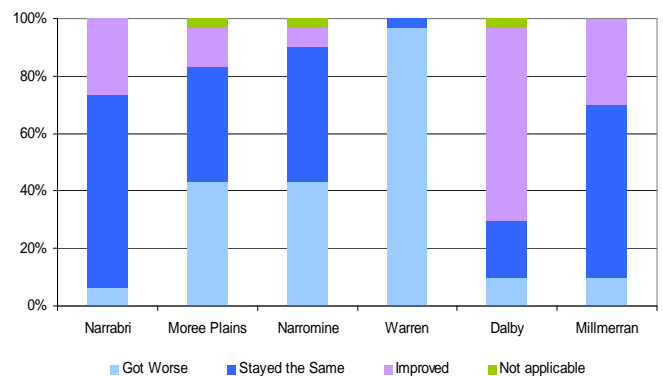


Figure 6: In the Past Year How Has Life Changed in Your Area?  
Source: JSA 2007

90% of Warren respondents felt either 'very positive' or 'positive' about life in their area. The resilience of the people living in Warren is apparent. At the Warren consultation workshop, one person commented; "The fact that so many people in Warren said that things have got worse in the last 5 years says to me that they responded honestly! It makes me feel good that even though people said they think things have gotten worse, they are still positive about living here. I think that says a lot."