



## “Social and Economic Analysis of the Moree 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 Moree include:

- ◆ Population and employment in Moree Plains has steadily declined over the last two decades. Between 2001 and 2006, Moree Plains saw the greatest net migration change amongst the study areas with 1741 people moving out of the area.
- ◆ There was a corresponding decline in employment, most likely as a result of the current drought.
- ◆ In Moree, cotton research expenditures in 2007-08 were around \$1.8m. That resulted in a total impact on GRP of \$1.8m, including wages and salaries of \$1.3m to 24 people employed.
- ◆ Moree Plains reported the highest rate of uptake of traineeship and apprenticeships compared to the NSW study areas – the only area above the state average.

### The Moree Plains Shire

Moree Plains is recognised as the pre-eminent agricultural shire in Australia. The shire spans a large area, has rich soils and both summer and winter cropping opportunities. Irrigators have access to water from both the Gwydir and McIntyre River systems. Agricultural productivity is high and the shire has limited industry diversity beyond those related to agriculture and its support activities.

Moree is the main centre for the Shire. There are a number of smaller centres including Boggabilla in the north although most of the commercial links in the north are with Goondiwindi in Queensland.



Moree, NSW

### The Moree Economy

The Moree 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 Moree Plains Shire).

Moree is among the largest shires in terms of agricultural production and has a high dependence on agriculture. Cotton is an important part of agriculture with its production dependent on access to irrigation water. The agricultural industries are large scale and globally competitive. Non-agricultural industries appear to be less competitive than agriculture.

In 2005-06, the Moree Plains economy was estimated to have a Gross Regional Product (GRP) of \$605m and employed 5,691 people at workplaces in the Shire.

The retail trade sector provided the largest number of jobs under a variety of arrangements. Those jobs play a more important role in the labour market than they do in terms of GRP.

Agriculture is the dominant industry in Moree Plains (43.7% of GRP and almost all of the exports from the region) as shown in Figure 1. The natural resource base is high quality and the farms are large enabling the realisation of scale economies, the application of technology and high quality management.

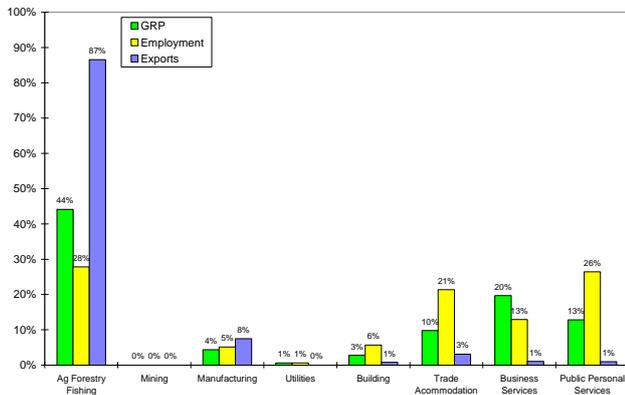


Figure 1: Industry Structure of Moree Plains Economy 2005-06  
Source: Moree Plains Input-output table

This means the whole Moree economy is affected by varying seasons and agricultural commodity prices. The limited diversity into other industries means that the main adjustment to prolonged periods of poor returns is out-migration of workers and families, especially when jobs elsewhere are readily available. This has occurred in both the mid 1990s and mid 2000s droughts.

The cotton industry in Moree is expected to be about one-half of all agricultural production. In 2005-06 it was estimated to be worth \$318m (normally expected to be around \$500m). The total impact (includes flow-on impacts) on the Moree economy has been estimated at:

Gross output	\$558m (24% of economy)
GRP	\$170m (29% of economy)
Wages and salaries	\$77m (21% of economy)
Employment	1,262 (21% of economy)

The main flow-on effects go to: the agricultural services industry (includes ginning); agricultural machinery manufacturing and repairs; and a range of business and trade services. The multipliers for GRP and employment are around 3.0 – a high value. That reflects the high efficiencies of the cotton industry meaning relatively low direct effects on farms, and the strong linkages to other industries for goods and services.

In Moree, cotton research expenditures in 2007-08 were around \$1.8m. That resulted in a total impact on GRP of \$1.8m, including wages and salaries of \$1.3m to 24 people employed.

Overall, the cotton industry is a critical part of the Moree economy along with other agricultural industries. Their poor performance in the mid 2000s generated job losses over 2001 to 2006 of 1,121 (16%) spread throughout the economy as shown in Figure 2. Apart from agriculture, the main losses were in trade, accommodation, road transport specialist business services, public administration and education.

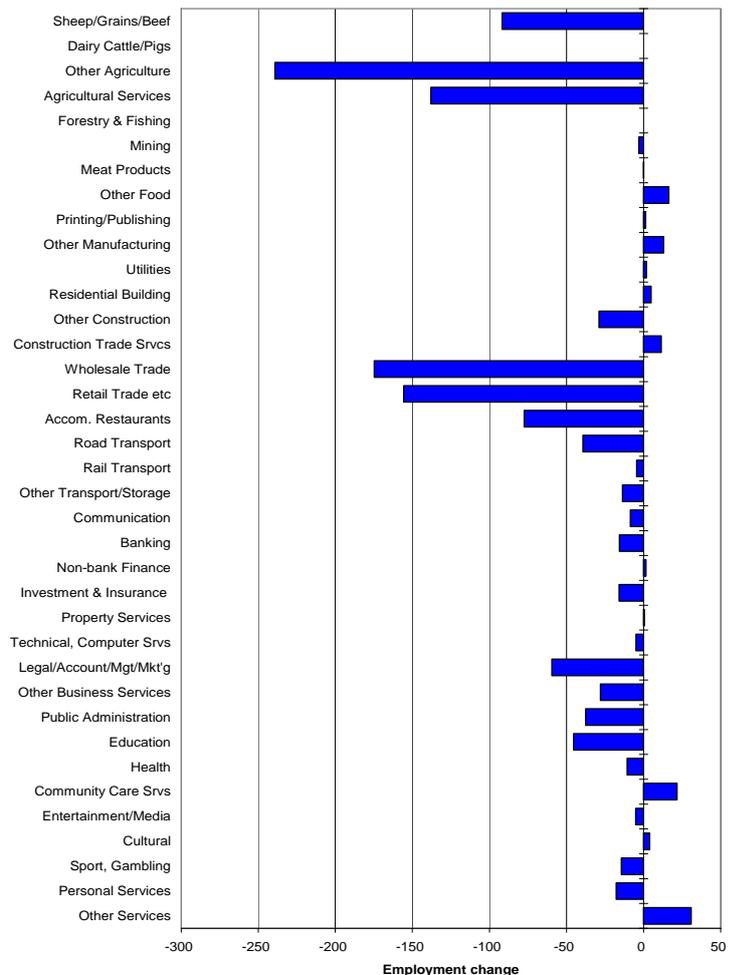


Figure 2: Employment change by workplace, 2001 to 2006  
Source: Data from the 2001 and 2006 Population Censuses

The unstable economy is not conducive to investment and development, including the provision of services. An index based on employment and population that relates the situation in Moree to the NSW average is shown in Figure 3.

The strengths in repairs and maintenance, road transport, government administration, education, community services and other services are shown. This also indicates weaknesses in retail trade (an important leakage from the region) and health (a major concern).

The level of business-related services ranging from transport (apart from road) to business services is moderate at best. These services are critical for business development.

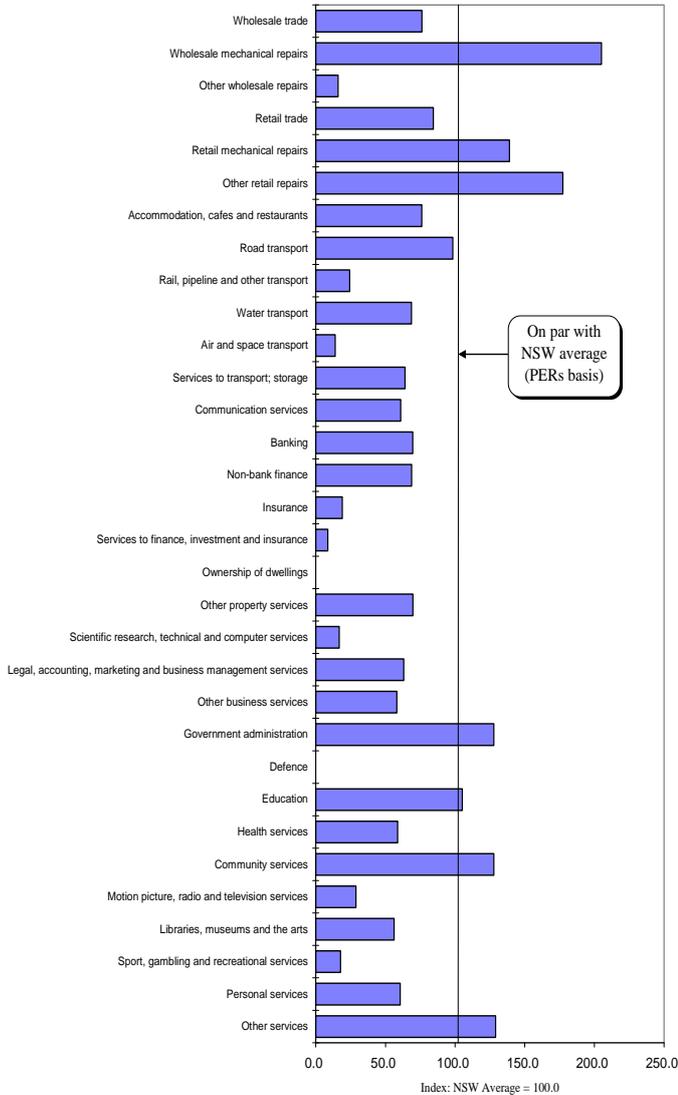


Figure 3: Service Delivery Index, Moree 2006  
Source: Data from 2006 Population Census

The technology and specialist business services are heavily focused on agriculture. More depth will be required to develop new industries that are built on knowledge and technology. This will be critical in building more diversity and resilience into the economy.

The key action areas on the Moree economy include:

- ◆ A long-term strategy to build diversity and reduce instability.
- ◆ A business enhancement program that includes supporting local businesses with high growth potential, generating more employment opportunities for women, and reducing the leakages from the economy should be formulated.
- ◆ While agriculture is adapted to instability, the capacity and resilience of other industries in the economy may need to be raised.
- ◆ A strategy for developing businesses that are built on knowledge and technology (rather than natural resources) should be developed.
- ◆ Developing some carefully selected local economic indicators to monitor regularly the performance of the economy.

## The Moree Community

Population and employment in Moree Plains has steadily declined over the last two decades. Between 2001 and 2006, Moree Plains saw the greatest net migration change amongst the study areas with 1741 people moving out of the area, though it must be noted that Moree Plains has a higher population than the other areas (figure 4).



Figure 4: Net Migration from 2001 to 2006  
Source: ABS (2006) Census of Population and Housing, Place of Usual Residence 5 Yrs Ago – Special Order

Moree Plains had a lower median age than NSW at 34 years, the lowest of the cotton communities studied (figure 5). This is likely to be due to the large Indigenous population and higher birth rates among this group.

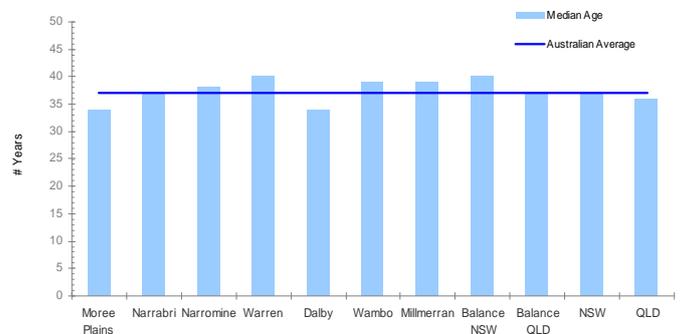


Figure 5: Median Age  
Source: ABS (2006) Census of Population and Housing, Basic Community Profiles

Moree Plains reported the highest rate of uptake of traineeship and apprenticeships compared to the NSW study areas – the only area above the state average (figure 6).

For further information and a copy of the full report visit our website

[www.cottoncrc.org.au](http://www.cottoncrc.org.au)

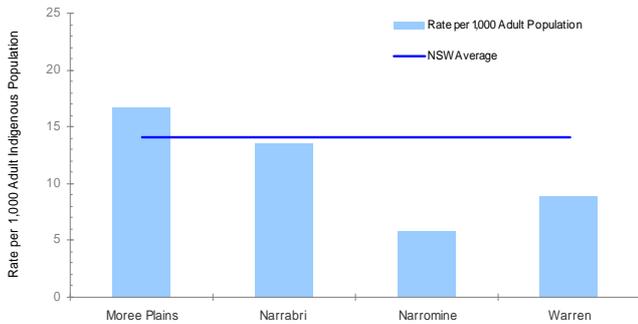


Figure 6: NSW Rate of Trainee/Apprenticeships per 1,000 Adult Population (15+)  
Source: NSW Department of Education and Training (2006), ABS Census (2006)

## Summary

The Moree economy is relatively large but highly specialised. In a sense, its strategy has a strong focus on identifying what they are best at and being among the world's best. Agriculture, especially cotton and grains is at the forefront.

There are signs in the data that point to some of the weaknesses of this approach. First, there is a dominance of males in the population reflecting the dominance of industries that tend to employ males rather than females. Second, there is a relatively low level of services relative to NSW and other regions. This complements the limited employment opportunities for females. Third, the volatility in the regional economy is likely to have implications for the provision of services and the capacity to attract and retain suitable employees, especially in a tight labour market. Four, it seems that there is a high level of leakages of expenditure from the region representing lost local business opportunities.

The above suggests that a diversification of the economy would provide substantial benefits for Moree. The focus would need to be on industries that are not necessarily linked to agriculture, but would use other resources, especially knowledge, and supply to both local and distant markets. If that is not possible, then there exists a significant irony for Moree in terms of being excellent in matters rural, but not in many other industry categories.



Moree Memorial Hall, Moree