

“Social and Economic Analysis of the Narromine 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 over 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 for Narromine include:

- ◆ Narromine’s population and employment has not changed by large amounts over the past decade in response to variations in the economy.
- ◆ 24% of the Narromine residents who are working commute beyond the shire to work.
- ◆ Narromine is praised for having fantastic health and social services despite its small size.
- ◆ Narromine was the only NSW study area above the state and national averages for Indigenous labour force participation rates.

The Narromine Shire

Narromine is a small community in Central NSW with Dubbo not far away. Trangie is a smaller town to the west. This has been a broadacre cropping and grazing region. Access to irrigation water from the Macquarie River has provided an opportunity for diversification. That has included the growing of cotton and some specialised intensive production (eg. a rose propagation nursery). In the past it has also been producing vegetables for processing. The access to irrigation water has been related to the amount of water allocated to the notable Macquarie Marshes area.

The Narromine Economy

The Narromine 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 Narromine Shire).

In 2005-06, the Narromine economy was estimated to have a Gross Regional Product (GRP) of \$205m



Narromine, NSW

and employed 2,159 people at workplaces in the Shire.

In 2006, 24% of the Narromine residents who are working, commute beyond the shire to work (mainly in Dubbo). This adds to the income of Narromine households and will boost the local economy to the extent that the income is spent in Narromine.

Narromine is a relatively small economy and heavily dependent on agriculture as indicated in Figure 1 where it accounts for 36% of GRP and almost all of the exports from the region. This makes Narromine heavily vulnerable to the fluctuations in agricultural earnings. In this year, agricultural production was around 25% below the expected level.

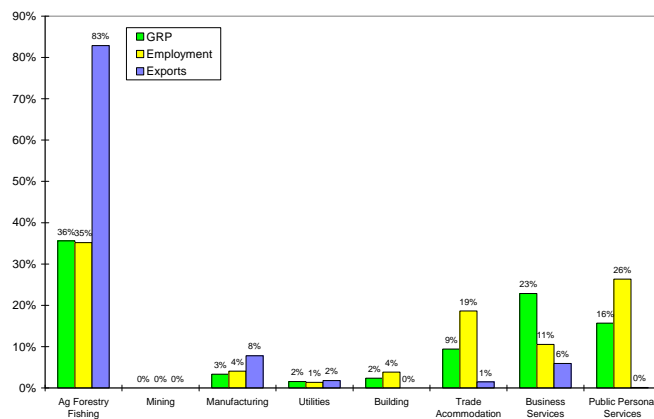


Figure 1: Industry Structure of Narromine Economy 2005-06
Source: Narromine Input-output Table

The population and employment has not changed by large amounts over the past decades in response to variations in the economy. It would appear that the buffer in Narromine’s case is the extent to which residents commute to work and absorbing lower earnings through lower expenditure.

The detailed industry structure is shown in Figure 2 highlighting the importance of agriculture. There is a further cluster of employment in the trade and accommodation industries but that is relatively small, especially in retail trade. There is also a cluster around the public administration, education, health and community care industries – these become especially critical in small economies.

The cotton industry in Narromine 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 \$32m. The total impact (includes flow-on impacts) on the Narromine economy has been estimated at:

Gross output	\$54m (16% of economy)
GRP	\$22m (11% of economy)
Wages and salaries	\$7m (9% of economy)
Employment	170 (9% of economy)

The main flow-on impacts accrue to various agricultural service activities including cotton ginning and some providers of consumer goods and services. These reflect the low multipliers around 2.0 to 2.5 that are associated with the small economy.

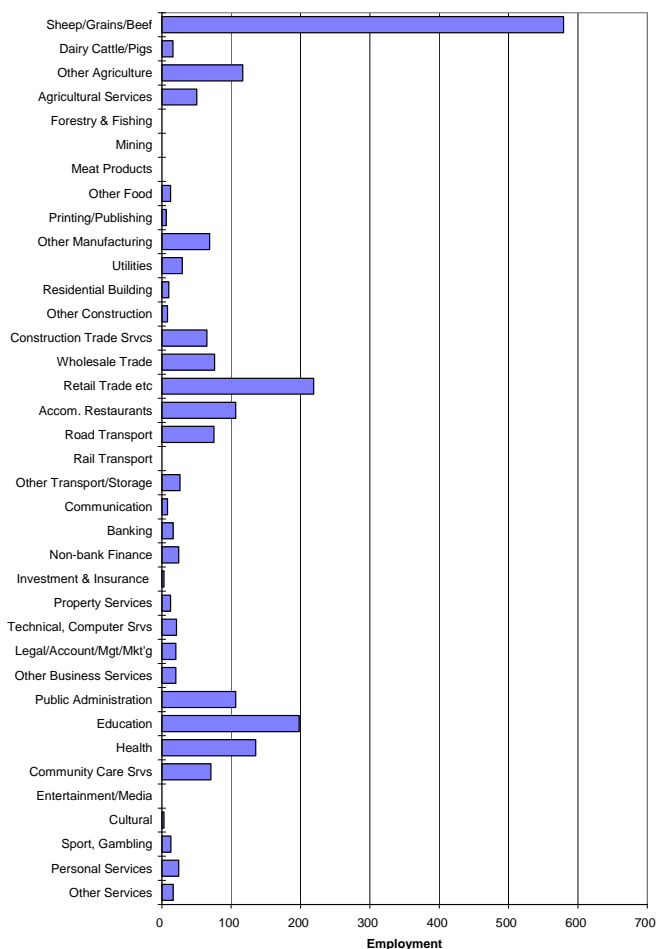


Figure 2: Industry Structure of Employment, Narromine 2005-06
Source: Population Census, 2006

Over the period 2001 to 2006 the jobs in Narromine declined by less than 200. Most were in agriculture and the services that support it including the wholesaling operations that supply inputs and handle production. This is an expected response to dry periods when production is lower than usual.

On the other hand, an additional 134 jobs in the public administration, education, health and community care would have been a considerable benefit to Narromine.

The level of service delivery can be assessed through an index based on employment and population that relates the situation in Narromine to the NSW average as shown in Figure 3.

This indicates strength in some of the industries that support agriculture such as machinery repairs and road transport. The service levels for most of the public sector services are also at a good level. They have a special role in an area of non-bank finance. For business services the situation is very poor. Retail trade is an example of an industry where there is high competition from nearby Dubbo. Restaurants and accommodation have a stronger position as residents opt for those services to be provided near to where they live.

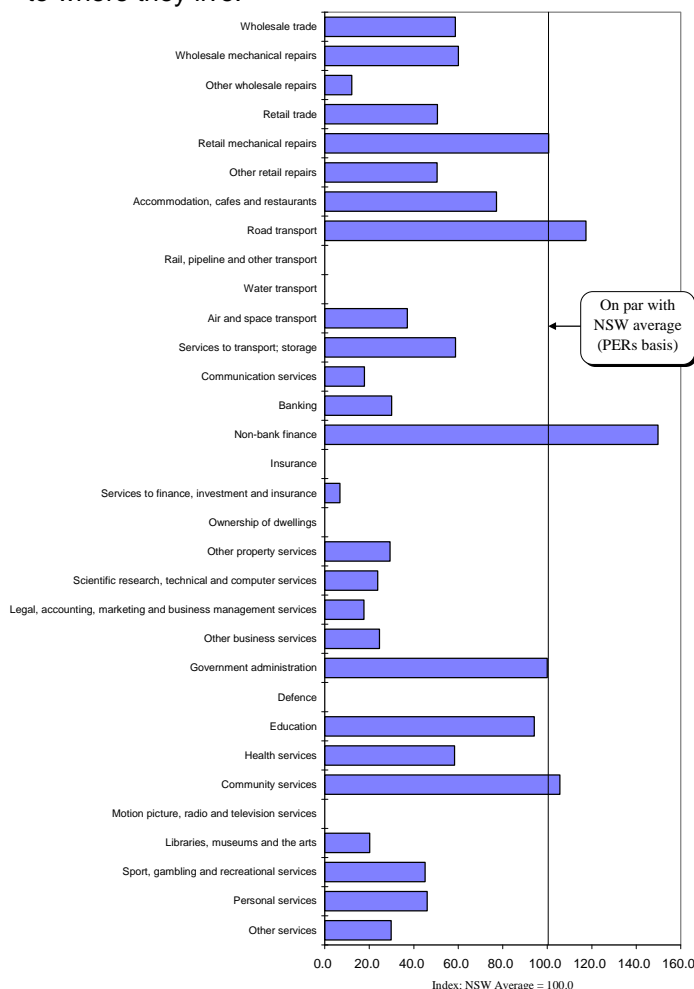


Figure 3: Service Delivery Index, Narromine, 2006
Source: Data from 2006 Population Census

The development of Narromine represents a real challenge because it is small and sits in the shadow of Dubbo. At present it is primarily agriculture and associated services plus the service activities to a population that chooses Narromine as their residence. Most activities will be focused on preventing some of the considerable leakages of expenditure from Narromine.

Careful consideration should be given to identifying those activities that do not suffer much of a competitive disadvantage relative to Dubbo. This can include health and related services, recreation activities and selected areas of retailing.

There are many small towns in NSW that have a similar situation near to a major centre. Some have established some niche activities in cultural, recreation and retail activities that may offer further ideas for Narromine.

Even though it might be seen as wishful thinking, a continuous effort should be made to nurture those enterprises that build their business on knowledge and technology rather than natural resources.

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

The Narromine Community

Despite the advantages of being close to a larger regional centre, residents say there is a strong sense of pride that the area does not have the 'hustle and bustle' of a larger town.

Narromine is praised for having fantastic health and social services despite its small size. The recent drought has had a large impact on the wellbeing of the community, especially with regards to unemployment and subsequent mental health issues like depression – though services are able to accommodate for the increase in need.

Narromine was the only NSW study area above the state and national averages for Indigenous labour force participation rates (figure 4).

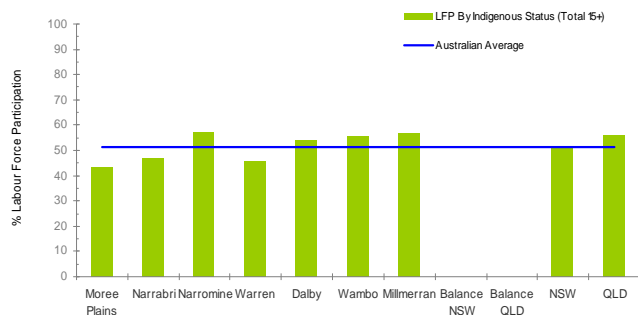


Figure 4: Labour force participation rate by Indigenous Status (Total 15yr+) Source: ABS (2006) Census of Population and Housing, Indigenous Community Profiles



Narromine Community Skills Project Inc.

Narromine and Dalby were the only cotton communities with lower rates for premature death from injuries and poisonings compared to state and national rates. Narromine recorded the lowest rate of 28.1, which was –11.1% lower than the NSW average, and much lower than the other NSW study communities (figure 5).

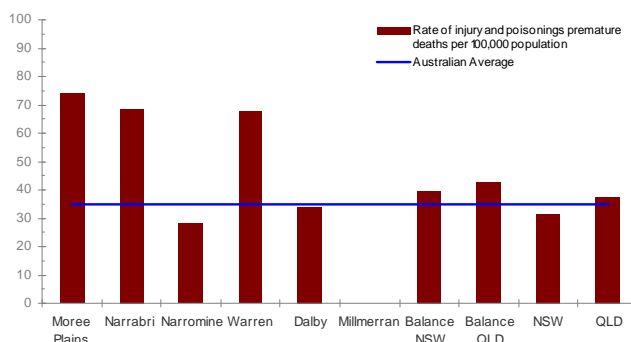


Figure 5: Premature Mortality – Injuries and Poisonings Source: PHIDU (2005) Population Health Profiles, Data obtained in 2001-02 period

Of the NSW cotton communities Narromine had the lowest rate of theft from a retail store, more than 44% below the NSW average (figure 6).

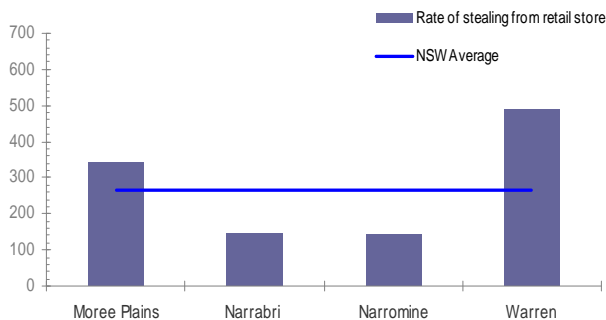


Figure 6: Rate of theft from retail store per 100,000 population – NSW Source: NSW Bureau of Crime Statistics and Research (2007)

In a community survey, 93% of Narromine respondents either agree or strongly agree with the statement, "Overall, I feel attached to living in my area." (figure 7).

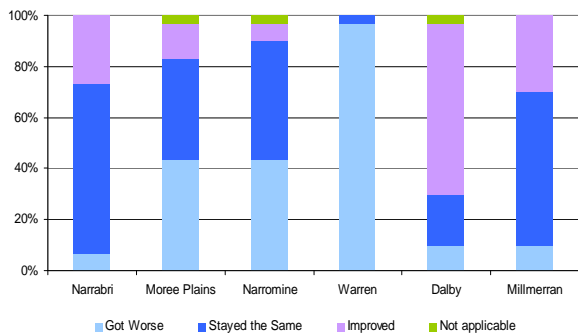


Figure 7: In the Past Year How Has Life Changed in Your Area?
Source: JSA 2007

Narromine to share those features and so reduce the high dependence on agriculture.

While Narromine is a relatively small cotton production region, cotton represents a significant agricultural activity for the region. The irrigation activities provide diversification for an agricultural industry based on cereal and livestock grazing activities. In total, the cotton industry total impact in 2005-06 accounted from around 10 per cent of the Narromine economy.

There is still work to be done in identifying the particular type of non-agricultural economy that is Narromine. It is likely that it will continue to be an extension of Dubbo in terms of residence but needs to define its own identity that is separate from Dubbo yet complementary to it. This will enable the operation of Narromine as a viable business centre in its own right, lead to a reduction in the leakages to Dubbo and maintain a larger portion of residents in local employment.

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

www.cottoncrc.org.au



Narromine Shire Family Health Centre



Cottage in Narromine NSW

Summary

The Narromine Shire is a significant land area, but supports a relatively small population and workforce. Narromine itself is within commuting distance of Dubbo which is a rapidly growing regional centre. Over 20 per cent of the resident workforce had employment outside the Shire in 2006, mostly in Dubbo.

In effect, the growth and economic structure of Dubbo provides an opportunity for the residents of