

WARREN

UNDERSTANDING COMMUNITY CONDITIONS



Northern
Basin
Review



Warren and surrounds, What the research tells us

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

Warren and surrounds, From the locals' point of view

- Looking back
- Managing change
- What is happening

Since the 1970s, the Warren economy has undergone considerable structural change. Prior to the irrigation development, sheep grazing was the focus of the agricultural economy. When wool production declined, cotton production played an important role in providing employment opportunities. Through this period, cattle grazing had a greater role.

Since 2001, there has been a considerable change in the population of Warren. The changes within the population, especially the fall in the number of people under 45, and the current general social and economic conditions indicate the significant challenge for the community adapting to multiple changes.

One of those changes has been the recovery of water for the environment. The Warren community is still adapting to that change in conjunction with the other sources of change. Adapting has been made more difficult by the drought across 2014, 2015 and early 2016.

NORTHERN BASIN



A photograph of two people, a man and a woman, standing in a dry, open landscape. The man, on the right, is wearing a light blue button-down shirt, blue jeans, and a wide-brimmed hat. He is gesturing with his right arm towards the ground. The woman, on the left, is wearing a light-colored shirt, dark pants, and a wide-brimmed hat. They are standing on a dirt path that has been dug into the ground, revealing a cross-section of the soil. The background shows a line of trees under a clear sky.

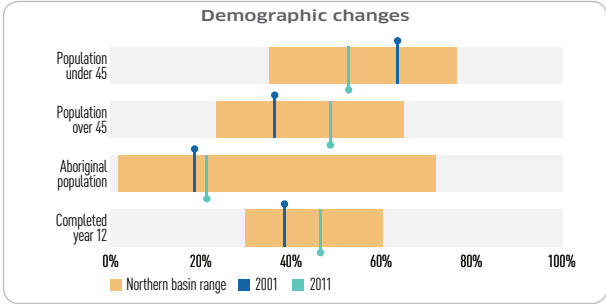
Warren and surrounds

What the research tells us

POPULATION

	2001	2006	2011
Total area population	2,690	2,503	2,456
Total town population	1,784	1,654	1,520

Between 2001 and 2011, the Warren community population fell by 234 people (9%). During this time, the town population declined by 264 people (15%). That is, most of the population change was associated with the town, where the population fell at a relatively constant rate across the period. Between 2006 and 2011, there was a small increase in the number of people in the farming area of the community. In 2011, 21%



of Warren’s town population identified as Aboriginal.

In 2001, 36% of the town population was 45 years or older. This increased to 48% by 2011. The change in population includes a 13% increase in the number of people aged 45 years or older and a 30% decrease in the number of people under 45. Most of this change occurred between 2001 and 2006.

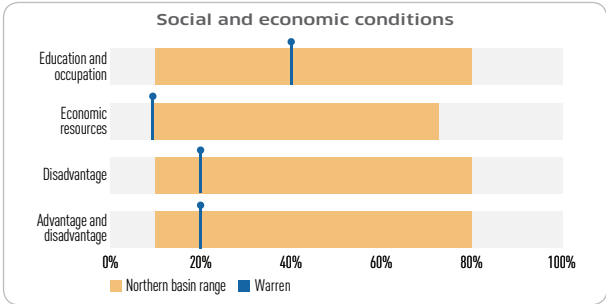
EDUCATION

In 2011, 46% of people in the town (aged over 15) had completed year 12 and 28% had completed some post-school qualifications. This is an increase from 24% in 2001.

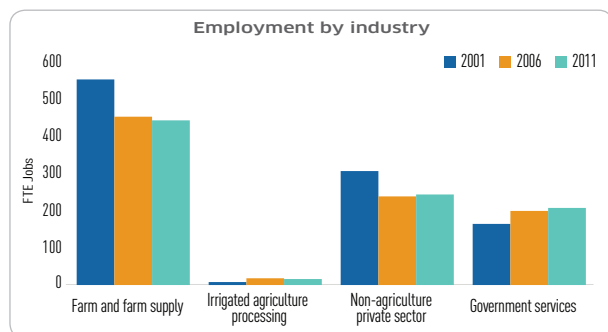
In 2011, Warren had index scores of 4 for education and occupation, 2 for disadvantage, 2 for advantage and disadvantage and 1 for economic resources. For 2006, the index scores were the same for 3 of the measures,

the difference being an index score of 2 for economic resources.

General social and economic condition



EMPLOYMENT



In 2011, there were 907 full time equivalent (FTE) jobs in the Warren community. Between 2001 and 2011, there was a 12% (124 FTE) decrease in full time employment in the Warren community. Nearly all this change occurred between 2001 and 2006, with full

time employment constant between 2006 and 2011. Unemployment in the town of Warren was 9% in 2011.

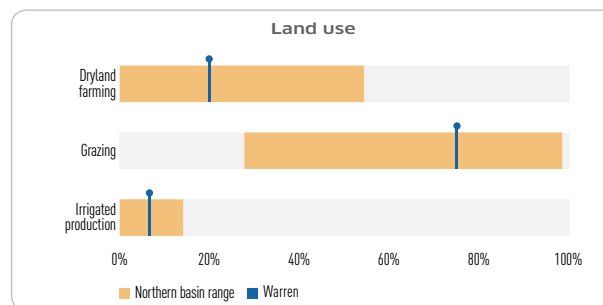
The agriculture and agriculture supply sector dominates the Warren economy representing 49% of all jobs in 2011.

Between 2001 and 2011, employment fell by a total of 20% (110 FTE), including an 18% (100 FTE) fall between 2001 and 2006 in agriculture and agriculture supply sector jobs. Across the 2001 to 2011 period, employment in the non-agriculture private sector fell by 21% (63 FTE), nearly all between 2001 and 2006. Employment in the government services sector increased by 26% (43 FTE) between 2001 and 2011, with most of the increase prior to 2006.

LAND USE

Land use in the Warren community is predominantly dryland grazing (covering 74% of the land area) and 19% of the land is used for dryland farming. The area developed for irrigated production accounts for 6% of the land area, with cotton the main crop grown when water is available. Other irrigated crops grown include wheat, chickpeas, sunflower, sorghum and millet. The volume and mix of production varies significantly from year to year.

The irrigated area has varied between 300 and 32,200 hectares. The maximum area developed equates to 12 hectares of irrigated area per person.



IRRIGATION WATER AVAILABILITY

Water in the Warren area is sourced from the Macquarie–Castlereagh catchment. Main water sources are regulated and unregulated surface water. The 2004 *Water Sharing Plan for the Macquarie and Cudgegong Regulated Rivers Water Source* introduced changes to the volume of supplementary water able to be extracted by irrigators. The introduction of additional general security entitlements for the environment affected the reliability of the general security on-allocation entitlements held by irrigators.

Prior to 2008–09, irrigators in this community held 139 GL of surface water entitlements. Since 2008–09, around 30 GL has been recovered from the Warren community through purchase and infrastructure investment by the Australian Government. Most of the water purchase occurred in 2009–10.

An additional 13 GL of entitlements were purchased through the state water recovery processes. Water savings accruing to irrigators from that infrastructure investment, such as the NSW State Priority Project – Private Irrigation Infrastructure Operators Program and the NSW State Priority Project – Irrigated Farm Modernisation, were around 2 GL. The net effect is a reduction of 41 GL out of 139 GL total permanent water entitlements, which represents 30% of water for production.





Warren and surrounds

From the locals' point of view

Looking back

Warren is internationally known for its merino sheep studs. Egelabra Merino Stud can trace its history back to the birth of the wool industry in Australia in 1797 with the introduction of Spanish blood merinos by Captain Henry Waterhouse.

For a century, the wool industry gave Australians a high standard of living. Like many rural towns around Australia, Warren's prosperity rose and fell with the price of wool.

In the early 1990s, the wool industry suffered an economic collapse. When the Australian

Wool Reserve Price Scheme ended, it brought untold hardship to many rural towns across the nation – including Warren. At this time, the Australian Government paid wool growers a bounty to slaughter their sheep.

Locals said the dramatic decline in the number of sheep saw many people leave the community. The number of sheep in the Shire has fallen from around 1 million in the early 1990s to around 350,000.

Cotton production helped fill the void in job opportunities. Cattle numbers also increased

as some farmers slowly changed their operations.

The completion of Burrendong Dam in 1967 allowed for the growing of cotton.

The cotton seasons in the 1990s and early 2000s would bring around 400 extra people to town. Growers relied on picking crews of up to 10–15 people to manage the harvest.

Nowadays, most cotton growers in the Warren area are using round bale pickers, which requires minimal labour at picking time.

Some people told us the water buyback process of the Australian Government provided significant benefits to some farmers in the Macquarie Valley. In particular, the scheme enabled some of those marginally involved in irrigation farming to convert their farms to totally dryland production, retire debt and continue farming.

However, the lag time between when farmers made the decision to convert their properties from irrigation to dryland production and when they were paid for their water licences placed financial strain on many businesses in town.

Business owners said they had to carry considerable debt for some customers as they waited for the capital to pay for the infrastructure needed to convert irrigation farms into dryland cropping or grazing operations.

Warren Shire Council General Manager Ashley Wielinga has lived in Warren for 26 years. He says the NSW water sharing plans and the Murray–Darling Basin Plan, coupled with years of drought, has put his town on a knife's edge.

Ashley told us that government water policy has taken away 30% of Warren's potential agricultural productive capacity.

'It's government policy that is smashing people around here. They can cater for droughts and come back from it, but they can't prepare for changes in government policy.'

Ashley Wielinga

Managing change – a business owner's view

Jack Ryan established Western Farm Machinery in Warren in 2002. He employs 18 full-time staff and 2 casuals.

Over the last 14 years, Jack told us that he has spent considerable resources in diversifying the business, to make it survive the tough seasons.

While machinery sales remain the main source of income for Western Farm Machinery, the business now carries more than \$2.5 million worth of truck and automotive spare parts to service customer needs.

Jack says if there is no water allocation for cotton growers in the area, his income can drop by as much as \$5 million per annum. While income can fluctuate dramatically, he works to keep staff on, rather than downsize during tough seasons. The annual wage bill for Western Farm Machinery is more than \$1 million.

'You have to do what you have to do to survive. If everyone in business got rid of people during tough times – we would have no-one here.'

Jack Ryan

Bev Napier says she can't find enough houses to sell at Warren. While last year was slow due to the dry weather and low water allocation for irrigation, Bev says this year, she has houses sold before she can advertise them.

The housing market is very solid by Warren's standards, with most homes fetching anywhere between \$140-\$170,000.

'Our business has grown significantly as we do rentals now. We have just ticked over 50 properties that we are now managing. Two years ago, we only had two.'

Bev Napier

Bev said agencies from towns like Dubbo were managing the rentals previously; however she says many home owners like a 'local' managing their rental property – hence the growth in this sector.

What is happening now?

Andrew Brewer is the branch manager of rural supply store, AGnVET in Warren. He said the cotton crop is essential to this business and the Warren community.

'The water level in Burrendong Dam is a figure everyone in town is aware of. You could ask almost any local in the street about where the water level is at and they would be able to tell you.'

Andrew Brewer

Andrew Brewer said cotton is such a lucrative crop. He told us that many growers who planted wheat around Easter are spraying it out, to prepare paddocks for cotton.

Local stock and station agent, Justin Sanderson says the rain over recent months and strong livestock prices have given cattle producers around Warren a real boost.

'Warren is just starting to hit its straps again because the community is just starting to diversify. Before, when it was so reliant on cotton, the town would be full and then empty.'

Justin Sanderson

Justin says 90% of his clients run cattle and the current market has given people optimism for the future.

Auscott's General Manager at Warren, Bill Tyrwhitt, says their 21% water allocation this year will mean that they can put in 2,500 hectares of cotton – compared to just 1,200 last year.

If all goes well for growers here, Bill told us that this year could see more than 100,000 bales go through the Auscott gin, increasing job opportunities for local people.

At the moment, Auscott employs 6 permanent staff at the gin, and 13 at the farm. However, Bill told us that hopefully when the next round of allocations are announced, it will give Auscott the confidence to employ a further 3 full-time staff members at the gin and the farm.

While Bill says he is looking at the business year ahead for Auscott, he says the water recovery process over the last few years has been very unfair and hurt Warren.

People have found it quite challenging to separate the causes of the many changes they have observed. Some of the matters raised by people were important to understand if the MDBA was going to distinguish the role of the Basin Plan in eliciting change.

'There is a good feeling by the Commonwealth government that they bought (water) from willing sellers. But all they did was inflate the prices.'

Bill Tyrwhitt

Large changes to irrigation water add to the other large changes affecting the community. From an educational perspective, school student numbers have been declining over several years. Locals say enrolments at Warren Central School last year were the lowest in history. It has risen slightly this year to 211 students.

Jenny Hayley has just taken up the role as the Economic Development Officer in Warren. Jenny told us that she has worked in many rural towns across Australia and Warren isn't unique with the challenges it faces.

'The whole town is impacted by what happens in agriculture. If agriculture goes up, this town goes up. If agriculture goes down, the whole town is down.'

Jenny Hayley

Jenny is now working with the Warren Shire Council to help implement its Economic Development Strategy to encourage other industries to town. Jenny says tourism is an option Warren should be looking at and hopes to encourage those driving through to stop and spend some money.

'People need to know that when you come to town, they will get exceptional business presentation and personal service. The town needs to look good.'

Jenny Hayley

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