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ECONOMICS

# **Moora College Economic Impact Assessment**

*Prepared for*

**Moora Shire Council**

**February 2018**

# lucid

*/ˈluːsɪd/  
adjective*

1. expressed clearly; easy to understand
2. bright or luminous



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# Executive Summary

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## Background

In December 2017, the WA Government announced the closure of the Moora Residential College as part of numerous budget measures to save an estimated \$64 million (WA Government, 2017). Lucid Economics has been engaged by the Shire of Moora to conduct an economic impact assessment of this announced closure.

## Town of Moora and the Moora Residential College

The Town of Moora has an estimated population of 1,606 (2016) and functions as the regional centre for surrounding rural and agricultural communities. The local economy of the Shire is estimated to be \$191 million and include 1,152 jobs. The local economy is largely focused on agriculture as well as the key retail, education and healthcare services offered in Town.

The Moora Residential College provides accommodation for school children attending Year 7 to Year 12 at the Central Midlands Senior High School. The College has been in operation for over 35 years and receives high marks from parents in terms of overall satisfaction (95% overall rating).

There are currently 26 students boarding at the College, which makes up 15% of the total current enrolment at the Central Midlands Senior High School (total enrolment 177). The College's students currently represent \$264,000 of funding to the High School from Government. The College directly employs 11 people (5 full-time, 6 part-time) and spends money directly with numerous local businesses. Beyond its direct economic activity, the College brings many families/parents to visit Moora throughout the year to either drop off, pick up or visit their child (children). During these visits over the course of a year, families spend an estimated \$45,000 with local businesses purchasing groceries, clothes, automotive services as well as other products and services not available to them at their home location.

### **Importance of Infrastructure and Services in Regional Communities**

Access to education and health infrastructure and services are important to regional communities and greatly enhances their ability to attract residents, workers and businesses. Access to the full range of health services (including GPs, acute and high care hospital, allied health, aged care, etc.) and educational services (K-Year 12) becomes a major decision factor for anyone looking to move to a regional community. In the case of Moora, the existing infrastructure and services, including the current education offer at the Central Midlands Senior High School, has featured prominently in many local residents' decision to move to the area.

## Economic Impact Assessment

The closure of the Moora Residential College will create two specific rounds of economic impacts:

- Direct loss of employment and expenditure in Town (from the closure)
- Direct economic loss of families leaving the area to access different educational opportunities for their children

The closure of the Moora Residential College will create a loss of 10.5 FTE jobs and a reduction of \$48,449 in local expenditure (from families/parents). Combined these losses lead to a reduction of \$1.5 million in local GRP and 15 local jobs (Table E.1).

**Table E.1 Annual Economic Impact of Moora Residential College Closure (2018\$)**

	GRP (\$)	Employment (No.)
Direct	\$950,218	11
Indirect	\$578,345	3
<b>Total</b>	<b>\$1,528,563</b>	<b>15</b>

Notes: Employment expressed as full-time equivalent (FTE) positions

Source: Lucid Economics

The second round of impacts caused by the departure of an expected 12 families from the area creates a further loss of \$433,000 (in GRP terms) and an additional four jobs (Table E.2).

**Table E.2 Annual Economic Impact of Families Moving Away from Moora (2018\$)**

	GRP (\$)	Employment (No.)
Direct	\$282,468	3
Indirect	\$200,125	1
<b>Total</b>	<b>\$433,340</b>	<b>4</b>

Notes: Employment expressed as full-time equivalent (FTE) positions

Source: Lucid Economics

#### **Economic Impact of the Closure of Moora Residential College**

**Combined the two rounds of economic impacts directly associated with the closure of the College will lead to an annual reduction of \$2.0 million in local GRP and 19 jobs (directly and indirectly), which equates to 1.0% of the Shire's GRP and 1.6% of total employment in the Shire. More concerning to local businesses would be the expected annual loss of \$2.3 million in local expenditure or turnover in the economy, stemming from the closure of the College.**

In the 2016-17 financial year, the State Government contributed \$374,000 to the operations of the Moora Residential College. Considering the identified economic impact of \$2.0 million in local GRP (directly and indirectly), the State's financial contribution enables the College to unlock an economic benefit over five times greater than that financial contribution.

Beyond these economic impacts, there would be additional impacts on the local economy and community, including:

- Potential **population decline** caused by families leaving the area to seek better educational opportunities for their children. The population could decline as much as 176 people or 11.0% over the next four years.
- **Housing prices** could fall as a result of any decrease in population. The departure of 12 families is expected to lower the median house price in Moora by 3.3%.
- **Business confidence** will fall in Moora after the closure of the College. Many other businesses (directly or not directly related to the College) may become uncertain about future growth prospects of the Town and may curtail their business operations or any future planned investment, hiring or expansion.
- The Town's **ability to attract new residents, workers and businesses** will be reduced through the reduction in educational offering at the High School caused by the closure of the College and the associated reduction in funding for the High School.

- Many of the **local clubs** rely on local members and volunteers, especially the local sporting clubs. A reduction in local families may put significant pressure on these clubs and impair their ability to field an entire team or remain financial sustainable.
- There is a strong relationship and connection between the College, High School and the Central Regional TAFE campus in Moora. The closure of the College and subsequent reduction in funding to the High School will put pressure on the local TAFE and **reduce the availability of local apprentices** as well as the long-term viability of the courses locally.
- As any families leave, there will be a reduced pool of available expenditure within the local economy. Many of these families may run local businesses as well. If the population declines as a result of the closure of the College and the reduced offering at the High School, the Town may **lose some existing services** as local businesses close and move.
- The reduction in population and removal of local expenditure could put pressure on the **long-term viability of existing businesses** (and eventually the Shire) as the pool of local spending and rates revenue decreases.
- The closure of the Moora Residential College may negatively impact some future developments and economic opportunities, including AFGRI Equipment's Apprentice Academy, which plans to send 24 apprentices this year to study in Moora at the Central Regional TAFE.

#### **Self-reinforcing Cycle of Economic Erosion**

**By far the most alarming potential impact of the Moora Residential College closing would be the closure's ability to spark the beginning of a vicious, self-reinforcing cycle of decline. If the College is closed, then the High School will lose funding. Combined with other expected funding losses, the ability of the High School to appropriately cater to Year 11 and Year 12 students will be significantly decreased. This decreased ability may cause families to move away from the area to access another offering, which will reduce funding for the schools further. This further decrease in funding may cause additional families to leave, which reduces school funding and the available expenditure in the economy further, putting additional pressure on the businesses and families that have remained.**

This type of cycle has led to the demise of many small towns across Australia.

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# 1 Introduction

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Lucid Economics has been engaged by the Shire of Moora to conduct an economic impact assessment on the potential closure of the Moora Residential College.

In December 2017, the WA Government announced a range of budget measures that will be implemented from 2019 to reduce the Department of Education's budget by an estimated \$64 million (WA Government, 2017). These measures included:

- Six camp school sites would be closed
- Schools of the Air (SOTA) would be closed
- Tuart College would be repurposed
- Program delivery at the Canning College would change
- Funding for the Landsdale Farm School would cease
- Residential accommodation at Moora and Northam would be closed
- Intake into the Level 3 classroom teacher program would be put on hold
- Funding for Gifted and Talented programs at 18 schools would be reduced by 25%
- Fees for a 10-day program would increase

The WA Government reversed many of these decisions in a January 2018 announcement (WA Government, 2018), which stated:

- Schools of the Air (SOTA) will not be closed
- Funding for Gifted and Talented programs will be maintained
- Intake into the Level 3 classroom teacher program will not be put on hold
- Accommodation at Northam Residential College will remain open

The Moora Residential College was not named in the most recent announcement and is scheduled to close in 2018.

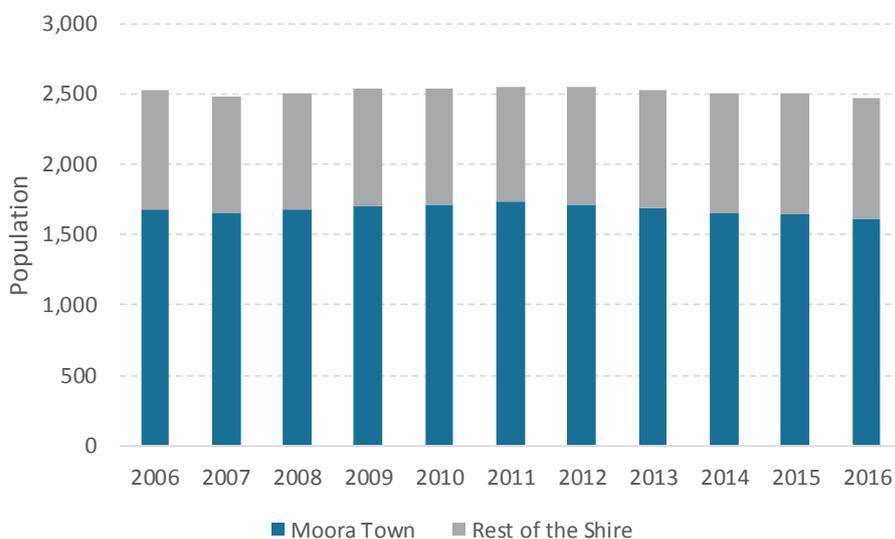
This assessment examines the economic impacts stemming from the planned closure of the Moora Residential College.

## 2 Moora Residential College

### 2.1 Town of Moora

Moora is the main town in the Moora Shire and functions as the main regional centre for some adjoining Shires as well. The Town represents the majority of the Shire's estimated resident population and was estimated to be 1,606 people in 2016.

**Figure 2.1: Population**



Source: ABS (2007); ABS (2012); ABS (2017a); ABS (2017b)

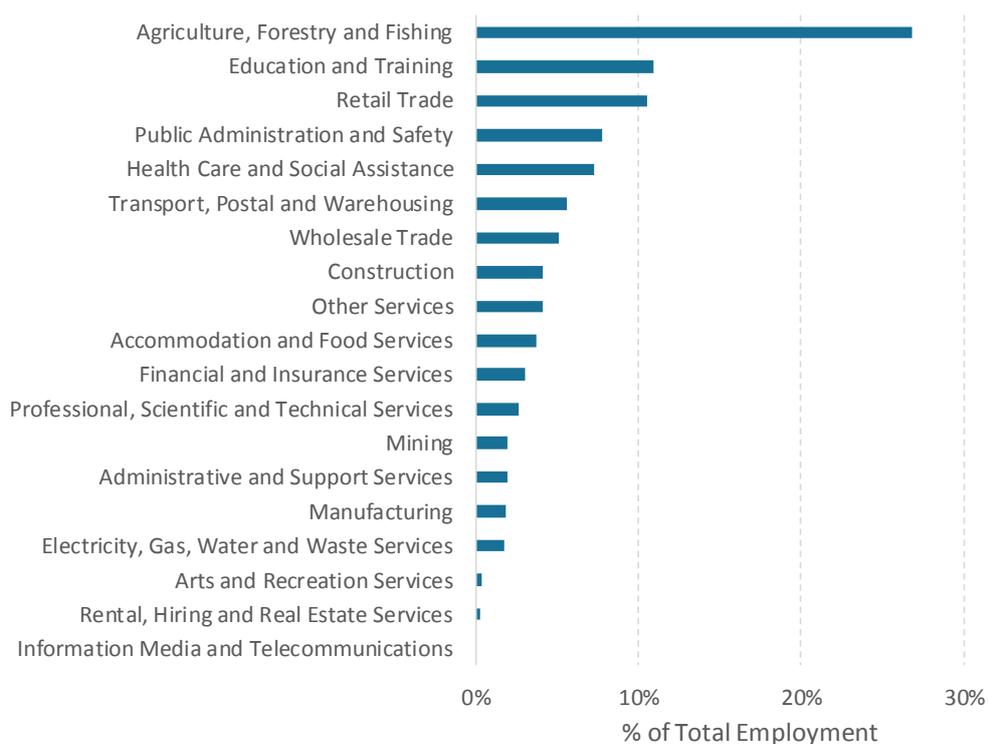
Typical of many Wheatbelt communities, the local economy revolves around agriculture in Moora. As a key regional centre, education and retail are also important employment sectors. The local economy is estimated to total \$191 million (in Gross Regional Product terms) and include 1,152 local jobs (ID, 2018; ABS, 2017b).

According to the 2016 Census, there were a total of 121 jobs in education across the Shire, including 112 jobs across preschool, primary and secondary education as well as 7 jobs in tertiary education. Moora has a number of education facilities, including:

- Moora Primary School
- St. Joseph's Primary School
- Miling Primary School
- Watheroo Primary School
- Central Midlands Senior High School
- Central Regional TAFE

Together with its existing healthcare facilities, the range of educational facilities (including primary to Year 12 as well as a range of vocational training) has been credited by locals with attracting many residents and businesses to the area over the years.

Figure 2.2: Employment by Industry, Moora Shire (2016)



Source: ABS (2007); ABS (2012); ABS (2017)

## 2.2 Moora Residential College

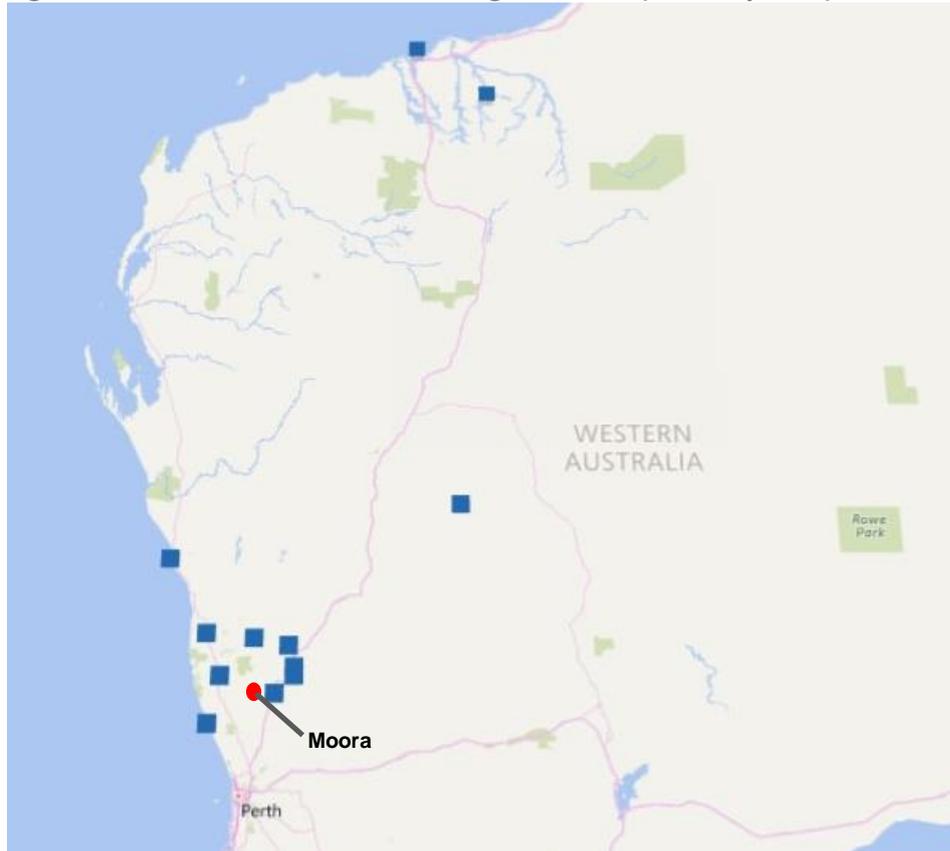
The Moora Residential College was established over 35 years ago and provides boarding services for students that allows them to attend the Central Midlands Senior High School in Moora. The College is fully air conditioned and provides 50 single dormitory style rooms for both male and female students. The College provides a range of recreational opportunities, including a 12-metre pool, air hockey, pool table, table tennis, computers and student lounges (some with X-Box gaming consoles). The College is directly adjacent to the High School oval and courts (i.e. tennis, basketball, netball). There are two buses that the College uses to ensure students can access sport, medical and academic commitments as well as taking regular weekend excursions.

The Moora Residential College recently received just under a 95% overall rating of good or better from the Country High School Hostels Authority (CHSHA) parents’ satisfaction survey. Compared with the other CHSHA colleges, Moora Residential College was "above average" on 8 of the 9 categories surveyed and received a “High Quality” rating overall as well as for the three individual categories of Food, Parent/Staff Communication and Appearance of the college.

Currently, the College has 26 students at the facility, which is down from the 29 students that were expected at the beginning of the year. One international student decided to return home, another one decided to pursue a traineeship in their home town and one student moved to Perth because of the announced closure of the College. The College has capacity to accommodate 50 students.

Many of the 26 current students come from around the district within a radius of 1 to 1.5 hours’ drive, while some come from further away including Geraldton, Sandstone, Marble Bar and 80 Mile Beach (Figure 2.3).

Figure 2.3: Residential Location of College Students (February 2018)



Source: ABS (2007); ABS (2012); ABS (2017)

The College directly employs a total of 11 staff, including five full-time employees and six part-time employees. Combined the current employment equates to 7.5 full-time equivalent (FTE) positions. The College is an important consumer for the town, sourcing a considerable amount of goods and services from local businesses. The College has estimated that in the 2016-17 financial year, it spent a total of \$75,600 with local suppliers including the purchase of food and grocery items, local administrative support, fuel and maintenance services, which makes up 28.5% of non-staff expenditure from the College.

In addition to direct expenditure from the College, the families and students boarding at the College provide additional local expenditure in terms of uniforms, food, vehicles services, clothes and other retail items.

**Table 2.1: Profit and Loss Statement, Moora Residential College**

	Actual 16-17
<b>Income</b>	
Fees	\$411,690
Other Income	\$27,126
Deficit Funding (WA Government)	\$313,473
GST	\$16,133
<b>Total Income</b>	<b>\$768,422</b>
<b>Expenses</b>	
Staffing Costs	\$563,954
Food Costs	\$82,464
Domestic Costs	\$51,877
Admin Costs	\$25,921
Maintenance Costs	\$39,944
Equipment Costs	\$10,009
Motor Vehicles Costs	\$24,938
Amenities Costs	\$13,828
GST	\$15,831
<b>Total Expenses</b>	<b>\$828,766</b>
<b>Total Cashflow</b>	<b>-\$60,344</b>

Source: Moora Residential College (2018)

### 2.2.1 Central Midlands Senior High School

The Central Midlands Senior High School has a current enrolment of 177 students, drawing from 6 feeder schools, with four primary schools located in the Shire and two located in adjoining areas. At this current level of enrolment, the students at the Moora Residential College represent 15% of the total enrolment at the High School.

The High School currently employs 23 people across a range of functions (Table 2.2). As with most schools, funding is dependent upon enrolments and is estimated to equate to an average of \$11,000 per student. As such, in consultation with the High School, the students at the Moora Residential College currently represent \$264,000 in funding for the High School.

**Table 2.2: Employment, Central Midlands Senior High School (February 2018)**

	Employment
Principal	1
Deputy Principal	2
Teachers	15
Administration	3
Support Educators	2
<b>Total</b>	<b>23</b>

Source: Chapman (2018)

The current offering at the High School provides numerous elements that are attractive for both the families of the children at the Moora Residential College as well as the families in the Moora Shire (and immediate neighbours). The High School provides Year 7 – Year 12 classes, including four Australian Tertiary Admission Rank (ATAR) courses. The School also provides a School of Isolated and Distance Education (SIDE) Coordinator and an Educational support coordinator that both provide one on one assistance to students. Neither of these positions are mandatory, but the School reports they both provide considerable benefits to Year 12 students (with ATAR course work) as well as those students that may be vulnerable to dropping out.

Beyond the strong connection between the College and the High School, there is also a further close working relationship with the Central Midlands TAFE and many of the vocational courses that are taught in conjunction with the High School, of which students at the College also participate.

## 3 Economic Impact Assessment

### 3.1 Modelling Approach

This assessment leverages an Input-Output (IO) framework and is based on the latest Input-Output tables provided by the Australian Bureau of Statistics (ABS), which have been modified to reflect the local region.

Economic impact analysis identifies a series of economic metrics. For this assessment, the following metrics have been identified:

- **Output:** gross value of goods and services, including all input costs.
- **Gross Regional Product:** value of the total economic output minus the costs of goods and services used as inputs, plus net taxes. Gross regional product (GRP) is a preferred measure of the economy as it focuses on the net contribution from the local economy. This value is most closely associated with Gross State Product (GSP) or Gross Domestic Product (GDP).
- **Employment:** employment positions generated, expressed on a full-time equivalent (FTE) basis.

These metrics are measured in terms of the direct as well as the indirect (flow-on) impacts. IO modelling has various limitations, as highlighted in **Appendix A**.

### 3.2 Assumptions

This assessment considers the economic activity currently directly associated with the Moora Residential College. There are three main drivers for this assessment, which all link directly to the College and will be lost under the proposed future closure of the College:

- **Direct Employment Loss at the Moora Residential College:** the closure of the College will result in a direct loss of employment from the local economy.
- **Reduction in Funding for the Central Midlands Senior High School:** the closure of the College will result in a reduction in students at the Central Midlands Senior High School and a direct reduction in funding for the High School.
- **Reduction in Retail Expenditure in Town:** the closure of the College will remove the current catalyst for many families to travel to Moora. During these visits (to drop off, pick up or visit their child at the College), the families frequent many of the local businesses in Moora. Without the College, these families will not travel to Moora.

As highlighted previously (refer Section 2.2), the Moora Residential College directly employs 11 people, providing 7.5 FTE jobs into the local economy. The closure of the College will result in these jobs being eliminated.

In consultation with the High School (Cameron, 2018), the loss of the College and its students would result in a direct reduction in funding of \$264,000. This reduction in funding would likely mean the loss of three FTE positions at the High School.

In consultation with stakeholders and analysis of ABS information (ABS, 2017a), it has been estimated that the families of children at the College make a combined 32 trips to Moora specifically related to the College. In consultation with many local businesses in Moora as well as analysis of household expenditure data from the ABS (ABS, 2017b), it has been estimated that these trips drive nearly \$50,000 of turnover at local businesses. This expenditure would be lost if the College closes.

Table 3.1: Key Assumptions for the Economic Impact Assessment

Driver	Assumption
<b>Employment (FTE)</b>	
Moora Residential College	7.5
Central Midlands Senior High School	3
Total	10.5
<b>Retail Expenditure Lost (\$)</b>	
Visiting Families	\$48,449

Source: Lucid Economics; Chapman (2018), Moora Residential College (2018); ABS (2017a); ABS (2017c); ABS (2017d)

Table 3.2: Retail Expenditure from Visiting Families

	Families within 1-1.5 hours' drive	Families outside of 1.5 hours' drive	Total	Source/Notes
<b>Families</b>				
Students	20	6	26	Moora Residential College (2018)
Children per Family	1.9	1.9		ABS (2017)
Families	11	3	14	Calculation
Terms	4	4		Standard school year
Trips per Term	6	2		Consultation with stakeholders
Total Trips per Year	24	8	32	Calculation
<b>Expenditure per trip</b>				
Groceries	\$563	\$1,126		Consultation with businesses; ABS (2017c)
Car service	\$75	\$75		Consultation with businesses; ABS (2017c)
Clothes	\$41	\$650		Consultation with businesses; ABS (2017c)
Chemist	\$208	\$811		Consultation with businesses; ABS (2017c)
Hardware	\$121	\$250		Consultation with businesses; ABS (2017c)
Hair dresser	\$30	\$30		Consultation with businesses; ABS (2017c)
Total per Trip	\$1,038	\$2,942		Calculation
Total Annual Expenditure	\$24,911	\$23,538	\$48,449	Calculation

Source: Lucid Economics

It should be noted that beyond the first round of economic impacts related to the closure of the College, there would be subsequent rounds of impacts as well. In addition to the loss of funding for the Central Midlands Senior High School directly related to the College, the School is at risk of losing an additional \$288,000 in emergency funding that was granted for this current year as a once-off payment from the State Government. The loss of this emergency funding would mean that another two teachers would be lost at the High School (in addition to the three FTE positions directly related to the College). The combined loss at the High School would make it very difficult for the School to offer ATAR courses and suitably cater to Year 11 and 12 students (Cameron, 2018).

In consultation with stakeholders, families would begin to move away from the area in order to access Year 11 and Year 12 education for their children. Indeed, one family has already left the district due to this reason and the announcement of the closure of the College. In this instance, the student was going to begin Year 11 at the High School and did not want to risk the School not offering Year 12 the following year.

In most regional towns in WA, education and healthcare facilities are important infrastructure to attract residents, families, workers and businesses. Particularly, the opportunity to provide Year 11 and Year 12 classes is very important, which can enable children to stay at home until graduating from high school and choosing a future path of further education or a career. While boarding schools can provide this education away from home, these schools are often expensive and not every family is able to afford this option. From consultation with stakeholders in Moora, many families feel that the only option is to relocate and move out of the district to a location that can provide these educational opportunities locally.

Without the closure of the College, the High School would stand a better chance of being able to maintain the current offering for Year 11 and Year 12. However, the combined impact would likely mean that the High School would no longer be able to cater to Year 11 and Year 12 students. Consultation with stakeholders has estimated that six to 12 families would leave the district immediately if this were to occur. While the closure of the College is not related to the emergency funding the High School has received, there is a strong nexus between the closure of the College and the loss of Year 11 and Year 12 at the High School, which would directly relate to families leaving the area.

As such, the economic impact of these families leaving the district would create a second round economic impact of the closure of the Moora Residential College. As families leave the area, their expenditure with local shops and businesses will be removed from the locally economy, creating a second round economic loss. It has been estimated that the loss of expenditure from the local economy relating to families leaving to access education facilities would be between \$250,000 and \$500,000 in annual terms.

**Table 3.3: Estimate of Lost Local Expenditure in Moora**

	2018	
Average Household Expenditure (WA)	\$75,399	
Average Local Household Expenditure in Moora	\$41,264	
Number of Families to Leave	6	12
<b>Lost Local Expenditure</b>	<b>\$247,582</b>	<b>\$495,164</b>

Source: Lucid Economics; ABS (2017c); ABS (2017d)

The departure of these families would also mean the loss of between 11 and 23 additional children, which would mean a further reduction in funding for local schools, including the High School. The further reduction in education services as well as the economic loss from local expenditure would likely mean that further families would leave, creating subsequent rounds of economic loss and creating a self-reinforcing cycle of economic erosion.

### 3.3 Economic Impact

#### 3.3.1 First Round Impact

The results of the economic impact of the closure of the Moora Residential College and the loss of 10.5 FTE jobs and \$48,449 in local expenditure is highlighted in the following table (Table 3.4). Based on the assumptions highlighted above, the closure of the College will result in:

- Direct loss of \$1.8 million in local economic output, with an indirect (flow-on) impact of \$1.9 million.
- Direct loss of almost \$1 million in local Gross Regional Product (GRP), with an indirect (flow-on) impact of \$580,000.
- Direct loss of 11 FTE jobs with an indirect (flow-on) loss of 3 FTE jobs.

The combined loss (direct and indirect) of GRP is equivalent to just under 1% of total GRP in the Shire and employment losses (direct and indirect) represent 1.3% of total employment in the Shire. While these impacts in their own right may appear relatively minor, the loss of educational opportunities and the subsequent loss of local families will trigger additional economic losses as well (refer to next Section).

**Table 3.4 Annual Economic Impact of Moora Residential College Closure (2018\$)**

	Output (\$)	GRP (\$)	Employment (No.)
Direct	\$1,808,064	\$950,218	11
Indirect	\$1,874,578	\$578,345	3
<b>Total</b>	<b>\$3,682,643</b>	<b>\$1,528,563</b>	<b>15</b>

Notes: Employment expressed as full-time equivalent (FTE) positions.

Source: Lucid Economics

#### 3.3.2 Second Round Impact

As highlighted earlier, the loss of the College and reduction in funding for the High School (in addition to other funding losses) will likely create an environment that will force local families to move away to access better educational opportunities for their children. The economic impact of lost expenditure from 12 families moving away from town is highlighted in the following table (Table 3.5).

**Table 3.5 Annual Economic Impact of Families Moving Away from Moora (2018\$)**

	Output (\$)	GRP (\$)	Employment (No.)
Direct	\$495,164	\$282,468	3
Indirect	\$634,410	\$200,125	1
<b>Total</b>	<b>\$1,025,354</b>	<b>\$433,340</b>	<b>4</b>

Notes: Employment expressed as full-time equivalent (FTE) positions

Source: Lucid Economics

This second round of impacts would likely be followed by additional rounds as the loss of 12 families would mean a further reduction in funding for the schools, which may in turn cause other families to leave, creating further economic losses.

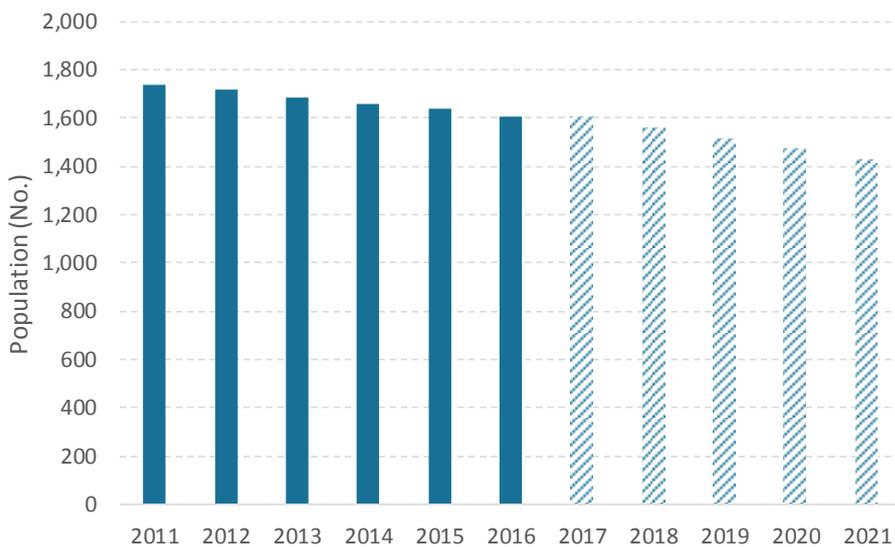
## 3.4 Other Impacts

### 3.4.1 Population Decline

From 2011 to 2016, the Town of Moora lost 131 people or 1.6% of its population (per year). The estimated departure of 12 families would likely equate to a loss of 46 people (based on demographics from the last Census), which would be 2.9% of the Town's population.

If this trend were to continue, at the time of the next Census, the population of the Town of Moora could be 1,430, a reduction of 176 people or 11.0%.

**Figure 3.1: Town of Moora Population**



Source: ABS (2017)

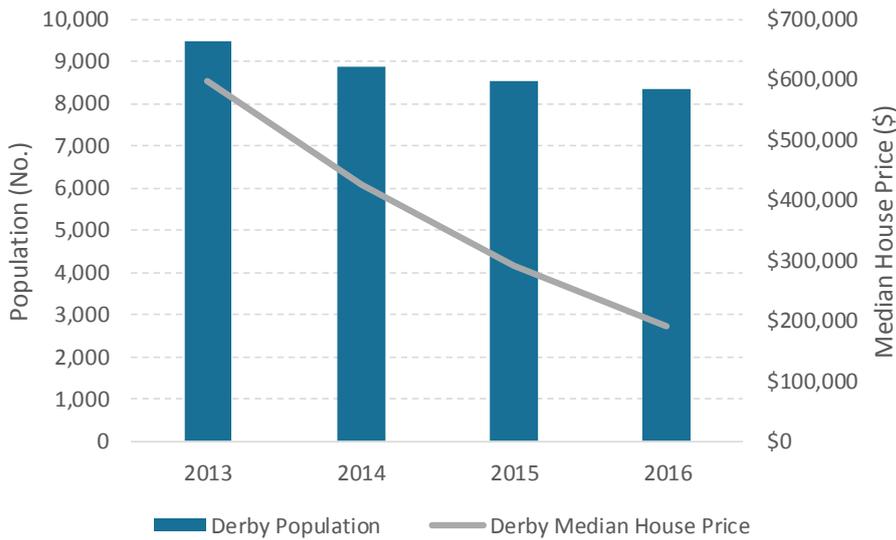
Alternatively, some families may decide to split the household and have one parent move with the children to another location to access education facilities, leaving one parent in Moora to work. This separation of families could lead to stress and a lack of family cohesion, which could have numerous negative social impacts.

### 3.4.2 Housing Prices

If the population of the Town of Moora were to decrease significantly, it could put pressure on housing prices. In 2014, The Shire of Derby-West Kimberley experienced the loss of key local employers, which totalled 920 jobs (or 30% of total employment). Subsequently, the population declined by 6.7% that year and another 3.5% the following year. At the same time, housing prices plummeted (Figure 3.2). While the job losses and associated population decline in Derby are not at the same scale as in Moora, this case study does provide insights into the relationship between population decline and median house prices.

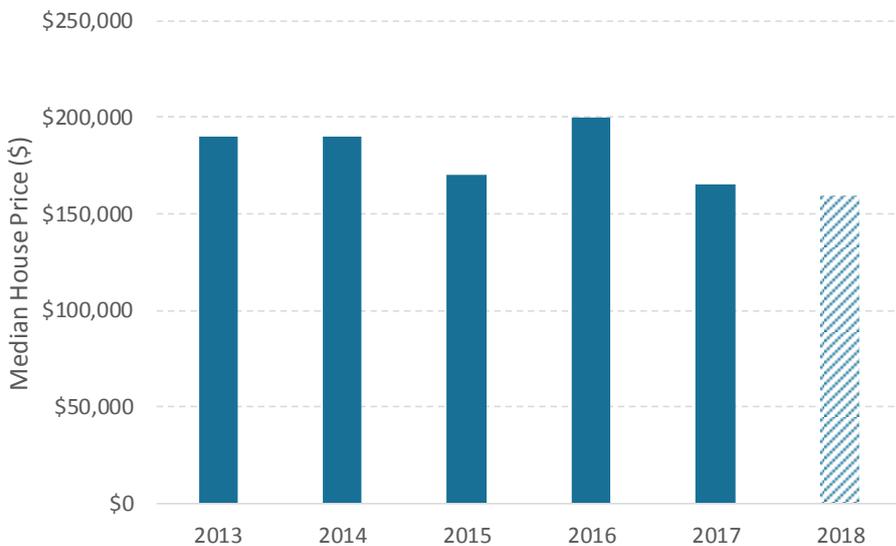
Using the Derby example as a basis, if the population of the Town of Moora were to decrease by 46 people, local median houses prices could fall by 3.3% (Figure 3.3).

**Figure 3.2: Derby Population and Median House Prices**



Source: ABS (2017a); REIWA (2018)

**Figure 3.3: Median House Prices, Moora**



Source: Lucid Economics; REIWA (2018)

**3.4.3 Business Confidence**

The closure of the Moora Residential College would provide a blow to local business confidence. Many businesses in town, including the local butcher, IGA, local builders, local car dealership and others currently provide products or services directly to the College. The loss in revenue from the closure will be a material negative impact on these businesses, causing some of them to potentially close. The direct and flow-on loss of revenue that local businesses experience due to the closure of the College will significantly lower local business confidence in the area. Many other businesses (not directly related to the College) may become uncertain about future growth prospects of the Town and may curtail their business operations or any future planned investment, hiring or expansion.

Business confidence is important in any economy. At the local and regional level, business confidence becomes critical to future economic growth of the town or regional community. Any decrease in local business confidence in Moora due to the closure of the College will have negative economic effects.

#### **3.4.4 Attraction of New Residents, Workers and Businesses**

Attracting residents, workers and businesses to regional areas is difficult. Having local infrastructure and amenity such as healthcare facilities, educational facilities, sporting fields and other community infrastructure as well as a variety of local residential services is critical.

The closure of the Moora Residential College will result in a reduction in funding to the Central Midlands Senior High School, which will impact the local educational offer. Combined with other potential funding reductions, the High School may become ill-equipped to appropriately cater to the needs of Year 11 and Year 12 students. This reduction in educational offering would make it more difficult for the Town of Moora to attract new residents, workers and businesses.

Indeed, many businesses consulted noted that access to a High School providing full Year 11 and Year 12 courses was a significant factor in their past decision to move to Moora. Consultation with many local businesses highlighted that any loss of educational offering at the High School would make it harder for them to recruit and fill available employment positions.

#### **3.4.5 Local Clubs**

Any loss in local population will impact local sporting clubs and other community organisations. Most of the sporting clubs would require a minimum number of children in order to field a full team. Many parents act as volunteers for the clubs filling positions such as umpires, team managers, coaches, etc. All of the sporting clubs and other community organisations would be run by volunteers.

Any loss in population would decrease the availability of volunteers as well as reduce numbers in many of the local sporting clubs and organisations. Consultation with stakeholders has revealed that many families would leave town and relocate to another location in order to access educational facilities providing full Year 11 and Year 12 classes, including all necessary ATAR courses. If these families leave, the loss of their children would impact the local sporting clubs and their ability to field a full team. The on-going financial sustainability of many of these clubs may come into question if there is a decline in families in Moora. Any decline in these clubs would negatively impact the families and residents that remained in Moora, essentially decreasing the local amenity.

#### **3.4.6 Apprenticeships**

The College and the High School current work closely with the local Central Regional TAFE. Consultation with the College and the High School has revealed that a number of the students boarding at the College are pursuing certificate degrees with the TAFE. Additionally, if the High School were forced to reduce its teaching staff adversely impacting the Year 11 and Year 12 offering, it would be difficult for many local children to access the associated vocational training. If Year 11 and Year 12 were lost from the High School, then the local pool of apprentices would decrease dramatically.

Local businesses consulted have indicated that they have hired young apprentices that have graduated from the joint High School and TAFE programs, many of whom were boarders at the College. The closure of the Moora Residential College will place pressure on the availability of local apprentices as well as the ability of the local High School and TAFE to continue to offer these courses.

### 3.4.7 Loss of Local Services

As highlighted previously, the closure of the Moora Residential College will have a direct impact on the funding of the High School and many families may leave town if their children cannot access the education that is provided currently.

As families leave the area, some local businesses (that the parents of these families run) would leave as well, potentially reducing the current offering of local services to residents. Some businesses consulted indicated that they would seek to relocate, essentially closing their business in Moora. These types of businesses could include local trades, healthcare services, employment services as well as numerous retail shops.

If the educational offering at the High School significantly decreases from the current offering, many local business owners could leave to access better educational facilities would their children, which would equate to a loss of that local business and a decrease in the local service offering.

### 3.4.8 Long-term Viability

The closure of the College is expected to reduce the local expenditure pool in the Town by \$45,000 as well as impact the funding of the High School. If the population started to decline as a result of the reduced funding at the High School, the pool of available expenditure in Moora would decrease, putting pressure on numerous businesses.

If more families decided to move away as their children neared high school age, the pool of local expenditure is reduced further (as well as funding for the High School). This self-reinforcing cycle of population decline and reduction in funding for the High School would likely continue and place tremendous pressure on the long-term viability of many local businesses, as the local expenditure pool continued to decrease. Eventually, the financial position of the Shire may also come under pressure from this cycle as well.

### 3.4.9 Impact on Future Projects

There are current projects that in planning and development phase, which might be impacted by the closure of the Moora Residential College.

John Deere dealership group AFGRI Equipment is setting up an apprentice academy focusing on the Central Regional TAFE in Moora. The intent will be to initially send 24 apprentices to Moora to gain specialised training to become highly qualified agricultural technicians. The apprentices would come from the company's 14 branches across Western Australia to train in Moora. The College could provide accommodation for this group, further bolstering its capacity. The announced closure could cause the company to reconsider the Central Regional TAFE in Moora in favour of a different location.

Westpork is current considering building a piggery near Moora, which may also be indirectly impacted by the closure of the Moora Residential College.

While these projects and other future potential investments are not solely dependent on the College, the College does provide support these future projects, particularly apprentice academy, and its closure may have an impact on these future projects.

## 4 Summary

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The closure of the Moora Residential College will have a direct economic impact including the loss of 15 jobs (directly and indirectly) as well as a reduction in the value of the local economy of \$1.5 million (in GRP terms). This reduction in economic activity will essentially see the direct removal of \$1.8 million in local turnover within the economy.

While the job losses and reduction in GRP only make up roughly 1% of the total in the economy, there would be a subsequent round of negative economic impacts as families leave the area to access better educational facilities. The reduction in population would remove almost \$500,000 in turnover for local businesses and lead to a further loss of 4 jobs (both directly and indirectly). This further reduction in students would lead to further funding reductions to the local schools, which in turn may also lead to additional families choosing to leave the area. As these families leave the area, the local pool of expenditure becomes smaller and additional pressure is placed on the remaining businesses.

Additional negative impacts associated with the closure of the Moora Residential College and subsequent reduced funding to the High School would include:

- Pressure on housing prices
- Lower business confidence
- Business closure
- Reduced ability to attract new residents, workers and businesses
- Pressure on local sporting clubs and community organisations (reliant on local volunteers and members)
- Reduced availability of local young people for apprenticeships
- Potential loss of local services
- Questionable long-term viability of many businesses

**Beyond the direct economic impacts associated with the closure of the Moora Residential College, there would be connected and associated negative impacts that would severely affect the Town of Moora.**

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