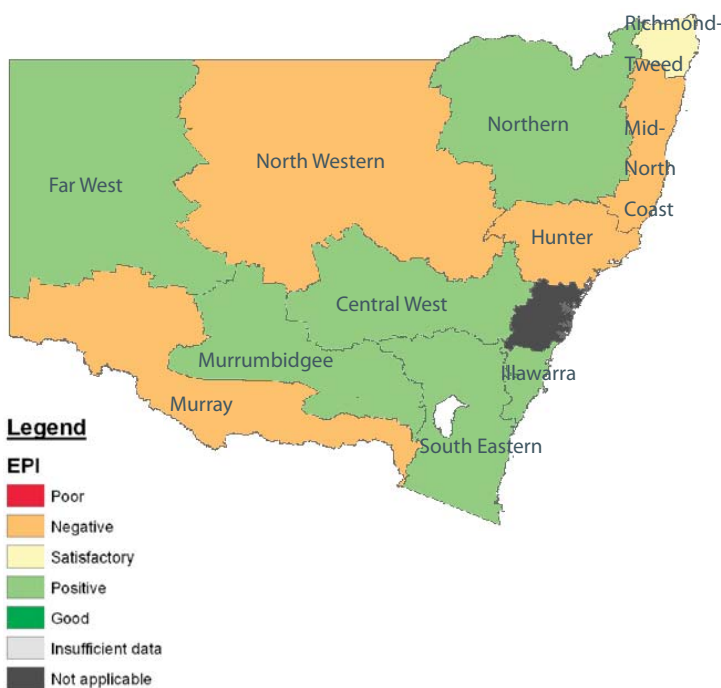


June Quarter 2009



"Have had a fantastic season due to good rain at the right time - looking forward to a great spring"

Beef Producer, Northern

The Economic Performance Index (EPI) is the average of results for business performance, employment and investment (capital expenditure) indicators. The EPI for New South Wales improved in the June Quarter, returning to a satisfactory position (0.00) after a negative result in the March Quarter. Despite the improvement, the result places New South Wales below the national average of 0.05.

The satisfactory performance statewide is largely the result of increasing capital expenditure across all sectors during the quarter. Despite remaining negative, business performance also improved during the quarter with both the upstream and downstream sectors reporting positive and improved positions. Producer performance improved though remained negative. Overall employment conditions remained marginally negative, similar to those of the previous quarter.

Overall profitability during the quarter was less than satisfactory, due largely to poor profitability reported amongst producers. In contrast, both upstream and downstream agribusinesses reported better than satisfactory profitability, with the upstream sector reporting the first positive results since March 2008.

The rate of increase of operating costs for the state was slightly higher than that recorded in the previous quarter. This compares favourably, however, to the rate of increase reported in the June Quarter of 2008 (the highest since the inception of the index). The cost of fertilisers and chemicals was the main influence on increasing operating costs.

Twenty six percent of agribusinesses indicated that they had accessed finance in the last 12 months. Of those that had sought finance, 15% indicated that they had experienced difficulty obtaining the finance.

The EPI for New South Wales by statistical division is shown on the adjacent map. In the June Quarter, six of the eleven statistical divisions registered positive economic performance (shown in light green) and one registered satisfactory performance (shown in yellow). Only two divisions, Hunter and Mid-North Coast, registered a decline in economic performance compared with the previous quarter.

Agribusiness confidence in New South Wales increased this quarter, with 66% of businesses confident about the performance of their business over the next 12 months (up from 62% in the March Quarter). Statewide, the expectation for the September Quarter is for an improved EPI with positive results across the contributing indicators.

This report discusses the Westpac / Charles Sturt University (CSU) Agribusiness Index for New South Wales in the June Quarter of 2009. The index is based on a nationwide survey of 1,200 businesses in the agribusiness sector. Similar reports are available for each state.

The survey includes agricultural producers as well as suppliers to agriculture (upstream) and related transport, manufacturing, wholesale and retail businesses (downstream). The aim of the survey is to provide a timely snapshot of agribusiness performance across Australia.

New South Wales

SECTOR PERFORMANCE

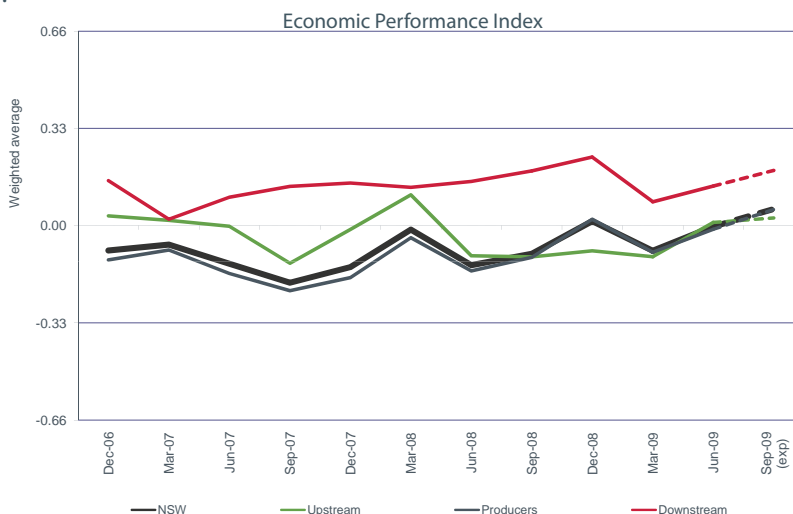
Economic Performance Index

The economic performance results for New South Wales in the June Quarter were:

- Six of the eleven statistical divisions registered positive economic performance. Central West division performed best, followed by Illawarra and South Eastern divisions. Richmond-Tweed division reported satisfactory performance. Murrumbidgee division reported the greatest improvement for the quarter.
- Mid-North Coast division reported the worst economic performance and also the greatest decline in performance during the quarter moving from positive to strongly negative territory.
- The downstream sector was the strongest performer during the quarter moving further into positive territory, and reporting an EPI similar to that of the previous June Quarter. This was due to improved business performance and capital expenditure during the quarter. Employment contracted slightly during the quarter, a decline on the positive levels of the previous quarter.
- Downstream sector profitability remained better than satisfactory during the quarter, an improvement on the March Quarter results. The rate of operating cost increase was higher again this quarter, with rates of increase similar to those recorded in the December Quarter of 2008.
- Producer performance remained marginally negative during the quarter, despite some improvement from the previous quarter. This was largely due to continuing negative business performance not able to be offset by positive levels of capital expenditure. Marginal contractions in employment were also reported during the quarter.
- Producer profitability declined from less than satisfactory to poor during the quarter. The rate of increase of operating cost was higher than that reported for the previous quarter and stock levels increased marginally.

	Business Performance	Capital Expenditure	Employment	EPI Jun	Outlook Sep
Central West	0.10	0.27	0.04	0.14	↑
Far West	-0.04	0.31	-0.16	0.04	↓
Hunter	-0.20	0.07	-0.01	-0.04	↑
Illawarra	0.12	0.17	0.05	0.11	↑
Mid-North Coast	-0.30	-0.32	-0.10	-0.24	↓
Murray	-0.38	0.09	-0.05	-0.11	↓
Murrumbidgee	0.09	-0.08	0.06	0.03	↑
North Western	-0.20	0.08	-0.04	-0.05	↑
Northern	0.04	0.15	-0.09	0.03	↑
Richmond-Tweed	-0.19	0.30	-0.11	0.00	↓
South Eastern	0.07	0.24	0.03	0.11	↑
Upstream	0.02	0.08	-0.07	0.01	↑
Producers	-0.12	0.10	-0.02	-0.01	↑
Downstream	0.31	0.14	-0.04	0.13	↑
New South Wales	-0.08	0.10	-0.03	0.00	↑

- Upstream sector performance improved during the quarter becoming marginally positive. This was due mainly to improvements in business performance and capital expenditure. In contrast, employment continued to contract during the quarter.
- Upstream sector businesses reported a turnaround to better than satisfactory profitability during the quarter, the first positive result since the March Quarter of 2008. Stock reductions were again made during the quarter, though at a lower rate than in the previous quarter. Operating costs rose marginally after one quarter of reported decreases.
- The outlook for New South Wales for the coming quarter is for further improvement in economic performance statewide with all sectors expecting improved and positive results.



N.B. Each indicator is measured by a weighted average on a scale from -1 to 1, where 0 signifies satisfactory performance. Results less than -0.33 are considered to be poor, between -0.33 and 0 negative, between 0 and 0.33 positive and greater than 0.33 good.

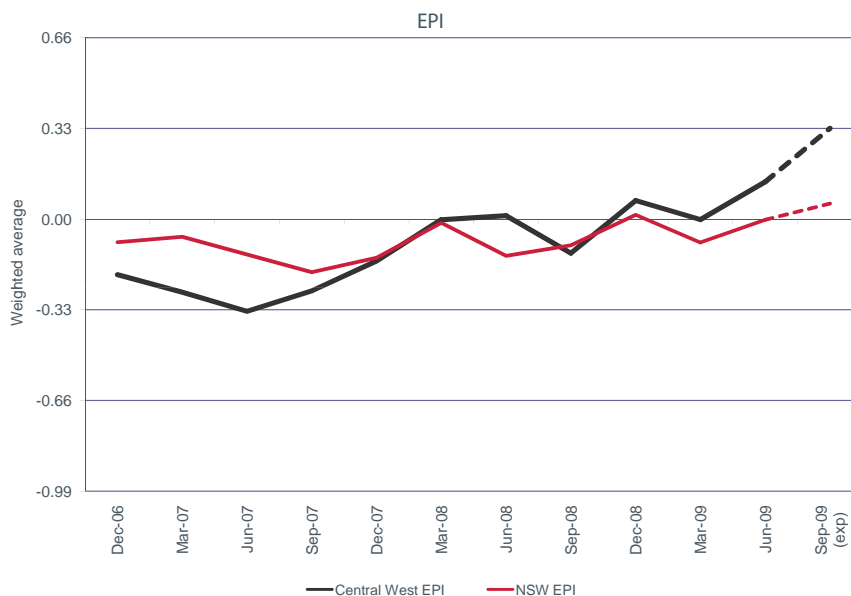
REGIONAL PERFORMANCE

Central West

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.34	0.01	0.00	0.14	0.06	↑
Business Performance	-0.54	0.23	-0.02	0.10	0.28	↑
Capital Expenditure	-0.25	-0.09	-0.10	0.27	-0.11	↓
Employment	-0.21	-0.11	0.11	0.04	0.00	●
Profit	-0.74	0.19	-0.18	0.04	-	
Stock Levels	-0.33	-0.06	0.00	0.04	0.01	↑
Operating Costs	0.44	0.81	0.29	0.58	-	

Central West statistical division was the best performer in the June Quarter of 2009, reporting the highest EPI for New South Wales and significant improvement on the March Quarter results. This quarter's result is also significantly better than the results of the previous two June quarters.

- The positive performance was due to improvements in business performance and capital expenditure, with capital expenditure results the best on record for the division. Employment conditions also remained positive despite a slight decline on the previous quarter's results.
- Marginal increases in stock levels were reported for the quarter, making this the third consecutive quarter of stock increases. The rate of increase in operating costs was again high, similar to levels reported during the December Quarter of 2008, though lower than the rate of increase reported in the previous June Quarter.



- Profitability amongst Central West agribusinesses was reported as better than satisfactory, an improvement on the less than satisfactory results of the previous quarter, and the first positive result since the June Quarter of 2008.
- In the June Quarter of 2009, 18% of respondents in Central West statistical division indicated that they had accessed finance in the last 12 months. This is down slightly from 21% in the March Quarter and the 19% who had accessed finance in the June Quarter of 2008. Of those who had sought finance, none indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 73% of agribusinesses across Central West statistical division felt confident about the performance of their business over the next 12 months. This is similar to confidence levels expressed during the March Quarter (74%). Despite the continued confidence, Central West division expects economic performance in the coming quarter to decline though remain positive. This is due to expectations of reduced capital expenditure and stagnant employment conditions.

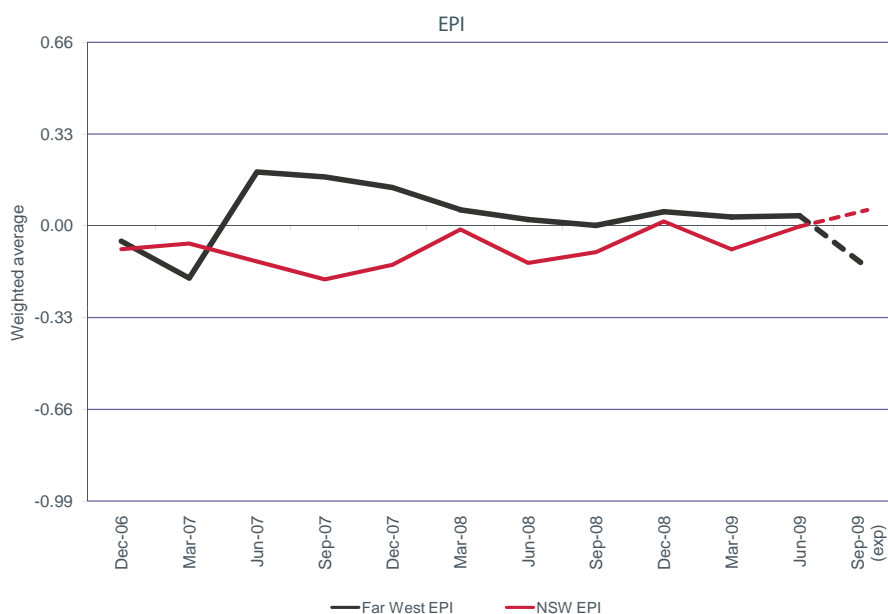
REGIONAL PERFORMANCE

Far West

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.19	0.02	0.03	0.04	-0.15	↓
Business Performance	0.28	0.25	0.10	-0.04	-0.23	↓
Capital Expenditure	0.14	-0.14	0.04	0.31	-0.25	↓
Employment	0.15	-0.05	-0.04	-0.16	0.03	↑
Profit	0.12	-0.16	-0.03	-0.13	-	
Stock Levels	-0.05	-0.07	-0.35	-0.67	-0.17	↓
Operating Costs	0.46	0.56	0.13	0.30	-	

Economic performance in Far West statistical division improved marginally over the March Quarter, moving further into positive territory (0.04). This result is slightly better than that reported for the same quarter last year (0.02), and continues a fairly stable position for the last three quarters.

- The improved performance during the June Quarter of 2009 was due to significant increases in the level of capital expenditure, the highest on record for the division. This increase in expenditure was able to offset more extensive contractions in employment and the first quarter of negative business performance since the March Quarter of 2007.
- Stock reductions made during the June Quarter were the most extensive on record for the division, and were far more significant than those made in the previous two June quarters. Less extensive stock reductions are expected in the coming quarter. The rate of operating cost increase was higher than that reported for the March Quarter, similar to the rate of cost increase reported in the December Quarter of 2008. The cost of feed and supplements was cited as the most influential factor affecting operating costs.



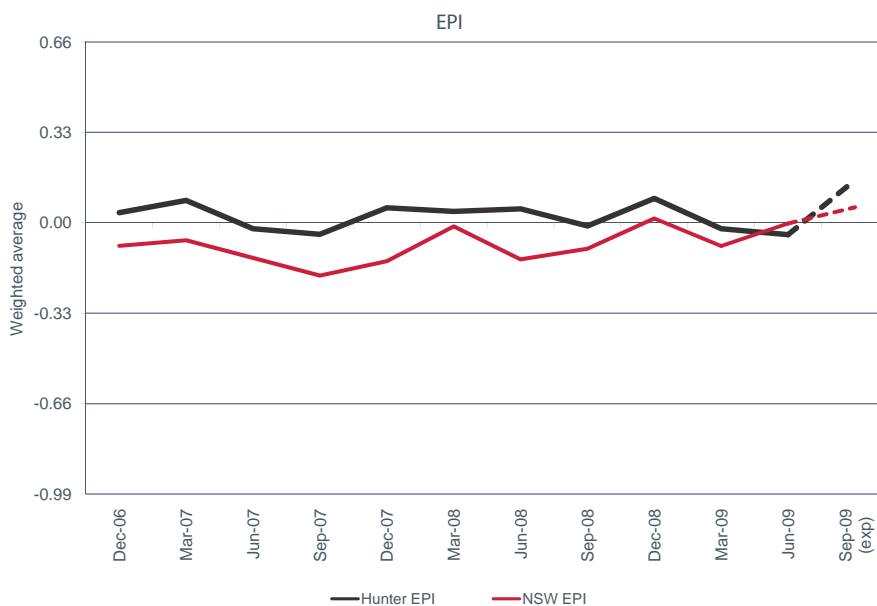
- Profitability amongst Far West agribusinesses declined during the June Quarter, remaining less than satisfactory. This represents the worst profit result for the last year, however, profitability was reported as slightly worse in the June Quarter of 2008.
- In the June Quarter of 2009, 16% of respondents in Far West statistical division indicated that they had accessed finance in the last 12 months. This is up from six percent in the March Quarter but lower than the 27% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 27% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 72% of agribusinesses across Far West statistical division felt confident about the performance of their business over the next 12 months. This result is above the average for the state (66%) yet down slightly on confidence levels expressed during the March Quarter (88%). In line with this reduced confidence, Far West statistical division expects economic performance to deteriorate over the coming quarter due to anticipated declines in business performance and capital expenditure.

Hunter

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.02	0.05	-0.02	-0.04	0.16	↑
Business Performance	0.10	0.14	0.01	-0.20	0.27	↑
Capital Expenditure	0.02	-0.12	0.06	0.07	0.14	↑
Employment	-0.19	0.14	-0.14	-0.01	0.05	↑
Profit	0.00	0.03	-0.12	-0.22	-	
Stock Levels	-0.33	-0.12	0.06	0.21	0.21	↑
Operating Costs	0.39	0.65	0.47	0.32	-	

Economic performance in Hunter statistical division declined marginally further into negative territory (-0.04) over the June Quarter reaching its equal lowest index level on record. This is expected to improve significantly in the coming September Quarter, due to anticipated growth in business performance, capital expenditure and employment conditions.

- The decrease in economic performance was due primarily to a significant fall in business performance which moved from positive to negative territory and reported its lowest value on record. This was offset somewhat by improvements in capital expenditure and employment levels.
- Increasing stock levels were again reported in Hunter division with the rate of increase rising from that reported in the March Quarter. The rate of operating cost increase during the quarter was the lowest rate of increase reported since the December Quarter 2006.
- Profitability amongst Hunter agribusinesses remained less than satisfactory for the fourth consecutive quarter, declining further on the March Quarter result.



- In the June Quarter of 2009, 21% of respondents in Hunter statistical division indicated that they had accessed finance in the last 12 months. This is slightly up from 20% in the March Quarter and lower than the 28% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 21% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 71% of agribusinesses across Hunter statistical division felt confident about the performance of their business over the next 12 months. This is an increase on confidence levels expressed during the March Quarter (64%) and higher than the 69% recorded in the previous June Quarter.
- In line with increased confidence levels, agribusinesses in Hunter division expect that business performance and employment conditions will return to positive territory in the September Quarter. Capital expenditure is also expected to improve becoming strongly positive.

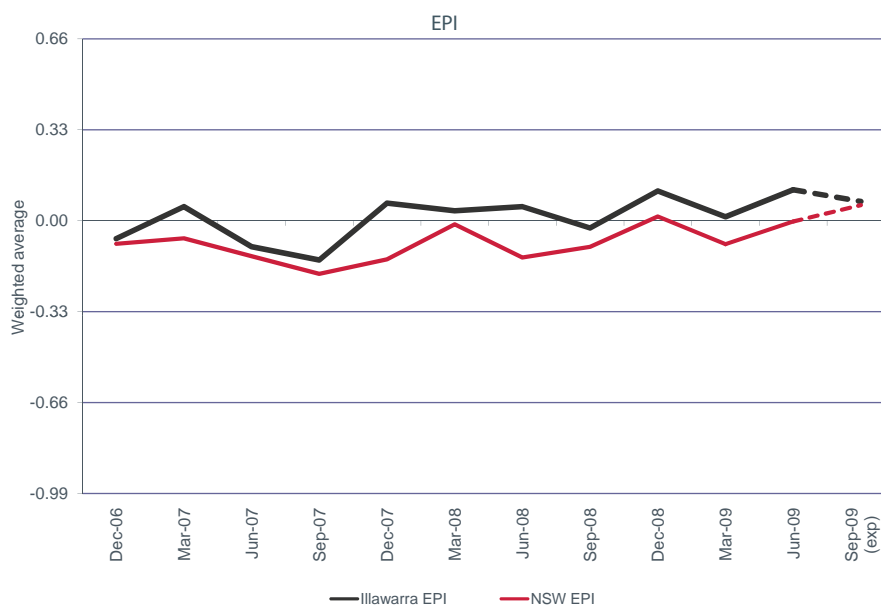
REGIONAL PERFORMANCE

Illawarra

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.09	0.05	0.01	0.11	0.07	▲
Business Performance	-0.28	0.01	-0.15	0.12	0.21	▲
Capital Expenditure	-0.15	0.00	0.01	0.17	0.03	▲
Employment	0.15	0.14	0.18	0.05	-0.03	▼
Profit	-0.41	-0.19	-0.15	-0.22	-	
Stock Levels	-0.20	0.00	0.22	0.08	0.12	▲
Operating Costs	0.30	0.62	0.17	0.05	-	

Economic performance in Illawarra statistical division remained positive in the June Quarter of 2009 improving to 0.11, the equal highest score on record for the division. The result maintained Illawarra division as one of the top three performing divisions in the state for the third consecutive quarter.

- The rise in economic performance was due to significant improvements in business performance and capital expenditure which both moved well into positive territory. Capital expenditure also reported the highest level on record for the division. Employment conditions remained in positive territory in the June Quarter despite a significant decline from the levels of the previous March Quarter.
- Stock levels increased in the June Quarter of 2009 however at a lower rate than the previous quarter. In addition, the rate of operating cost increase was at its lowest level on record.
- Profitability amongst Illawarra agribusinesses remained less than satisfactory for the third consecutive quarter and was lower than the March Quarter.



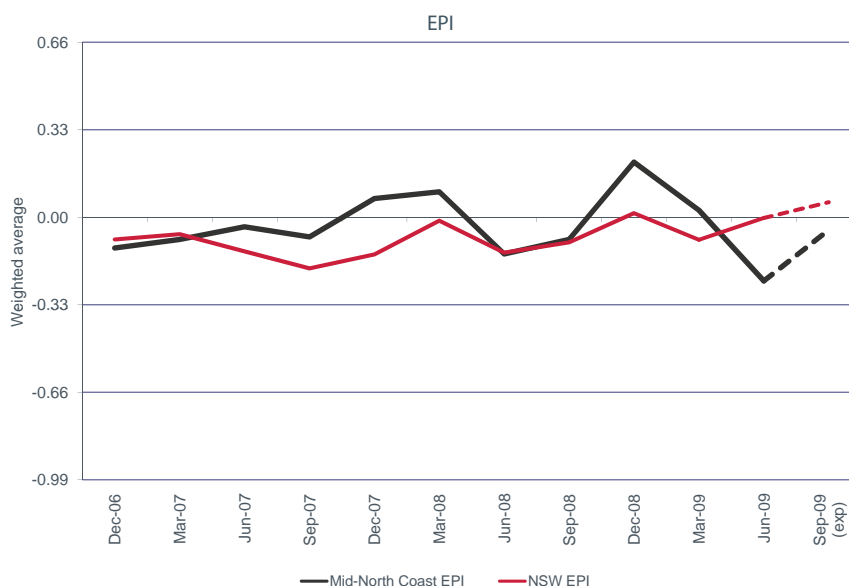
- In the June Quarter of 2009, 11% of respondents in Illawarra statistical division indicated that they had accessed finance in the last 12 months. This is slightly down from 12% in the March Quarter however marginally higher than the 10% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 7% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 78% of agribusinesses across Illawarra statistical division felt confident about the performance of their business over the next 12 months. This is the highest level of business confidence in the state and represents a significant increase from the 47% recorded in the March Quarter.
- Illawarra division agribusinesses expect business performance and capital expenditure to remain positive in the coming September Quarter with employment conditions slipping back into marginally negative territory.

Mid-North Coast

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.04	-0.14	0.03	-0.24	-0.05	↓
Business Performance	0.17	-0.25	0.12	-0.30	-0.13	↓
Capital Expenditure	-0.20	-0.09	-0.01	-0.32	0.07	↑
Employment	-0.07	-0.07	-0.03	-0.10	-0.08	↓
Profit	-0.20	-0.35	-0.10	-0.37	-	
Stock Levels	-0.02	0.01	0.03	0.18	-0.02	↓
Operating Costs	0.50	0.68	0.30	0.45	-	

Economic performance in Mid-North Coast statistical division fell significantly in the June Quarter of 2009 to the lowest level on record (-0.24). This is a dramatic turn around as the division recorded its best EPI result two quarters previously in the December Quarter of 2008.

- The negative economic performance was due to business performance declining significantly to its lowest level in ten quarters. Capital expenditure levels and employment conditions both declined further into negative territory in the June Quarter.
- Stock levels continued to increase in the June Quarter and at a significantly higher rate than that reported in the March Quarter. At the same time the rate of operating cost increase during the quarter also rose significantly.
- Profitability amongst Mid-North Coast agribusinesses declined further to poor levels in the June Quarter, down from a negative result in the March Quarter.



- In the June Quarter of 2009, 15% of respondents in Mid-North Coast statistical division indicated that they had accessed finance in the last 12 months. This is a significant decline from 41% in the March Quarter, however higher than the 10% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 14% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 64% of agribusinesses across Mid-North Coast statistical division felt confident about the performance of their business over the next 12 months. This is a significant decline on confidence levels expressed during the March Quarter (81%). In line with this, Mid-North Coast division expects business performance and employment conditions to improve but remain negative in the coming September Quarter. Capital expenditure is expected to increase significantly, moving into positive territory.

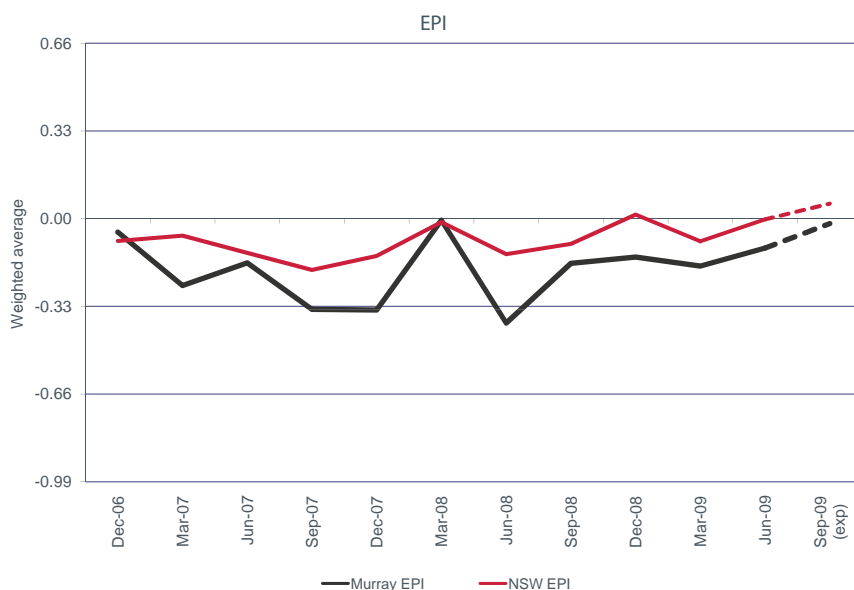
REGIONAL PERFORMANCE

Murray

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.17	-0.39	-0.18	-0.11	-0.02	↓
Business Performance	-0.46	-0.65	-0.42	-0.38	-0.13	↓
Capital Expenditure	-0.11	-0.42	-0.03	0.09	0.01	↑
Employment	0.07	-0.11	-0.09	-0.05	0.06	↑
Profit	-0.66	-0.65	-0.49	-0.62	-	
Stock Levels	-0.40	-0.44	-0.54	-0.27	-0.07	↓
Operating Costs	0.53	0.85	0.30	0.48	-	

Economic performance in Murray statistical division remained negative (-0.11) in the June Quarter. This represents a slight improvement compared with the March Quarter (-0.18) and a substantial improvement from the June Quarter of 2008 (-0.39).

- The improved economic performance was due to improved employment and capital expenditure levels. Capital expenditure in particular moved from negative to positive territory in the June Quarter.
- Stock levels continued to decrease substantially in the June Quarter though at a reduced rate from the previous quarter. Additionally, the rate of operating cost increase reported during the June quarter rose above that reported for the March Quarter.
- Profitability amongst Murray agribusinesses remained poor for the third consecutive quarter with a significant decrease in the indicator compared with the March Quarter.



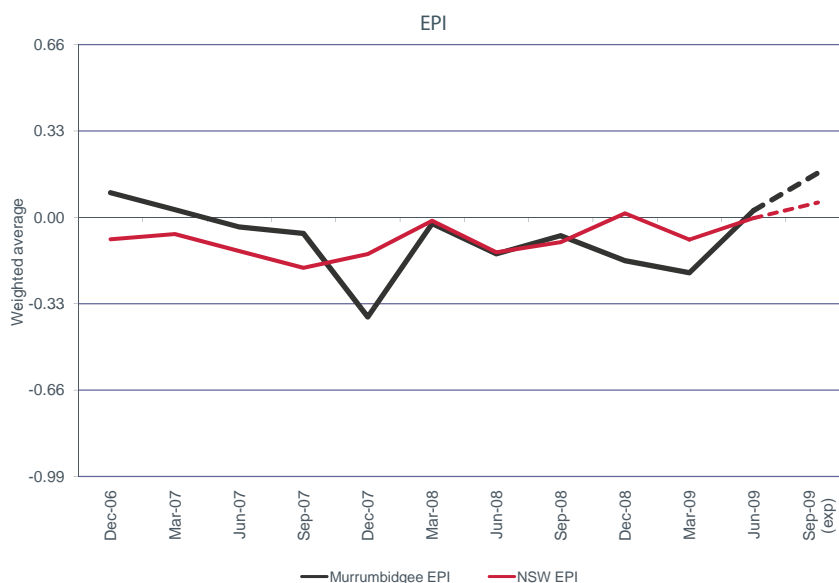
- In the June Quarter of 2009, 34% of respondents in Murray statistical division indicated that they had accessed finance in the last 12 months. This is up from 31% in the March Quarter but lower than the 45% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 14% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, just over half (55%) of agribusinesses across Murray statistical division felt confident about the performance of their business over the next 12 months. This is a marginal increase on confidence levels expressed during the March Quarter (52%). Murray division expects an improvement in the EPI in the coming September Quarter, however the index is expected to remain negative.

Murrumbidgee

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.04	-0.14	-0.21	0.03	0.17	↑
Business Performance	0.14	-0.22	-0.26	0.09	0.34	↑
Capital Expenditure	-0.25	-0.21	-0.24	-0.08	0.12	↑
Employment	0.00	0.01	-0.14	0.06	0.05	↑
Profit	-0.23	-0.32	-0.24	-0.18	-	
Stock Levels	-0.18	-0.15	-0.17	-0.10	-0.04	↓
Operating Costs	0.67	0.55	0.17	0.33	-	

Economic performance in Murrumbidgee statistical division improved substantially in the June Quarter (0.03), moving into positive territory for the first time since the March Quarter of 2007.

- The positive economic performance was due to a substantial increase in all three indicators. Business performance and employment conditions both moved from negative to positive territory in the June Quarter. Capital expenditure improved on the March Quarter result but remained negative.
- Stock levels continued to fall during the June Quarter, at a marginally lower rate than experienced in the March Quarter. However, the rate of increase in operating costs rose compared to the previous quarter.
- Profitability among Murrumbidgee agribusinesses improved during the June Quarter. While the profitability index was less than satisfactory (-0.18), it signifies the second quarter of improvement after the record low result in the December Quarter of 2008.



- In the June Quarter of 2009, 41% of respondents in Murrumbidgee statistical division indicated that they had accessed finance in the last 12 months. This is an increase from 30% in the March Quarter and higher than the 33% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 31% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 73% of agribusinesses across Murrumbidgee statistical division felt confident about the performance of their business over the next 12 months. This was a significant improvement on the March Quarter (50%).
- In line with the improved confidence level, agribusinesses expect significant improvements in business performance and capital expenditure in the coming September Quarter. Employment conditions are expected to decline only very slightly while remaining positive.

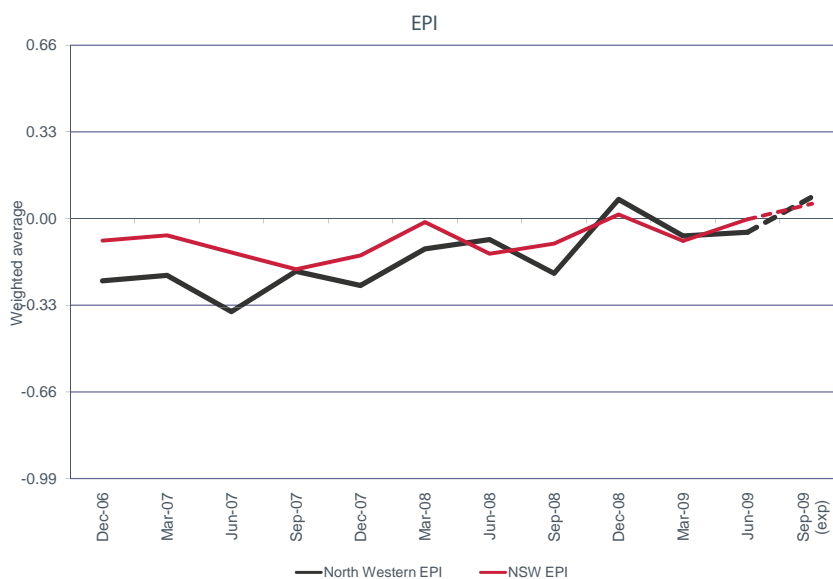
REGIONAL PERFORMANCE

North Western

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.35	-0.08	-0.07	-0.05	0.08	↑
Business Performance	-0.44	-0.14	-0.09	-0.20	0.15	↑
Capital Expenditure	-0.43	0.04	-0.07	0.08	0.07	↑
Employment	-0.19	-0.15	-0.04	-0.04	0.03	↑
Profit	-0.39	-0.30	-0.12	-0.39	-	
Stock Levels	0.08	0.07	0.04	-0.03	0.09	↑
Operating Costs	0.59	0.55	0.37	0.38	-	

Economic performance in North Western statistical division improved over the June Quarter but remained in negative territory (-0.05). However, it does represent the second best economic performance on record after the December Quarter of 2008 (0.07).

- The improvement in economic performance was due to a substantial increase in capital expenditure which moved from negative to positive territory between the March and June quarters. However this was offset somewhat by a decline in business performance over the same period. Employment conditions remained unchanged, though still in negative territory during the June Quarter.
- Stock levels declined after one quarter of growth. Operating costs continued to increase although the rate of increase was significantly lower than for the June Quarter of 2008.
- Profitability amongst North Western agribusinesses fell significantly in the June Quarter. Profitability moved from negative to poor between the March and June Quarters (-0.12 to -0.30 respectively). This is the worst level of profitability reported in three quarters.



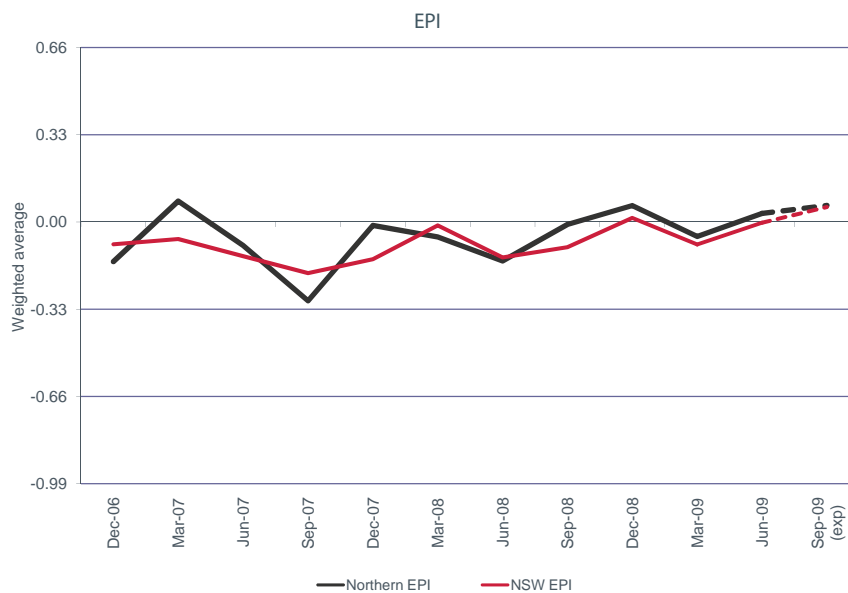
- In the June Quarter of 2009, 16% of respondents in North Western statistical division indicated that they had accessed finance in the last 12 months. This is a decrease from 28% in the March Quarter and lower than the 33% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 27% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 61% of agribusinesses across North Western statistical division felt confident about the performance of their business over the next 12 months, a decline on the result reported in the December Quarter (68%). However, North Western division expects improvements in business performance and employment conditions in the coming September Quarter, resulting in an expected positive EPI.

Northern

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.09	-0.15	-0.05	0.03	0.06	↑
Business Performance	-0.14	-0.31	-0.13	0.04	0.00	●
Capital Expenditure	-0.11	-0.07	0.00	0.15	0.09	↑
Employment	-0.01	-0.06	-0.04	-0.09	0.10	↑
Profit	-0.35	-0.46	-0.32	-0.15	-	
Stock Levels	-0.08	-0.01	0.03	0.22	-0.02	↓
Operating Costs	0.45	0.85	0.11	0.31	-	

Economic performance in Northern statistical division improved over the June Quarter moving back from negative into positive territory (0.03). This is only the second time this indicator had been positive since the March Quarter of 2007.

- The improvement in economic performance was due to a substantial increase in business performance which moved from negative to positive territory. Capital expenditure also improved, moving from just satisfactory into strongly positive territory. These improvements were somewhat offset by employment conditions worsening and moving further into negative territory.
- Stock levels continued to increase in the June Quarter at a significantly higher rate than that seen in the previous five quarters. The rate of operating cost increases also rose in the June Quarter, however the rate of increase was significantly lower than the levels recorded in the same quarter last year.
- Profitability amongst Northern agribusinesses improved significantly during the June Quarter. Though remaining negative, this was the best result since the December Quarter of 2007.



- In the June Quarter of 2009, 29% of respondents in Northern statistical division indicated that they had accessed finance in the last 12 months. This is a decline from 37% in the March Quarter and lower than the 45% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 9% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter of 2009, 63% of agribusinesses across Northern statistical division felt confident about the performance of their business over the next 12 months. This is an improvement on confidence levels expressed during the March Quarter (57%) and the June Quarter of 2008 (53%).
- In line with the increase in confidence levels, Northern division expects a positive EPI in the coming September Quarter with expected positive levels of employment and capital expenditure.

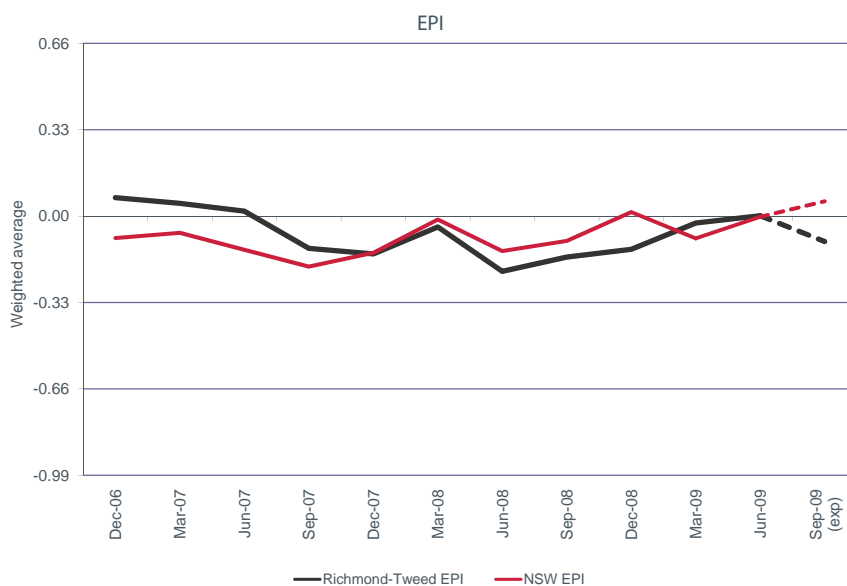
REGIONAL PERFORMANCE

Richmond-Tweed

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.02	-0.21	-0.03	0.00	-0.10	↓
Business Performance	0.10	-0.02	-0.13	-0.19	-0.21	↓
Capital Expenditure	0.00	-0.36	0.07	0.30	-0.03	↓
Employment	-0.05	-0.25	-0.01	-0.11	-0.05	↓
Profit	0.13	-0.28	-0.42	-0.46	-	↑
Stock Levels	-0.04	-0.19	0.14	0.04	0.01	↑
Operating Costs	0.16	0.44	0.18	0.40	-	

Economic performance in Richmond-Tweed statistical division improved in the June Quarter, where it moved from marginally negative to satisfactory. This is the best economic performance result for the division since the June Quarter of 2007.

- The improved economic performance was due to a substantial improvement in capital expenditure which rose to its highest level since the inception of this index (0.30). Business performance remained negative (-0.19) with a marginal decline in comparison to the March Quarter result (-0.13). Employment levels also fell in the June Quarter but were an improvement on the result for the same quarter last year.
- Stock levels continued to rise but at a lower rate than the previous quarter. Operating costs continued to increase and rose at a significantly higher rate than that reported in the March Quarter.
- Despite the improved performance index, profitability amongst Richmond-Tweed agribusinesses remained poor for the fourth consecutive quarter with a further decline reported in the June Quarter.



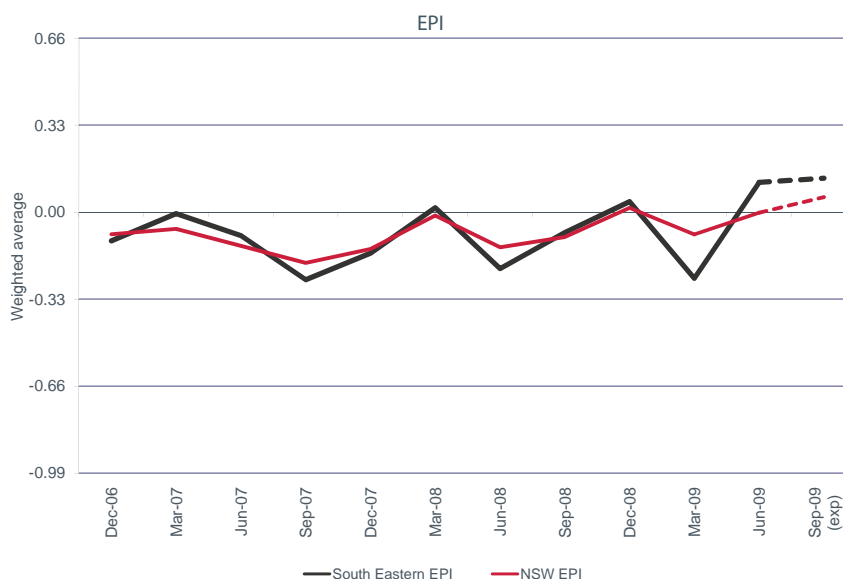
- In the June Quarter of 2009, 23% of respondents in Richmond-Tweed statistical division indicated that they had accessed finance in the last 12 months. This is a decrease from 28% in the March Quarter and the same as the 23% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, none indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter of 2009, 58% of agribusinesses across Richmond-Tweed statistical division felt confident about the performance of their business over the next 12 months. This represents a marginal decline compared with the March Quarter (59%) however an improvement on the June Quarter of 2008 (55%).
- Agribusinesses expect economic performance to move into negative territory in the coming September Quarter. This is as a result of expected worsening in all indicators.

South Eastern

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.09	-0.21	-0.25	0.11	0.13	↑
Business Performance	0.16	-0.14	-0.38	0.07	0.31	↑
Capital Expenditure	-0.17	-0.53	-0.34	0.24	0.08	↑
Employment	-0.25	0.02	-0.04	0.03	-0.01	↓
Profit	-0.22	-0.13	-0.31	-0.21	-	
Stock Levels	-0.37	-0.38	-0.07	-0.21	0.03	↑
Operating Costs	0.22	0.61	0.02	0.25	-	

Economic performance in South Eastern statistical division improved significantly over the June Quarter, moving from negative (-0.25) to positive territory (0.11). This represents the best reported result for the South Eastern division since the index commenced in the December Quarter of 2006.

- The improvement in economic performance was due to significant increases in capital expenditure and business performance which both moved from being poor to positive. Employment conditions also moved from negative to positive territory albeit more marginally.
- Decreasing stock levels were reported for the third consecutive quarter. Operating costs increased in the June Quarter with the rate of increase higher than the March Quarter. However, the rate of increase was lower than for the same quarter last year.
- Profitability amongst South Eastern agribusinesses remained less than satisfactory although it did improve on the March Quarter result.



- In the June Quarter of 2009, 36% of respondents in South Eastern statistical division indicated that they had accessed finance in the last 12 months. This is an increase from 27% in the March Quarter and higher than the 20% who accessed finance in the June Quarter of 2008. Of those respondents who had sought finance, 27% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter of 2009, 77% of agribusinesses across South Eastern statistical division felt confident about the performance of their business over the next 12 months. This is an improvement on confidence levels expressed during the March Quarter (57%) and higher than the 62% recorded in the June Quarter of 2008.
- In the coming September Quarter, overall economic performance is expected to improve further for South Eastern division. Positive results in business performance and capital expenditure are expected with employment conditions expected to soften slightly.

Topical Question

	Sell business	Handover business	Stop managing - receive income	Not considered	Other / don't know	Total succession plan
Central West	11%	10%	5%	0%	5%	31%
Far West	0%	22%	0%	0%	0%	22%
Hunter	5%	0%	0%	5%	1%	11%
Illawarra	10%	8%	1%	5%	2%	27%
Mid-North Coast	15%	17%	0%	0%	16%	48%
Murray	11%	9%	0%	1%	14%	35%
Murrumbidgee	11%	16%	5%	5%	8%	46%
North Western	0%	18%	0%	0%	0%	18%
Northern	12%	19%	17%	8%	5%	62%
Richmond-Tweed	7%	11%	0%	0%	3%	21%
South Eastern	6%	30%	5%	0%	16%	58%
New South Wales	9%	15%	4%	3%	7%	38%

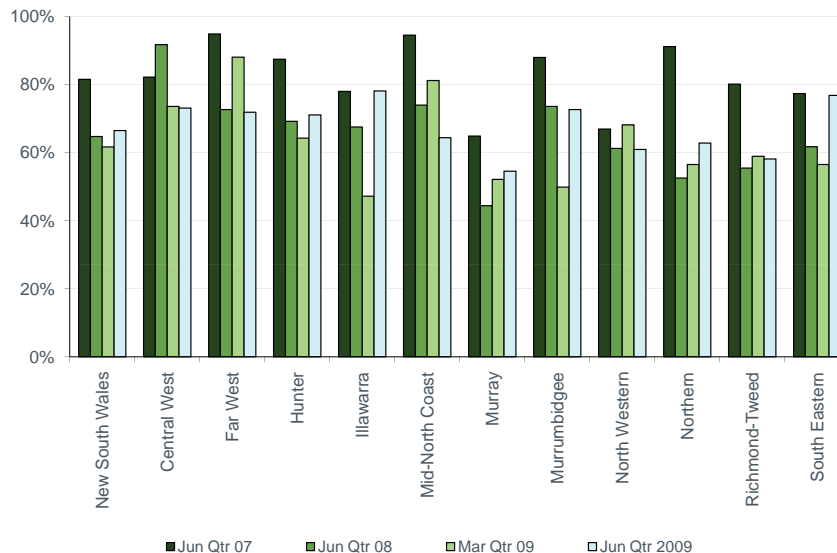
As part of the Westpac / Charles Sturt University Agribusiness Index, a number of topical questions are asked each quarter to gather additional information about issues affecting businesses in rural and regional Australia. In the June Quarter, businesses were asked about succession planning in their business.

- Overall, 38% of agribusinesses in New South Wales reported having a succession plan. Fifteen percent indicated that they are planning to handover the business, 9% plan to sell and 4% plan to stop managing the business and still receive income.

Business Confidence

Sixty six percent of agribusinesses in New South Wales felt confident about the performance of their business over the next 12 months. This represents an increase in confidence from the March Quarter when 62% of businesses felt confident.

- Increased confidence levels were reported by six statistical divisions: Hunter, Illawarra, Murray, Murrumbidgee, Northern and South Eastern divisions. The greatest increase in confidence was expressed by Illawarra division (up from 47% to 78%) which was also the most confident overall.
- The greatest decreases in confidence were expressed by Mid-North Coast division (down from 81% to 64%), followed by Far West division (down from 88% to 72%) and North Western division (down from 68% to 61%). Murray division was the least confident with only 55% of agribusinesses confident.
- Upstream agribusinesses confidence remained reasonably stable at 74% compared with 73% in the March Quarter.
- Confidence amongst downstream agribusinesses improved significantly at 79% (68% in the March Quarter).
- Confidence levels amongst producers rose from 59% in the March Quarter to 65% in the June Quarter.



- Of those with a succession plan, 45% plan to retire/handover in less than five years with 17% expecting to retire/handover between 5 and 10 years. Nineteen percent plan to retire/handover in greater than 10 years.
- In New South Wales, 58% of respondents indicated they would seek advice about succession planning from their accountant, with 21% seeking advice from their family, 17% from a solicitor, and 4% from a banker.
- Forty-four percent of respondents in New South Wales would seek advice about succession planning locally, 26% would seek advice from the nearest large city and 10% would access the capital city.
- In a similar question in the March Quarter 2007 Index, 45% of respondents indicated that they had considered the future of their business without necessarily having a formal succession plan.