

The Economic Performance Index (EPI) is the average of results for business performance, employment and investment (capital expenditure) indicators. The EPI for Queensland of 0.10 for the June Quarter places it as the third best performing state. This result represents a significant increase on the results of the June Quarter of 2008 (-0.07), and an improvement on results reported in the March Quarter of 2009 (0.05).

The positive performance statewide is due to strengthening results in capital expenditure levels in the June Quarter as it entered positive territory. Employment moved from satisfactory in the March Quarter to positive in the June Quarter. Business performance remained positive but declined marginally in the June Quarter.

Upstream agribusinesses reported better than satisfactory profitability, though the result was a decline on that of the March Quarter. Downstream agribusinesses reported an improvement in profitability, however producer profitability declined further in the June Quarter.

Increasing stock levels were reported across Queensland with producers reporting the greatest increase in stock levels between the March and June Quarters.

Operating costs increased substantially with producers and upstream agribusinesses seeing the greatest increases. Fuel and freight costs had the greatest contribution to increased operating costs.

Twenty nine percent of agribusinesses sought finance in the June Quarter, the same as that in the March Quarter. Of those that sought finance, 26% indicated that they experienced difficulty gaining the finance.

The EPI for Queensland by statistical division is shown on the adjacent map. In the June Quarter, nine of the ten statistical divisions registered positive or satisfactory economic performance. This is an improvement from eight positive and satisfactory divisions in the previous quarter. Far North division reported the largest improvement since the March Quarter while Moreton division reported the largest decrease.

Agribusiness confidence in Queensland increased this quarter, with 85% of businesses confident about the performance of their business over the next 12 months (up from 75% in the March Quarter). Improvements are expected in business performance and stock levels in the coming quarter.

*"the price of cane has increased compared to last year - very happy."*

Crop grower, Northern

This report discusses the Westpac / Charles Sturt University (CSU) Agribusiness Index for Queensland 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.

# Queensland

# SECTOR PERFORMANCE

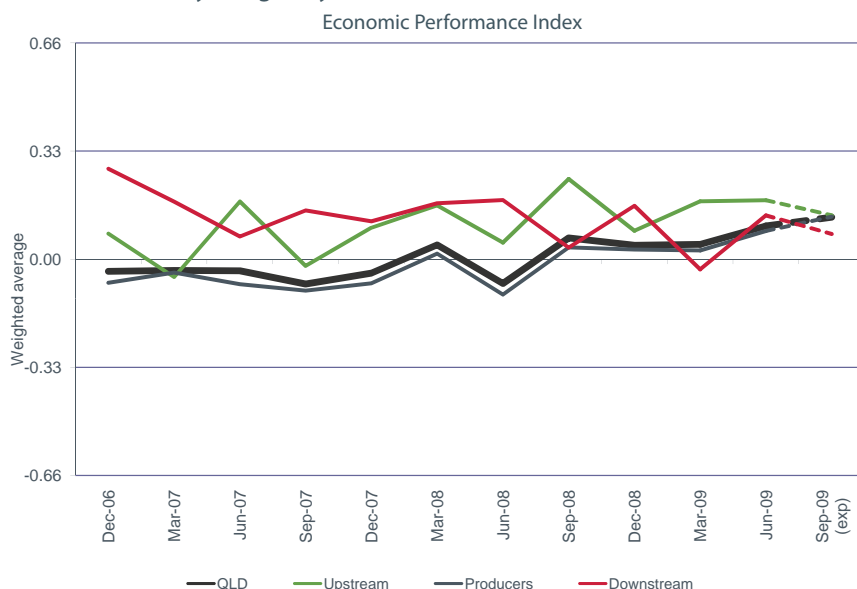
## Economic Performance Index

The economic performance results for Queensland in the June Quarter were:

- Nine of the ten statistical divisions reported positive or satisfactory economic performance with Central West and Fitzroy the best performing divisions.
- Six statistical divisions reported an improved result from the March Quarter with the greatest improvement reported in Far North. Moreton division reported the greatest deterioration in performance.
- Downstream agribusinesses reported an improvement in economic performance due to increases in capital expenditure, business performance and while still negative, improved employment conditions.
- The downstream sector reported improving profitability, a decline in stock reduction rates and the lowest increase in operating costs for the quarter.
- Upstream agribusinesses reported positive performance in the June Quarter matching that of the previous March Quarter. This was as a result of positive levels of capital expenditure offsetting positive but declining business performance and employment conditions.
- Upstream agribusinesses reported better than satisfactory profitability for the quarter although showing a decline on the March Quarter results. The rate of increase in operating costs was still significantly lower than that reported for the June Quarter of 2008.
- The EPI for producers remained positive during the June Quarter, increasing marginally from the previous quarter. Producers reported improvements in capital expenditure and employment conditions, both entering positive territory. Business performance, while remaining positive, declined very marginally.

	Business Performance	Capital Expenditure	Employment	EPI Jun	Outlook Sep
Central West	0.31	0.15	0.12	0.19	↑
Darling Downs	0.32	-0.05	0.17	0.15	↑
Far North	0.13	0.32	0.05	0.17	↑
Fitzroy	0.28	0.37	-0.08	0.19	↑
Mackay	0.19	0.18	0.05	0.14	↑
Moreton	-0.05	-0.04	0.07	-0.01	↑
North West	0.13	0.06	-0.04	0.05	↑
Northern	-0.08	0.26	-0.02	0.05	↑
South West	0.26	0.12	-0.10	0.09	↑
Wide Bay-Burnett	0.05	0.03	-0.07	0.00	↑
Upstream	0.33	0.17	0.04	0.18	↑
Producers	0.12	0.09	0.05	0.09	↑
Downstream	0.31	0.14	-0.05	0.13	↑
Queensland	0.16	0.10	0.04	0.10	↑

- Profitability amongst producers remained less than satisfactory during the quarter. This represents a further decline since the previous March Quarter.
- The rate of operating cost increase was considerably higher this quarter in comparison to the March Quarter of 2009 and producers continued to increase stock levels during the quarter.
- The outlook for Queensland for the coming quarter is for an improvement overall in economic performance with the EPI increasing to 0.13. Improvements are expected amongst producers while upstream and downstream agribusinesses expect performance to remain positive but decline in the coming September Quarter.



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.

## Agribusiness Index

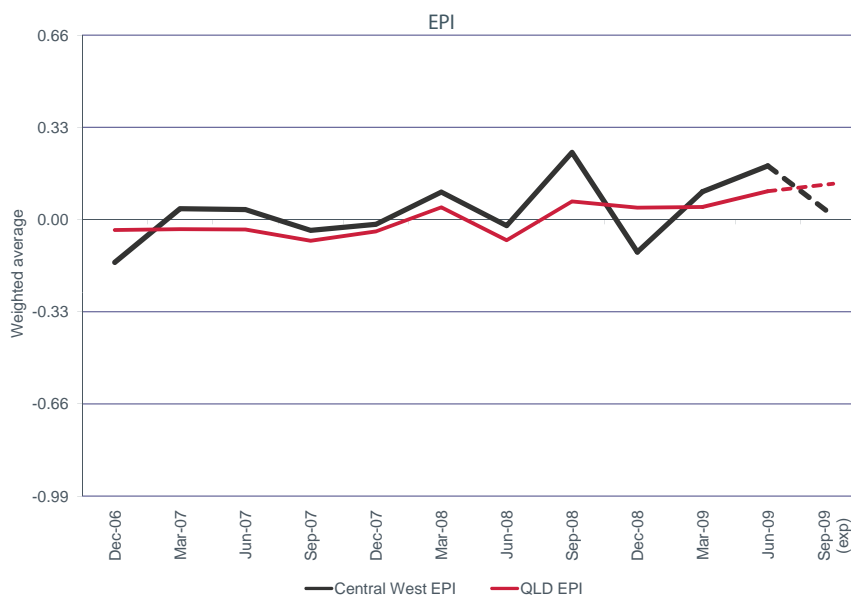
# REGIONAL PERFORMANCE

## Central West

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.04	-0.02	0.10	0.19	0.01	↑
Business Performance	0.05	0.06	0.31	0.31	0.18	↑
Capital Expenditure	-0.04	-0.08	0.03	0.15	-0.19	↓
Employment	0.09	-0.04	-0.03	0.12	0.05	↑
Profit	-0.24	-0.14	-0.12	-0.31		
Stock Levels	0.14	0.23	0.40	0.17	0.04	↑
Operating Costs	0.30	0.70	0.31	0.53		

Economic performance in Central West statistical division showed a second quarter of growth, gaining more positive ground since the March Quarter (0.10) to reach 0.19 in the June Quarter, equal highest in the state. This is the second highest performance indicator on record for the Central West after the September Quarter of 2008 (0.24).

- The improvement in economic performance was driven by a significant improvement in employment conditions which rose from -0.03 in the March Quarter to 0.12 in the June Quarter. This was supported by significant increased capital expenditure which increased from 0.03 in the March Quarter to 0.15 in the June Quarter. Central West agribusinesses reported unchanged business performance in the June Quarter.
- Stock levels remained positive although a significant decline in the growth rate was reported in the June Quarter, while the rate of increase in costs was the highest since the September Quarter of 2008.
- Profitability for Central West agribusinesses was less than satisfactory in the June Quarter, a decline since the March Quarter.



- In the June Quarter of 2009, 23% of respondents in Central West statistical division indicated that they had accessed finance in the last 12 months. This is a slight decline from 24% in the March Quarter and lower than the 26% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 43% indicated that they had experienced difficulty obtaining the finance.
- In line with the strong performance in the June Quarter of 2009, 77% of agribusinesses across Central West statistical division felt confident about the performance of their business over the next 12 months, compared with an average of 85% across the state. However, this is still an increase on confidence levels expressed during the March Quarter (69%).
- Central West division expects a decline in business performance, capital expenditure and employment conditions in the coming September Quarter.

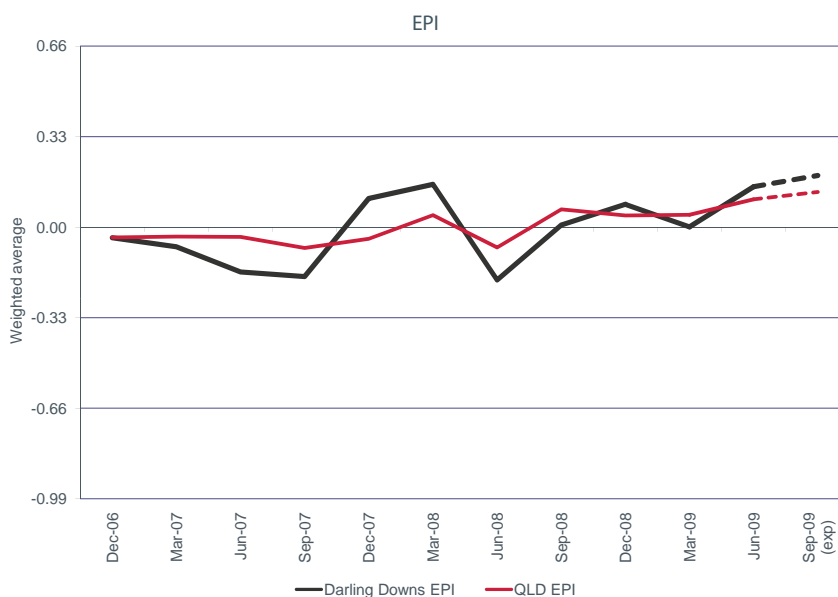
# REGIONAL PERFORMANCE

## Darling Downs

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.16	-0.19	0.00	0.15	0.19	▲
Business Performance	-0.24	-0.29	-0.06	0.32	0.60	▲
Capital Expenditure	-0.35	-0.21	-0.08	-0.05	-0.09	▼
Employment	0.11	-0.08	0.15	0.17	0.06	▲
Profit	-0.41	-0.52	-0.13	-0.28		
Stock Levels	-0.34	0.17	0.20	0.34	0.36	▲
Operating Costs	0.44	0.40	0.32	0.40		

Economic performance in Darling Downs statistical division was positive (0.15) in the June Quarter, an increase in performance from the March Quarter (0.00). This is considerably higher than the results for both the June Quarter of 2008 (-0.19) and the June Quarter of 2007 (-0.16), and is the second highest result on record for the division.

- The increase in economic performance was due in the main to a substantial increase in business performance which moved into strong positive territory. Capital expenditure improved slightly although remaining negative (-0.05) while employment conditions moved further into positive territory (0.17).
- Stock levels continued to increase in the June Quarter to their highest rate ever for the division, and significantly higher than the state average. At the same time the rate of operating cost increase reported during the quarter rose to the highest level since the corresponding quarter of 2008.
- Profitability amongst Darling Downs agribusinesses continued to decline in the June Quarter to the lowest level in twelve months.



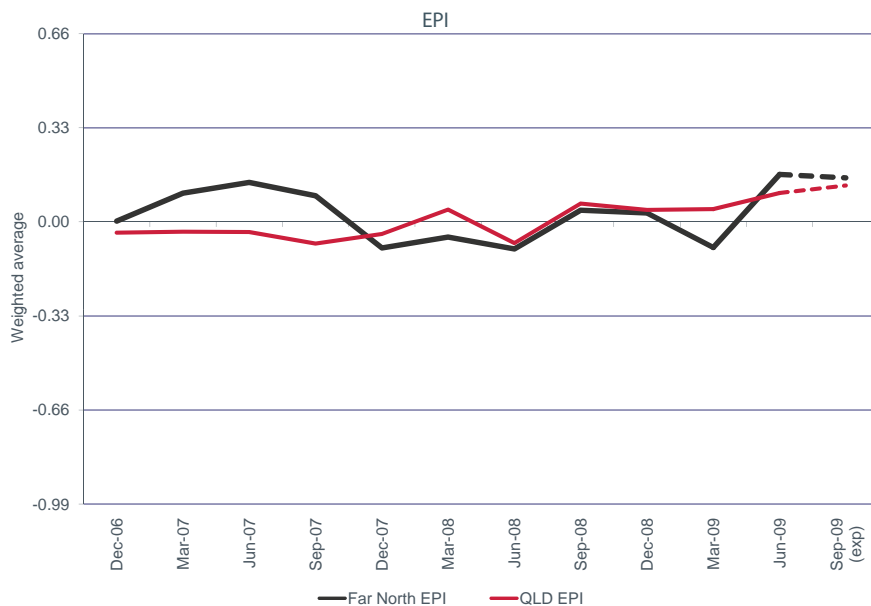
- In the June Quarter of 2009, 34% of respondents in Darling Downs statistical division indicated that they had accessed finance in the last 12 months. This is higher than 31% in the March Quarter but slightly lower than the 37% who accessed finance in the June Quarter of 2008. Of those who had sought finance, none indicated that they had experienced any difficulty obtaining the finance.
- In line with the increase in performance in the June Quarter of 2009, 85% of agribusinesses across Darling Downs statistical division felt confident about the performance of their business over the next 12 months, compared with 73% in the March Quarter. The Darling Downs division expects significant improvement in business performance in the coming September Quarter.

## Far North

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.14	-0.10	-0.09	0.17	0.15	↑
Business Performance	0.13	-0.14	0.09	0.13	0.19	↑
Capital Expenditure	0.17	-0.18	-0.29	0.32	0.27	↑
Employment	0.12	0.04	-0.07	0.05	0.01	↑
Profit	0.10	-0.33	-0.21	-0.22		
Stock Levels	0.41	0.11	0.11	-0.05	0.01	↑
Operating Costs	0.35	0.87	-0.22	0.36		

Economic performance in Far North statistical division showed the greatest improvement in the state, increasing from negative territory in the March Quarter (-0.09) to positive territory in the June Quarter (0.17). This equated to the highest level on record for the division.

- The increase in performance was attributable mainly to a large rise in capital expenditure from -0.29 in the March Quarter to 0.32 in the June Quarter. Marginal improvements in business performance and employment were also reported.
- Stock levels fell in the June Quarter, the first time such a decline has been recorded in Far North division. Operating costs in the June Quarter were reported to have increased significantly returning them once again to positive territory after the single March Quarter of decreasing operating costs.
- Profitability amongst Far North agribusinesses was less than satisfactory in the June Quarter and has been deteriorating over the past three quarters.



- In the June Quarter of 2009, 23% of respondents in Far North statistical division indicated that they had accessed finance in the last 12 months. This is down from 30% in the March Quarter and lower than the 37% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 21% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 94% of agribusinesses across Far North statistical division felt confident about the performance of their business over the next 12 months, the highest since the December Quarter of 2007 and equal highest on record. This is a significant improvement on confidence levels expressed during the March Quarter (78%). In line with this, Far North division expects improvements in business performance in the coming September Quarter.

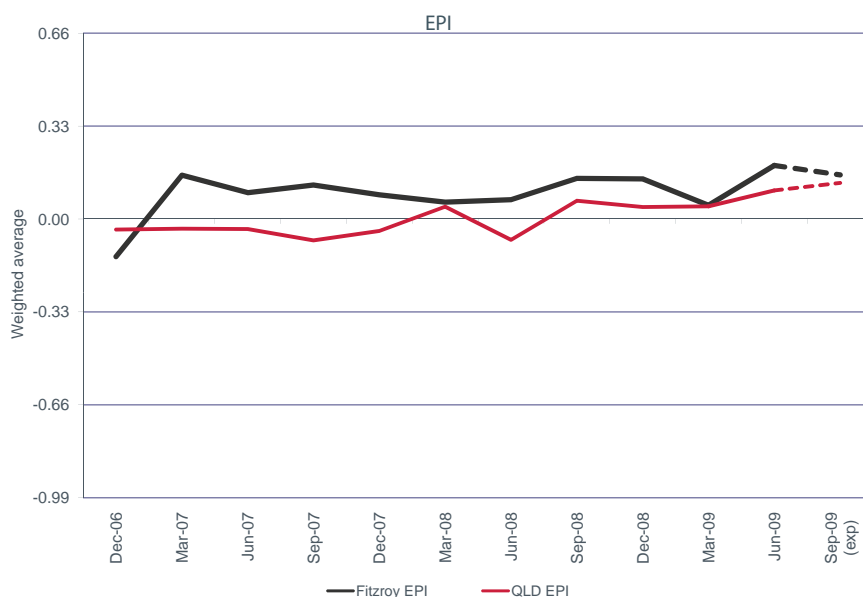
# REGIONAL PERFORMANCE

## Fitzroy

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.09	0.07	0.05	0.19	0.16	↑
Business Performance	0.02	0.34	0.40	0.28	0.25	↑
Capital Expenditure	0.11	-0.06	-0.14	0.37	0.22	↑
Employment	0.15	-0.07	-0.11	-0.08	0.00	●
Profit	-0.24	-0.01	0.04	-0.04		
Stock Levels	-0.08	0.34	-0.03	0.22	0.14	↑
Operating Costs	0.82	0.83	0.54	0.62		

Economic performance in Fitzroy statistical division was equal highest in the state at 0.19 in the June Quarter of 2009, which represented an increase from the March Quarter (0.05). This was the highest level ever recorded for the division.

- The increase in economic performance was due to a substantial increase in capital expenditure. Agribusinesses in Fitzroy division reported business performance to have declined from good to positive. Employment, while remaining in negative territory, did show a minor improvement over the previous quarter.
- Stock levels increased in the June Quarter, a sharp turn around from the decline reported in the March Quarter. Operating costs across Fitzroy division continued to increase, primarily due to the cost of raw materials, with the rate of increase being the highest in the state.
- Profitability amongst Fitzroy division agribusinesses declined to be less than satisfactory, the first such result since the September Quarter of 2008.



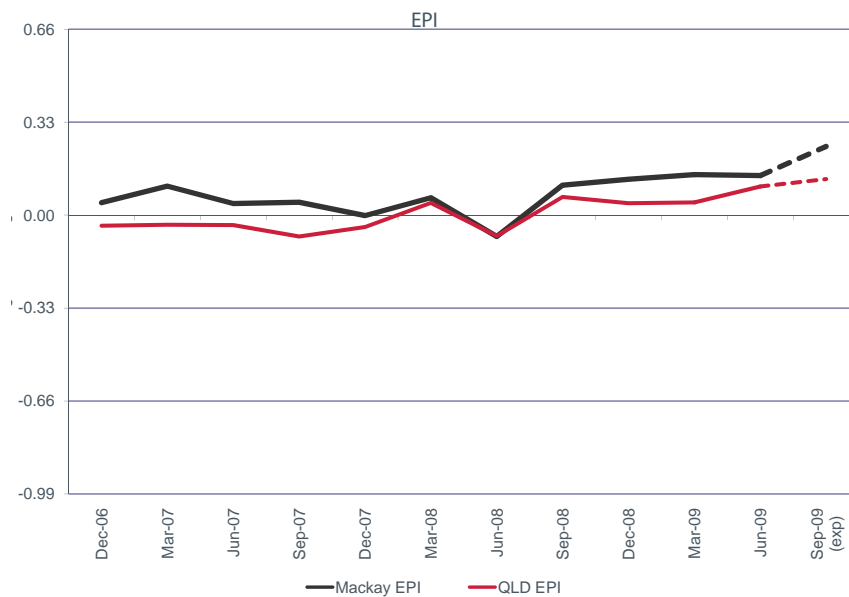
- In the June Quarter of 2009, 42% of respondents in Fitzroy statistical division indicated that they had accessed finance in the last 12 months. This is up from 33% in the March Quarter and the third highest result for the division on record. Of those who had sought finance, 4% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 83% of agribusinesses across Fitzroy statistical division felt confident about the performance of their business over the next 12 months. This is slightly lower than the state average but the highest since the March Quarter of 2008 for the division. Fitzroy division expects improvements in employment conditions in the coming September Quarter. Business performance and capital expenditure is expected to decline but to remain firmly positive.

## Mackay

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.04	-0.08	0.14	0.14	0.24	↑
Business Performance	0.16	-0.12	0.27	0.19	0.44	↑
Capital Expenditure	0.00	-0.08	0.05	0.18	0.22	↑
Employment	-0.03	-0.02	0.10	0.05	0.08	↑
Profit	-0.26	-0.34	-0.08	-0.07		
Stock Levels	0.03	0.11	0.32	-0.02	0.03	↑
Operating Costs	0.31	0.86	0.26	0.52		

Economic performance in Mackay statistical division remained unchanged in the June Quarter of 2009 at 0.14. This, along with the March Quarter of 2009 was the equal highest level ever recorded for Mackay.

- The positive economic performance was due to an increase in capital expenditure which offset falling positive business performance and employment conditions in the June Quarter. Importantly, all three indicators maintained the positive values of the previous quarter.
- Stock levels declined in the June Quarter returning to the negative territory of the December Quarter of 2008. Operating cost increases in Mackay division continued to rise to the highest rate since September Quarter of 2008.
- Profitability amongst Mackay agribusinesses was less than satisfactory in the June Quarter but showed a marginal improvement on the March Quarter.



- In the June Quarter of 2009, 23% of respondents in Mackay statistical division indicated that they had accessed finance in the last 12 months. This is a decline from 34% in the March Quarter and lower than the 33% who 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, 93% of agribusinesses across Mackay statistical division felt confident about the performance of their business over the next 12 months, which was the second highest confidence level in the state. This is an increase on confidence levels expressed during the March Quarter (88%).
- Mackay division expects improvement in business performance, employment conditions and capital expenditure in the coming September Quarter, resulting in an anticipated substantial improvement in economic performance.

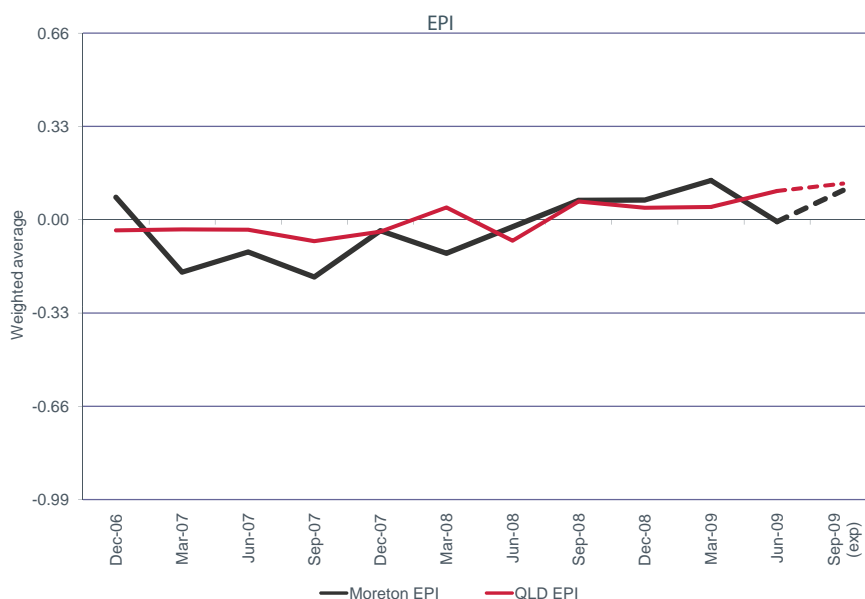
# REGIONAL PERFORMANCE

## Moreton

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.11	-0.03	0.14	-0.01	0.10	↑
Business Performance	-0.07	-0.11	0.28	-0.05	0.40	↑
Capital Expenditure	-0.21	-0.07	0.12	-0.04	-0.08	↓
Employment	-0.07	0.11	0.02	0.07	-0.01	↓
Profit	-0.25	-0.28	0.02	-0.29		
Stock Levels	0.14	-0.07	0.05	-0.02	0.09	↑
Operating Costs	0.72	0.89	0.51	0.54		

Economic performance in Moreton statistical division declined in the June Quarter of 2009 to -0.01 entering negative territory for the first time since the June Quarter of 2008. This is an improvement however on the June Quarters of 2008 and 2007 (-0.03 and -0.11 respectively).

- The decline in economic performance was due to substantial falls in business performance (from 0.28 in the March Quarter to -0.05 in the June Quarter) and capital expenditure (from 0.12 in the March Quarter to -0.04 in the June Quarter). Employment conditions remained positive and increased marginally in the quarter to 0.07.
- Stock levels fell in the June Quarter to -0.02. Operating costs increased at a similar level to those reported in the March Quarter and were among the highest in the state.
- Profitability amongst Moreton agribusinesses declined sharply in the June Quarter, returning to negative territory after only one quarter of better than satisfactory profitability.



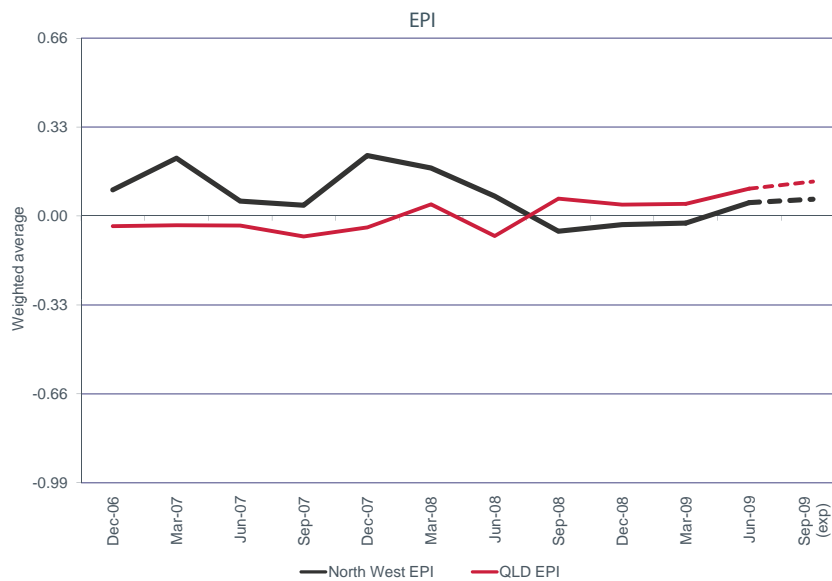
- In the June Quarter of 2009, 9% of respondents in Moreton statistical division indicated that they had accessed finance in the last 12 months. This is a decline from 22% in the March Quarter and lower than the 12% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 82% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 91% of agribusinesses across Moreton statistical division felt confident about the performance of their business over the next 12 months. This is a significant rise on confidence levels expressed during the March Quarter (73%).
- Moreton division expects significant improvement in business performance in the coming September Quarter. Both capital expenditure levels and employment conditions are expected to be in negative territory, with capital expenditure declining further in the September Quarter.

## North West

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.05	0.07	-0.03	0.05	0.06	▲
Business Performance	0.21	0.07	-0.01	0.13	0.05	▲
Capital Expenditure	0.19	0.16	-0.05	0.06	0.11	▲
Employment	-0.23	-0.01	-0.02	-0.04	0.03	▲
Profit	-0.14	-0.07	-0.63	-0.30		
Stock Levels	0.23	0.21	-0.53	0.03	-0.23	▼
Operating Costs	0.55	0.81	-0.21	0.36		

Economic performance in North West statistical division moved into positive territory in the June Quarter at 0.05, up from -0.03 in the March Quarter. This is comparable to the June Quarters of 2008 and 2007 (0.07 and 0.05 respectively).

- The positive economic performance is a result of positive results in business performance (0.13) and capital expenditure (0.06). Employment remained negative, declining from -0.02 in the March Quarter to -0.04 in the June Quarter.
- Stock levels grew in the June Quarter for the first time since the June Quarter of 2008. Operating costs were also reported to have increased in the June Quarter, compared with the single quarter of decreasing costs reported in the March Quarter.
- Profitability amongst North West agribusinesses was less than satisfactory in the June Quarter which was an improvement on the poor result of the March Quarter.



- In the June Quarter of 2009, 29% of respondents in North West statistical division indicated that they had accessed finance in the last 12 months. This is a decrease from 34% in the March Quarter and comparable with the 28% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 16% indicated that they had experienced difficulty obtaining the finance.
- Despite the positive performance in the June Quarter of 2009, North West division reported a decline in confidence levels with 67% of agribusinesses feeling confident about the performance of their business over the next 12 months. This is lower than confidence levels expressed during the March Quarter (77%). At the same time, North West division expects improvements in capital expenditure levels and employment conditions in the coming September Quarter, while business performance is expected to remain positive but to decline slightly.

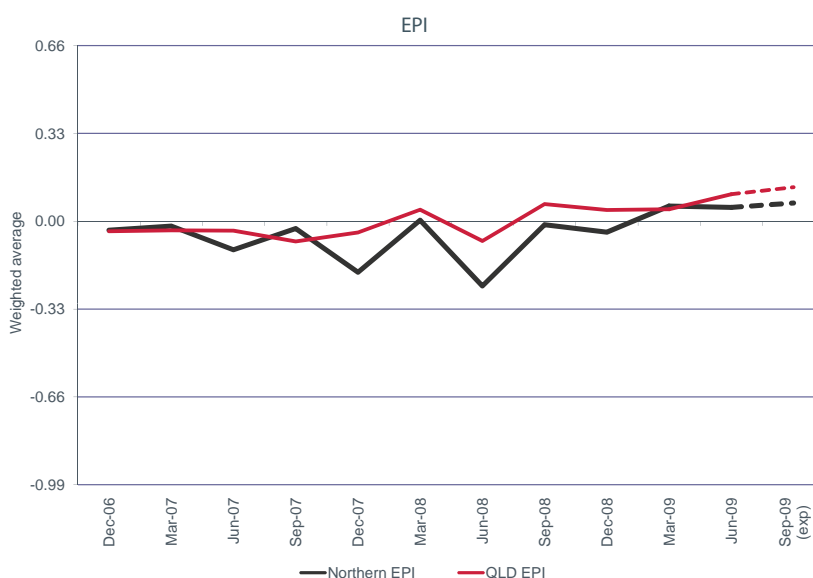
# REGIONAL PERFORMANCE

## Northern

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.11	-0.24	0.06	0.05	0.07	▲
Business Performance	-0.27	-0.42	0.03	-0.08	0.28	▲
Capital Expenditure	-0.21	-0.36	0.14	0.26	-0.06	▼
Employment	0.16	0.05	0.00	-0.02	-0.01	▼
Profit	-0.27	-0.66	-0.41	-0.36		
Stock Levels	0.21	0.48	0.04	-0.28	-0.08	▼
Operating Costs	0.65	0.87	0.16	0.54		

Economic performance in Northern statistical division remained positive in the June Quarter of 2009 at 0.05, a slight decline from the previous quarter. This compares with negative performance in both the June Quarter of 2008 (-0.24) and the June Quarter of 2007 (-0.11).

- The marginal change in economic performance was due to an increase in capital expenditure levels combined with a fall in employment conditions and business performance, with both entering negative territory.
- Stock levels fell substantially in the June Quarter, the first decline since the September Quarter of 2007 and the largest on record for Northern statistical division. Operating costs continued to increase in the June Quarter with the rate of growth being significantly higher than in the March Quarter.
- Profitability amongst Northern agribusinesses remained poor in the June Quarter and, despite improvement on the March Quarter, was the poorest in the state.



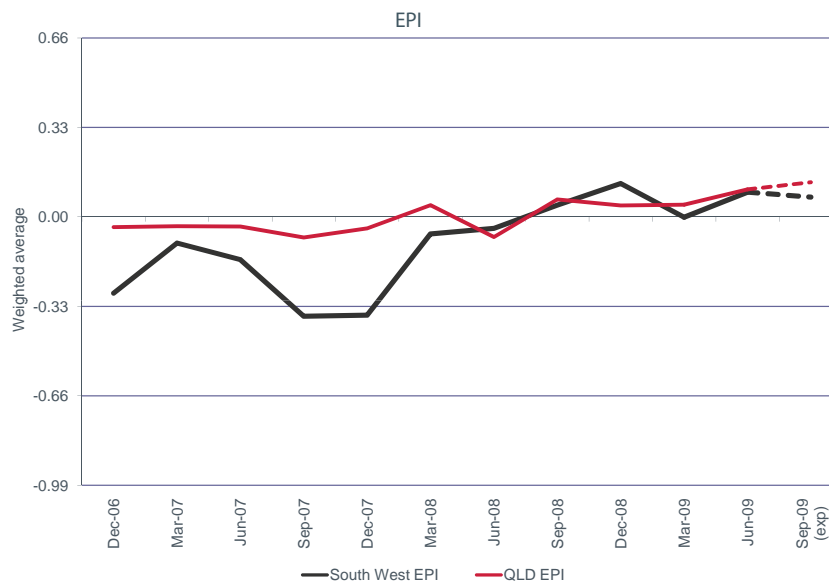
- In the June Quarter of 2009, 31% of respondents in Northern statistical division indicated that they had accessed finance in the last 12 months. This is a decrease from 39% in the March Quarter and comparable with the 32% who accessed finance in the June Quarter of 2008. Of those that had sought finance, 60% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 77% of agribusinesses across Northern statistical division felt confident about the performance of their business over the next 12 months. This is a significant increase on confidence levels expressed during the March Quarter (58%). This is supported by an expectation among agribusinesses of an increase in business performance in the coming September Quarter, although capital expenditure levels are expected to decline significantly.

## South West

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.16	-0.04	0.00	0.09	0.07	↑
Business Performance	-0.32	0.13	0.20	0.26	0.28	↑
Capital Expenditure	-0.14	-0.16	0.07	0.12	-0.03	↓
Employment	-0.02	-0.09	-0.28	-0.10	-0.03	↓
Profit	-0.52	-0.47	0.01	-0.04		
Stock Levels	-0.55	-0.12	0.22	-0.09	0.19	↑
Operating Costs	0.40	0.72	0.11	0.68		

Economic performance in South West statistical division returned to positive territory in the June Quarter (0.09) after a satisfactory result in the March Quarter. This was a significant improvement on the June Quarters of 2008 and 2007 (-0.04 and -0.16 respectively) and was the second highest result for South West division on record.

- The improvement in economic performance was due to an increase in business performance and while still remaining negative, employment conditions also improved in the June Quarter (-0.10). Capital expenditure levels remained positive for the fourth consecutive quarter.
- Stock levels fell considerably in the June Quarter to report their first negative result since the June Quarter of 2008. Operating costs jumped considerably to record their greatest rate of increase since the June Quarter of 2008.
- Profitability amongst South West agribusinesses declined into less than satisfactory territory in the June Quarter compared to the positive result reported in the March Quarter.



- In the June Quarter of 2009, 45% of respondents in South West statistical division indicated that they had accessed finance in the last 12 months. This is up from 27% in the March Quarter but lower than the 54% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 23% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter of 2009, 81% of agribusinesses across South West statistical division felt confident about the performance of their business over the next 12 months. This is significantly higher than confidence levels expressed during the March Quarter (66%) but lower than the state average (85%).
- South West division expects minor improvements in business performance in the coming September Quarter, while employment conditions are expected to remain negative but see an improvement. Capital expenditure however, is expected to decrease considerably.

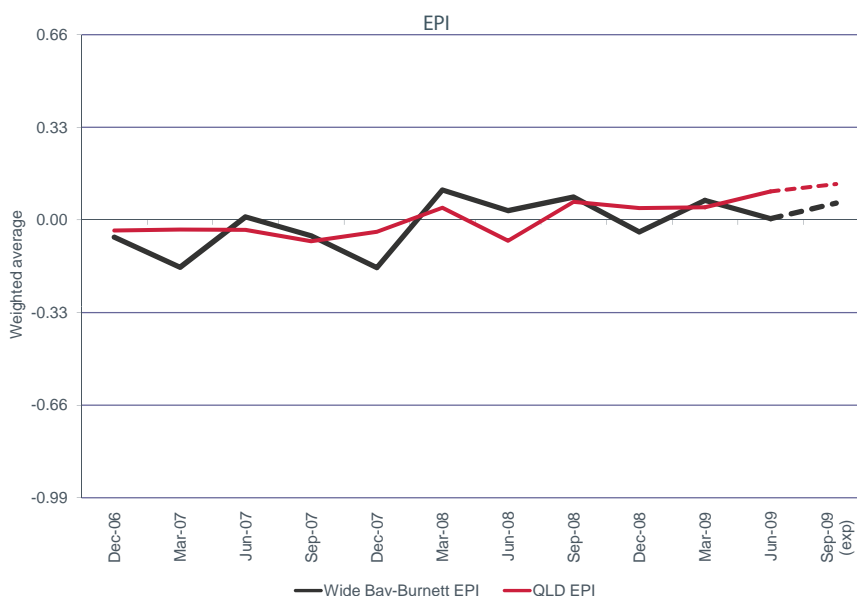
## REGIONAL PERFORMANCE

### Wide Bay-Burnett

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.01	0.03	0.07	0.00	0.06	▲
Business Performance	-0.02	0.04	0.30	0.05	0.12	▲
Capital Expenditure	-0.02	0.01	-0.01	0.03	0.08	▲
Employment	0.07	0.05	-0.08	-0.07	-0.02	▼
Profit	-0.12	-0.12	0.00	-0.10		
Stock Levels	-0.43	0.12	-0.08	-0.05	0.11	▲
Operating Costs	0.59	0.73	0.39	0.39		

Economic performance in Wide Bay-Burnett statistical division was satisfactory in the June Quarter of 2009 compared with the positive index in the March Quarter (0.07).

- The decline in economic performance was due to a substantial reduction in business performance, down from 0.30 in the March Quarter to 0.05 in the June Quarter. Capital expenditure levels, on the other hand, improved in the June Quarter, entering positive territory. Employment conditions remained negative during the quarter, despite minor improvement since the March Quarter.
- Stock levels continued to decrease in the June Quarter although the rate of reduction was marginally lower than that reported in the March Quarter. At the same time, the rate of operating cost increases reported during the quarter remained comparable with the previous March Quarter level of 0.39.
- Profitability amongst Wide Bay-Burnett agribusinesses declined in the June Quarter to record a less than satisfactory result.



- In the June Quarter of 2009, 40% of respondents in Wide Bay-Burnett statistical division indicated that they had accessed finance in the last 12 months. This is up substantially from 22% in the March Quarter and comparable to the 39% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 18% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter of 2009, 78% of agribusinesses across South West statistical division felt confident about the performance of their business over the next 12 months. This is lower than confidence levels expressed during the March Quarter (85%) and lower than the state average (85%).
- Wide Bay-Burnett division expects improvements in business performance and capital expenditure in the coming September Quarter. Employment conditions, while remaining negative, are also expected to see some improvement.

## Topical Question

	Sell business	Handover business	Stop managing - receive income	Not considered	Other / don't know	Total succession plan
Central West	25%	22%	0%	5%	0%	53%
Darling Downs	29%	5%	5%	0%	0%	40%
Far North	9%	6%	0%	11%	6%	32%
Fitzroy	4%	27%	0%	0%	12%	43%
Mackay	1%	33%	0%	0%	8%	42%
Moreton	5%	16%	0%	0%	19%	41%
North West	12%	17%	0%	0%	10%	40%
Northern	3%	32%	5%	10%	0%	50%
South West	17%	28%	5%	5%	0%	55%
Wide Bay-Burnett	10%	34%	5%	5%	5%	61%
Queensland	13%	20%	3%	4%	6%	45%

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, 45% of agribusinesses in Queensland reported having a succession plan. Twenty percent indicated that they are planning to handover the business, 13% plan to sell and 4% plan to stop managing the business and still receive income.
- Of those with a succession plan, 46% plan to retire/handover in less than five years with 7% expecting to retire/handover between 5 and 10 years. Twenty-four percent plan to retire/handover in more than 10 years.
- In Queensland, 56% of respondents indicated they would seek advice about succession planning from their accountant, with 23% seeking advice from their family, 19% from a solicitor, and 2% from a banker.
- Thirty-six percent of respondents in Queensland would seek advice about succession planning locally, 26% would seek advice from the nearest large city and 12% would access the capital city.
- In a similar question in the March Quarter 2007 Index, 51% of respondents indicated that they had considered the future of their business without necessarily having a formal succession plan.

## Business Confidence

Eighty-five percent of agribusinesses in Queensland felt confident about the performance of their business over the next 12 months. This represents an increase in confidence from the March Quarter when 75% of businesses felt confident.

- Upstream agribusinesses, producers and the downstream sector reported significantly improved confidence levels in the June Quarter compared to those in the March Quarter.
- Eight of the ten statistical divisions reported increased confidence levels in the June Quarter. The most dramatic increases in confidence levels were reported in Northern (up by 19 percentage points) and Moreton (up by 18 percentage points) divisions.
- Confidence levels fell in Wide Bay-Burnett and North West statistical divisions. The largest decrease in confidence levels was reported in North West division (down by 10 percentage points).

