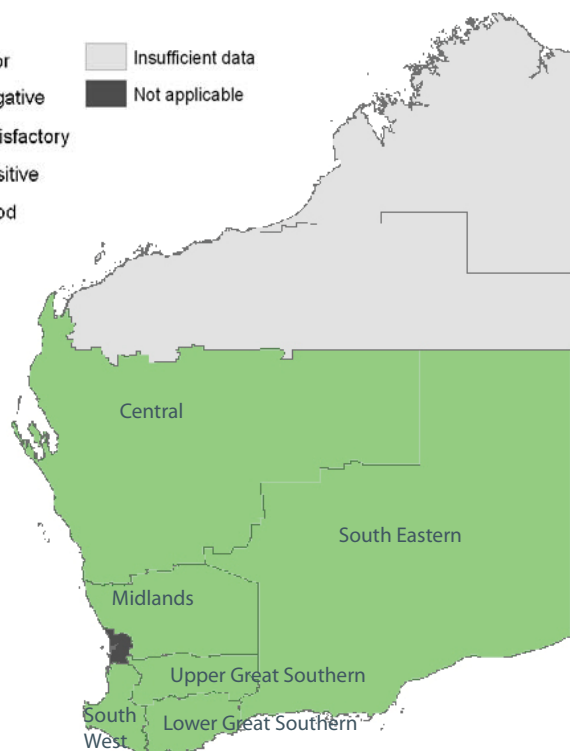


June Quarter 2009

Legend

EPI



"More people are working locally now that mining work has dried up."

Agricultural Machinery Manufacturer, Upper Great Southern

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

The Economic Performance Index (EPI) is the average of results for business performance, employment and investment (capital expenditure) indicators. The EPI for Western Australia was positive during the June Quarter, representing the eighth consecutive quarter of either satisfactory or positive economic performance. It is Western Australia's highest EPI on record and ranks Western Australia first amongst the six Australian states.

The positive economic performance statewide is the result of positive capital expenditure and, to a lesser extent, positive business performance and employment. Business performance was particularly strong in the downstream sectors, employment growth was significant in the upstream sector and capital expenditure was strong for producers and downstream agribusinesses. Capital expenditure in the June Quarter was significantly higher than at any time in the previous ten quarters.

Profitability was reported as less than satisfactory across the state, with only the downstream sector reporting better than satisfactory profitability.

Operating cost increases, experienced across all sectors, were mainly driven by the price of fertiliser, chemicals, fuel and freight, and maintenance. Stock levels increased slightly this quarter after decreasing slightly in the previous quarter.

Forty-one percent of agribusinesses indicated that they had accessed finance in the last 12 months. Of those that had sought finance, 23% indicated that they had experienced difficulty obtaining the finance.

The EPI for Western Australia by statistical division is shown on the adjacent map. In the June Quarter, all six statistical divisions reported positive economic performance (shown in light green; Pilbara and Kimberley are excluded due to insufficient data). Central and Midlands statistical divisions reported the best economic performance this quarter.

Agribusiness confidence in Western Australia increased slightly this quarter, with 75% of businesses confident about the performance of their business over the next 12 months. In the immediate future, the outlook for the September Quarter of 2009 is for continued positive economic performance across all sectors and all statistical divisions except South West division, which is expecting satisfactory economic performance.

Western Australia

SECTOR PERFORMANCE

Economic Performance Index

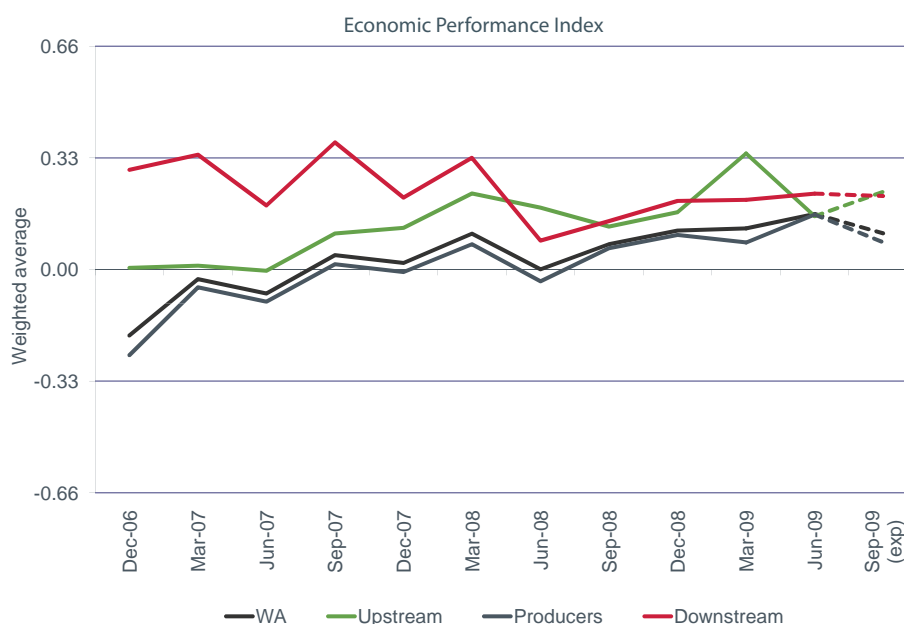
The economic performance results for Western Australia in the June Quarter were:

- All statistical divisions reported positive economic performance. Central and Midlands divisions were the best performers.
- Upper Great Southern division reported the worst result in economic performance, largely due to a negative result in capital expenditure. South Eastern division reported positive economic performance this quarter after reporting negative economic performance in the previous quarter.
- The downstream sector reported its highest EPI since the March Quarter of 2008. This was due to good business performance and positive capital expenditure. Employment conditions in the downstream sector declined this quarter.
- Profitability in the downstream sector was positive in the June Quarter. Stock levels decreased for the first time in eleven quarters while operating costs increased at the lowest rate since the June Quarter of 2007.
- Producers reported their fourth consecutive quarter of positive economic performance and their best economic performance result in eleven quarters. This was due mainly to positive business performance and capital expenditure. Employment conditions also remained positive in the producer sector.
- Operating costs for producers increased at the highest rate since the September Quarter of 2008. Producers also reported less than satisfactory profitability for the eleventh consecutive quarter while stock levels increased slightly after decreasing marginally in the

	Business Performance	Capital Expenditure	Employment	EPI		Outlook
				Jun	Sep	
Central	0.40	0.39	-0.01	0.26	↑	↑
Lower Great Southern	0.41	0.18	0.00	0.20	↑	↑
Midlands	0.34	0.29	0.12	0.25	↑	↑
South Eastern	-0.04	0.33	-0.09	0.07	↑	↑
South West	-0.20	0.38	0.05	0.08	●	●
Upper Great Southern	0.01	-0.11	0.13	0.01	↑	↑
Upstream	0.16	0.06	0.25	0.16	↑	↑
Producers	0.15	0.32	0.02	0.16	↑	↑
Downstream	0.42	0.33	-0.08	0.22	↑	↑
Western Australia	0.16	0.28	0.05	0.16	↑	↑

previous quarter.

- The upstream sector reported positive economic performance in the June Quarter. This quarter's result was largely driven by positive employment and business performance, while capital expenditure also reported a positive result.
- Profitability in the upstream sector was reported as less than satisfactory for the first time since the September Quarter of 2007. Operating costs increased at the lowest rate in eleven quarters and stock levels marginally increased.
- The outlook for Western Australia for the coming quarter is for positive economic performance in all agribusiness sectors and in all statistical divisions except South West division, which is expecting satisfactory economic performance.



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.

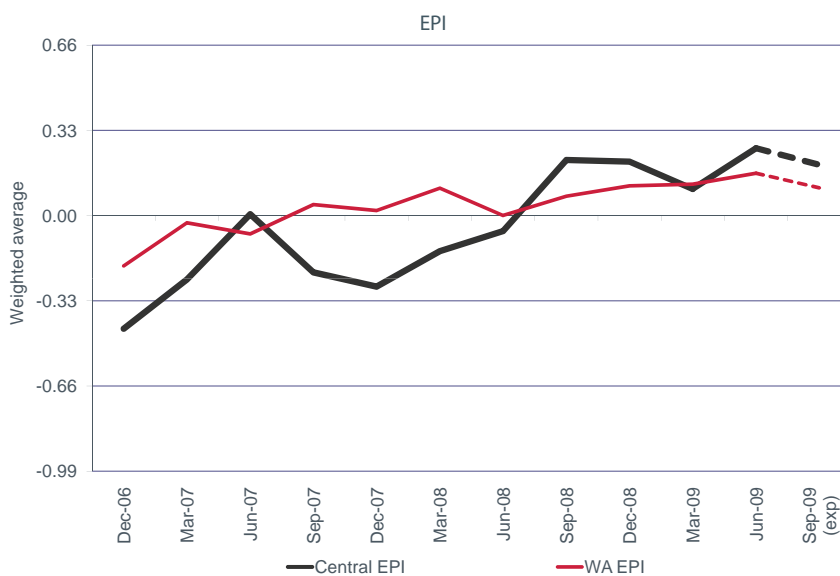
REGIONAL PERFORMANCE

Central

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.01	-0.06	0.10	0.26	0.20	▲
Business Performance	-0.17	-0.04	0.15	0.40	0.44	▲
Capital Expenditure	0.20	-0.05	0.14	0.39	0.03	▲
Employment	-0.01	-0.09	0.02	-0.01	0.12	▲
Profit	-0.24	-0.51	-0.08	-0.21	-	
Stock Levels	-0.13	-0.20	0.03	0.13	0.10	▲
Operating Costs	0.43	0.68	0.36	0.42	-	

Economic performance in Central statistical division remained positive for the fourth consecutive quarter, with its best quarterly EPI for eleven quarters. Central statistical division was the best performing division in Western Australia in the June Quarter.

- The positive economic performance was largely due to good results for business performance and capital expenditure. Employment conditions decreased slightly in the June Quarter.
- Stock levels increased for the fourth consecutive quarter, at the highest rate of increase in eleven quarters. Operating costs increased at the highest rate since the December Quarter of 2008.
- Profitability was recorded as less than satisfactory for the quarter, having been less than satisfactory or poor since the inception of the survey. Profitability fell in comparison with the March Quarter.



- In the June Quarter of 2009, 61% of respondents in Central statistical division indicated that they had accessed finance in the last 12 months. This is an increase from 50% in the March Quarter and higher than the 47% who accessed finance in the June Quarter of 2008. Of those who had sought finance, five percent indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 85% of agribusinesses across Central 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 (65%).
- In the coming quarter, Central division expects good business performance and positive employment growth. Capital expenditure is expected to decline but remain positive. Overall, economic performance in the September Quarter is expected to be positive.

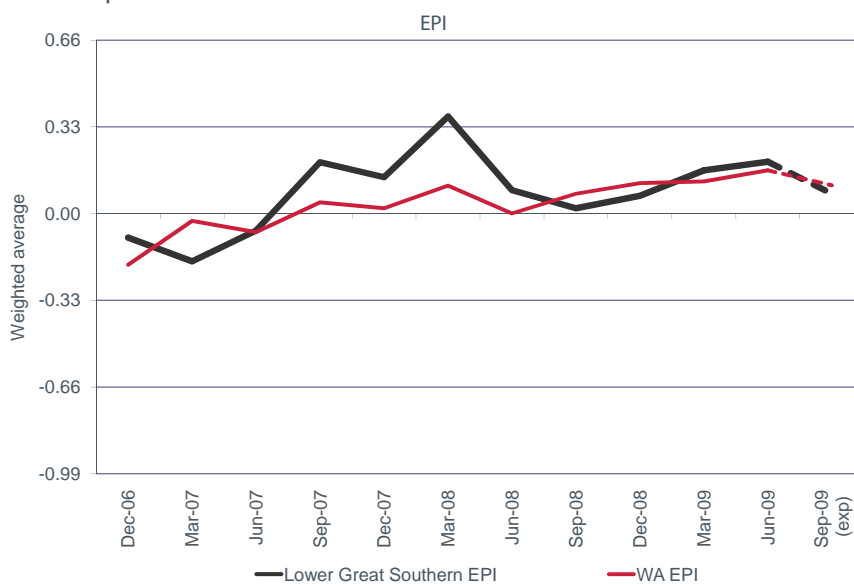
REGIONAL PERFORMANCE

Lower Great Southern

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.06	0.09	0.16	0.20	0.08	▲
Business Performance	-0.23	0.30	0.08	0.41	0.24	▲
Capital Expenditure	-0.03	-0.05	0.31	0.18	0.04	▲
Employment	0.07	0.02	0.10	0.00	-0.05	▼
Profit	-0.26	0.10	-0.03	0.03	-	●
Stock Levels	-0.05	0.25	0.12	0.20	0.00	●
Operating Costs	0.59	0.93	0.30	0.42	-	

Economic performance in Lower Great Southern statistical division remained positive for the eighth consecutive quarter, reporting its best quarterly EPI since the March Quarter of 2008. Lower Great Southern statistical division was the third best performing division in Western Australia in the June Quarter.

- The positive economic performance was largely due to a good result for business performance and a positive result for capital expenditure. Employment was satisfactory in the June Quarter.
- Stock levels increased for the eighth consecutive quarter. Operating costs increased, although the rate of cost increases is significantly lower than those reported in the June Quarter of 2008.
- Profitability was recorded as better than satisfactory for the quarter, which is an improvement on the less than satisfactory result reported in the previous quarter.



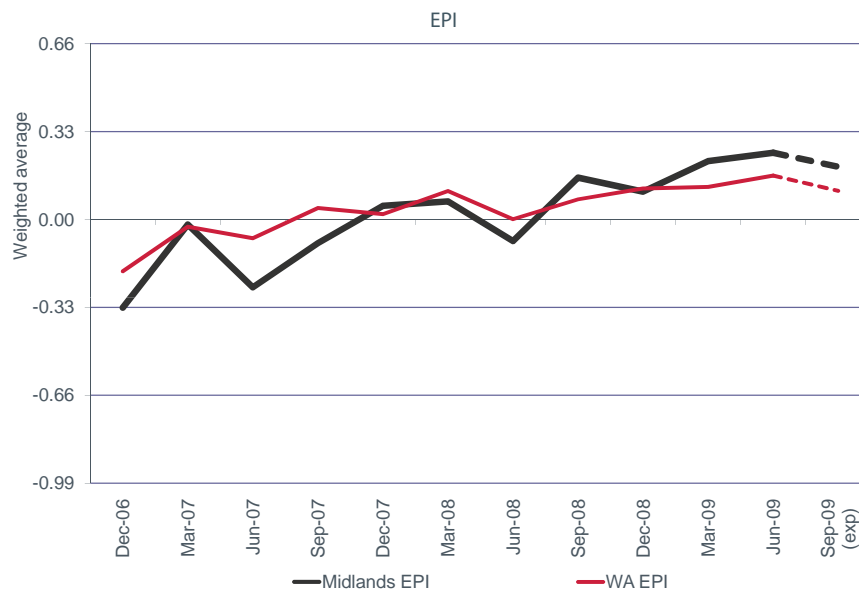
- In the June Quarter of 2009, 42% of respondents in Lower Great Southern statistical division indicated that they had accessed finance in the last 12 months. This is a decrease from 49% in the March Quarter and higher than the 41% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 12% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 75% of agribusinesses across Lower Great Southern 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 (55%).
- In the coming quarter, Lower Great Southern division expects positive business performance and capital expenditure. Employment conditions are expected to decrease slightly. Overall, economic performance in the September Quarter is expected to be positive.

Midlands

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.25	-0.08	0.22	0.25	0.20	↑
Business Performance	-0.30	-0.08	0.36	0.34	0.35	↑
Capital Expenditure	-0.28	-0.13	0.25	0.29	0.13	↑
Employment	-0.18	-0.03	0.05	0.12	0.11	↑
Profit	-0.49	-0.01	0.00	0.09	-	
Stock Levels	-0.14	-0.01	-0.14	-0.03	0.16	↑
Operating Costs	0.43	0.86	0.39	0.32	-	

Economic performance in Midlands statistical division remained positive for the fourth consecutive quarter, reporting its best quarterly EPI in eleven quarters. Midlands statistical division was the second best performing division in Western Australia in the June Quarter.

- The positive economic performance was largely due to positive results for business performance and capital expenditure. Employment also reported a positive result in the June Quarter, exhibiting a significant increase compared with the March Quarter.
- Stock levels decreased for the seventh consecutive quarter, although the decrease this quarter was slight. Operating costs increased at the lowest rate since the December Quarter of 2006.



- Profitability was reported as better than satisfactory for the quarter, which is an improvement on the satisfactory result reported in the previous quarter.
- In the June Quarter of 2009, 41% of respondents in Midlands statistical division indicated that they had accessed finance in the last 12 months. This is an increase from 38% in the March Quarter and higher than the 37% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 35% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 89% of agribusinesses across Midlands 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 (80%).
- In the coming quarter, Midlands division expects good business performance and positive capital expenditure and employment. Overall, economic performance in the September Quarter is expected to be positive.

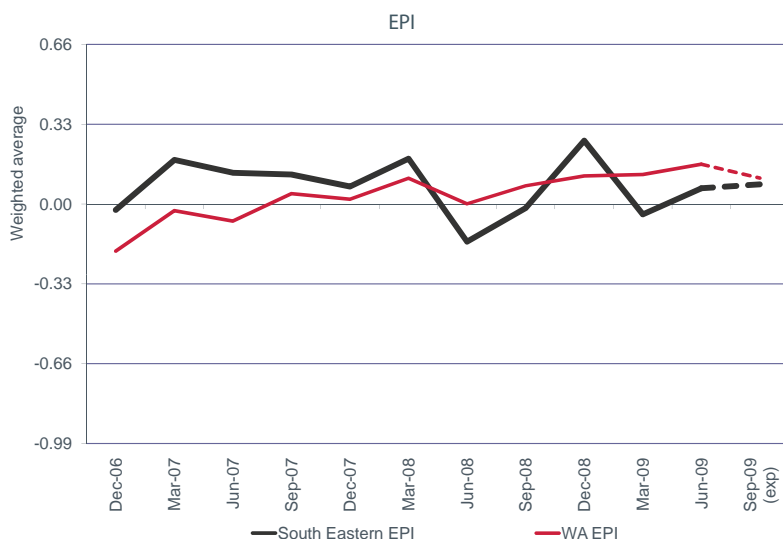
REGIONAL PERFORMANCE

South Eastern

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	0.13	-0.16	-0.04	0.07	0.08	▲
Business Performance	0.25	-0.52	-0.07	-0.04	0.29	▲
Capital Expenditure	0.06	0.06	0.02	0.33	0.04	▲
Employment	0.08	0.00	-0.08	-0.09	-0.09	▼
Profit	0.05	-0.52	-0.11	0.00	-	
Stock Levels	0.25	-0.63	-0.58	-0.43	-0.13	▼
Operating Costs	0.60	0.84	0.55	0.21	-	

Economic performance in South Eastern statistical division returned to a positive result after reporting a negative result in the previous quarter. South Eastern statistical division was the fifth best performing division in Western Australia in the June Quarter.

- The positive economic performance was largely due to a positive result for capital expenditure. Business performance and employment conditions were reported as negative in the June Quarter, although the former had improved slightly compared with the March Quarter.
- Stock levels substantially decreased for the second consecutive quarter, and have been decreasing for four of the last five quarters. Operating costs increased at the lowest rate in eleven quarters.
- Profitability was recorded as satisfactory for the quarter, which is an improvement on the less than satisfactory result reported in the previous quarter.



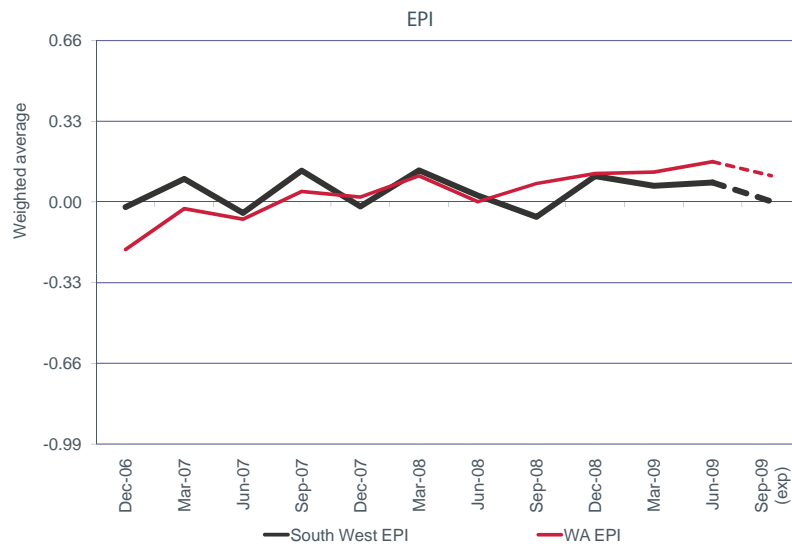
- In the June Quarter of 2009, 41% of respondents in South Eastern statistical division indicated that they had accessed finance in the last 12 months. This is comparable with the 42% in the March Quarter and identical to the 41% who accessed finance in the June Quarter of 2008. Of those who had sought finance, one third (33%) indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 56% of agribusinesses across South Eastern statistical division felt confident about the performance of their business over the next 12 months. This is a substantial decrease from confidence levels expressed during the March Quarter (73%).
- In the coming quarter, South Eastern division expects positive business performance and capital expenditure. Employment conditions are expected to remain negative. Overall, economic performance in the September Quarter is expected to be positive.

South West

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.04	0.03	0.07	0.08	0.00	●
Business Performance	-0.15	0.01	0.16	-0.20	0.02	▲
Capital Expenditure	0.16	-0.05	-0.16	0.38	-0.01	▼
Employment	-0.14	0.12	0.20	0.05	0.00	●
Profit	-0.34	-0.38	-0.14	-0.24	-	
Stock Levels	0.05	-0.06	0.11	0.16	-0.20	▼
Operating Costs	0.65	0.64	0.32	0.56	-	

Economic performance in South West statistical division was positive in the June Quarter for the third consecutive quarter. South West statistical division was the fourth best performing division in Western Australia in the June Quarter.

- The positive economic performance was largely due to a good result for capital expenditure. Employment conditions were reported as positive in the June Quarter while business performance was negative. The business performance result was the second worst result on record.
- Stock levels substantially increased for the fourth consecutive quarter, recording the largest increase since that reported in the September Quarter of 2008. Operating costs increased at a much higher rate than that reported in the previous two quarters.
- Profitability was recorded as less than satisfactory for the quarter and exhibited a decline on the March Quarter.



- In the June Quarter of 2009, 22% of respondents in South West statistical division indicated that they had accessed finance in the last 12 months. This is an increase from 14% in the March Quarter and an increase on the 10% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 27% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 70% of agribusinesses across South West 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 (63%).
- In the coming quarter, South West division expects marginally positive business performance, slightly negative capital expenditure and satisfactory employment conditions. Overall, economic performance in the September Quarter is expected to be satisfactory.

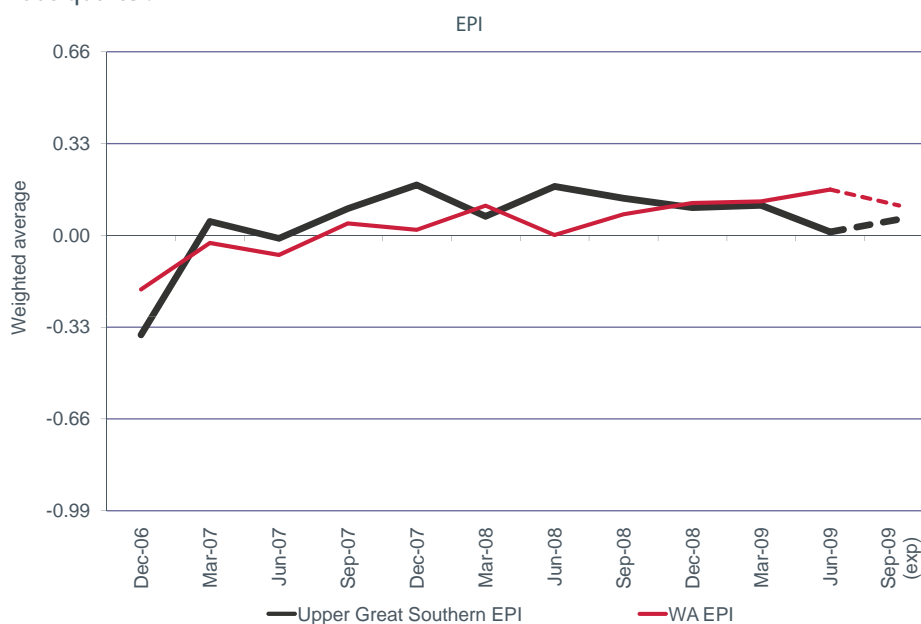
REGIONAL PERFORMANCE

Upper Great Southern

	Jun Qtr 2007	Jun Qtr 2008	Mar Qtr 2009	Jun Qtr 2009	Sep Qtr (exp)	Outlook Sep
EPI	-0.01	0.18	0.11	0.01	0.06	↑
Business Performance	-0.07	0.42	0.07	0.01	0.35	↑
Capital Expenditure	0.06	-0.04	0.27	-0.11	-0.14	↓
Employment	-0.02	0.14	-0.02	0.13	-0.04	↓
Profit	-0.31	0.04	0.10	-0.14	-	↓
Stock Levels	-0.20	-0.01	-0.11	-0.37	-0.23	↓
Operating Costs	0.63	0.90	0.45	0.63	-	

Economic performance in Upper Great Southern statistical division was positive in the June Quarter for the eighth consecutive quarter; however, this quarter's EPI was the lowest during that period. South West statistical division was the worst performing division in Western Australia in the June Quarter.

- The positive economic performance was largely due to positive results in business performance and employment conditions. Capital expenditure was reported as negative for the first time since the June Quarter of 2008.
- Stock levels substantially decreased in the June Quarter. This is the third consecutive quarter that a stock level decrease has been reported. Operating costs increased at a greater rate than that reported in the previous quarter.
- Profitability was recorded as less than satisfactory for the quarter, a turnaround from the better than satisfactory result reported in the previous quarter.



- In the June Quarter of 2009, 60% of respondents in Upper Great Southern statistical division indicated that they had accessed finance in the last 12 months. This is identical to the result reported in the March Quarter and a slight decrease on the 61% who accessed finance in the June Quarter of 2008. Of those who had sought finance, 25% indicated that they had experienced difficulty obtaining the finance.
- In the June Quarter, 59% of agribusinesses across Upper Great Southern statistical division felt confident about the performance of their business over the next 12 months. This is a substantial decrease on confidence levels expressed during the March Quarter (78%).
- In the coming quarter, Upper Great Southern division expects business performance to improve substantially. Capital expenditure and employment conditions are expected to decline. Overall, economic performance in the September Quarter is expected to be positive.

Topical Question

	Sell business	Handover business	Stop managing - receive income	Not considered	Other / don't know	Total succession plan
Central	3%	25%	0%	0%	9%	38%
Lower Great Southern	13%	16%	0%	0%	5%	34%
Midlands	3%	22%	11%	0%	5%	41%
South Eastern	16%	28%	1%	8%	0%	54%
South West	12%	16%	0%	5%	1%	35%
Upper Great Southern	6%	13%	13%	3%	6%	41%
Western Australia	9%	19%	4%	2%	4%	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 Western Australia reported having a succession plan. Nineteen 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.
- Of those with a succession plan, 40% plan to retire/handover in less than five years with 26% expecting to retire/handover between 5 and 10 years. Nineteen percent plan to retire/handover in greater than 10 years.

- In Western Australia, 73% of respondents indicated they would seek advice about succession planning from their accountant, with 13% seeking advice from their family, 10% from a solicitor, and 5% from a banker.
- A third of respondents in Western Australia would seek advice about succession planning locally, 24% would seek advice from a capital city and 20% would access the nearest large city.
- In a similar question in the March Quarter 2007 Index, 50% of respondents indicated that they had considered the future of their business without necessarily having a formal succession plan.

Business Confidence

Seventy five percent of agribusinesses in Western Australia felt confident about the performance of their business over the next 12 months. This is an increase on the March Quarter result (69%) and is an improvement on the confidence levels expressed in the June Quarters of 2008 (66%) and 2007 (72%).

- Downstream agribusinesses reported the highest confidence levels (94%), followed by producers (75%) and upstream agribusinesses (68%). Producers reported greater confidence levels than that reported in the March Quarter while upstream agribusinesses reported decreased confidence levels and downstream agribusinesses reported identical confidence levels.
- Central, Midlands, South West and Lower Great Southern divisions reported increased business confidence while South Eastern and Upper Great Southern divisions reported decreased business confidence.
- The greatest decrease in business confidence occurred in Upper Great Southern division, which decreased from 78% in the March Quarter to 59% in the June Quarter.

