

# finalreport

**Project code:** B.COM.0348

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**Date published:** April 2014

**ISBN:** 9781740361897

PUBLISHED BY  
Meat & Livestock Australia Limited  
Locked Bag 991  
NORTH SYDNEY NSW 2059

## The Northern beef report **2013 Northern beef situation analysis**

Meat & Livestock Australia acknowledges the matching funds provided by the Australian Government to support the research and development detailed in this publication.

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## **Important considerations and interpretation of situation analyses**

### **What is a 'situation analysis'?**

A situation analysis can take on a number of forms and utilise various methods of analysis to provide a snapshot of the current 'state of play' within a region, sector or industry. The aim of these analyses is to generate a greater understanding of the economic performance and issues impacting producers at the enterprise level. Importantly, these reports aim to complement other sources of data available on industry performance, including those from the Australian Bureau of Agricultural Resource Economics (ABARE) and the Australian Bureau of Statistics (ABS).

### **What is comparative analysis?**

A commonly used method to underpin a situation analysis is known as a 'comparative analysis'. By definition, comparative analysis is simply comparing two or more systems to identify and explain points of difference and/or similarities, along with associated trends over time). The final output of a comparative analysis is an explanation of the drivers that directly and indirectly affect performance. These drivers are either causative (i.e. directly impact on performance) or associative (i.e. related parameters that won't or don't directly impact performance).

### **There are limitations to comparative analysis**

Comparative analysis compares systems with a variety of physical and social attributes (e.g. geographical location, skills, human and natural resource base, enterprise mix and attitude towards risk). The robustness of the results is highly proportional to the levels of uniformity in these parameters, as well as the overall sample size. The methods, calculations and units used for conducting a comparative or situation analysis, including measures of profitability and productivity, are highly variable between analysts and therefore care should be taken when interpreting and/or comparing results.

### **How should a situation analysis be interpreted?**

When reading this report, it is important to remember that:

- Situation analyses are conducted using a sample dataset (only) of the total population to which the analyst has access to and this dataset is not necessarily reflective of the total population averages.
- As the sample has been taken from a specific dataset, the resulting analysis may be skewed or biased, and thus may not accurately reflect the overall picture for a given region or the broader industry.
- An analysis uses historical data across a defined period of time and thus provides possible trends or indicators of local, regional or national performance at that point in time, within a particular market and under seasonal conditions.
- The "top" category does not necessarily include the same producers over consecutive years, namely due to seasonal and market variations impacting year-on-year.
- The population sample on which the analysis is made may change from year-to-year, either deliberately in order to lessen statistical error or inadvertently in cases where the submission of data is voluntary.

- Wherever possible, a combination of available data sources should be used to make a more complete assessment of industry performance.

**How is this information useful to producers?**

Comparative analyses aim to highlight differences between the performance parameters of the “top” versus “average” producers. This information can be used to identify key issues and potential opportunities to improve one or more aspects of performance. In assessing these opportunities, it is important to prioritise and/or pursue them in accordance with the resources available (land, labour, skill and capital) and individual business and personal goals and limitations.

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## **Abstract**

The 2013 Northern Beef Report comprehensively details the performance of the northern beef industry, by region, market and herd size over the 12 years since the start of the century. On average, the profits achieved over that time frame have been low, but not trending down. However the profitability of the top performers across the industry has been trending down over the period analysed. Profit after interest is decreasing, and is mostly negative, as a result of increasing debt with no increase in profits. The majority of Northern Beef producers are not economically sustainable as they are not able to fund present and future liabilities. There is wide variation in performance across the industry; this report clearly identifies what separates the top performers and what factors determine the profitability of a beef business. This report provides analysis of a wide range of measures, providing the means for individual producers to understand their herd and business performance and to improve by setting realistic targets.

## **Executive summary**

- This report analyses in detail the performance of the northern beef industry for the 12 years from 2001 to 2012. Incorporating quality private and public data, this report provides a comprehensive picture of the performance of the northern beef industry by region, herd size and market.
- This report incorporates the concept of economic sustainability; clear definitions are provided and used to assess industry performance.
- On the basis of these definitions, the data indicates that the majority of northern beef businesses are not economically sustainable at present. This is not a recent phenomenon, with recent average business performance, before financing, similar to longer term averages.
- Economic sustainability takes a longer term view; in the short term many beef businesses are struggling to survive with cash deficits accumulating.
- Whilst profits before financing are largely unchanged (on average over the 12 year period analysed), after financing, performance is deteriorating due to increased debt with no increase in profit.
- Income has decreased over the period analysed, mostly a function of declining beef prices rather than a decline in productivity (kg beef/AE). Costs have reduced as income has reduced, through belt tightening, and improved labour efficiency, resulting in little change in profits.
- Profitability of the top performers has declined over the longer term, suggesting that industry profitability is decreasing.
- Excluding land value changes, return on assets has averaged less than 1% across the industry over the last 3 and 12 years.
- Comparison of profitability is made between businesses that supply different markets, namely live export, slaughter and store. When the effect of scale is excluded, producers primarily supplying the slaughter market recorded the highest profit per adult equivalent, due primarily to better productivity.
- Both total numbers of cattle in the north and stocking rates have risen, what these stocking rates are relative to carrying capacity is unknown. The extent to which environmental capital is substituting for financial capital is also unknown.
- There is considerable variation in performance between beef businesses within the industry. The Top 25% performers (across all regions, herd sizes and markets) consistently outperform the average and have businesses more likely to be economically sustainable over the long term. This indicates that there are successful business models for producing beef in northern Australia.
- The superior performance of Top 25% producers can be attributed to:
  - Higher income through better herd productivity.
  - Lower operating expenses, largely through better labour efficiency.
- There is no evidence that superior long term performance can be attributed to a higher average beef price received, more rainfall or better quality land.

- Operating scale (number of adult equivalents under management) has a significant influence on business performance. Operating scale, along with labour efficiency, can explain most of the differences in overhead expenses per AE between businesses.
- Lack of operating scale is a major impediment for smaller beef businesses (less than 3,000 adult equivalents), but the benefits of additional scale for larger businesses are limited with herd profits decreasing as herd sizes become very large. There appears to be an optimal operating scale range, either side of which different factors can erode performance.
- It is paramount that smaller producers understand the implications of operating scale on their viability and how best to address to it. There is mounting financial pressure for smaller producers to make structural changes to their business.
- Efficient use of labour is a key finding amongst producers in the Top 25%. Labour costs and achieving a highly efficient use of on-farm labour is a challenge that the industry must understand and work towards.
- There is no evidence of expense increases over the period analysed, this is not to say that some input costs have not increased in real terms, but any increases have been absorbed and the overall cost structure of businesses has not increased.
- Differences in income explain more of the differences in profit between average and Top 25% performers than expenses. Nearly all differences in income per AE between herds are attributable to productivity differences.
- Nearly all productivity differences between herds can be attributed to the better performers achieving:
  - Higher reproductive rates
  - Lower mortality rates
  - Heavier sale weights
- The findings of this report now make it possible to construct a very clear roadmap for economic sustainability for a northern beef business, embracing both location and target market. This roadmap provides clear guidelines on factors critical to income (productivity) and expenses (scale & labour efficiency).
- This analysis is consistent with other recent and more targeted studies of herd productivity (reproduction and mortality). This analysis also finds wide variation between businesses in these measures of herd productivity and report that improvements in herd productivity have a big influence on overall business performance.
- There is wide variation across the industry in what it costs to produce a kilogram of beef (cost of production) and this analysis shows that there is significant scope for improvement for a lot of producers. There is far less variation in beef price received and much less scope for individual producers to improve beef price received. Therefore it could be said that it is the high cost of production that is the main cause of low profits for the majority of northern beef producers.

# **1 Introduction**

## **1.1 Purpose**

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This analysis is to update the Northern Beef Industry Situation Analysis that is used by Meat & Livestock Australia and its delivery partners to understand the current business status of northern beef enterprises and provide an analytical platform and context for industry RD&E program planning.

The purpose of the northern beef situation analysis is to:

1. Review northern beef production systems (Queensland, Northern Territory and northern Western Australia), their profitability, and their sensitivity to production inputs and market variability.
2. Identify the key drivers of profit and areas of focus for beef producers to increase the financial resilience and productivity of their businesses.

## **1.2 Audience**

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The primary audience of this report is Meat & Livestock Australia to guide their strategy, research and extension activities in Northern Australia. Other audiences of this report are beef producers, associated industry bodies and professions (research and extension personnel, industry associations, agribusiness etc.).

## **1.3 Scope**

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The scope of the report is to review the profitability of northern beef production systems and summarise the key business and management elements that are characteristic of average and Top 25% northern beef businesses.

## **1.4 Timeframe**

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The primary timeframe of this report is the 3 financial years (2009-10 to 2011-12) since the last report, '2009 Northern Beef Situation Analysis' (B.NBP.0518). However, the data used for this report has been sourced back to the start of the last decade to provide comparison to the primary time frame and to identify longer term trends. This is one reason why this report is potentially able to substitute for the 2009 Northern Beef Situation Analysis - both reports commence at a similar time, but the methodology employed in this report is more consistent and the data more robust.

## 2 Methodology

### 2.1 Data sources and analysis

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The two main sources of data used in this analysis are the Australian Bureau of Agricultural and Resources Economics and Science (ABARES) and private benchmarking data from clients of the authors. The ABARES data used are from the Australian Agricultural and Grazing Industries Survey (AAGIS) which ABARES conducts annually. ABARES provided customised data from the AAGIS data on the northern beef industry for use in the analysis for this report (ABARES, 2013a). These data have allowed this report to cover the northern beef industry to the extent that it has because of their quality. The efforts and cooperation of the Farm Analysis section within ABARES are gratefully acknowledged.

ABARES data (these data referred to as 'general data' throughout report) were chosen as the primary source as it provided more detail over a wider area. Where possible the ABARES data were validated against private benchmarking data to ensure accuracy. The private data come from groups or individual clients across northern Australia, with group data in 6 of the 14 ABARES regions. These data have more depth than average ABARES data and allow more analysis of variation between businesses to be performed (referred to as 'private data' throughout report). Private data

The ABARES data were transformed using *The Business Analyser*® of Bush AgriBusiness Pty Ltd to generate detailed performance reports and key performance indicators comparable to private client benchmarking data sets.

Financial data is presented in real terms (2011-12 dollars) unless otherwise stated.

Herd production information was also sourced from the *Breeder Cow Mortality Project* (B.NBP.0664), the *CashCow* project (B.NBP.0382) and the *Breedcow* regional data files (B.NBP.0701 and Beef CRC).

Rainfall data from *Rainman*™ was extracted and analysed for the period of this analysis

#### 2.1.1 Data transformation and validation

Analysing the ABARES data using *The Business Analyser*® involved applying various assumptions, methodologies and management accounting principles, so that the resulting information was presented in the same format as, and was comparable to, individual private business data. The assumptions, methodologies and management accounting principles are the same as has been used in the analysis of private data, ensuring the two data sets are comparable.

The methodology and management accounting principles include valuing the herd at current market values, using a consistent annual herd value by class and placing a value on owner labour.

Placing a value on owner and family labour when there is often no 'cash cost' (money paid) can be a confusing concept. A reliable measure of business profit cannot be calculated without this cost being included, nor can sensible comparisons be made between businesses or cohorts. If a value on owner and family labour is not included then the profit would be understated by the amount the owner is subsidising the business through unpaid wages.

It should be noted that, in cash terms, actual business performance may be better than the results suggest, because the amount drawn by or paid to owners and family members is less than the imputed figure used. This can explain how debt has decreased recently for some cohorts, despite reported losses.

The ABARES data, whilst comprehensive, does not contain all of the information required for analysis to be performed in the detail required - specifically, it does not include liveweight data. In order to perform this analysis, private data and industry knowledge of the authors along with publicly available data were combined in a proprietary process to calculate the liveweight figures used in this analysis. The results were extensively validated and error checked against private data from across northern Australia and the authors have a high level of confidence in their results. This process has allowed a more detailed analysis to be performed than has been previously possible.

In order to establish the relative merit of the results of analysis of the ABARES data, comparisons were made between relevant regional data and data from the private clients in that region. Over a long period of time, the co-efficient of correlation ( $r$ ) of profit per AE between the two independent sets of data was 0.79. Results calculated from the transformed data were also compared to private data on a regional basis where it was available, at profit per AE and Cost of Production level. The two independent data sets showed similar results and trends, further validating the methodology and results. Results of the validation process are provided in Appendix 8.7.

Average data presented are, unless otherwise stated, weighted averages weighted by herd size and/or cohort population.

### 2.1.2 Preparation and presentation of financial information

The financial information is presented at a whole business level and then at herd level. The reports prepared were:

- Whole business income statement
- Whole business balance sheet (including performance indicators)
- Herd income statement (including performance indicators)

Analysis of any business begins with the whole business income statement, which details the change in wealth from business operations during the production year. It details the income of the business from the herd (including changes in livestock inventory), other income and the operating expenses of the business to calculate the earnings before interest and tax (EBIT). EBIT is used as the primary measure of profit throughout this report, as it reflects the business profit, independent of its financing – financing is important but is addressed separately.

The Balance Sheet shows the assets and liabilities of the business at a point in time; along with whole business key performance indicators (see Units of measurement).

The herd income statement details the income, enterprise expenses, overhead expenses and profit of the beef enterprise and is expressed on an adult equivalent (AE) basis, along with primary and secondary performance indicators for the herd.

### 2.1.3 Separation of Top 25%

The Top 25% performers are segregated from the average data based on three year moving average return on assets. This ensures that inclusion in this grouping is based on repeated above average performance, rather than a one-off exceptional year.

Individual producers can have confidence in using the Top 25% figures for goal setting in their own businesses, referring to the relevant figures for their region, herd size and market cohorts. Whilst the Top 25% measures may not be attainable, for various reasons, for every individual producer, the fact that these levels of performance are being achieved on a rolling three year average means that they are realistic and reliable goals.

### 2.1.4 Average and typical business

The average northern beef business does not exist and, given the significant variation in the industry, particularly in terms of herd size and location, the concept of an average business is in many ways flawed. It does, however, provide a very useful means of expressing the average performance of the industry or cohort being analysed. Changes in the average over time and differences between average performance and the Top 25% performers can be enlightening and should be focussed on more than the concept of the average business.

The Pareto principle (or 80:20 rule) applies to the northern cattle industry as the majority of beef (69%) is produced by a minority of producers (29%, see Table 2 for more information). The average of all data reflects this as it is skewed by the larger number of smaller producers, therefore the concept of the 'typical business' is used in this report. The 'typical business' is the average performance of producers in the 1,600-5,400 head cohort. This cohort is responsible for 42% of beef produced by the population being analysed so is felt to be more representative for analysis than the average. Full details on the typical business are provided in Appendix 8.4.4.3.

## **2.2 Limitations**

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Both the ABARES and private benchmarking data have limitations. The data sets can be used conjointly for a better overall result.

An inherent limitation of the ABARES data is variability of the data through changing sample group year to year, although there is around 75% continuity of participants surveyed year to year (see sampling error in Definitions).

The changes in sample group from year to year causes variation in the absolute numbers at the whole business level (sampling error), for instance, an increase or decrease in a line (e.g. total sales or debt) may be due to bigger or smaller businesses in the sample group in that year, rather than increased or decreased sales or debt across the region.

In interpreting the data, readers should be mindful that while the analysis is based on best available information, and that ABARES go to great length to ensure statistical validity of their data, there will be a margin of error, and this will explain some of the variability in the data.

The standardisation of herd level information on an (AE basis, along with the grouping of data, removes a lot of this variability, and analysis of changes over time should be done primarily at this level.



Another limitation is that due to the small populations in some regions, there is an insufficient sample size of producers to provide average and Top 25% data on an annual basis. By presenting in three year blocks, the sample size is increased and Top 25% can be identified on a regional basis, providing more informative results.

Variability of the data, along with small populations has produced erroneous results for the Top 25% in the Pilbara region of WA, for this reason, these data have been excluded from the analysis.

The limitation in the analysis of the data is the calculation of liveweight figures. These were calculated from the ABARES data and elsewhere. Although the authors have a high level of confidence in the process and accuracy of the figures due to extensive validation, the calculation process potentially contributes to the margin of error of the data.

Whilst deriving the majority of income from beef, some businesses in the population analysed would be multi-enterprise. This should be noted when looking at the land value per AE figure in some regions (e.g. Eastern Darling Downs) as the entire land asset is apportioned to the beef AE run, whereas not all land will be used for beef cattle and therefore the figure is overstated.

There are also several limitations to the data set concerning the corporate cohort. A feature of the corporate businesses is that there can be significant changes in herd sizes for individual stations as stock are moved based on season and available feed; this influences the herd inventory and reported incomes of this segment.

Another limitation with the corporate data is that the data are based on surveys of corporate stations or business units at station level and therefore does not include any of the head office or corporate expenses of the business which, if apportioned to the station, will be a significant expense.

The limitations of the private client benchmarking data set is that the data comes from self-selecting participants, rather than industry samples and hence has a bias towards people interested in understanding their herd and business performance. Secondly, the data set does not have the number of businesses nor geographical coverage that ABARES data does. An advantage of the private data is that they are from the same businesses over time and have more detailed information.

## **2.3 Population definition and segmentation**

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The primary population analysed was non-corporate specialist northern beef producers, with specialist beef producers defined as those with more than 200 head of cattle who derive the majority of their income from beef production. This population was then analysed by region, herd size and market for the purpose of the analysis. A second population was corporate beef producers, which was analysed separately to the above.

### **2.3.1 Regional segmentation**

The data were analysed by the 14 regions across northern Australia used by ABARES, as shown in Figure 1. Within each region, both average and Top 25% performance was analysed.

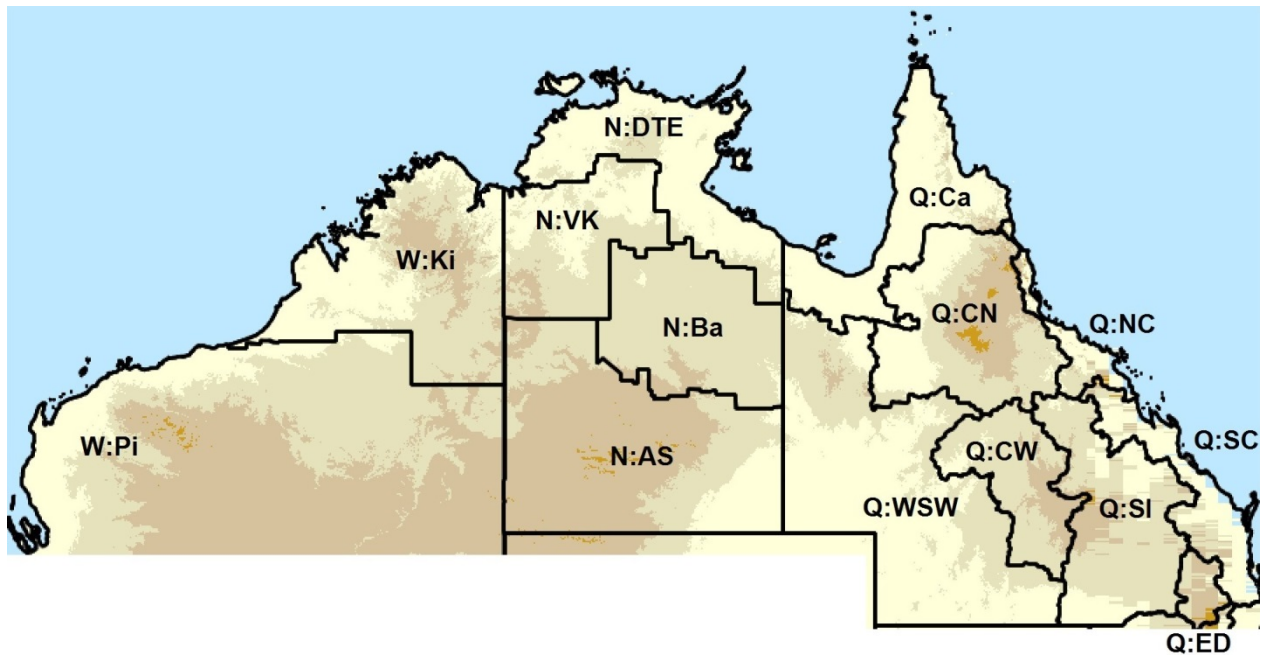


Figure 1: Map of regions analysed

The 14 regions analysed, the population (number of producers), herd size (average AE) and hectares managed (all 2001-12 long term averages) are shown in Table 1 below.

Table 1: Regions analysed

Region		Sample	Population	Herd Size(AE)	Ha Managed
Q:SC	QLD Southern Coastal	123	1,422	1,132	4,445
Q:NC	QLD Northern Coastal	52	295	1,741	10,702
Q:ED	QLD Eastern Downs	44	416	716	3,717
Q:SI	QLD Southern Inland & Central	170	1,954	1,535	8,531
Q:Ca	QLD Cape & Carpentaria	29	67	6,183	121,159
Q:WSW	QLD West & South-West	42	175	4,460	105,911
Q:CN	QLD Central North	92	514	3,863	38,591
Q:CW	QLD Central West	61	462	2,188	21,852
N:AS	NT Alice Springs	28	49	6,062	376,307
N:Ba	NT Barkly Tablelands	11	13	12,682	417,691
N:VK	NT VRD & Katherine	24	44	10,331	161,829
N:DTE	NT Darwin & Top-End	13	25	4,482	67,866
W:Ki	WA Kimberley	12	30	9,108	236,167
W:Pi	WA Pilbara	8	25	8,214	239,842
<b>TOTAL</b>			<b>5,493</b>		

Sample is average number of properties sampled in three year periods analysed, population is number of properties in region.

### 2.3.2 Herd size segmentation

The data set was segmented for analysis by herd size, based on the average total number of cattle run (total number of head run, not AE) by businesses over a year, with 4 herd sizes, the

details of which are shown in Table 2 below. This table also shows the proportion of producers and beef production of each herd size cohort.

**Table 2: Herd size segmentation**

Segment	Sample	Population	Herd Size (AE)	Hectares Managed	% of Producers	% of beef production
200-800 head	150	2,562	509	2,945	47%	13%
800-1,600 head	136	1,319	1,352	11,332	24%	18%
1,600-5,400 head	271	1,313	3,196	36,322	24%	42%
5,400 head +	150	281	13,188	202,935	5%	27%
<b>TOTAL</b>		<b>5,475</b>			<b>100%</b>	<b>100%</b>

### 2.3.3 Market segmentation

The population was separated into three market cohorts, slaughter, store and export, based on which markets producers identified as being their primary market. The details of these cohorts are shown in Table 3 below.

**Table 3: Market segmentation**

Segment	Sample	Population	Herd Size (AE)	Hectares Managed
Slaughter	420	3,428	1,997	19,579
Store	232	1,929	1,798	23,652
Export	54	119	7,511	138,874
<b>Total</b>		<b>5,475</b>		

### 2.3.4 Corporate segment

As detailed above, corporate businesses (businesses not owned, operated and managed by related individuals) were not part of the primary population and therefore not a segment of it. Their information is included in Table 4 to show the population, herd size and area in comparison with the cohorts above.

The Corporate segment includes commercial corporate beef producers as well as corporates for whom beef production is serving another purpose. For example, mining companies wanting an environmental buffer around mine sites, indigenous owners and companies for which environmental conservation activity is used to offset other corporate activity.

**Table 4: Corporate segmentation**

	Sample	Population	Herd Size (AE)	Hectares Managed
Corporate	116	183	17,542	349,600

### 2.3.5 Temporal aggregation

To overcome some of the data limitations, the majority of this analysis has been grouped into three year blocks, with a total of four of these three year blocks analysed (2000-01 to 2002-03, 2003-04 to 2005-06, 2006-07 to 2008-09 and 2009-10 to 2011-12). This is then combined into a single figure which is the average of the 12 years; this is referred to as longer term data in this report.

## **2.4 The economic sustainability approach**

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An important component of this report is economic sustainability. The concept of economic sustainability provides a process for the health of the industry to be appraised as objectively as possible. This section provides the definitional requirements of economic sustainability. The available data on business and herd performance have been appraised against this background and the detail can be found in section 4.1.

The tenets of sustainability theory are well documented and demand that any discussion on the topic be based on clear definitions, to avoid the perennial criticism that “sustainability” can mean whatever you want it to mean.

The major advantage of using this approach is that the concept of sustainability is longer term; a superior perspective to forming a judgement on stand-alone annual data, which may or may not be biased by extraordinary and/or non-repeatable factors. This is one reason why a longer term time-frame was chosen in this report for analysis purposes.

Problems lie in setting the definitional requirements of economic sustainability. Whilst they may appear rational and acceptable to some, there will be a wide range of views either side of acceptance. For this reason, it is left to the judgement of the individual reader to determine if the definitions used here have set the bar too high or low for sustainability. The main issue is that there is some yardstick applied to give meaning and interpretation to the raw data.

It is important to note that the definitional requirements to follow, do not include off-farm income, with the assumption being that the farm business has to be able to meet the personal needs of the owners. Of course, many producers are able to maintain farm business operations and personal needs with other income. This is entirely reasonable and widely observed. However, in a study of this kind, off-farm income is, in fact, a business and/or personal subsidy and should be ignored. Not everyone will agree with this approach, but it is important to state it and provide the reasoning.

From this logic, for a northern beef business to be economically sustainable in the long-term (at least 50 years to cross business succession boundaries), it should have the capacity to:

1. **Generate a return that meets or exceeds its cost of capital.** This is a primary consideration because it is “make or break”. In this case, it is assumed that the cost of capital is the cost of debt because debt is the only form of fresh capital available to most family-run businesses, once their own equity in the business is established. In taking this approach, it is assumed that the cost of debt is the cost of both fresh capital and the (opportunity) cost of the existing equity in the business. Ultimately it is up to individuals to determine what return is acceptable on their capital, but the opportunity cost of not having that capital invested elsewhere must be taken into account when assessing the economic sustainability of the business. The cost of capital is measured against total business return which is a sum of operating return and asset appreciation. In the end, the total business return must be dominated by the operating return, because asset appreciation is mostly wind-fall gain and is largely outside the control of the owners. If a business fails to meet this definitional requirement, it will erode equity through mathematical certainty.

2. **Fund all current operating expenses and operational capital expenditure through internally generated working capital.** If the business cannot do this, it will be using lending institution capital, the access to which can be ephemeral.
3. **Remunerate its owners adequately, at least to the standard of the average wage earner.** In this report, owners (both partners in a team) are allocated a wage comparable to the average male/female wage earner. From professional experience, personal drawings by families fall well short of this allocated wage in most cases. It could be argued that this shortfall is off-set by assuming that some of the fringe benefits of the cost of living are met by the business (house, electricity, phone, vehicle, fuel, office, stores etc.).
4. **Have the capacity to re-pay debt principal in a timely manner.** The suggested time-frame is ten years for any debt parcel. There is considerable financial detail behind this requirement, but the main consideration is that the total interest cost of the debt rises (versus principal repayments) as the re-payment term increases over the period of the loan and ten years is the point at which the total cost of the debt starts to escalate rapidly.
5. **Maintain a “safe” level of equity.** For most business, the “safe” long-term target will be around 85% equity, because below this level, interest consumes too much of the annual working capital, leaving a shortfall in the funding of other liabilities. There may be short-term variability around this 85% recommendation, depending on acquisitions and other capital expenditure considerations. Another measure is the extent to which net cashflow covers the interest liability (times covered interest). The safe level is suggested at four times, which accommodates most financial adversity. In this report, EBIT is used as the *de facto* for net cashflow because by using an averaging approach to this report, the difference between cash and profit is minimised. In a stable business, EBIT and operational cashflow are usually close.
6. **Provide for the independent retirement of the existing owners.** This point is intimately linked with Point 3 above. The extent to which independent retirement can be funded from the allocated owner wage is highly variable, but overall it is more likely than not that there will be a short-fall in the real-life situation.
7. **Be able to survive business succession with the business and the family remaining intact.** This is a partly subjective and emotive issue, because not all businesses have to meet this requirement. It is included because this report is based primarily on family business data and, from experience, business succession is, or will be, an agenda item for the majority of families in the northern beef industry.
8. **Survive and prosper in the long-term without the erosion of environmental capital (environmental sustainability).** That is, the business cannot substitute the value of environmental capital for ongoing financial capital. The most common way in which this happens is for the long-term carrying capacity to be exceeded. The downward spiral in pasture productivity and stability is well documented if safe carrying capacity is exceeded and, ultimately, the loss of environmental capital will reach a threshold that will potentially bankrupt the business. Despite this element of overall sustainability being so critical, it is not addressed in this report. There is the capacity to introduce it in future reports, using Grazing Land Management (GLM) technology and data, combined with other data on cattle numbers by region. The best that can be said at this stage is that the extent to which environmental capital is being used to support economic sustainability maintenance is unknown, but given the evidence in the

scientific literature on the subject, it is likely to be of significant concern in many northern regions.

The above approach is often criticised for being too hard-nosed, rational and hence, unrealistic, because the consequences are not seen in everyday real life. Farm businesses are very capital intensive and the balance sheet is dominated by the land and infrastructure assets. If a business starts with high equity, it can continue operating for decades, surviving on eroding equity, despite the fact that it was not economically sustainable from day one. Many producers do not fully understand the difference between permanent capital and working capital.

What stage of life a business is in should also be taken into account. A business in establishment or start-up phase is unlikely to meet the above criteria, which is why a long term view must be taken.

As well, the imposition of the above definitional requirements can often paint a bleak picture and nobody likes bad news. For producers with a lifestyle perspective, the return on capital approach has limited appeal. In their case, it is imperative that the business can fully fund the lifestyle choices that are made. Therefore points 2 to 8 above are still relevant.

### 3 Results

#### 3.1 Average and regional performance

##### 3.1.1 Herd level performance

Over the 3 financial years 2010-12, beef producers in 5 of the 14 northern regions recorded, on average, an EBIT loss per AE, with profit/(loss) per AE results ranging from (\$57) to \$47. Four of those five regions have recorded losses on average each period since 2001, as shown in Table 5. The 2010-12 herd results for average and Top 25% performance by region are shown in Figure 2.

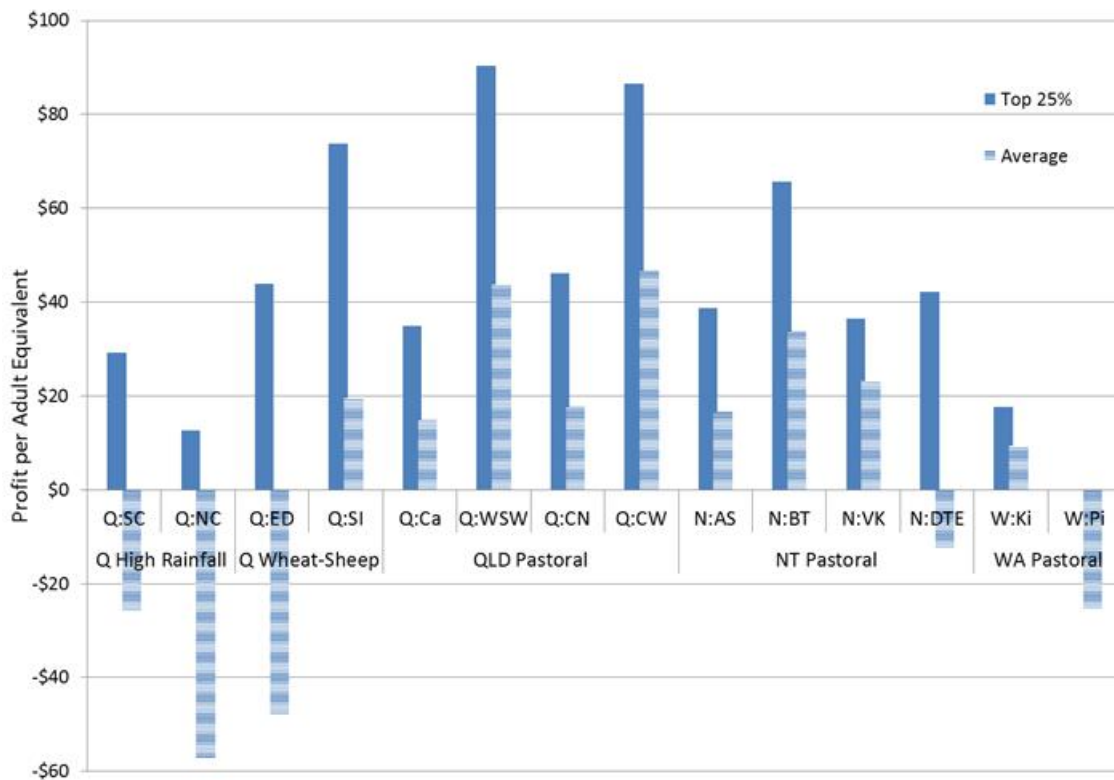


Figure 2: Profit per AE by region 2010-12

**Table 5: Detailed comparisons of average income, expenses and profit per AE for each region over short (07-09, 10-12) and long (01-12) term periods**

Region	Income \$/AE			Enterprise Expenses \$/AE			Overhead Expenses \$/AE			PROFIT \$/AE		
	07-09	10-12	01-12	07-09	10-12	01-12	07-09	10-12	01-12	07-09	10-12	01-12
Q:SC	181	170	196	44	29	44	162	167	176	(25)	(26)	(24)
Q:NC	141	95	153	54	30	44	119	123	124	(32)	(57)	(15)
Q:ED	331	249	287	119	58	81	277	238	249	(64)	(48)	(44)
Q:SI	198	200	225	39	28	42	146	153	164	14	20	19
Q:Ca	102	86	103	16	14	18	48	56	63	37	15	22
Q:WSW	119	152	143	32	19	28	88	90	97	(2)	44	18
Q:CN	142	126	141	30	28	30	88	80	86	24	18	25
Q:CW	195	200	202	38	27	35	126	127	134	31	47	33
N:AS	134	149	143	22	19	19	106	114	108	6	17	16
N:BT	110	119	113	16	17	15	97	68	76	(3)	34	22
N:VK	122	101	119	24	19	23	65	59	66	34	23	30
N:DTE	115	100	107	28	33	30	85	79	87	2	(12)	(9)
W:Ki	119	104	117	24	26	22	66	68	65	29	9	30
W:Pi	118	88	118	12	22	17	57	91	73	49	(25)	28
Average	155	158	171	36	26	36	118	119	129	1	12	6

Differences in performance are attributable to income, expenses or both. For example, two of the five regions experiencing a loss in 2010-12 had above average incomes per AE (SC and ED), another two had below average expenses (Pi and DTE), however their corresponding expenses were significantly higher and income significantly lower, respectively, leading to losses.

The average profit per AE in 2010-12, was similar to the 2007-09 period, and to the long-term profits. Table 6 shows the average profit per AE of the average performance, and Top 25% businesses, for each 3 year period, and on average, from 2001. This infers that there has not been a general decline in average herd profits over the last 11 years. However Table 6 also implies that herd profits have been trending down for Top 25% businesses over the period analysed. This is discussed further below.

There is considerable variation between and within regions, as can be seen in Appendix 8.4.3.

**Table 6: Profit per AE, on average and for Top 25% performing businesses**

	Average performance (\$)	Top 25% businesses (\$)
2001-03	5.85	73.11
2004-06	6.16	70.97
2007-09	1.08	55.68
2010-12	12.27	56.78
<b>Long term</b>	<b>6.16</b>	<b>61.96</b>

### 3.1.2 Whole business performance

The total business return is a sum of the operating return, which is the profit of the business as a percentage of assets used to generate that profit, and capital return, which is the percentage increase (or decrease) in capital assets of the business.



Total business return, on average, was negative in all 14 regions for 2010-12 and averaged (2.9%) across the whole northern industry. The Top 25% performers had a negative total business return in 9 of the 14 regions and averaged (2.2%) (see Table 7). Most of this result can be explained by falling land values; land assets constitute more than 75% of the balance sheet of northern beef businesses, which is why changes in land value can have such an impact on total business return.

The 12 year average total business return, on average and for Top 25% businesses, across all regions, was 5.0% and 8.1%, respectively. However, 96% and 67% of this was capital return, even including the downturn in land values seen in 2010-12.

Given that land values have increased and profits have not, then profitability (profit as a percentage of assets) should be decreasing as the denominator increases. However, operating return of both average and Top 25% performance in 2010-12 was similar to the 2001-12 average.

This is a function of the period analysed, which commenced just before the increase in land values started.

Table 7 below shows that the decline in land values in the 2010-12 period brought the asset value per AE down to the average of the period analysed for both the average and Top 25% performance.

**Table 7: Long term whole business performance**

	2001-03	2004-06	2007-09	2010-12	Longer Term Avg. 2001-12
<b>Northern businesses (on average)</b>					
Asset Value/AE	\$2,419	\$3,313	\$3,662	\$3,265	\$3,261
Operating Return	0.3%	0.2%	0.1%	0.4%	0.2%
Capital Return	10.8%	7.6%	4.1%	(3.3%)	4.8%
Total Business Return	11.1%	7.8%	4.2%	(2.9%)	5.0%
<b>Top 25% Northern businesses</b>					
Asset Value/AE	\$1,940	\$2,940	\$2,874	\$2,565	\$2,612
Operating Return	4.0%	2.6%	2.2%	2.4%	2.6%
Capital Return	11.5%	8.4%	6.6%	(4.6%)	5.5%
Total Business Return	15.5%	11.0%	8.8%	(2.2%)	8.1%

Figure 3 below takes a longer term view and graphs the ABARES measure 'Rate of Return excluding capital appreciation', which is the equivalent of the operating return figure used in this analysis. This data set (ABARES 2013b) includes corporate producers and is calculated using a different methodology to the figures above, so is not directly comparable, it does however provide a good long term indication of industry performance, particularly that:

- Profitability was increasing on average and for Top 25% performers in the late 90's and early 2000's.

- As land prices increased during the early to mid-2000s, profitability decreased, up until recent years where falling land prices have caused profitability to increase, even though profits haven't.
- The profitability of the Top 25% producers is trending downward over time, while the average has no obvious trend, but has remained at an average of 1.5%.

One possible explanation for the average performance not trending down while the top performers are, is that, given the large variation between the average and the Top 25% producers, and given the population would be normally distributed, there is a large proportion of producers operating at a loss across the industry, particularly when interest is included, and over time these people have been forced to exit the industry. This changing population, or natural selection as unviable businesses exit, perhaps explains why the average performance has not trended down whilst the Top 25% performance indicates that industry profitability is decreasing over time.

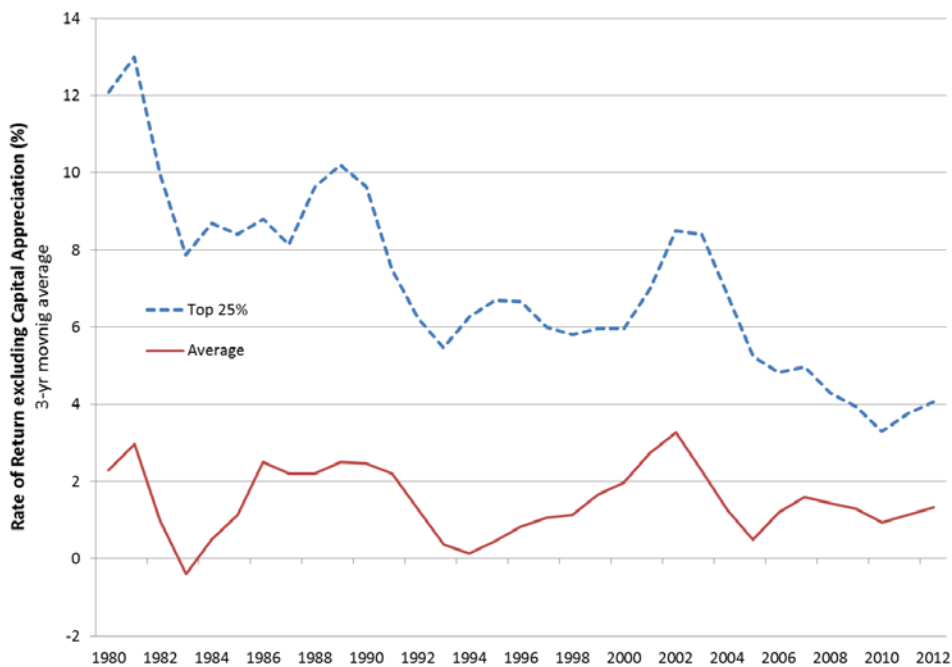


Figure 3: Long term profitability of average and Top 25% Northern beef businesses

### 3.2 Performance by herd size

Table 8 below shows the average and Top 25% performance of the 4 herd size cohorts, full reports can be found in Appendix 8.4.4.

**Table 8: Long term performance (averaged over 2001-12) by herd size**

	200-800hd	800hd to 1,600hd	1,600hd to 5,400hd	5,400hd +
<b>Average performance</b>				
Profit per AE	(\$122.11)	(\$4.24)	\$39.28	\$35.92
Asset Value/AE	\$5,947	\$4,083	\$3,204	\$2,034
Operating Return	(2.5%)	(0.1%)	1.3%	1.9%
Price Received (\$/ kg LW)	\$1.76	\$1.78	\$1.77	\$1.76
Cost of Production (\$/kg LW)	\$2.89	\$1.82	\$1.41	\$1.31
Operating Margin (\$/kg LW)	(\$1.13)	(\$0.04)	\$0.36	\$0.46
<b>Top 25% Performance</b>				
Profit per AE	(\$13.71)	\$50.74	\$91.46	\$75.43
Asset Value /AE	\$5,732	\$3,975	\$2,671	\$1,502
Operating Return	(0.3%)	1.6%	3.8%	5.3%
Price Received (\$/kg LW)	\$1.78	\$1.83	\$1.78	\$1.82
Cost of Production (\$/kg LW)	\$1.88	\$1.45	\$1.06	\$0.97
Operating Margin (\$/kg LW)	(\$0.10)	\$0.38	\$0.72	\$0.85

Differences in performance by herd size were dramatic, particularly for the smaller three of the four herd sizes. Over the 12 years analysed, the only cohorts to generate a profit at the average and Top 25% level, were the 1,600-5,400 herd size and larger.

This indicates economy of scale has a major influence on results, and this is addressed in detail in Section 4.2.3.

Total business return increased as scale increased with herd size across the segments for both average and Top 25% performance. This increase across segments is due to operating return, not capital return, which is consistent across cohorts. The 5,400+ cohort has a higher operating return than the 1,600 to 5,400 cohort despite a lower average profit per AE, due to the former having lower value assets per AE.

### 3.3 Performance by market

Table 9 below shows the average and Top 25% performance of the 3 market cohorts (full reports can be found in Appendix 8.4.5)

**Table 9: Long term performance by market (averaged over 2001-12)**

	Slaughter	Store	Export
<b>Average performance</b>			
Profit per AE	\$10.94	(\$5.35)	\$20.88
Total Asset Value per AE	3,628	3,045	1,396
Operating Return	0.3%	(0.2%)	1.7%
Price Received (\$/kg LW)	\$1.70	\$1.81	\$1.92
Cost of Production (\$/kg LW)	\$1.60	\$1.87	\$1.57
Operating Margin (\$/kg LW)	\$0.10	(\$0.06)	\$0.35
Enterprise Size (AE)	1,997	1,798	7,511
<b>Top 25% performance</b>			
Profit per AE	\$69.72	\$55.41	\$48.88
Asset Value/AE	2,974	2,361	1,215
Operating Return	2.6%	2.6%	4.2%
Price Received (\$/kg LW)	\$1.72	\$1.83	\$1.97
Cost of Production (\$/kg LW)	\$1.13	\$1.26	\$1.24
Operating Margin (\$/kg LW)	\$0.59	\$0.57	\$0.74
Enterprise Size (AE)	3,640	3,543	13,408

Performance over the 2001-12 period shows that the live export market has the highest average profit per AE of the three main markets, more than double the next highest, which was slaughter. This result requires further analysis and explanation. The average herd size of live export businesses was 7,500AE compared with less than 2,000AE for slaughter and store cohorts. The expenses per AE for slaughter and store are high due to lack of operating scale, which is why export has a higher profit, despite having lower income than the other two. So this apparent good performance is reflective of the operating scale of the cohort rather than the market per se.

Comparing slaughter and store markets, they are very similar in terms of expenses, labour efficiency, reproductive rate and mortality. The difference in profit per AE is due to the higher productivity and sale weights of the slaughter segment, meaning the additional kilograms produced more than compensate for the lower price received.

The Top 25% performance by market shows very different results to the average performance, with slaughter having the highest profit per AE, followed by store and then live export. The Top 25% producers for slaughter and store each have over 3,500AE, so they have sufficient operating scale for the differences between cohorts to be more likely attributable to market at this level.

The live export cohort does have lower expenses per AE, and whilst there may be some additional economies of scale, this could also be a function of the more extensive lower input areas where live export producers are located. Despite the lower expenses, its income per AE is comparatively low leading to its lower profit per AE. This low income is primarily a function of low productivity for both the average and Top 25% performance at 59.3 kg and 66.2 kg beef

per AE respectively. This can also be attributed to the regions where live export producers are located and the lower sale weights which are a feature of the live export industry.

Comparing the slaughter and store cohorts, slaughter had slightly higher expenses and lower price received, both cohorts had comparable reproductive and mortality rates but the slaughter cohort had significantly higher sale weights (34%) and productivity (22%) which led to a higher profit per AE.

There were differences in capital return with the store cohort slightly higher than slaughter and double that of live export. For the average performance, operating return reflects herd profit with live export highest, followed by slaughter and then store. Operating return is highest for live export for the Top 25% group, despite it having the lowest profit per AE, store is second highest and it is lowest for slaughter, although the difference between slaughter and store is minimal. This is again a result of asset value, meaning the relative profitability is different to the relative herd profits due to the value of the asset base used to generate those profits.

When looking at the average and Top performance by market, the Top 25% performers in each market segment outperformed the average in all other market segments, indicating performance is more attributable to management than market.

### 3.4 Top 25% vs. average performance

Table 10 below summarises the difference between Average and Top 25% performance, more detailed information is included in Appendix 8.4.2, and all reports in the Appendices compare average and Top 25% performance.

**Table 10: Long term comparison of average and Top 25% performance**

	Average	Top25%
<b>Whole business</b>		
Operating Return	0.2%	2.6%
Capital Return	4.8%	5.5%
Total Business Return	5.0%	8.1%
Land Value/AE	2,515	1,908
<b>Herd income statement (\$/AE)</b>		
Income	\$171	\$186
Enterprise Expenses	\$36	\$30
Gross Margin	\$135	\$157
Overhead Expenses	\$129	\$95
Profit	\$6	\$62
<b>Herd performance indicators</b>		
Price Received (\$/kg LW)	\$1.76	\$1.76
Cost of Production (\$/kg LW)	\$1.69	\$1.18
Operating Margin (\$/kg LW)	\$0.06	\$0.59
Kg Beef/AE	97.4	105.9
Labour Efficiency (AE/FTE)	863	1,306
Sale Weights (kg/hd)	443	464

The Top 25% performers generated significantly better profit per AE and profitability (Operating Return) although they generally had lower land and asset values per AE than the average cohort. The greater profits generated by the Top 25% have come from the productivity of the

herd with more beef produced per AE coupled with lower operating costs to give a lower Cost of Production.

### 3.5 Corporate performance

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Corporate beef producers are not included in the analysis above and are analysed separately. Due to the limitations of corporate data, full reports are not prepared although some comparative information is included in Appendix 8.4.2. Comparison of results with the non-corporate cohorts above should therefore be done with caution.

The Top 25% of the 1,600 to 5,400hd cohort has a higher profit per AE than the Top 25% corporate results in both the 2010-12 period and over the 12 years to 2012. This suggests that well-run family businesses, of adequate operating scale, can match and outperform the Top 25% performing corporate businesses.

Corporate productivity (kg beef/AE) for average and Top 25% is more than 20% lower than the respective northern averages, as shown in Table 11. While this productivity measure may be affected by inventory change as discussed above, it suggests that the segment is not as productive as the industry average.

**Table 11: Long term industry and corporate productivity**

	Kg beef/AE
Average Industry Performance	97.4
Top 25% Industry Performers	105.9
Average Corporate	70.9
Top 25% Corporate	82.6

Given the qualifications on calculated corporate profit, an analysis of whole business corporate profitability is not appropriate.

### 3.6 Changes with time and their impact

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An analysis of the current situation of northern beef businesses has been given above. The data show that recent results are similar to the longer term results. Over the long term, business performance can be best described as stagnant, with the exception of Top 25% producers who are experiencing declining profitability over time.

There are, however, changes over time that are affecting northern beef businesses.

#### 3.6.1 Physical changes

##### 3.6.1.1 Changes in physical parameters

Total cattle numbers in northern Australia increased by 13% from 2001 to 2011 (Martin et. al., 2013) which correlates with increasing average stocking rates observed over the 12 years analysed, 2001-12. Seasonal conditions have an influence on the numbers of animals that can be carried during a production year; however the increase in stocking rates seems to be occurring independent of long-term seasonal patterns.

Some of the increase would be cattle replacing sheep and increasing utilisation of stations with additional water points. Another explanation is that producers are increasing numbers in an effort to overcome low profitability. If this is the case then this is cause for concern across the

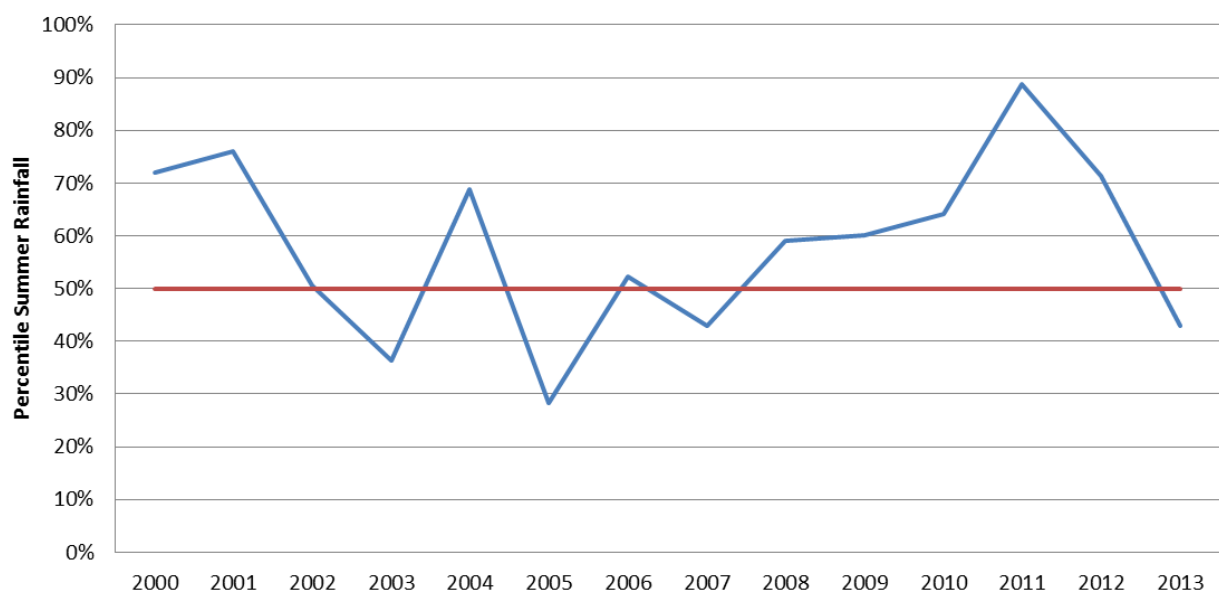
industry. Increasing stocking rates over long-term sustainable carrying capacity will result in erosion of environmental capital which will come at a significant long-term cost.

There has been an increase in labour efficiency over the period analysed - an increase in herd size would contribute slightly to this but there has also been a decrease in labour units over the period analysed.

Reproductive and mortality rates remain variable and are generally low and high, respectively, which is addressed elsewhere in this report.

### 3.6.1.2 Rainfall

The recent period analysed (2010-12) was dominated by very good seasons across most of the North, with normal variability over the longer term, as shown in Figure 4 below. Appendix 8.6 details the growing season percentile rainfall for each region analysed.

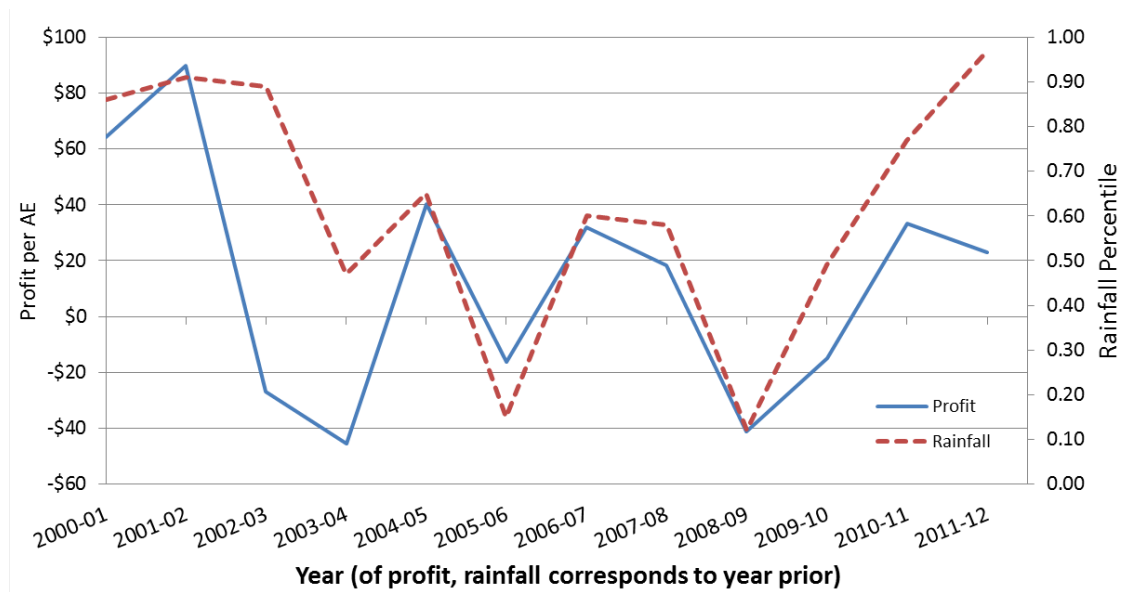


**Figure 4: Northern Australia rainfall 2001-12 (based on data sourced from Rainman)**

Seasonal variability has a significant impact on the annual performance of northern beef production systems. Failed wet seasons are particularly devastating and pose a significant risk to beef businesses. Unfortunately data in this report are insufficient to fully illustrate the impact of management techniques on this business risk; however from experience, there is wide producer variation in:

- Strategies regarding selling down
- The ability to seek and properly cost agistment
- An understanding of the critical number of breeders to be retained for timely post drought recovery
- Feed budgeting and appropriate management of residual pasture dry matter to ensure pasture integrity following the recovery phase
- The ability and/or capacity to properly quarantine capital raised from the sell down process for use in the herd rebuilding phase
- The ability to manage the inevitable tight cashflow conditions in recovery as the herd rebuilds, especially if this is compounded by lower than desirable equity

Figure 5 demonstrates the effect of rainfall on profit, for the Alice Springs region, where the relationship is quite stark. In this case the profit effect is the year after rainfall.



**Figure 5: Rainfall percentile and subsequent years profit, Alice Springs region**

The above graph should be interpreted with reference to these two facts;

- Rainfall is completely outside the control of managers.
- However, how climate risk (drought) is managed, is completely within the control of managers.

In an attempt to separate the effect of management, the general data set was analysed to identify how seasonal variation affected average and Top 25% performance. From the general data, there were only 2 regions that met the following criteria;

- Sufficient data to provide annual figures for both average and Top 25% producers,
- Full variability of rainfall experienced over the period analysed including years with less than 30<sup>th</sup> percentile and years with more than 70<sup>th</sup> percentile rainfall.

These regions were Central West and Southern Inland Queensland. The (unweighted) average results for these 2 regions for all years, for years with below 30<sup>th</sup> percentile and for years greater than 70<sup>th</sup> percentile rainfall, are presented in Table 12 below.



**Table 12: Comparison of effect of seasonal variability on average and top performers (for Central West and Southern Inland Queensland regions)**

		All years	Wet years (>70% percentile summer rainfall)	Dry years (<30% percentile summer rainfall)	Difference
Average	CoP	\$1.69	\$1.51	\$2.16	\$0.64
	Profit per AE	\$21.82	\$26.22	(\$25.38)	(\$51.60)
Top 25% producers	CoP	\$1.30	\$1.11	\$1.58	\$0.47
	Profit per AE	\$74.13	\$75.45	\$40.20	(\$35.25)

The figures relate to the year of rainfall as the effects are more direct than arid Central Australia. The results are telling; the performance of both groups rose and fell with rainfall, but the average producers experienced a bigger shift in cost of production and profit per AE than the Top performers, indicating that the Top 25% producers were able to reduce the impact of drought on their businesses better than the average producer.

While seasonal variability affects all businesses, it is the management of climate risk that determines the impact on the business, particularly on the downside. Producers need to know what their failed season risk is (probability of receiving less than 50% of median growing season rainfall) and use it in their planning.

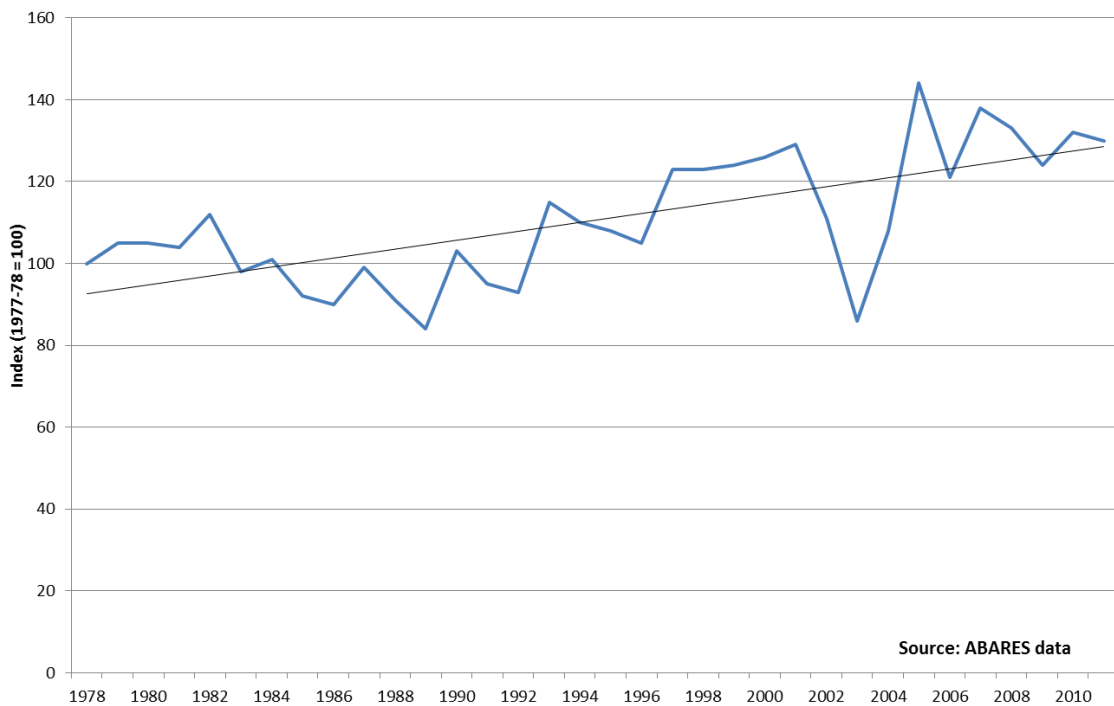
### 3.6.2 Changes in productivity

#### 3.6.2.1 General productivity

Productivity gains have been made, and continue to be made, in the northern beef industry. Productivity in this sense is across the whole business, not specifically herd productivity, and is defined as the total outputs per unit of inputs. One area where this is particularly evident is in the workforce. In the 1960's the average labour efficiency<sup>1</sup> for a QLD beef producer was 366, and for NT and WA Pastoral, 850 and 596 respectively (BAE, 1970). A simple arithmetic average of the regions in each state gives figures for the period analysed in this report of 995, 1,630 and 2,132 respectively, showing the efficiency gains made over that time.

Figure 6 below graphs the Total Factor Productivity measure as calculated by ABARES for the Northern Beef Industry. The measure shows that productivity is variable, but increasing over time. However this rate is less than 1% a year, which the findings of this report demonstrate is not sufficient.

<sup>1</sup> measured as 'cattle equivalent per man-year', whilst cattle equivalent is not defined, this measure is comparable to Adult Equivalents per full time equivalent labour unit measure used in this analysis.



**Figure 6: Northern beef total factor productivity**

### 3.6.2.2 Herd productivity

The impact on business performance of reproductive rate and mortality is significant, as outlined in Section 4.2.2. Despite this, gaining accurate estimates of reproductive rates and mortality of herds is problematic especially in the more extensive regions. This is a function of:

- Inadequate record keeping
- Lack of consistency in calculating these measures
- The extensive nature of the operations, and
- Infrequent and incomplete mustering of cattle

An area where there is some consistency is in producer reports of reproductive rates and mortality rates. Across the North, the figures of 75-80% and 1-2% respectively are often quoted. This analysis, and other more detailed studies, shows that this is not the case, and if it were, the performance of the Northern Beef Industry would be very different to what has been identified in this report. A fundamental starting point for producers looking to improve their situation is to identify what their actual herd performance is.

Table 13 below shows the long term average reproductive rates and mortality rates derived in this analysis.

**Table 13: Long term average reproductive and overall herd mortality rates**

	QLD High Rainfall		QLD Wheat-Sheep		Queensland Pastoral				NT Pastoral				WA Pastoral		Avg
	SC	NC	ED	SI	Ca	WSW	CN	CW	AS	BT	VK	DTE	Ki	W:Pi	
Reproductive Rate (%)	67	56	70	71	58	62	56	68	65	59	55	53	56	57	64
Mortality (%)	1.5	1.9	2.0	1.7	4.7	2.8	2.2	1.7	4.7	4.2	4.7	5.4	3.5	1.9	2.3

MLA projects *B.NBP.0664 Determining property-level rates of breeder cow mortality in northern Australia* and *B.NBP.0382 Northern Australian Beef Fertility Project: CashCow* have recently been undertaken to better quantify these measures and factors influencing them.

The *CashCow* data are not comprehensive enough to provide estimates by the regions used in this analysis. Comparisons of the Table 13 derived estimates with *CashCow* findings and other industry reports and experience suggest that reproduction has been underestimated for QLD Wheat-Sheep and overestimated for northern forest regions of QLD (Q:Ca and Q:CN). *CashCow* data shows that mortality rates for northern forest regions (Q:Ca, Q:CN, N:VK, N:DTE, W:Ki) are 6-7% higher than elsewhere, suggesting that the derived estimates for these regions are likely to be underestimates.

The *Breeder Cow Mortality* project calculated mortality rates for herds in extensive production systems of northern Australia by analysing and reconciling individual herd numbers over a number of years. The mortality calculations from this project are similar to or higher than the derived estimates above, for regions where herds were analysed.

Another source of reproduction data is the Beef CRC templates from the *Breedcow* software, which is based on ABARES and ABS data but has been adjusted on a regional basis with local extension knowledge. Appendix 8.8 details and compares the reproductive and mortality figures from the sources above (where available in the regions used in this analysis) with the derived estimates.

The reproductive rates and mortality rates used in this situation analysis may not represent actual productivity and are likely to be better than what is occurring in reality. However the relativities between the derived estimates should be informative, as evidenced by the Top 25% generally having better reproductive and mortality figures than other enterprises. Therefore, general trends and conclusions can be made drawn using the derived estimates.

A recommendation for readers of this report is to read and understand the findings of the *Breeder Cow Mortality* and *CashCow* reports.

### 3.6.3 Financial changes

#### 3.6.3.1 Declining terms of trade

A constant background feature of commodities is declining terms of trade. Declining terms of trade is when price received for outputs declines relative to prices paid for inputs. It occurs when increased production through technological changes, improved practises or more

producers causes the supply of a commodity to increase faster than demand, which causes a decline in prices of that commodity in real terms.

It is well observed that costs in the industry are going up while the prices received are similar to 20+ years ago, Figure 7 below shows this clearly.

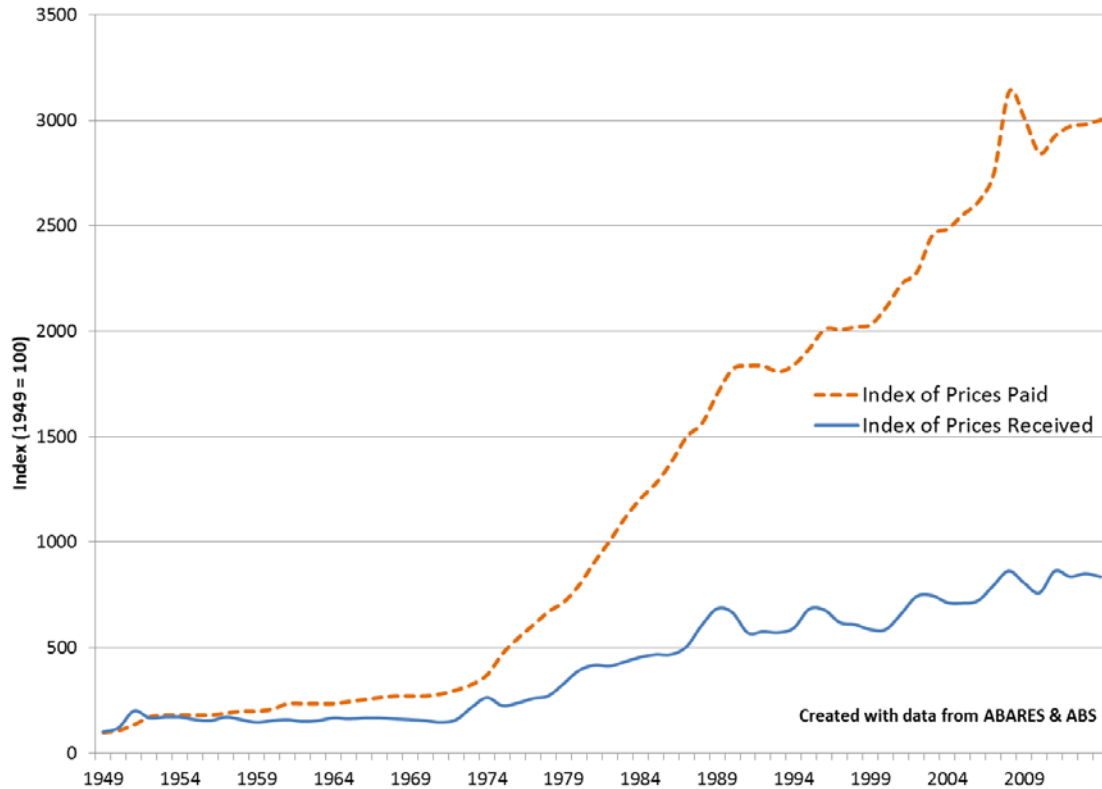
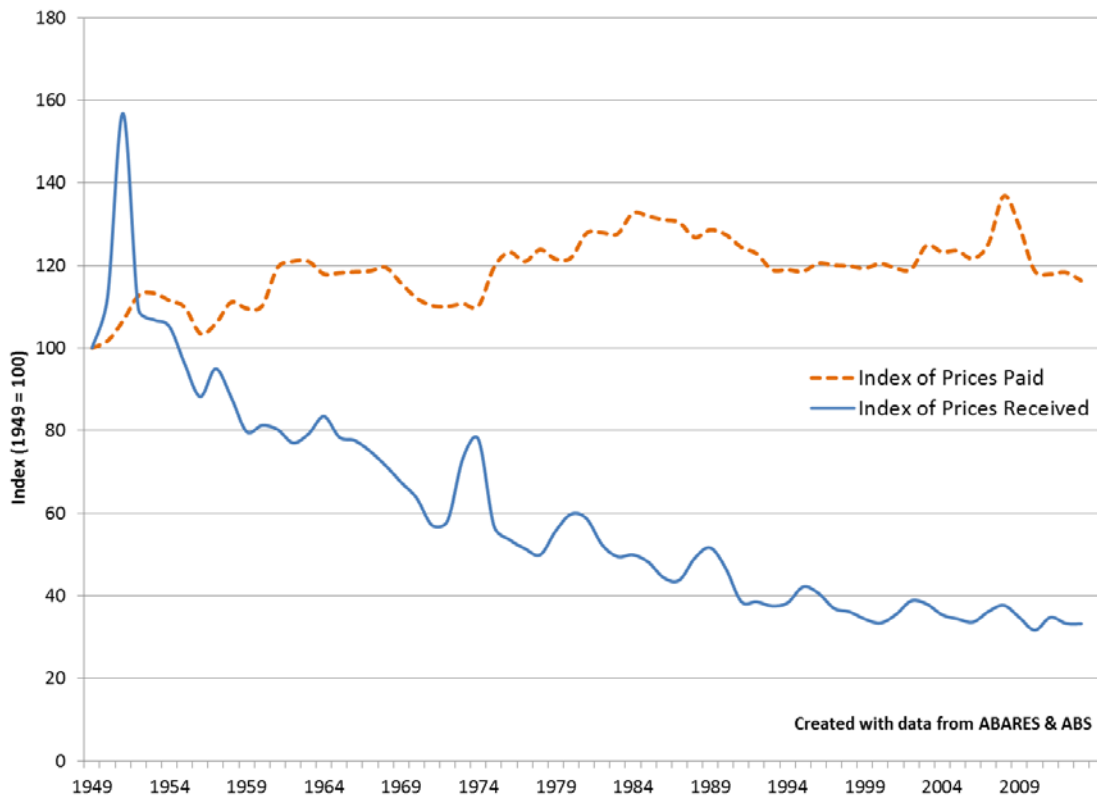


Figure 7: Index of prices paid and prices received by Australian farmers (nominal terms)

However when the data are adjusted for inflation, to compare similar purchasing power over time, as shown in Figure 8 below. This shows cost increases have increased by not much more than inflation, on average, while prices received have declined in real terms. Whichever way it is analysed, the gap is widening, at just under 2% a year, this is the declining terms of trade or the cost price squeeze.



**Figure 8: Index of prices paid and prices received by Australian farmers (real terms)**

Declining terms of trade can only really be addressed in two ways, firstly by increasing demand for the commodity and for this increase in demand to more than the increase in supply, causing a price increase. The second is for individual producers, and the industry as a whole, to strive for productivity improvements to stay ahead of declining terms of trade (see Figure 6, total factor productivity). Of the two, the latter is within the control of individual producers and therefore should be the priority. This report has identified the large spread in productivity achieved by producers, that there is room for improvement within the industry, and the effect increases in productivity has on income.

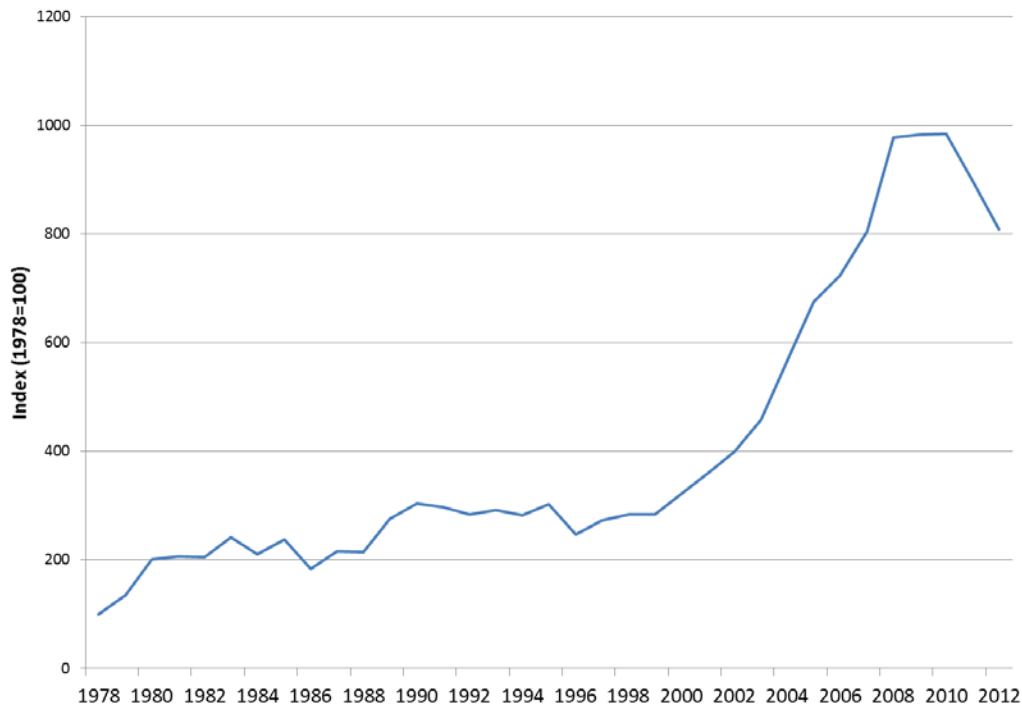
The irony is that the cure is the cause, the industry problem is caused by increased production (within a global protein market) and the solution for individuals to counter it is to increase production. This was identified by Willard Cochrane a US agricultural economist in the 1950's when he stated 'The average farmer is on a treadmill, but by running faster he does not reach the goal of increased returns; the treadmill simply turns over faster' (Cochrane 1958).

Other than getting off the treadmill, the only option for Australian producers in a global market, is to increase production, and do so cost effectively, while at industry level the focus must be on assisting motivated producers increase production and to increase the demand for Australian beef faster than supply increases.

### 3.6.3.2 Changes in land value

The last decade saw dramatic changes in land prices across the northern beef industry as shown in Figure 9 which graphs an index of land prices across the northern beef industry.

Discussion on the reasons for the increase, and recent decrease, in land values are outside the scope of this report.

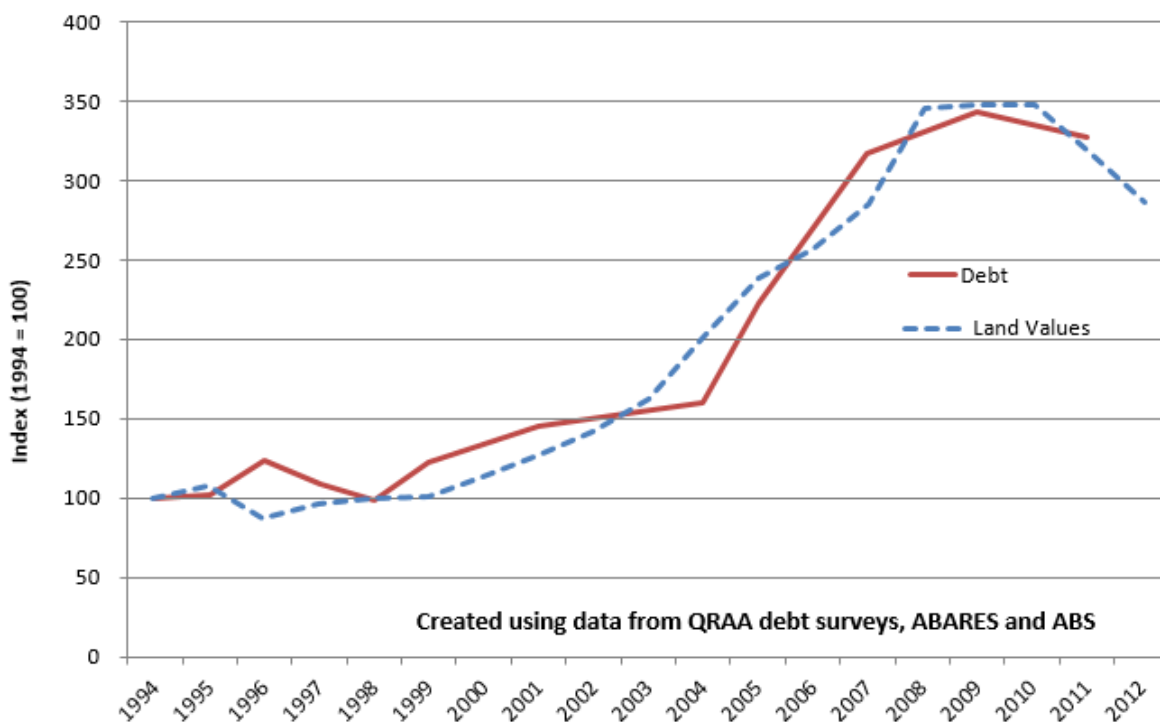


**Figure 9: Northern beef real land values (ABARES)**

### 3.6.3.3 Changes in debt

Debt has increased significantly over the period analysed as shown in Figure 10 below. According to Queensland Rural Adjustment Authority (QRAA) data, the average indebtedness per Queensland beef business borrower increased 228% in real terms from 1994 to an average of \$1.4M in 2011. This is average per borrower, and the figures in this analysis are average per producer; not all producers are borrowers.

The QRAA data provide a very reliable picture of total debt for Queensland, but similar data are not available for NT and WA. The ABARES and QRAA data show a comparable increase in debt over the period analysed and the increase graphed in Figure 10 can be assumed to be representative of the debt increase across the entire northern beef industry.



**Figure 10: Change in debt and land values (QLD beef in real terms)**

The significant increase in land values provided the platform for borrowings to increase, and vice versa. As shown throughout this report, during the same period as many businesses increased borrowings, there has been no increase in profit to service the additional debt.

The change in debt over the period did have a significant effect on the profit after interest result of producers. The industry, on average, has not generated sufficient profit to cover interest in any of the three-year periods analysed, as shown in Figure 11 below. This situation is exacerbated with some producers paying in excess of 10% interest on their debt, depending on their perceived risk profile. Figure 11 below shows that profit after interest has decreased in the last three-year period; this corresponds with some cohorts showing a decrease in debt in the last period. For most producers there is insufficient profit for significant debt reduction, therefore liquidation of assets (on farm and off farm assets) and off-farm income are likely to be contributing to this debt reduction.

The Top 25% cohort has generated sufficient profit to cover interest over the 12 years analysed, however the increase in interest with reduction in profit has resulted in their earnings after interest effectively being halved. The reduction in earnings after interest, as shown in Figure 11, is more a function of increased interest due to increased debt than it is to changes in profit, for both average and Top 25% producers.

Equity, as a percentage of total assets, changed little over the period analysed, which is a function of debt increasing with land values for both average and Top 25% producers.

However, looking ahead, if land prices continue to fall and debt remains constant or increases, then equity levels will fall and affected businesses will be under extreme financial pressure. This pressure will come in two forms, firstly the need to reduce debt principal and secondly the impaired capacity of the business to raise working capital as needed.

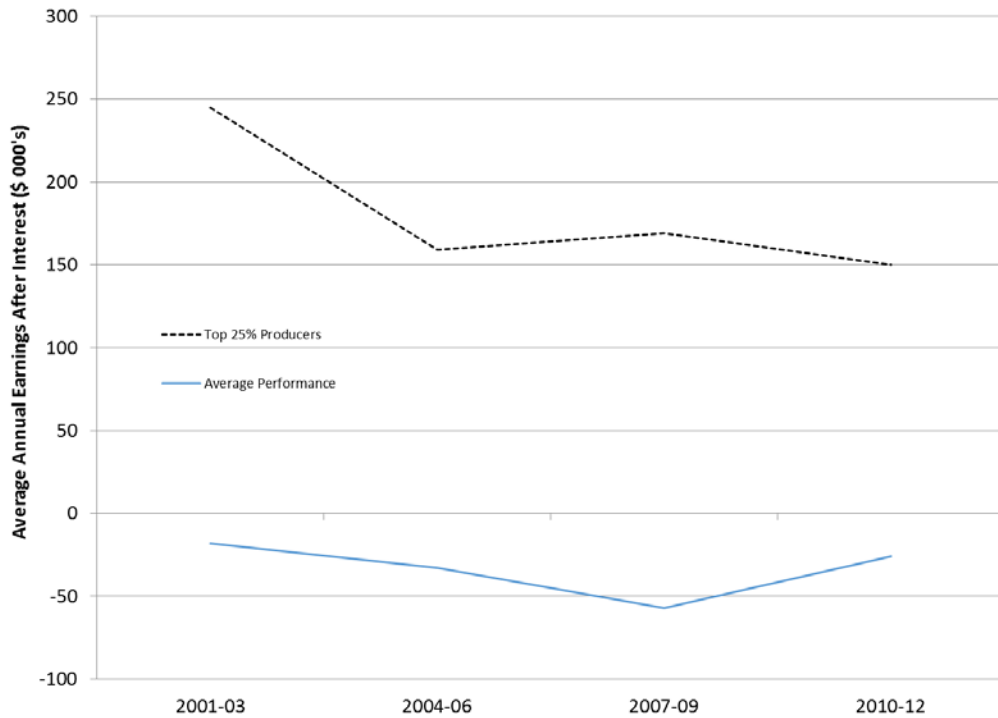


Figure 11: Changes in earnings after interest over time

### 3.6.3.4 Changes in income

Income per AE is driven by two things, the amount of beef produced per AE and the price that is paid per kg of beef produced. Figure 12 shows the decline in average income per AE over the 12 years analysed. This reduction in income is reflective of the decline in beef prices, seen in Figure 13. The other determinant of income, productivity, has no discernible trend either way.

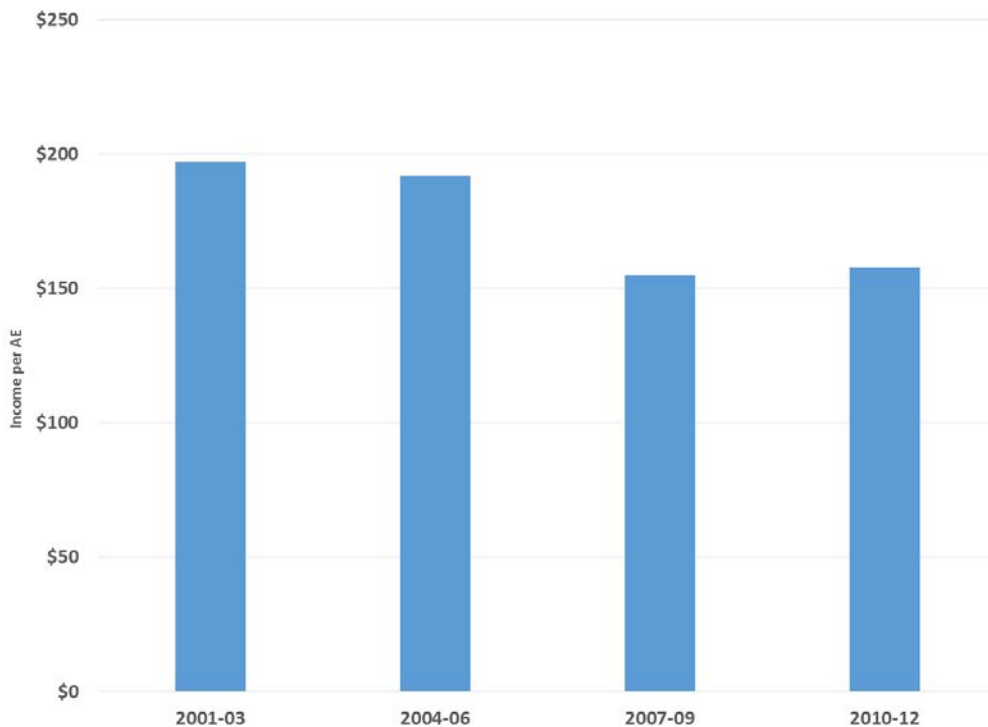
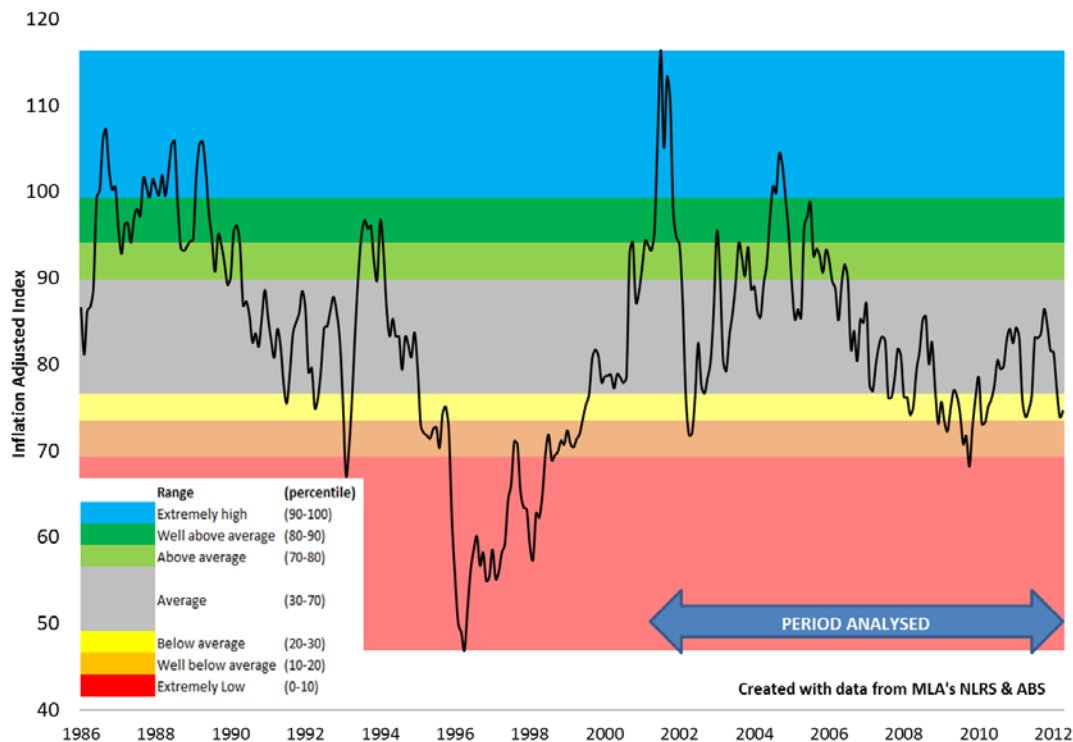


Figure 12: Whole industry average income per AE





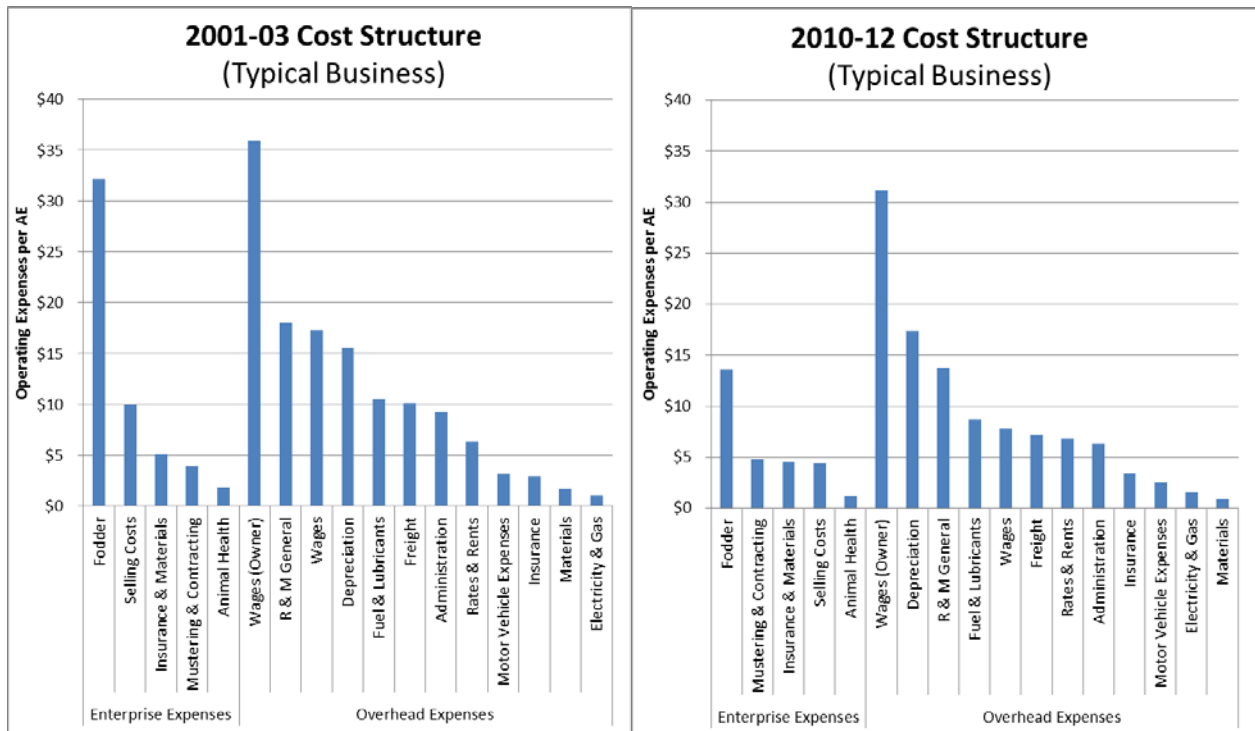
**Figure 13: Real Queensland cattle prices**

Analysis of annual data for the typical business shows that income has gone up and down with beef prices but has trended down over the time frame analysed. Productivity is a more important variable in contribution to income and will be discussed in detail in section 4.2.2.

### 3.7 Changes in operating expenses

Total operating (enterprise and overhead) expenses, both in absolute terms and per AE, were lower across most regions in 2010-12 compared to 2007-09 and 2001-12. Average overhead expenses per AE in 2010-12 were very similar to 2007-09, although enterprise expenses were down significantly, with 75% of the reduction in enterprise expense per AE being represented by fodder and supplementary expenses, which is reflective of the improved seasons in 2010-12.

There are differences in expense structures across the segments and regions analysed. Figure 14 below show the similarities, and differences, in the typical beef business between 2001-03 and 2010-12.



**Figure 14: Cost structure 2001-03 and 2010-12**

The lower expenses could be attributed to increased labour efficiency and to belt tightening as income has reduced. Average performers were able to reduce expenses effectively in line with income, meaning no impact on profit. Top 25% producers, however, were not able to reduce expenses as much. This may be because Top 25% producers had less capacity to further reduce costs than the average performers, which resulted in Top 25% profit decreasing, while average profit did not, as seen in Table 6.

The reduction of expenses, as income has reduced, is supported by an interesting observation of the 'typical' business. Just as income is affected by beef prices, so are expenses - so, when prices were up for this cohort, so was income and expenses and vice versa. This resulted in no impact to the bottom line in years when beef prices increased, as the gains were wiped out by additional expenses.

### 3.8 Changes in profit

The main point here is that both income and costs have decreased, meaning there is no downward trend in average profit, and the current situation is not a new one. Operating expenses are not generally increasing and the industry situation cannot be attributed to expense increases over the period analysed.

Beef prices have trended down over the period analysed, although Figure 13 suggests that there is a cyclical component to this. It is in the nature of commodities that prices decline in real terms over time. The industry cannot focus on increased prices to improve performance; the focus must be on cost of production, the drivers of which are discussed extensively in this report.

## **4 Discussion**

### **4.1 Economic sustainability in practise**

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#### 4.1.1 A non-agricultural context

This report focuses on the financial situation of the northern beef industry, information on the performance of non-agricultural businesses is discussed below to provide context to these findings.

The profit information for small and medium enterprises (SME's) is mostly gathered in survey form and measures the increase or decrease from previous period for inclusion in an index, and little information exists on absolute profit or profitability. An Australian Government report on small business in 2012 found that 'SMEs have been struggling in terms of profitability over the past few years' (DIISTRE 2012), this corresponds with the primary time frame of this analysis.

An Economic Overview of Small Business by the Reserve Bank of Australia in 2012 provides some information on the profits achieved by SMEs. The analysis found that 'only around 60 per cent of small companies (using the ATO definition of revenue under \$2 million) and three quarters of unincorporated business [sic] were profitable in 2009/10' (Connolly et al 2012). Profitable in this example was having a positive EBIT and does not include wage income earned by the business owners or any measure of return on capital. So if owner wages, finance costs and cost of capital were accounted for, as they are in the economic sustainability criteria used in this analysis, more than the 40% of small companies and 25% of unincorporated businesses found to be unprofitable above, would not be considered economically sustainable.

As well, an analysis of the publically listed companies on the Australian Stock Exchange at the time of writing of this report was conducted. Of the 1,703 publically listed companies, across all industry sectors, only 568 (33%) had a return on capital employed (averaged over the last 5 years) of 6% or greater. While this is alarming in itself, it provides useful context to the findings of this study.

#### 4.1.2 A business needing to improve

To demonstrate the principle of economic sustainability, the performance of the 'typical' northern beef business (average performance in 1,600- 5,400 hd cohort) was analysed. The figures for this cohort of businesses were analysed as if they were an actual business. Of course, the 'typical' northern beef business does not exist. However, the concept is still useful to help create an overall perspective of performance and attempt to gain an appreciation of what some of the major issues might be.

In the following, analysis of performance stops at the earnings before interest and tax (EBIT) level because the performance of a business is independent of its financing. Financing will be dealt with as a separate issue, because EBIT determines the capacity of the business to carry and service debt.

Selected data are presented in Table 14 to describe the physical features (and one financial feature) of the typical business. More comprehensive detail can be found in Appendix 8.4.4.3.

**Table 14: Physical features of the typical business**

Area (Ha)	36,322
Total Cattle	2,734
Total AE	3,196
Total Assets (\$M)	10.24

The whole business income statement for this typical business is presented in Table 15:

**Table 15: Whole business income statement - typical business**

	\$
Gross Profit	686,315
Enterprise Expenses	132,879
Gross Margin	553,436
Overhead Expenses	416,806
Total Operating Expenses	549,685
EBIT	136,630

The EBIT result of \$136,630 is a concern for two reasons:

1. It results in an operating return, of only 1.3%, unattractive to say the least, in strict economic rationalist terms.
2. It may be insufficient to fully cover the funding of other current and future liabilities.

The first point above is moot. Individual producers will form their own judgement on whether the operating return is attractive to them, or otherwise. The second point is less subjective because it relates to the concept of economic sustainability; if any business lacks the financial capacity to fund all of its liabilities, current or future, it is economically unsustainable.

Moving on from the EBIT level to financing, Table 16 shows the impact of financing, tax and capital expenditure (capex). With respect to the latter, it is important to understand that capex would not normally be brought to account in these calculations, because, in a perfect world, depreciation and capex should be almost identical numbers. They are not, with capex being higher for a range of reasons that go beyond the scope of this study. Private benchmarking data show that, over time, capex exceeds depreciation by around 20%. This has been addressed below by adding back depreciation and then deducting the same figure, inflated by 20%.

**Table 16: Effect of financing and capital expenditure on a typical business**

	\$
EBIT	136,630
Interest	(85,080)
Notional Tax @ 30%	(15,465)
Net Profit After Tax	36,085
Depreciation	59,413
Funds Available Before Capex	95,498
Less Depreciation Adjustment	(71,296)
Net Proceeds to Owner	24,202

From an EBIT of \$136K, only \$24K is left in the bank after financing and capex. If this is the case, the following additional conclusions can be drawn:

- This business has no intrinsic economic value. It is worth the total of its tangible assets only.
- It has done nothing but provide its owners with a job and a place to live.
- It will be set back for years by any headwind. There is no financial resilience or buffer.

However, to add rigour to this view, the performance of this 'typical' business will now be assessed using the 8 definitional criteria set out in section 2.4 above.

1. Cost of capital  
**No**, the total business return at 6.0% is less than the cost of capital of 8% (see cost of capital in units of measurement). Also 4.7% of the 6.0% is capital return, so is due mostly to wind-fall gains and not business profits.
2. Fund all operating expenses and capital expenditure  
**No**. The business has not been able to do this as from 2001-2012 overdraft debt, long term debt and plant and equipment finance have all increased significantly. As well, finance coverage has contracted significantly.
3. Remunerate owners adequately  
**Yes**. The business has been able to achieve this, as the reported figure includes an imputed owner wages figure of \$118,000 on average.
4. Have the capacity to repay debt principal in a timely manner  
**No**. This business has not been able to achieve this given the 66% increase in debt over 12 years.
5. Maintain a safe level of equity and adequate finance coverage  
**No**. Equity levels (%) have been maintained as asset values have risen faster than liabilities, however, if land prices continue to fall then equity levels will fall rapidly. A safe level of finance coverage has not been achieved so this criterion has not been met.
6. Provide for independent retirement  
**Unknown**, but unlikely if it is dependent on the performance of the business alone. Although an imputed figure for owner wages has been applied to the performance results, it is unlikely that this level of payment would have been drawn by the owners in cash. This criteria is not able to be properly assessed without more detailed personal information.
7. Be able to survive business succession  
**Unknown**, but extremely unlikely if it is dependent on the performance of the business alone. The simplest case of two siblings would appear to be problematic because for them to be treated equitably is completely out of the question, and even if an attempt was made to be 'fair', it hard to see how the sibling not inheriting the station would receive much more than the residual in the parents estate.
8. Survive and prosper in the long term without the erosion of environmental capital  
**Unknown**

The answers to the eight definitional requirements for economic sustainability are varied, including some unknowns. The best that can be said is that there is insufficient evidence to say with any certainty that the business is economically sustainable, and on the balance of probabilities, it is most likely not.

A family may own and operate this business for an entire generation. Family members may have to make some lifestyle sacrifices along the way in order to stay there, debt may or may

not remain stable and the natural resource base supporting the herd may or may not have been eroded. When they are done, the family can sell the assets and walk away, possibly a little wealthier in nominal terms because of the appreciation in asset values. None of this demonstrates economic sustainability. All it demonstrates is the power of a circa \$10M asset base to provide a rural lifestyle for a generation. Many families may be very happy with all that. When they eventually sell, another family may take over and repeat the experience of the first, or may be able to transform it into an economically sustainable business. All of this masks the real position; in its current form, the business is not economically sustainable and must improve its performance.

The herd financial performance and the key performance indicators for that herd that drive the typical business are presented in Table 17 and Table 18.

**Table 17: Beef herd income statement - typical business**

	(\$/AE)
Gross Profit	194.27
Enterprise Expenses	37.03
Gross Margin	157.24
Overhead Expenses	117.95
Total Operating Expenses	154.99
EBIT	39.28

**Table 18: Beef herd KPIs - typical business**

Price Received (\$kg LW)	\$1.77
Cost of Production (\$kg LW)	\$1.41
Operating Margin (\$kg LW)	\$0.36
Kg Beef/ AE	110.0
Labour Efficiency (AE/FTE)	1025
Labour Expenses (\$/AE)	\$44.46
Gross Value/ Head Sold (all sales)	\$849
Sale Weight/ Head Sold (all sales)	472
Reproductive Rate %	65.2%
Mortality Rate %	2.0%

Of themselves, the herd key performance indicators in Table 18 mean very little. They are what they are, to result in an EBIT/AE of \$39.28. The critical question is:

*“What total EBIT and EBIT/AE is required to result in a beef business that is economically sustainable?”*

That question can only begin to be answered when herds from businesses that are closer to being economically sustainable are available for comparison. Then, the difference in the critical KPI's become more apparent and the protocol for herd and business improvement becomes clear.

#### 4.1.3 An improved business

The Typical Beef Business described above will now be compared to the Top 25% Beef Business, again from the 1,600-5,400 herd size cohort. Differences in the businesses, and the

herds underlying them, are explored to help explain the performance differences. The full report can be found in Appendix 8.4.4.3.

The physical features of the whole business (and one financial feature) are shown in Table 19.

**Table 19: Physical feature comparisons**

	<b>Typical</b>	<b>Top 25%</b>
Area (Ha)	36,322	37,705
Total Cattle	2,734	2,955
Total AE	3,196	3,478
Total Assets Under Management (\$M)	10.24	9.29

It is clear from Table 19 that:

- Operating scale cannot explain any difference. There is only 3.8% more area under management with the Top 25%, and 8% more total cattle. These differences are not large enough to have any material impact on performance in herds of this size.
- The value of total assets under management for the Top 25% is 9% less than the Typical. Appendix 8.4.4.3 shows that this is almost entirely a function of land and infrastructure value. This is a relatively constant, long-standing and curious feature of Top 25% performance from private benchmarking databases. In our experience, top performing businesses do not seem to be located on the “best” or most expensive country. It is pure conjecture, but perhaps they know this and try harder as a result. It remains a conundrum.

The whole business income statement comparisons are presented in Table 20:

**Table 20: Whole business income statement comparisons**

	<b>\$ Typical</b>	<b>\$ Top 25%</b>
Gross Profit	686,315	871,943
Enterprise Expenses	132,879	128,306
Gross Margin	553,436	743,647
Overhead Expenses	416,806	394,770
Total Operating Expenses	549,685	523,076
EBIT	136,630	348,867

The differences here are extraordinary; 155% (\$212,237) more EBIT is being generated from only 8% more cattle and 9% fewer total assets. The ROA for the Top 25% Business is 3.9%, compared to 1.4% for the Average.

Looking at the income statement comparisons in more detail:

- Sales are 14.9% higher in the Top 25% Business. This will be examined further below.
- Total operating expenses are 4.8% lower in the Top 25% Business, again, to be examined further below.

Overall, the majority of the difference in EBIT is a function of income rather than operating expense factors. The Top 25% Business generates more EBIT because it earns more from every dollar it spends. This means that its assets are more productive.

The results from the EBIT level to financing and capex are shown in Table 21:

**Table 21: Effect of financing and capital expenditure on Top 25% of business**

	\$ Typical	\$ The Top 25%
EBIT	136,630	348,867
Interest	(85,080)	(84,140)
Notional Tax @ 30%	(15,465)	(79,418)
Net Profit After Tax	36,085	185,309
Depreciation	59,413	51,745
Funds Available Before Capex	95,498	237,054
Less Depreciation Adjustment	(71,296)	(62,094)
Net Proceeds to owner	24,202	174,960

Clearly, this net figure for The Top 25% Business of \$175K is vastly different to the same result of \$24K for The Typical Business and improves the capacity to achieve almost all that The Typical Business could not in the quest for economic sustainability.

As for the 'typical' business, the performance of this Top 25% business will now be assessed using the 8 definitional criteria set out in section 2.4 above.

1. Cost of capital  
**Yes.** Total business return easily exceeds cost of capital, and an operating return of 3.8% indicates that is not entirely dependent on asset appreciation.
2. Fund all operating expenses and capital expenditure  
**Yes.** Although debt with this business has risen in a similar way to the typical business, there has still been a business performance sufficient to generate working capital for operating expenses and capital expenditure.
3. Remunerate owners adequately  
**Yes.**
4. Have the capacity to repay debt principal in a timely manner  
**Yes.** Total interest bearing debt can be retired within ten years if required from the net annual funds of ~\$175K if this was the sole allocation of the funds. This is important if further asset purchases are planned.
5. Maintain a safe level of equity and adequate finance coverage  
**Yes.** Equity has been maintained above the safe level and the finance cover has remained strong at 4.1 times.
6. Provide for independent retirement  
**Unknown, but likely.** There is sufficient cash surplus from this business to supplement any underfunding from retirement contributions.
7. Be able to survive business succession  
**Unknown, but likely.** For the same reason as stated in 6 above.
8. Survive and prosper in the long term without the erosion of environmental capital  
**Unknown.**

From this it can be concluded that this business is economically sustainable.



#### 4.1.4 Differences in herd performance

It is the management and resulting performance of the beef herd that has produced the whole business result. Comparisons between the Typical Herd and the Top 25% Herd are made in Table 22 for income and Table 23 for the key performance indicators. It is important to note that the differences will be contrasted here only, as their causes and implications have been discussed more fully in Section 4.2.

**Table 22: Beef herd income statement comparisons (\$/AE)**

	<b>Typical</b>	<b>Top 25%</b>
Gross Profit	194.27	226.30
Enterprise Expenses	37.03	32.30
Gross Margin	157.24	194.00
Overhead Expenses	117.95	102.54
Total Operating Expenses	154.99	134.84
EBIT	39.28	91.46

**Table 23: Beef herd KPI comparisons**

	<b>Typical</b>	<b>Top 25%</b>
Price Received (\$kg LW)	\$1.77	\$1.78
Cost of Production (\$kg LW)	\$1.41	\$1.06
Operating Margin (\$kg LW)	\$0.36	\$0.72
Kg Beef/ AE	110.0	127.1
Labour Efficiency (AE/FTE)	1,025	1,237
Labour Costs (\$/AE)	\$44.46	\$37.91
Gross Value/ Head Sold (all sales)	\$849	\$897
Sale Weight/ Head Sold (all sales)	472	493
Reproductive Rate %	65.2%	70.4%
Mortality Rate %	2.0%	1.3%

From the above tables and more extensive detail in Appendix 8.4.4.3:

- 2.3 times (\$52.18) more EBIT/AE is being generated in the Top 25% Herd.
- Increased income is contributing \$32.03 to this result and reduced operating expenses \$20.15.
- The increased income is a function of:
  - 5.2% more calves being weaned and ultimately being sold, on average, 21kg heavier for \$48 more per head.
  - It is being mediated through extra kilograms of beef, as average price received was effectively the same.
  - A lower mortality rate with the caveat being that these derived estimates are open to question as has been discussed elsewhere in this report.
- The reduced operating expenses are a function of:
  - The majority of the difference in direct expenses being related to fodder (\$4.34). Fodder, in these data, includes hay and other feeds for yard weaning and transport, and supplements such as “lick”. It is not clear from these data why the reduced expense in this area occurred. .
  - The majority of the difference in overhead expenses is in labour and labour related expenses. The difference in absolute labour costs is \$6.35 per AE, but labour

related expenses are also lower. For example, people use vehicles, so if labour deployment is more efficient, there will be a reduced expense in depreciation, fuel and lubricants and direct motor vehicle expenses which, generally, there is.

In summary, The Top 25% Business is achieving its superior result simply by producing more kilograms of saleable beef at a lower cost. It is not surprising then that the main measure of this, cost of production, shows that the Top 25% Business is able to produce a kilogram of beef for \$0.35 less than the Typical.

The critical point here is that a 35% reduction in cost of production results in a 100% increase in operating margin per kilogram of beef. In the broader business world, this is known as “operating leverage” (McDaniel, 1984; O'Brien and Vanderheiden, 1987) and a deep understanding of its power and influence is essential to success in businesses where its potential is evident.

Herd performance will either deliver economic sustainability to the business, or it won't, depending on a range of variables including environment, operating scale, preferred market, management, genetics and others. Absolute KPI performance for the herd is, therefore, not possible to prescribe. However, the following are reasonably predictable:

- There is likely to be no advantage in a superior performance of the Top 25% conferred by average price received. There are no data available from any source to show that this variable has any tangible impact on differences in profit/AE between herds. This may seem counterintuitive but is a function of the large range in cost of production (\$/kg LW) between beef businesses. If all beef producers had the same cost of production, then price received would explain all of the difference in profits, but this is not the case.
- There is likely to be a significant advantage conferred by a lower cost of production and the associated impact on operating margin per kilogram of beef.
- Higher turn-off weights are likely to be associated with better financial performance.
- A higher reproductive rate may be associated with better performance, but this is highly dependent on the target market and herd structure/environment.
- The absolute cost structure of the herd may be lower for the Top 25% but this is not always the case.
- Overall, superior profit/AE performance will be likely to be coming from more kilograms of saleable beef being produced from a cost structure that may or may not be below the average, but, nevertheless, will be more cost-effective.

#### 4.1.5 The sustainability threshold

All the available evidence suggests that the Top 25% Business is just economically sustainable and the Typical Business is not. This raises the question of just where the threshold is crossed from unsustainability to sustainability and more specifically, the answer to the question raised above:

***“What total EBIT and EBIT/AE is required to result in a beef business that is economically sustainable?”***

From these data, we have seen that an EBIT of ~\$348K will be likely to produce a net surplus of ~\$175K, which was shown to be just economically sustainable. To meet the definitional requirements of economic sustainability therefore, the minimum net surplus has been

established. If this herd was around 3,478AE (Table 19), this means an EBIT/AE threshold of \$91 is required (Table 23, above). If this approach is adopted, it is relatively simple to roughly quantify the whole business and herd EBIT requirements for economic sustainability for any given operating scale.

Using this approach, it is possible to speculate on economic sustainability at large, in the absence of more detailed analysis. From this cohort of herd size (1,600 – 5,400), the threshold of sustainability is crossed somewhere near 75% of businesses. However, the overall average of northern businesses has only 2,004AE under management and only the minority of those businesses are likely to have outstanding profit per AE results to compensate for the smaller scale. On the basis of this argument, it is reasonable to suggest that the majority of northern beef businesses are not economically sustainable and need to concentrate more on improving operating performance, if economic sustainability is a business goal. This may be difficult to accept initially, but may become more acceptable after consideration of the following:

- As stated earlier, it can take a northern beef business that is marginal for economic sustainability a long time for the owners to eventually be forced to call it a day, usually under pressure from a financial institution. In the MLA *BusinessEDGE* course, it is suggested to participants that this can be up to 60 years, thus crossing the business succession threshold and all the implications that that contains. Ownership turnover can therefore be low, providing the false impression that the business is economically sustainable in the long term.
- There are always willing buyers to step in and take over a business that is selling up, thinking that he/she can do a better job and turn it around. This can mask the reality of economic sustainability indefinitely.

The differences in overall business management and herd management between an economically unsustainable and sustainable future are relatively small, few in number, and relatively easy to understand. The gap between the two can be bridged with what is loosely described as “management ability” which is within the reach of most producers.

## **4.2 Identifying how the profit Of a beef business is generated**

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For the industry and businesses to improve performance, an essential first step is understanding how the profit of a beef business is generated.

There are a number of different ways to analyse the profit of a beef business, in absolute terms, by number of AEs (the primary limiting factor) or kilograms of beef (production), and each has its applications.

By looking at it on a per AE basis, it can be broken into its components to identify what determines each component, then what can be done to improve each component can be analysed.

Profit = Number of Adult Equivalents x (Income/AE – Expenses/AE)

### **4.2.1 Operating scale of business**

Operating scale is a measure of the number of adult equivalents that can be run by the business.

Operating scale or scale per se is limited to the long term carrying capacity of the current area under management. To some extent, paddock and pasture development can lead to an increase in scale, although for many in the north, this opportunity is not available. Scale can be increased over time through additional land purchases, or leasing/long term agistment arrangements.

Subject to seasonal stocking rate adjustments, if the long term carrying capacity is exceeded over an extended period of time, it will come at the expense of land condition. As land condition declines, the carrying capacity of the property declines and hence, the operating scale of the business declines. This downward spiral can take years to fully unfold.

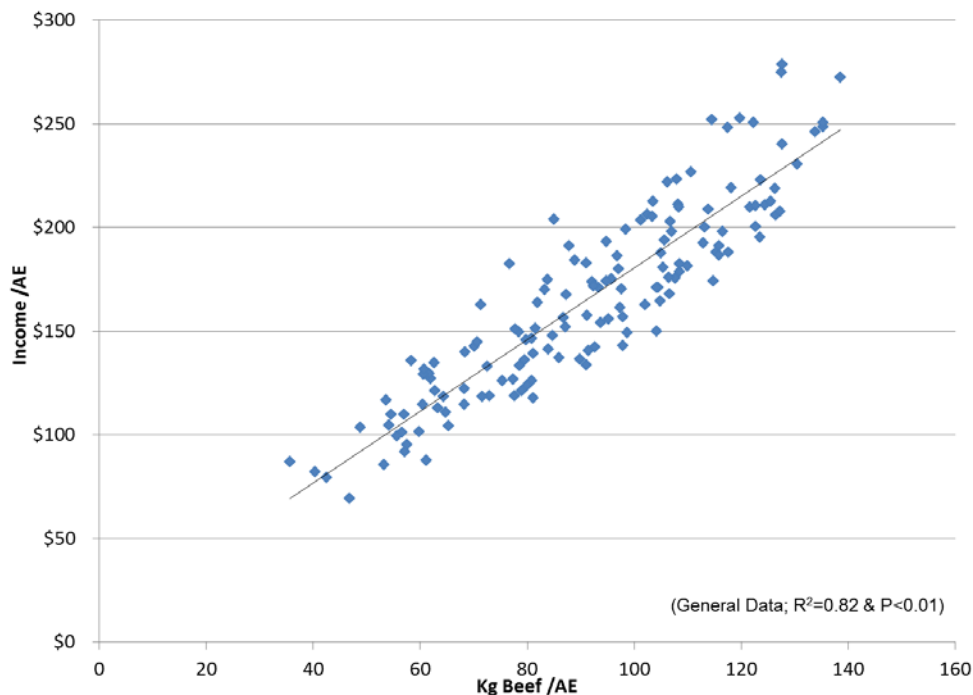
For any given scale, profit will be maximised when profit per AE is maximised; profit per AE is income per AE less expenses per AE.

#### 4.2.2 Income per AE

Income per AE is a function of two things, kilograms of beef produced per AE and the average price received for that beef.

A commercial beef herd is a biological entity that may produce surplus kilograms of beef annually, assuming herd structure and total size remain constant. The size of the surplus is dependent on the local genotype x environment interaction and the potential for that interaction to be expressed fully or otherwise by the management regime imposed. This is best described as herd productivity, is exclusively biological, and is measured as kilograms of beef produced annually per AE. This is effectively a measure of the efficiency of the beef enterprise at turning grass into beef.

The first question to address is the impact of the number of kilograms of beef produced/AE on income/AE in an attempt to understand if herd productivity is a critical driver of revenue. The potential kilograms produced should be correlated with income only, because the cost of producing those kilograms varies widely between herds and confuses the primary relationship. This relationship is demonstrated in Figure 15.



**Figure 15: Relationship between Kg beef/AE and income/AE**

The number of kilograms of beef produced by the herd is therefore critical to income. Price received is an important component and the reduction in income as prices have decreased has been detailed above. However price received explains very little of the difference in income between herds, and productivity, as detailed in Figure 15, explains over 80% of the differences between herds in income per AE.

There are only four practical means to influence productivity, assuming stocking rate is kept relatively constant:

1. Improving the reproductive rate.
2. Decreasing the mortality rate.
3. Increasing the turn-off weight through longer retention, better nutrition, or both.
4. Improving the genetic potential for a heavier and/or higher yielding carcass either through selection or cross-breeding.

The fourth-listed alternative, to improve genetic potential, goes beyond the scope of this report, but it is possible to interrogate the data to determine the relative importance of the first three.

How much priority to be given to any of the three options should depend on their relative contributions to productivity. These are shown in Figure 16, Figure 17 and Figure 18.

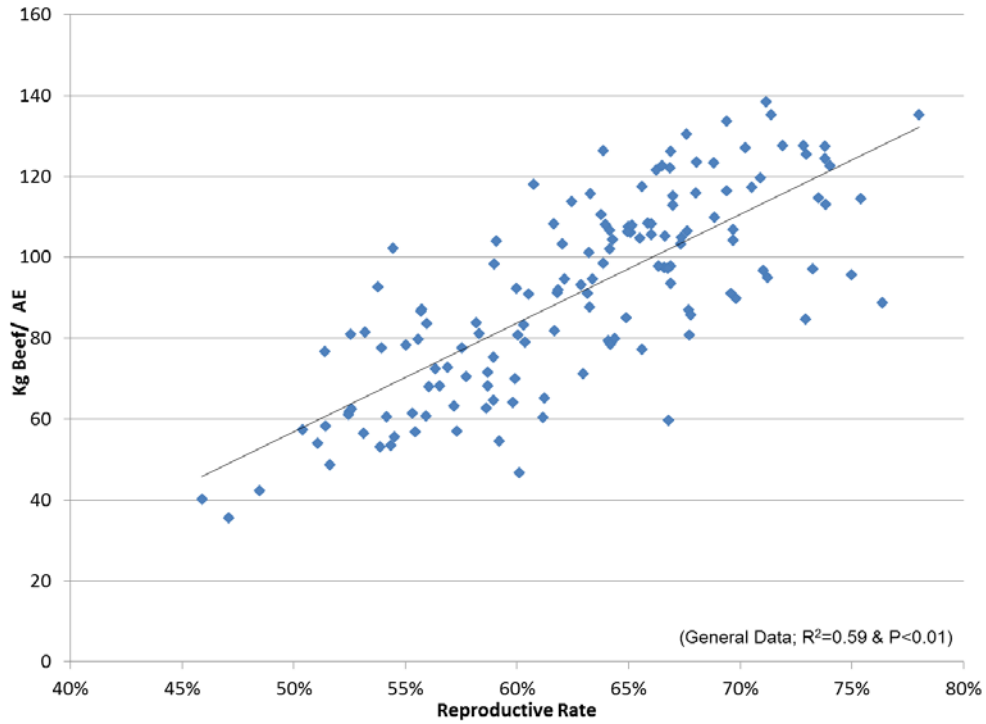


Figure 16: Relationship between reproductive rate and Kg beef/AE

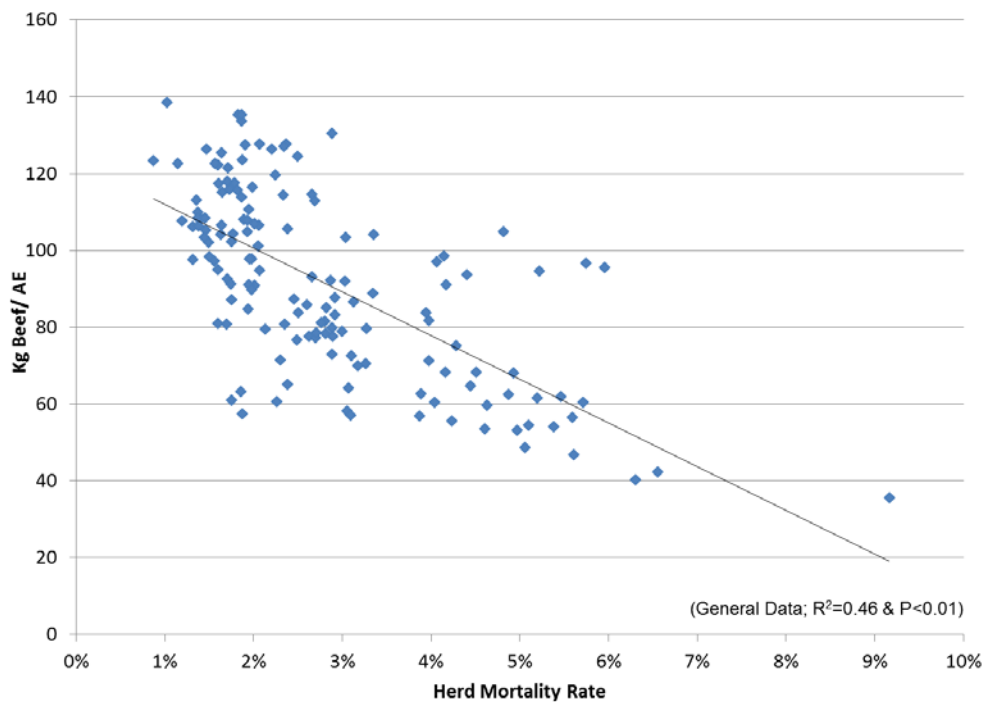
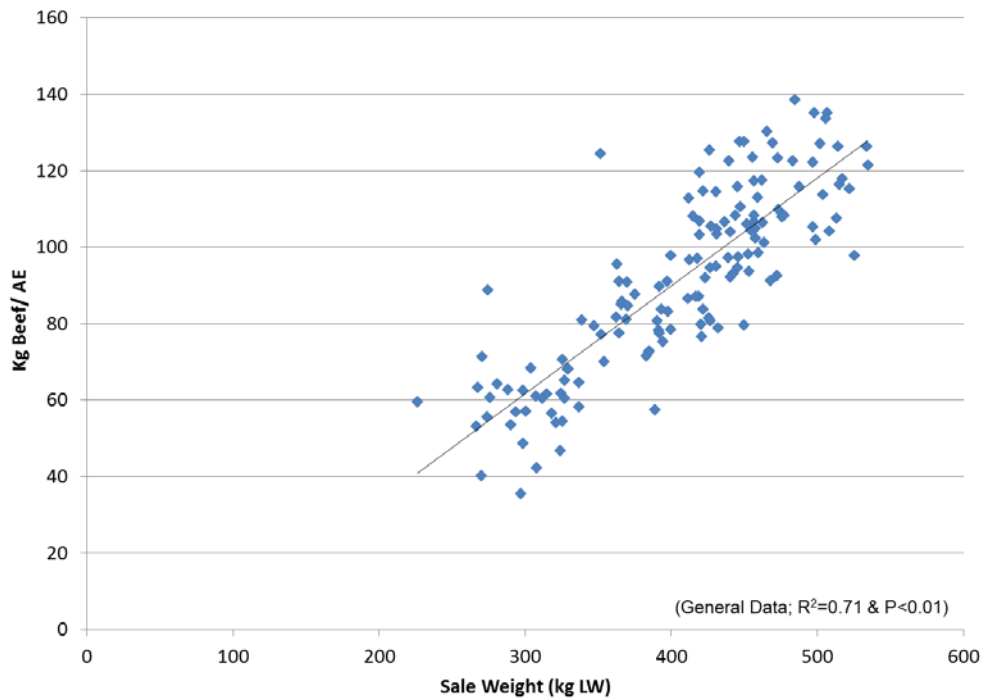


Figure 17: Relationship between mortality rate and Kg beef/AE



**Figure 18: Relationship between sale weight and Kg beef/AE**

These relationships are strong, but, of themselves, cannot be taken further because of co-correlations. For example, a closer analysis of the raw data shows that herds with above average reproductive rates also tend to have higher sale weights. On a single variable regression analysis therefore, the response to reproductive improvement will be over-stated because some of the response will have higher sale weights built-in. Correlations exist between all the variables contributing to Kg beef/AE. To overcome this, multivariate analysis was applied to the raw data and the following equation derived:

$$\text{Kg Beef/AE} = -70.2 + 0.181 \times \text{Sale Weight} + 150.338 \times \text{Reproductive Rate} - 227.858 \times \text{Mortality}$$

$(r^2 = 0.87 \text{ and } P < 0.05)$

Using this equation on the individual components, the following relations were found:

<b>Variable</b>	<b>Change (percentage points)</b>	<b>Kg Beef/AE Response</b>
Increase reproductive %	1%	1.50
Decrease mortality %	1%	2.28
Increase sale weight	1kg	0.18

This equation is robust and can be applied at an industry level, a regional level or an individual business level if the appropriate data are used. In the case of the latter we will assume for example that the owner of the Typical Business wants to examine the potential income increase of the following strategy:

<b>Strategy</b>	<b>Target</b>
Increase weaning %	8%
Decrease mortality %	1%
Increase sale weight	30kg
<b>'Typical business' additional revenue per AE</b>	<b>\$34.08</b>

From the equation above, the predicted herd productivity increase will be 19.7kg of beef/AE. From the data in Figure 15, we have confidence that the extra 19.7kg of beef/AE will increase income/AE by \$1.73 per additional kilogram, so the income increase per AE will be \$34.08. The Typical Business has 3,196AE under management so this improvement, achieved across the herd, would result in \$109K in additional annual revenue to the business.

The owner of this business can use this information to make an investment decision to achieve these targets. This will be an individual owner consideration and the financial tools exist (provided to *BusinessEDGE* course participants) to determine the expenditure required to achieve the desired return on investment. The main point is that we are now able to estimate break-even expenditure for productivity improvement in one or more of the main drivers of herd income.

Profit-driven producers should set a minimum productivity (Kg beef/AE) target for their herd, of the greater of either 100kg or the Top 25% figure for their region. A good understanding of current herd performance, along with the information above will allow strategies to be identified for achieving this. The *Breeding and Nutrition EDGE* products contain valuable information to help producers lift the productivity of their herd.

#### 4.2.3 Operating expenses per AE

This report has shown that expenses per AE vary greatly between businesses and segments, and have a large influence on the profit of businesses. There are two elements to expenses per AE, enterprise expenses and overhead expenses.

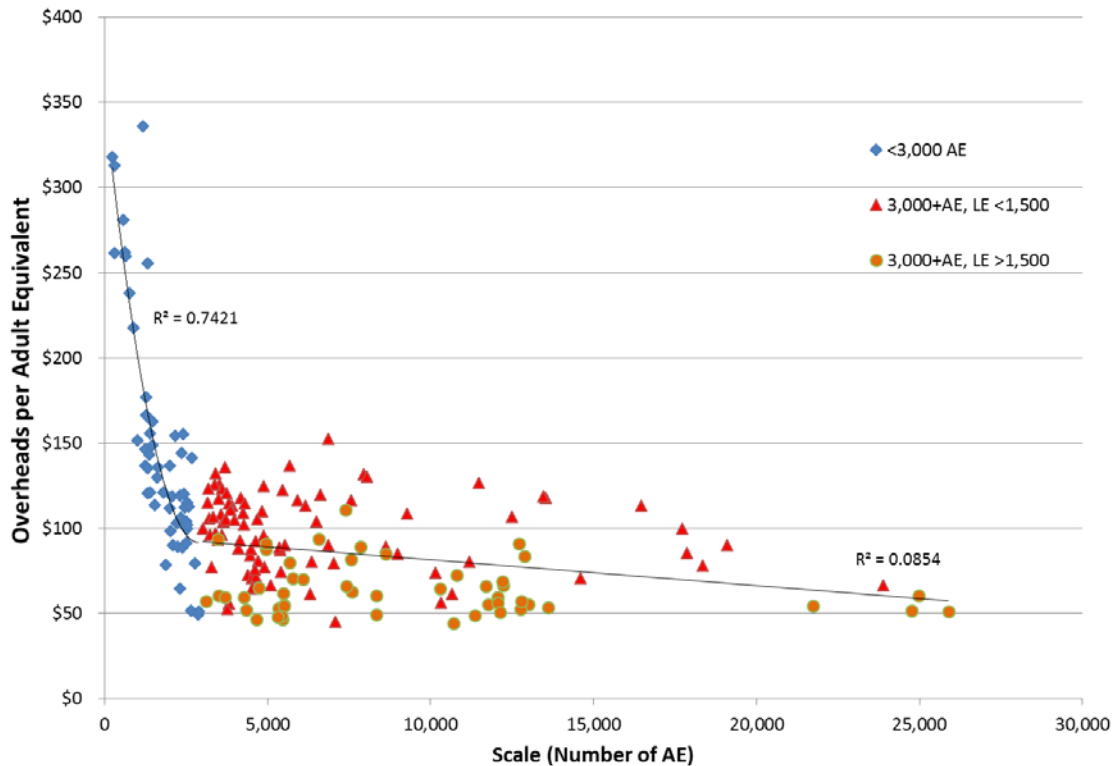
Enterprise expenses per AE are, by their nature, independent of scale. It has been noted above that the Top 25% producers had lower enterprise expenses per AE, indicating the money they spent on their herd was better targeted. The principle with regard to enterprise expenses is identifying where every dollar spent on the herd will generate more than a dollar in revenue and not spending in areas where every dollar spent does not generate at least an extra dollar in revenue.

Overhead expenses are more complex, as addressed below.

##### 4.2.3.1 Economies of scale

Figure 19 below graphs the overhead expenses per AE and the operating scale (number of AE), of these businesses. The cost data from Holmes & Co. and Bush AgriBusiness's private client data has been used in this analysis as it allows more in depth analysis by multiple variables.





**Figure 19: Relationship between scale, labour efficiency (LE) and overheads per AE**

If the data set is split at 3,000AE, analysis shows that for those businesses with less than 3,000AE, scale has a major influence ( $r^2 = 0.74$ ,  $P < 0.01$ ) on overhead expenses per AE, which reduce as scale increases. This is due to economies of scale, which is the economic property whereby average total cost falls as volume increases. Analysis of the general data shows a similar relationship, with increasing economies of scale being achieved to around 3,000AE and then a levelling out of overhead expenses per AE

Above 3,000AE there is no strong relationship ( $r^2$  of  $< 0.1$ ) between scale and overheads per AE, which is constant economies of scale. The 'L-shape' of the curve in Figure 19 has been identified in other analyses of economies of size in relation to agriculture (Anderson & Powell, 1973). This indicates no diseconomies of scale occur with relation to costs, but this is likely due to the lack of very large businesses in the data.

Both the average and Top 25% producers in the 1,600-5,400 herd range had higher profits per AE than the respective average and Top 25% producers in the 5,400+ herd range, suggesting that diseconomy of scale is affecting the larger businesses due to the '*coordination problems inherent in any large organisation*' (Gans et. al., 2009).

#### 4.2.3.2 Labour efficiency

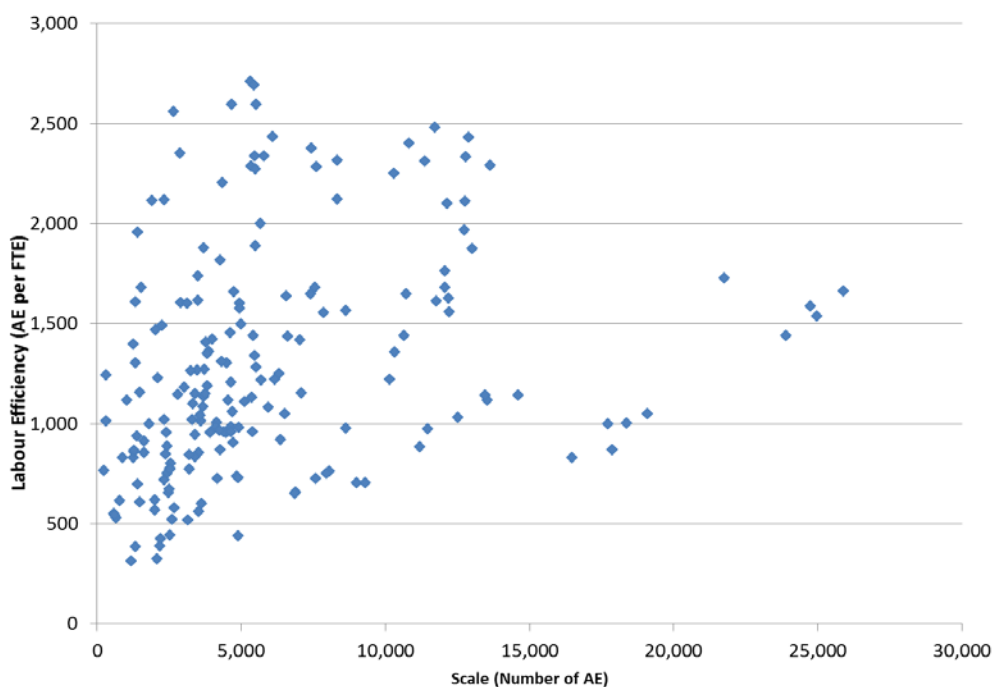
Labour efficiency is, as the name suggests, a measure of how efficiently labour is used by the business. It is important as around 70% of the overhead expenses and 50% of the total expenses of a beef business are labour or labour related.

In Figure 19, businesses with more than 3,000AE are divided into 2 groups, those with labour efficiency of less than 1,500AE per Full Time Equivalent (FTE), and those with more than 1,500AE per FTE. 70% of the group with poorer labour efficiency are above the trend line

shown in Figure 19 (i.e., higher expenses than trend line) and 82% of the group with better labour efficiency are below the trend line, demonstrating that labour efficiency is the main determinant of overhead expenses, when scale is not a constraint.

Analysis of the relationship between labour efficiency and overheads per AE for businesses with more than 3,000AE shows that around 50% ( $r^2$  0.47) of the variation in overheads can be explained by labour efficiency. Other factors, such as region, also have an influence on the cost structure of businesses (when broken into regions the  $r^2$  exceeds 0.5), but analysis of those additional factors are outside the scope of this report.

While labour efficiency does increase with scale to a certain extent, Figure 20 shows that good labour efficiency can be achieved in smaller herds.



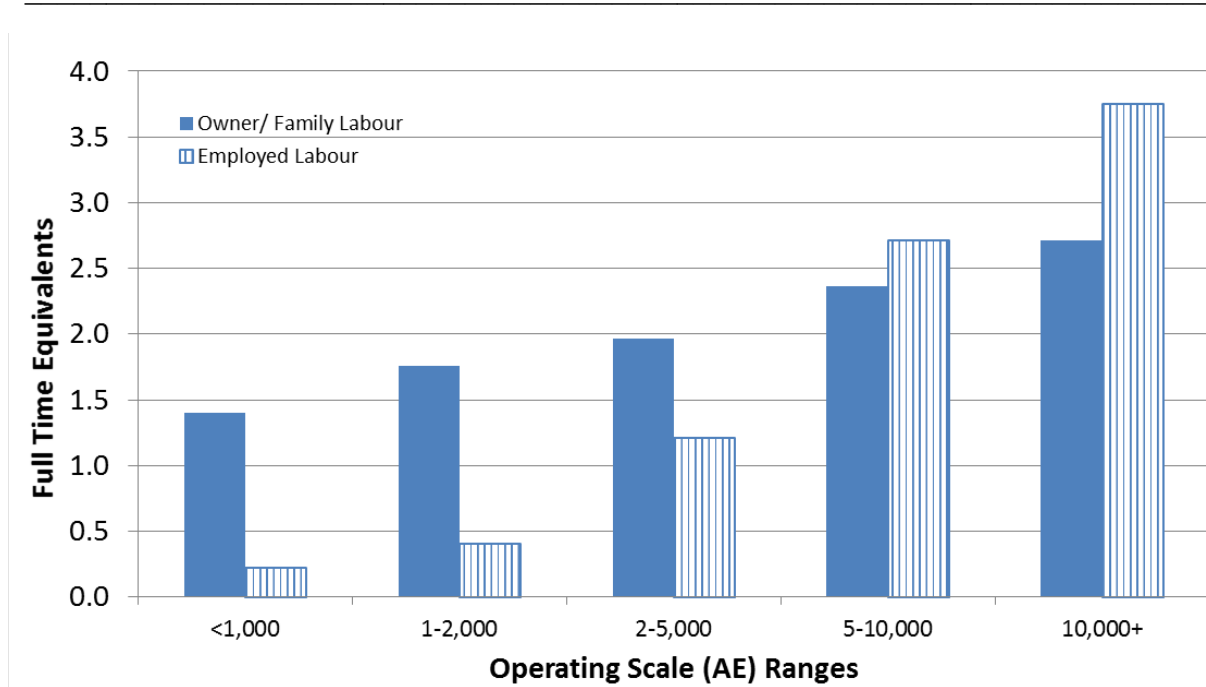
**Figure 20: Scale and labour efficiency (private data)**

An important point is that labour efficiency is more about an overall approach to management rather than simply being about individual labour saving tools and techniques. An emphasis should be on overall management approach to permanently reduce the labour requirements of the business, while still effectively doing everything that needs to be done.

#### 4.2.3.3 Owner labour

Economies of scale and labour efficiency are interconnected by owner labour. Owner wages, although an imputed cost in these figures, are the single biggest operating cost item in the cost structure of most northern beef businesses.

If owner labour is excluded from overhead expenses, there are still increasing economies of scale to around 3,000AE. Economies of scale alone however do not explain all of this fall in expenses. Figure 21 below shows the number of Full Time Equivalents (FTE's) of owner/ family labour and employed labour used in the business.



**Figure 21: Labour inputs by (varying) scale range**

Figure 21 shows that owner labour is much more fixed than employee labour, operating within a relatively narrow range of just below 1.5 FTE’s to just above 2.5 FTE’s across the entire herd range, whereas employed labour is much more variable. This has been identified previously, which led to the conclusion *‘that the most important economies of size in agriculture arise from the fixity of operator and, to a lesser extent, family labour’* and the *‘minimum efficient farm size is dictated by the need to employ these resources fully’* (Vlastuin et al, 1982). Although there are economies of scale achieved separate to owner labour, this analysis supports that argument.

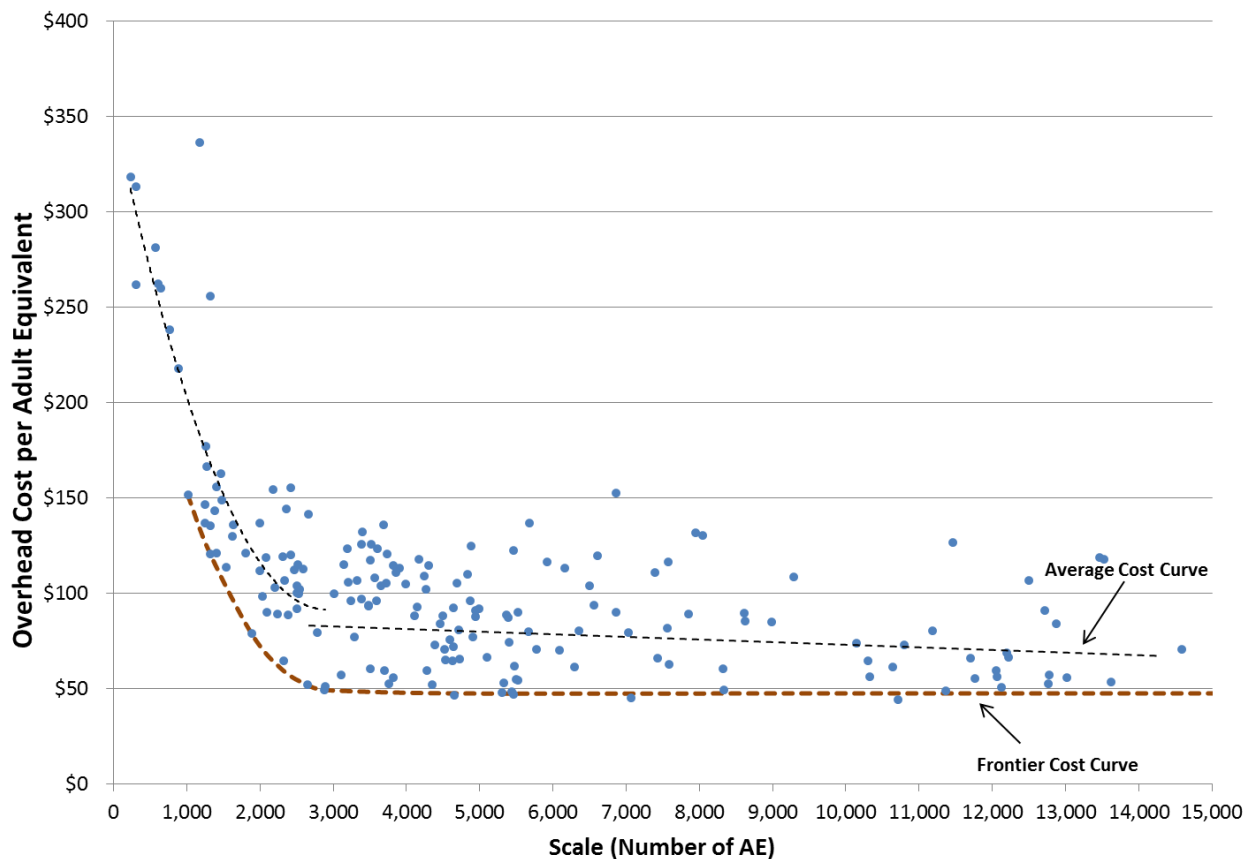
Other than increasing the scale of the business, labour efficiency in small herds (<1,500AE for one person and less than 3,000AE for 2) can only be improved if the business is treated as a part time job by one or more of the owners/ family members. This is the only way to overcome the ‘fixity’ of owner operator labour which has a big influence on the economies of scale and overhead costs per AE of the business.

For the typical 2-owner labour FTEs to be fully employed at 1,500AE per FTE, 3, 000AE are required, equating to the efficient size of 3,000AE identified above.

#### 4.2.3.4 The cost frontier

Analysis of the private data allows a frontier cost curve to be developed for northern beef businesses. A frontier cost curve graphs what the minimum achievable overhead expenses are. Businesses over 15,000AE have been excluded from this as there is less volume in the data beyond that point. Figure 22 below shows the average and frontier cost curves for northern beef businesses. This frontier cost curve highlights 2 key points;

1. The minimum achievable expenses also do not level out until around 3,000AE, so scale is a concern even for the most efficient operators, and
2. Beyond 3,000AE the frontier cost curve flattens out just below \$50, indicating this is the minimum achievable overhead expenses per AE.



**Figure 22: Average and frontier overhead cost curves**

Businesses need to identify whether scale or labour efficiency is their major constraint with regard to overhead expenses per AE. Where scale is the constraint, improving labour efficiency will help lower expenses but will not completely overcome the scale constraint, as seen in the frontier cost curve above. All northern beef businesses should set their labour efficiency target at the greater of either 1,500AE run per full time equivalent employed (which includes unpaid owner & family members, administration work and contract labour), or the Top 25% figure for their region.

Whilst scale may be a constraint for many northern businesses, the productivity of the herd and labour efficiency are functions of management and improvements can be achieved independent of scale. Addressing these issues will improve all beef businesses. If businesses do plan to increase scale, the primary focus should still be on per AE productivity and labour efficiency, as if scale is increased without focus on these then it will likely make the problem bigger, rather than make the business more profitable.

The recommendations on labour efficiency are not made lightly. The effect of decreasing workforces on the social fabric and infrastructure in regions is understood, however the economic realities identified here are very real and must also be understood.

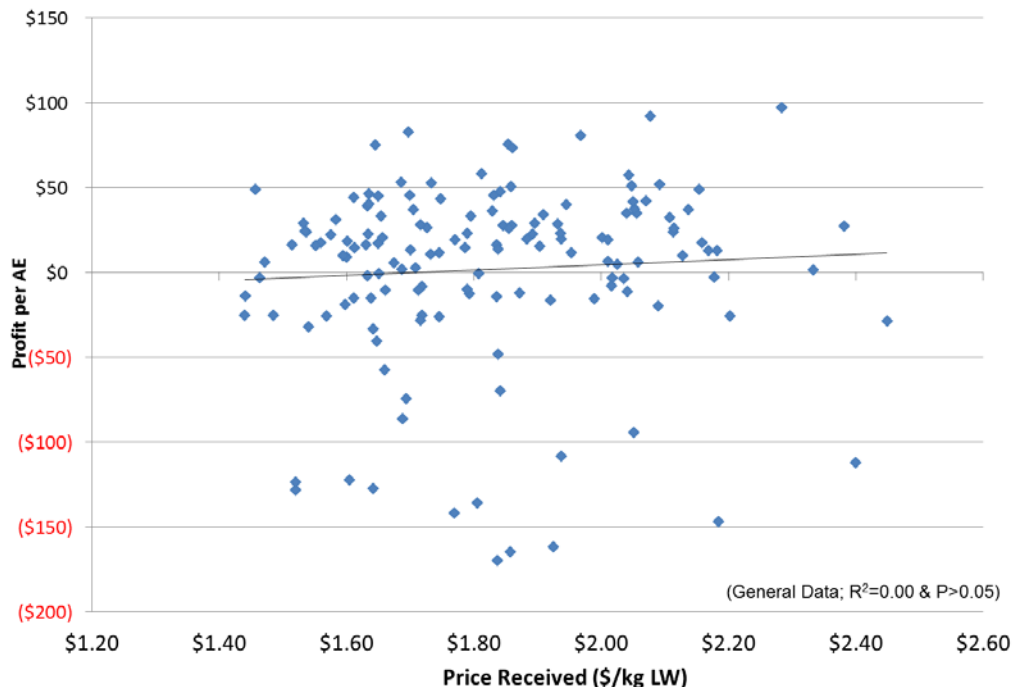
#### 4.2.4 Per kilogram analysis

As the main product of a commercial cattle businesses is beef, analysis on a per kilogram of beef (liveweight) is relevant and used throughout this report. The profit of the business, when analysed on this basis, is:

Profit = kilograms of beef produced x operating margin.

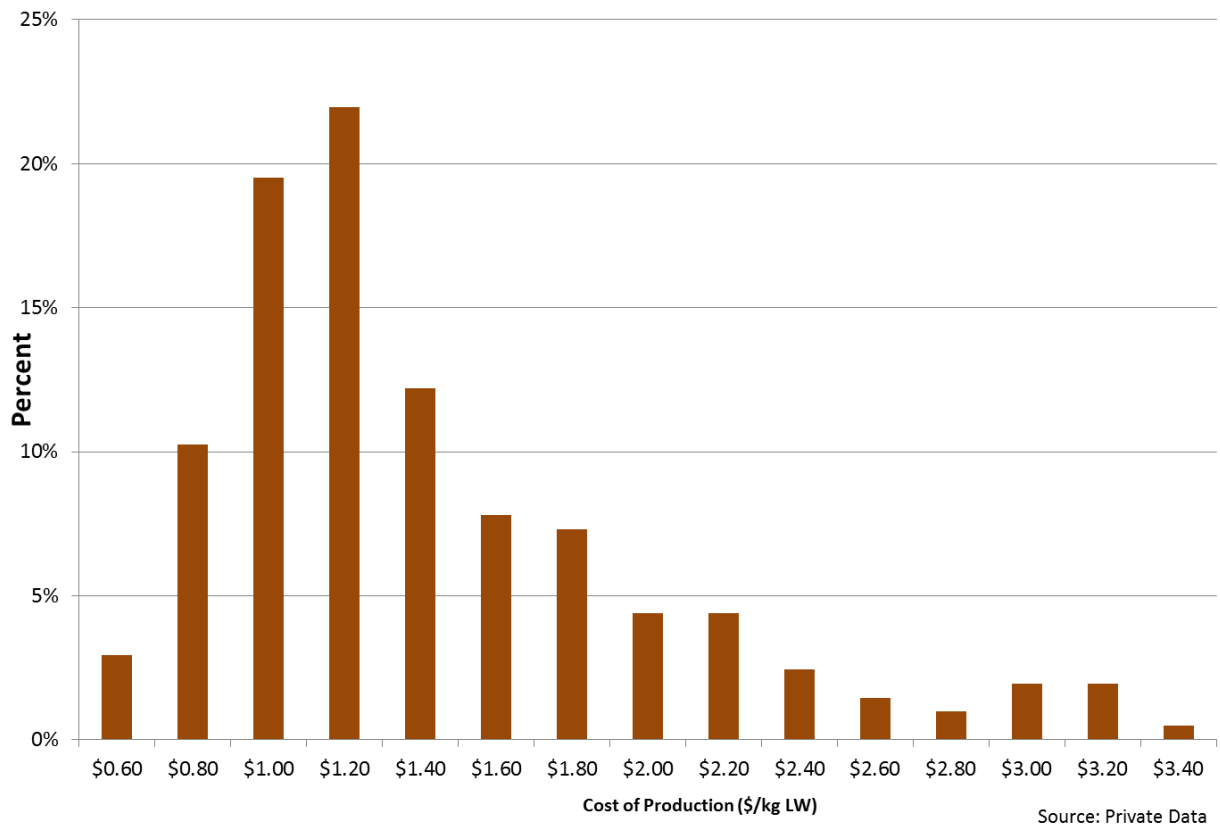
Kilograms of beef produced are a function of number of AE and Kg Beef/AE, both of which are addressed above. Operating margin is price received less cost of production.

Price received is typically focussed on and while general changes in the market affect the income of beef businesses, as addressed in 4.2.2 above, price received itself is not a profit driver. This is demonstrated by Figure 23 below which shows that average price received does not explain any of the variability in profit among different beef businesses.



**Figure 23: Relationship between price received and profit**

If all producers produced beef for the same cost, then all differences in profit could be explained by price received. However there is a significant variation in what it costs producers to produce a kilogram of beef, this is why price received is not a profit driver. This variation, seen through this report, is also shown clearly in Figure 24 showing the distribution of Cost of Production figures from the private data of the authors.

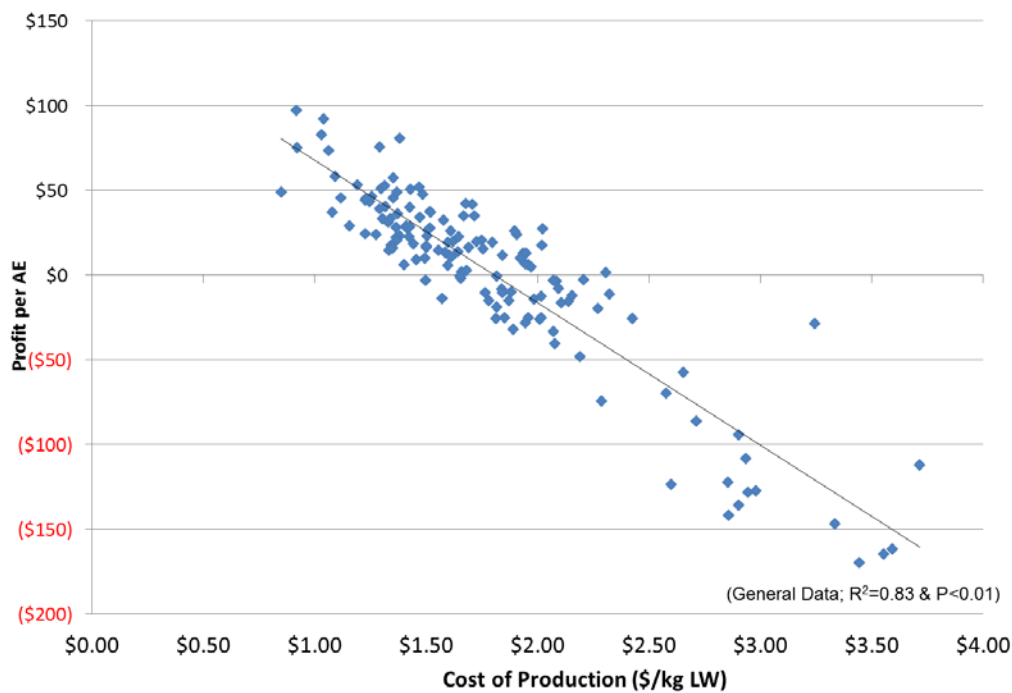


**Figure 24: Cost of production distribution**

Cost of production is a measure which encompasses both expenses and productivity and it explains more than 80% of the difference in profit between herds as shown in Figure 25 below, making it a key performance indicator. Given this relationship between cost of production and profit, the major cause of lower profits in the northern beef industry is higher cost of production. Cost of production is calculated by dividing the operating costs of the business by the kilograms of beef produced, so a high cost of production can be addressed by either, or both;

- Increasing production
- Lowering operating costs

The means to both are covered in detail above and, for most businesses, priority should be on increasing production before reducing costs.



**Figure 25: Relationship between cost of production and profit**

Across all segments analysed over the long term, Top 25% producers had a lower cost of production than the average, and this was achieved by producing more beef (higher kg beef/AE) and having lower expenses.

#### 4.2.5 What differentiates the Top 25% herds from the rest?

Obviously a Top 25% performance is not attainable by all individual producers; however it is reasonable to suggest that all producers should at least understand what Top 25% herds do differently and what lessons can be applied to improve the performance of their herds.

Operating scale is a factor differentiating the long term performance of the industry average and Top 25% performers, with long term averages of 2,000 and 3,900AE respectively.

This operating scale effect can hide other factors that differentiate the Top 25% performers from the average. The herd size segmentation allows reasons for performance to be identified independent of operating scale (although operating scale is a factor in the 5,400 head + cohort, with the Top 25% performers being considerably larger than the average in this cohort).

Across all herd size cohorts, the Top 25% had:-

- Higher income per AE through better productivity (kg beef/AE) caused by;
  - higher reproductive rates
  - lower mortality rates, and
  - better sale weights (except 5,400 head + where scale is a factor)
- Lower operating expenses per AE
- Better labour efficiency contributing to lower overhead expenses per AE
- Lower asset values per AE, meaning equivalent profits per AE equate to higher profitability

Superior long term performance is not determined by locality, land type, rainfall or price received. The primary difference is management, which is a difficult measure to quantify, but its impact is clear throughout this report.

### 4.3 Beef business profitability

The section above covers in detail what determines the profit of a beef business, with a focus on profit per AE. Whilst herd profits are an important component of business profitability, the results section above demonstrates that the value of assets employed per AE also has a significant effect on the overall profitability of the business. This is because profitability, by definition, is the profit as a percentage of the assets used to generate that profit.

Table 24, below, shows the relationship between herd profits (EBIT/AE), asset values (total assets per AE) and the corresponding business profitability. The profitability figures are operating return only and capital return is not taken into account. The calculations assume beef is the only enterprise and there is no other business income.

This shows clearly that high herd profits alone will not result in high business profitability if the total asset value per AE is too high. If a high level of profitability is a business objective then a high level of attention needs to be paid to money paid for land acquisitions, because at too high a value, a high level of profitability is not attainable.

**Table 24: Herd profits, asset values and corresponding business profitability (operating return)**

		Total Asset Value/AE (Land + Cattle + Plant etc.)			
		\$1,000	\$2,000	\$3,000	\$4,000
EBIT/AE	\$20	2.0%	1.0%	0.7%	0.5%
	\$40	4.0%	2.0%	1.3%	1.0%
	\$60	6.0%	3.0%	2.0%	1.5%
	\$80	8.0%	4.0%	2.7%	2.0%
	\$100	10.0%	5.0%	3.3%	2.5%

### 4.4 Issues specific to the North

#### 4.4.1 Environmental capital

One of the requirements of economic sustainability is that environmental capital is not being used to subsidise operations. This issue is not addressed specifically in this report because data are not available. There is no technical reason why the large amount of data and experience accumulated by rangeland ecologists over the years, particularly using GLM technology, cannot be utilised to address this issue comprehensively. It is suggested that all decisions involving rangeland environmental stewardship should take economic considerations into account.

A recommendation is that producers determine both their long-term sustainable carrying capacity and current land condition and make strategic business decisions concerning stocking rates around that. Tactical decision making in the short-term to match stocking rates to available feed is an essential component of this, but must be done within the context of long-term carrying capacity.



#### 4.4.2 The live export trade

The enforcement in 2010 of the 350kg weight limit for cattle to Indonesia inhibited the productive capacity of producers supplying that market and the live export ban of 2011 has had serious implications on cashflow, confidence and land values. The effects of these issues will become clearer over time, but there are productivity issues which affect this cohort separate to the issue relating to market. The most important of these are:

- The market specifications and production environment where the majority of live export businesses are located call for the breed genotype to be either pure Brahman or heavily dominated by Brahman. In a herd set up to produce weaners/yearlings (which the typical live export herd is), herd reproductive rate is a much more significant KPI than it would be in a herd set up to produce bullocks. It is imperative that the dominant breed for the trade align their genetic direction with the profit drivers of live export focussed businesses.
- If the reproductive rate of the herd is low and this is accompanied by relatively high mortality rates, herd size can only be maintained by having a herd structure dominated by older cows. This puts more upward pressure on mortality rates and, worse case, results in few, if any surplus females for sale. In most other northern herds, surplus female sales contribute up to 30% of total revenue in the long-term.
- Very small differences in the herd KPIs between average and Top 25% result in a more than doubling of EBIT/AE (\$20.88 to \$48.88 – Appendix 8.4.5.3). This means that the production system is very sensitive to inputs that improve productivity. The data presented suggest that even the Top 25% producers in this market still have plenty of potential to lift, even under existing market constraints.
- The low productivity of the sector completely negates the benefits of lower operating costs (per AE), resulting in it having no comparative advantage on a cost of production basis, therefore the performance of the sector is reliant on getting a higher price received.
- Given the productivity constraints associated with this market, the high cost of production, along with market weight caps and quotas, it is imperative that the historical price premiums for live export cattle are maintained. In the short-term, this is the only way that the more successful producers will be able to maintain supply, while they address some of the productivity challenges.

## **5 Conclusions**

The majority of northern beef producers are not generating profits sufficient to fund current and future liabilities. The situation over the last three years is, on average, similar to the performance over the last 12 years.

The most significant difference over time is the reduction in earnings after finance costs caused by increasing debt with no change in profitability. This poses significant problems for the industry as a whole and indebted producers in particular.

Income has been decreasing in line with beef prices over the last 12 years, and producers have been reducing expenses as income has decreased. For the industry average, this has resulted in minimal change in profit. The Top 25% performing producers already had lower costs and have not been able to further reduce costs in line with the reduction in income, so they have seen a reduction in profit over the period analysed.

Across all regions, markets and herd sizes analysed, there was significant variation in results achieved. There was consistency in the factors distinguishing the top performers:

- Higher Income/AE through better productivity (Kg Beef/AE) which is a function of;
  - Higher reproductive rate
  - Lower mortality rate
  - Higher sale weights
- Lower Enterprise Expenses per AE, which along with better productivity indicates more targeted expenditure on the herd, rather than simply less
- Lower Overhead Expenses per AE, due mostly to better Labour Efficiency
- Lower asset values per AE, meaning equivalent profits per AE equate to higher profitability

This report has identified that there is room for improvement for the majority of producers. The means for individual producers to understand and improve their business performance has been detailed in this report.

## 6 Recommendations

A starting point is for the industry to shift its focus from things outside the boundary fence, that are outside its control, to things within the boundary fence that are a function of management and have a significant effect on business performance. The perception that beef producers are a homogenous group similarly affected by, and at the mercy of, external influences is a fallacy and prevents the self-assessment necessary to address the problem.

### 6.1 Recommendations for beef producers

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- **Improve financial literacy and debt management.** Producers generally need better financial literacy, and specifically need to understand how to effectively employ and manage debt for wealth creation, which has not occurred over the last decade. Producers with high debt need to assess their situation and develop a plan to manage and reduce the debt into the future.
- **Understand profit drivers.** Producers need to understand what the profit drivers in their business are and focus on them. Equally, producers should also understand what are not profit drivers, and not focus on them.
- **Focus on increasing income.** Increasing costs are not the cause of low profitability. Profitability will be best increased by focussing on increasing income through producing more kilograms of beef.
- **Improve climate risk management.** Better management of climate risk and failed seasons will reduce the effect these have on the business, both in the year of the failed season and during recovery.
- **Manage expenses.** Whilst income should be the focus, management of expenses is also important. Enterprise expenses should be optimised and overhead expenses managed through improved labour efficiency, budgeting and planning.
- **Match stocking rates to long term carrying capacity.** Producers need to realise the importance of setting their stocking rates around their long term carrying capacity. Effective management of stocking rate through seasonal variations is important; exceeding long term carrying capacity for extended periods will reduce land condition.

## 6.2 Recommendations for RD&E

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Much of the research data and information needed to achieve an economically sustainable northern beef business is 30-40 years old. There is a fundamental disconnect between the current R&D frontier and what has been widely adopted from past R&D.

The extension messages should mirror the recommendations to producers listed above.

- **Improve financial literacy and debt management.** Assist motivated producers to improve their general financial literacy and skills to the level required of managers of multi-million dollar businesses in any other industry. Place a far greater focus on measurement of herd KPI's and business performance and the role of benchmarking. The language in all extension messages must include a strong focus on financial metrics. Extension messages need to be developed that assist the industry to understand how to strive for a low cost of production through productivity improvements.
- **Understand profit drivers.** Focus on what the profit drivers are, and are not, for beef businesses. The poor knowledge of herd performance and numbers, across the North, is a major impediment to both quantifying the problem, and acknowledging there is one. Developing tools and resources to assist motivated producers to have more accurate information on herd numbers and performance is necessary to understand and focus on profit drivers.
- **Focus on increasing income.** Improving understanding of, and focussing on, profit drivers will improve income but the extension message should consistently state that there is generally more that can be done to increase income (through increased productivity, not prices) than can be done in relation to costs.
- **Improve climate risk management.** Failed season risk is a major issue in northern Australia and this analysis has suggested that the top performers are less impacted by failed seasons. More work is needed on risk management strategies and helping producers assess the impact on their business from various strategies.
- **Manage expenses.** With the exception of labour and labour related costs, overhead expenses are largely fixed. So labour efficiency should be the primary focus with regard to overheads. The key point with regard to labour efficiency, from an RD&E perspective, is that in order for capital (through infrastructure or technology) to substitute for labour, it must do so effectively and permanently. The R&D effort should be focussed on labour saving from an economic perspective.

The issue with enterprise expenses is that any attempt to prune them almost always affects production and it is usually a case of underspending. The imperative for RD&E is identifying the optimum spend on the herd (animal health, fodder, supplements, genetics etc.) from an economic perspective. It is important to understand that this will be regionally specific.

- **Match stocking rates to long term carrying capacity.** Continue uptake of GLM and newer technology as it is proven to assist in determination of long term carrying capacity and land condition. Uptake and development of tools that help improve timely and effective management of seasonal variability (both good & bad years) will also improve business performance.

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# The Northern beef report: 2013 situation analysis

## 8 Appendices

### 8.1 Glossary of terms

<b>AAGIS</b>	Australian Agricultural and Grazing Industries Survey
<b>ABS</b>	Australian Bureau of Statistics
<b>ABARES</b>	Australian Bureau of Agricultural and Resources Economics and Sciences
<b>AE</b>	Adult Equivalent (see appendix 8.5)
<b>Beef CRC</b>	Beef Cooperative Research Centre
<b>Breedcow</b>	Breedcow Dynama herd modelling package developed by Queensland Department of Agriculture Fisheries and Forestry.
<b>EBIT</b>	Earnings Before Interest and Tax
<b>FTE</b>	Full Time Equivalent labour unit
<b>GLM</b>	Grazing Land Management, which in this context refers to the MLA EDGENetwork product
<b>LE</b>	Labour Efficiency
<b>MLA</b>	Meat & Livestock Australia
<b>NLRS</b>	National Livestock Reporting Service
<b>QRAA</b>	Queensland Rural Adjustment Authority

### 8.2 Units of measurement

**Adult Equivalent (AE):** An Adult Equivalent is defined as a 450kg Bos Taurus steer at maintenance. Every class of animal within the herd is converted to a multiple or a fraction of an AE based on their relative energy requirements. See appendix 8.5 for AE tables by breed type. One AE equates to approximately 7 Dry Sheep Equivalents (DSE).

The carrying capacity of northern businesses is their primary limiting factor and therefore is the primary measure used for analysis. Herd level information is presented on a per AE basis as this allows valid comparisons to be made between businesses, regions and cohorts across the North.

**Capital return:** This is a measure of the increase (or decrease) in asset value (primarily land) as a percentage of opening assets.

**Cost of capital:** The cost to the owners of capital employed in the business. The cost of debt is used as the cost of capital across the whole capital base (debt & equity) as explained in the report. A long term average cost of debt of 8.0% is used in the analysis.

**Cost of production:** This is the cost of producing a (liveweight) kilogram of beef. It is one of the key measures of beef business performance as it encompasses both costs and productivity.

**Income:** Gross Profit, which is sales adjusted for purchases and inventory change, is used as the primary measure of income in this analysis. This is because it is the effective income of the herd, after changes in livestock inventory (natural increase, deaths and purchases) are taken into account.

**Kg beef/AE:** The amount of beef produced annually per unit of grazing pressure (AE), it takes into account purchases, sales and changes in livestock inventory. It is the primary measure of the productivity of the beef business and is effectively a measure of the efficiency of the beef factory, i.e. how many units of beef are produced for every unit of grass eaten.

**Labour efficiency:** The number of adult equivalents managed by each full time equivalent (FTE) employed in the business, including administrative, contracted and unpaid labour.

**Mortality rate:** Annual deaths as a percentage of average herd numbers, this measure is often used as a 'balancing number' to get annual herd numbers to reconcile, which affects its accuracy.

**Operating margin:** The profit (\$/kg live weight) on every kilogram of beef produced, calculated by deducting the cost of production from price received.

**Operating return:** This measure is the profitability of the business and is the annual EBIT of the business, expressed as a percentage of the assets used to generate that profit. It is a measure of the profitability, or return on assets, of the business independent of asset appreciation. Operating return is the measure that is most within control of business managers so it is arguably the most important from a beef business management perspective.

**Operating scale:** the size of the business, measured in terms of the number of adult equivalents run.

**Price received:** This is not the same as average price received for liveweight sold in that year. The terminology has been maintained to avoid confusion. This figure is describing income per kilogram of beef produced and is influenced by inventory changes and herd productivity. This must be done to maintain consistency with the way cost of production is calculated.

**Profit:** Earnings Before Interest and Tax (EBIT) is used as the primary measure of profit in this analysis, references to profit are to EBIT. EBIT is used as it provides the best picture of true business performance independent of financing.

**Profit vs. profitability:** Profit is an absolute measure expressed as a dollar figure (or \$/AE) and profitability is the profit expressed as a percentage of the assets used to generate it.

**Reproductive rate:** A measure of net herd reproduction or natural increase, expressed as the number of calves weaned as a percentage of breeding age females.

**Total business return:** This is Operating Return plus Capital Return and so is the total return to the owner from operating and owning the asset. The total business return is the ultimate measure in business performance, allowing the owner(s) to compare the performance of their asset to alternative uses of that capital.

### 8.3 Definitions

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**Carrying capacity:** the sustainable number of adult equivalents the property can carry over the long term.

**Corporate:** Businesses not owned, operated and managed by related individuals.

**Economic sustainability:** See section 2.4 for full detail, most basic definition is that a business must generate a return from capital employed that exceeds the cost of that capital, in order to be economically sustainable.

**Enterprise expenses:** Expenses that are herd specific expenses and rise and fall with the numbers of cattle, for instance, annual vaccinations are an enterprise expense as they typically rise and fall with the size of the herd.

**Inventory change:** The value of the livestock on hand at the end of the year (closing inventory), less the value of the livestock at the start of the year, at a constant valuation. This gives the increase (or decrease) of the herd value during the period. Sales is adjusted for Inventory Change and purchases, to calculate Gross Profit, which is the effective measure of income for the business.

**Northern beef industry:** refers to beef producers in Queensland, Northern Territory and the Pilbara and Kimberley regions of Western Australia.

**Overhead expenses:** General (not enterprise specific) costs of running the business, e.g. administration, depreciation, insurance, wages. Excludes finance costs.

**Operating expenses:** Expenses incurred in normal business operations, as distinct from finance expenses, capital expenditure, tax and owner costs. Operating expenses are split into enterprise and overhead expenses.

**Sampling error:** The error that arises as a result of taking a sample from a population, rather than using the whole population. Since the sample does not include all members of the population, statistics on the sample generally differ from parameters on the entire population.

**Typical business:** The average performance of businesses in the 1,600 – 5,400 head cohort, this was considered a representative segment for more detailed analysis throughout report.



## 8.4 Comprehensive summary of analysed data

### 8.4.1 Northern beef average and Top 25% performance

#### WHOLE BUSINESS INCOME STATEMENT:

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>SALES</b>										
Sales- Beef	446,508	443,666	434,872	345,894	413,365	834,871	748,683	847,637	700,221	777,079
Purchases- Beef	(59,445)	(81,210)	(71,508)	(50,178)	(65,462)	(118,296)	(130,269)	(153,044)	(93,043)	(122,774)
Inventory Change- Beef	(7,720)	(5,813)	(9,134)	16,989	(544)	104,516	23,297	100,248	86,096	78,658
Gross Profit- Beef	<b>379,343</b>	<b>356,643</b>	<b>354,229</b>	<b>312,705</b>	<b>347,359</b>	<b>821,091</b>	<b>641,710</b>	<b>794,842</b>	<b>693,274</b>	<b>732,963</b>
Gross Profit- Other Enterprises	28,397	14,364	10,855	13,533	15,640	39,075	20,808	22,000	29,319	27,221
Other Income	20,686	29,182	40,496	20,832	28,542	29,666	41,617	73,404	41,582	47,857
<b>GROSS PROFIT</b>	<b>428,426</b>	<b>400,189</b>	<b>405,580</b>	<b>347,070</b>	<b>391,542</b>	<b>889,833</b>	<b>704,135</b>	<b>890,246</b>	<b>764,175</b>	<b>808,041</b>
<b>ENTERPRISE EXPENSES</b>	<b>102,182</b>	<b>87,060</b>	<b>89,372</b>	<b>59,303</b>	<b>82,460</b>	<b>146,054</b>	<b>119,811</b>	<b>149,071</b>	<b>107,578</b>	<b>128,991</b>
Beef	90,720	75,569	81,612	51,988	73,273	130,752	105,994	138,408	97,757	116,951
Other Enterprises	11,463	11,491	7,760	7,315	9,187	15,303	13,817	10,663	9,822	12,039
<b>GROSS MARGIN</b>	<b>326,244</b>	<b>313,129</b>	<b>316,208</b>	<b>287,768</b>	<b>309,082</b>	<b>743,779</b>	<b>584,324</b>	<b>741,175</b>	<b>656,597</b>	<b>679,051</b>
<b>OVERHEAD EXPENSES</b>										
Administration	19,968	19,691	17,866	14,595	17,735	33,145	25,429	27,767	22,249	26,571
Depreciation	38,202	41,345	44,743	37,190	40,570	53,335	49,582	61,139	59,339	56,375
Electricity & Gas	2,569	2,840	3,322	3,278	3,058	3,709	3,715	5,434	5,288	4,654
Freight	18,265	15,931	17,744	16,559	17,066	35,023	23,331	31,049	34,364	31,003
Fuel & Lubricants	24,836	26,682	27,729	19,638	24,619	36,927	32,875	44,450	35,500	37,562
Insurance	6,224	5,921	7,329	6,906	6,673	10,547	8,133	10,330	11,446	10,194
Materials	3,281	3,000	2,898	1,786	2,670	8,111	3,852	5,110	3,045	4,762
Motor Vehicle Expenses	7,609	6,916	6,421	5,603	6,517	11,397	8,471	8,330	9,041	9,168
Rates & Rents	13,223	12,891	15,624	14,426	14,195	18,644	16,759	25,911	24,823	22,033
R & M General	40,312	38,396	39,032	30,101	36,533	62,785	47,075	61,790	50,795	55,175
Wages (inc stores & rations)	31,651	24,711	27,066	19,286	25,091	56,984	35,148	53,655	38,397	45,300
Wages (Owner)	107,654	104,334	99,413	93,139	100,262	115,565	105,423	110,686	101,583	107,616
	<b>313,795</b>	<b>302,659</b>	<b>309,187</b>	<b>262,506</b>	<b>294,990</b>	<b>446,172</b>	<b>359,791</b>	<b>445,652</b>	<b>395,870</b>	<b>410,412</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>415,978</b>	<b>389,719</b>	<b>398,559</b>	<b>321,809</b>	<b>377,450</b>	<b>592,226</b>	<b>479,603</b>	<b>594,723</b>	<b>503,449</b>	<b>539,403</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>12,449</b>	<b>10,470</b>	<b>7,021</b>	<b>25,261</b>	<b>14,091</b>	<b>297,607</b>	<b>224,532</b>	<b>295,523</b>	<b>260,727</b>	<b>268,639</b>
Interest	30,591	43,418	64,304	51,297	49,483	52,798	65,311	126,391	110,625	93,106
<b>EARNINGS BEFORE TAX</b>	<b>(18,142)</b>	<b>(32,948)</b>	<b>(57,283)</b>	<b>(26,035)</b>	<b>(35,392)</b>	<b>244,809</b>	<b>159,221</b>	<b>169,133</b>	<b>150,102</b>	<b>175,533</b>

**WHOLE BUSINESS BALANCE SHEET:**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	170,284	153,548	185,344	137,706	161,313	295,997	272,516	275,441	265,858	275,783
Plant, Equipment & Vehicles	246,560	278,359	291,558	266,447	273,019	314,942	349,315	386,337	403,197	369,055
Livestock	1,060,848	1,080,761	1,168,013	1,006,587	1,081,269	2,171,951	1,717,066	2,416,998	2,154,829	2,125,576
Land & Infrastructure	3,173,992	4,651,804	6,721,547	5,059,319	5,107,581	4,613,613	6,273,436	10,233,920	7,847,604	7,498,144
<b>TOTAL ASSETS</b>	<b>4,651,684</b>	<b>6,164,472</b>	<b>8,366,462</b>	<b>6,470,059</b>	<b>6,623,182</b>	<b>7,396,503</b>	<b>8,612,334</b>	<b>13,312,696</b>	<b>10,671,489</b>	<b>10,268,558</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	121,389	127,393	212,427	170,201	163,563	172,062	145,660	336,277	287,368	245,049
Plant & Equipment Finance	16,014	18,336	21,361	22,292	19,943	26,538	17,238	30,302	39,770	29,385
Long Term Debt	276,843	496,411	660,796	521,962	512,120	609,262	801,443	1,341,251	1,230,802	1,040,217
<b>TOTAL LIABILITIES</b>	<b>414,246</b>	<b>642,140</b>	<b>894,584</b>	<b>714,455</b>	<b>695,626</b>	<b>807,862</b>	<b>964,342</b>	<b>1,707,830</b>	<b>1,557,939</b>	<b>1,314,651</b>
<b>NET ASSETS (EQUITY)</b>	<b>4,237,438</b>	<b>5,522,332</b>	<b>7,471,878</b>	<b>5,755,604</b>	<b>5,927,556</b>	<b>6,588,641</b>	<b>7,647,992</b>	<b>11,604,866</b>	<b>9,113,549</b>	<b>8,953,907</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	89	83	81	69	79	78	93	59	64	70
Plant, Equipment & Vehicles	128	150	128	134	134	83	119	83	97	94
Livestock	552	581	511	508	532	570	586	522	518	541
Land & Infrastructure	1,650	2,500	2,942	2,553	2,515	1,210	2,142	2,210	1,886	1,908
<b>TOTAL ASSETS</b>	<b>2,419</b>	<b>3,313</b>	<b>3,662</b>	<b>3,265</b>	<b>3,261</b>	<b>1,940</b>	<b>2,940</b>	<b>2,874</b>	<b>2,565</b>	<b>2,612</b>
<b>TOTAL LIABILITIES</b>	<b>215</b>	<b>345</b>	<b>392</b>	<b>361</b>	<b>343</b>	<b>212</b>	<b>329</b>	<b>369</b>	<b>374</b>	<b>334</b>
<b>NET ASSETS</b>	<b>2,203</b>	<b>2,968</b>	<b>3,271</b>	<b>2,904</b>	<b>2,919</b>	<b>1,728</b>	<b>2,611</b>	<b>2,506</b>	<b>2,191</b>	<b>2,278</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	0.3%	0.2%	0.1%	0.4%	0.2%	4.0%	2.6%	2.2%	2.4%	2.6%
Capital Return	10.8%	7.6%	4.1%	(3.3%)	4.8%	11.5%	8.4%	6.6%	(4.6%)	5.5%
<b>Total Business Return</b>	<b>11.1%</b>	<b>7.8%</b>	<b>4.2%</b>	<b>(2.9%)</b>	<b>5.0%</b>	<b>15.5%</b>	<b>11.0%</b>	<b>8.8%</b>	<b>(2.2%)</b>	<b>8.1%</b>
Equity %	91.1%	89.6%	89.3%	89.0%	89.5%	89.1%	88.8%	87.2%	85.4%	87.2%
Finance Coverage (EBIT/ Finance Costs)	0.4	0.2	0.1	0.5	0.3	5.6	3.4	2.3	2.4	2.9
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	26,145	22,822	25,906	19,798	23,453	59,917	32,151	49,711	44,780	46,038
Total Cattle (head)	1,638	1,577	1,920	1,694	1,722	3,238	2,489	3,920	3,589	3,352
Total Beef AE	1,923	1,860	2,284	1,982	2,031	3,813	2,929	4,631	4,160	3,931
Stocking Rate (AE/Ha) Beef Only	0.07	0.08	0.09	0.10	0.09	0.06	0.09	0.09	0.09	0.09

**BEEF ENTERPRISE INCOME STATEMENT:**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>197.25</b>	<b>191.69</b>	<b>155.07</b>	<b>157.80</b>	<b>171.04</b>	<b>215.32</b>	<b>219.06</b>	<b>171.62</b>	<b>166.63</b>	<b>186.47</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	1.38	0.49	1.07	1.00	0.98	1.20	0.64	0.81	0.92	0.89
Insurance & Materials	5.03	5.94	4.99	4.17	4.97	4.02	5.21	4.15	3.68	4.16
Mustering & Contracting	3.21	3.75	3.88	4.64	3.95	3.55	3.11	3.96	4.55	3.92
Selling Costs	9.02	2.11	6.03	3.73	5.04	8.05	2.24	5.55	3.66	4.83
Fodder	28.53	28.33	19.76	12.69	21.14	17.47	24.98	15.42	10.69	15.95
	<b>47.17</b>	<b>40.62</b>	<b>35.73</b>	<b>26.23</b>	<b>36.08</b>	<b>34.29</b>	<b>36.18</b>	<b>29.88</b>	<b>23.50</b>	<b>29.75</b>
<b>GROSS MARGIN</b>	<b>150.08</b>	<b>151.08</b>	<b>119.34</b>	<b>131.57</b>	<b>134.96</b>	<b>181.03</b>	<b>182.87</b>	<b>141.74</b>	<b>143.14</b>	<b>156.71</b>
<b>OVERHEAD EXPENSES</b>										
Administration	9.16	9.40	6.83	6.63	7.73	8.01	7.90	5.35	4.85	6.13
Depreciation	17.55	19.81	17.12	16.90	17.72	12.89	15.43	11.82	12.94	13.01
Electricity & Gas	1.18	1.36	1.27	1.49	1.34	0.90	1.16	1.05	1.15	1.07
Freight	8.39	7.62	6.79	7.53	7.45	8.48	7.26	6.03	7.50	7.17
Fuel & Lubricants	11.41	12.78	10.60	8.92	10.74	8.93	10.22	8.57	7.74	8.66
Insurance	2.86	2.83	2.80	3.14	2.91	2.55	2.53	2.00	2.50	2.35
Materials	1.50	1.44	1.11	0.81	1.16	1.94	1.20	0.98	0.67	1.10
Motor Vehicle Expenses	3.50	3.32	2.46	2.55	2.85	2.76	2.64	1.61	1.97	2.12
Rates & Rents	6.07	6.17	5.97	6.56	6.20	4.51	5.21	4.99	5.42	5.08
R & M General	18.54	18.41	14.92	13.68	15.95	15.17	14.65	11.92	11.08	12.73
Wages	14.53	11.83	10.34	8.76	10.94	13.77	10.93	10.32	8.38	10.45
Wages (Owner)	49.53	49.95	38.05	42.32	43.81	27.99	32.79	21.42	22.15	24.87
	<b>144.23</b>	<b>144.92</b>	<b>118.26</b>	<b>119.29</b>	<b>128.80</b>	<b>107.92</b>	<b>111.91</b>	<b>86.05</b>	<b>86.35</b>	<b>94.75</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>191.40</b>	<b>185.54</b>	<b>153.99</b>	<b>145.53</b>	<b>164.88</b>	<b>142.20</b>	<b>148.09</b>	<b>115.94</b>	<b>109.85</b>	<b>124.51</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>5.85</b>	<b>6.16</b>	<b>1.08</b>	<b>12.27</b>	<b>6.16</b>	<b>73.11</b>	<b>70.97</b>	<b>55.68</b>	<b>56.78</b>	<b>61.96</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.90	\$1.95	\$1.65	\$1.64	\$1.76	\$1.91	\$1.94	\$1.68	\$1.64	\$1.76
Cost of Production (\$/kg LW)	\$1.84	\$1.89	\$1.63	\$1.51	\$1.69	\$1.26	\$1.31	\$1.14	\$1.08	\$1.18
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.06</b>	<b>\$0.06</b>	<b>\$0.01</b>	<b>\$0.13</b>	<b>\$0.06</b>	<b>\$0.65</b>	<b>\$0.63</b>	<b>\$0.55</b>	<b>\$0.56</b>	<b>\$0.59</b>
Kg Beef/ AE	103.9	98.2	94.2	96.4	97.4	112.9	112.9	102.0	101.9	105.9
Labour Efficiency (AE/FTE)	724	759	981	941	863	1,108	1,048	1,446	1,523	1,306
Labour Costs (\$/AE)	\$64.06	\$61.78	\$48.39	\$51.08	\$54.75	\$41.76	\$43.72	\$31.74	\$30.54	\$35.32
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$841	\$864	\$765	\$726	\$792	\$896	\$930	\$792	\$752	\$828
Sale Weight/ Head Sold (all sales)	449	440	447	435	443	474	474	462	452	464
Reproductive Rate %	65.4%	61.6%	63.8%	67.3%	64.5%	67.3%	65.8%	65.1%	70.9%	67.4%
Mortality Rate %	3.1%	2.2%	2.2%	2.0%	2.3%	2.2%	2.0%	1.7%	2.0%	1.9%
Enterprise Size (Annual Avg AE)	1,923	1,860	2,284	1,982	2,031	3,813	2,929	4,631	4,160	3,931

## 8.4.2 Summary performance reports

### 8.4.2.1 2010 - 2012 average performance (regions)

#### WHOLE BUSINESS PROFITABILITY

	Q High Rainfall		Q Wheat-Sheep		QLD Pastoral			NT Pastoral				WA Pastoral		Average	
	Q:SC	Q:NC	Q:ED	Q:SI	Q:Ca	Q:WSW	Q:CN	Q:CW	N:AS	N:BT	N:VK	N:DTE	W:Ki	W:Pi	
Operating Return	(0.6%)	(1.9%)	(1.0%)	0.4%	1.0%	2.4%	1.0%	1.5%	1.2%	2.5%	1.6%	(0.6%)	0.8%	(2.3%)	0.4%
Capital Return	(1.2%)	(0.3%)	(1.4%)	(2.8%)	(1.3%)	(5.7%)	(4.0%)	(7.1%)	(3.3%)	(6.9%)	(8.1%)	(13.1%)	(1.7%)	(4.3%)	(3.3%)
<b>Total Business Return</b>	<b>(1.8%)</b>	<b>(2.2%)</b>	<b>(2.3%)</b>	<b>(2.4%)</b>	<b>(0.3%)</b>	<b>(3.3%)</b>	<b>(3.0%)</b>	<b>(5.6%)</b>	<b>(2.1%)</b>	<b>(4.4%)</b>	<b>(6.5%)</b>	<b>(13.6%)</b>	<b>(0.9%)</b>	<b>(6.6%)</b>	<b>(2.9%)</b>

#### BEEF ENTERPRISE INCOME STATEMENT

	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE
<b>GROSS PROFIT</b>	<b>170.29</b>	<b>95.44</b>	<b>248.52</b>	<b>200.22</b>	<b>85.75</b>	<b>152.22</b>	<b>126.10</b>	<b>200.46</b>	<b>149.30</b>	<b>118.88</b>	<b>101.11</b>	<b>99.61</b>	<b>104.27</b>	<b>87.94</b>	<b>157.80</b>
<b>ENTERPRISE EXPENSES</b>															
Animal Health	1.86	0.20	6.58	1.38	0.67	0.45	0.51	0.53	0.16	0.01	0.38	0.14	0.54	0.53	1.00
Insurance & Materials	4.24	4.03	8.73	5.37	2.21	3.74	2.79	5.48	2.85	3.19	2.07	9.54	3.11	2.49	4.17
Mustering & Contracting	3.36	2.91	1.88	4.81	5.01	4.61	4.31	5.61	3.78	7.15	4.97	6.33	9.86	3.28	4.64
Selling Costs	3.41	1.80	7.17	4.29	1.30	3.98	3.64	4.75	6.80	2.35	1.92	1.66	2.63	8.40	3.73
Fodder	16.03	20.86	33.68	11.95	5.25	5.82	17.13	10.46	5.14	4.35	9.55	15.61	10.33	7.49	12.69
	<b>28.89</b>	<b>29.80</b>	<b>58.04</b>	<b>27.79</b>	<b>14.44</b>	<b>18.59</b>	<b>28.38</b>	<b>26.83</b>	<b>18.73</b>	<b>17.05</b>	<b>18.90</b>	<b>33.27</b>	<b>26.46</b>	<b>22.19</b>	<b>26.23</b>
<b>GROSS MARGIN</b>	<b>141.40</b>	<b>65.64</b>	<b>190.48</b>	<b>172.43</b>	<b>71.31</b>	<b>133.63</b>	<b>97.72</b>	<b>173.63</b>	<b>130.57</b>	<b>101.83</b>	<b>82.21</b>	<b>66.34</b>	<b>77.80</b>	<b>65.76</b>	<b>131.57</b>
<b>OVERHEAD EXPENSES</b>															
Administration	8.54	6.22	10.33	8.17	1.49	5.03	4.26	12.24	7.29	2.42	2.26	2.60	2.23	3.51	6.63
Depreciation	23.88	19.37	25.34	22.66	8.39	12.09	10.13	17.66	21.48	7.73	8.02	11.58	10.38	10.22	16.90
Electricity & Gas	1.60	1.61	2.91	2.10	0.34	1.40	1.37	1.91	0.21	0.11	0.13	0.20	0.14	1.02	1.49
Freight	5.93	5.00	7.69	7.55	8.47	13.98	6.40	7.03	14.78	8.80	5.53	5.33	7.08	7.49	7.53
Fuel & Lubricants	9.23	6.88	15.89	11.42	5.36	7.61	6.12	9.23	12.64	11.54	7.53	10.43	6.64	11.81	8.92
Insurance	4.36	3.19	6.19	3.86	0.70	2.79	2.23	3.42	4.43	1.22	1.66	2.41	2.00	3.02	3.14
Materials	0.71	0.43	1.74	0.85	0.52	0.48	0.65	1.45	1.05	1.67	0.51	1.10	0.65	0.69	0.81
Motor Vehicle Expenses	4.00	2.54	5.39	3.24	1.01	2.27	1.57	2.50	2.31	0.48	0.92	1.21	2.34	1.53	2.55
Rates & Rents	10.04	10.20	15.07	8.27	3.58	5.73	4.37	5.33	1.79	2.16	2.01	4.44	4.14	5.07	6.56
R & M General	15.33	12.02	21.07	18.62	5.80	9.20	9.24	16.62	16.36	11.40	8.44	10.18	12.23	10.66	13.68
Wages	6.18	5.13	14.36	7.79	7.97	13.40	8.22	6.98	12.38	14.45	12.82	9.21	11.93	24.46	8.76
Wages (Owner)	77.35	50.26	112.34	58.26	12.81	15.91	25.57	42.53	19.29	6.17	9.19	20.08	8.66	11.44	42.32
	<b>167.14</b>	<b>122.86</b>	<b>238.30</b>	<b>152.79</b>	<b>56.45</b>	<b>89.88</b>	<b>80.13</b>	<b>126.89</b>	<b>114.01</b>	<b>68.14</b>	<b>59.03</b>	<b>78.77</b>	<b>68.42</b>	<b>90.94</b>	<b>119.29</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>196.03</b>	<b>152.65</b>	<b>296.34</b>	<b>180.59</b>	<b>70.89</b>	<b>108.48</b>	<b>108.52</b>	<b>153.72</b>	<b>132.74</b>	<b>85.19</b>	<b>77.93</b>	<b>112.04</b>	<b>94.88</b>	<b>113.13</b>	<b>145.53</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(25.74)</b>	<b>(57.21)</b>	<b>(47.83)</b>	<b>19.64</b>	<b>14.86</b>	<b>43.74</b>	<b>17.58</b>	<b>46.74</b>	<b>16.56</b>	<b>33.69</b>	<b>23.17</b>	<b>(12.43)</b>	<b>9.39</b>	<b>(25.18)</b>	<b>12.27</b>

#### BEEF PRIMARY PERFORMANCE INDICATORS

Price Received (\$/kg LW)	\$1.75	\$1.66	\$1.84	\$1.77	\$1.61	\$1.75	\$1.56	\$1.63	\$1.51	\$1.75	\$1.79	\$1.79	\$1.60	\$1.44	\$1.64
Cost of Production (\$/kg LW)	\$2.01	\$2.65	\$2.19	\$1.60	\$1.33	\$1.25	\$1.34	\$1.25	\$1.35	\$1.26	\$1.38	\$2.02	\$1.46	\$1.85	\$1.51
<b>Operating Margin (\$/kg LW)</b>	<b>(\$0.26)</b>	<b>(\$0.99)</b>	<b>(\$0.35)</b>	<b>\$0.17</b>	<b>\$0.28</b>	<b>\$0.50</b>	<b>\$0.22</b>	<b>\$0.38</b>	<b>\$0.17</b>	<b>\$0.50</b>	<b>\$0.41</b>	<b>(\$0.22)</b>	<b>\$0.14</b>	<b>(\$0.41)</b>	<b>\$0.13</b>
Kg Beef/ AE	97.5	57.5	135.3	113.1	53.2	87.1	80.9	122.6	98.6	67.8	56.5	55.6	65.2	61.1	96.4
Labour Efficiency (AE/FTE)	576	900	388	720	2,192	1,633	1,403	1,015	1,421	2,220	2,021	1,706	2,507	1,901	941
Labour Costs (\$/AE)	83.52	55.39	126.69	66.05	20.78	29.31	33.79	49.50	31.67	20.63	22.01	29.29	20.60	35.91	\$51.08

#### BEEF SECONDARY PERFORMANCE INDICATORS

Gross Value/ Head Sold (all sales)	\$786	\$653	\$893	\$809	\$447	\$685	\$680	\$738	\$718	\$551	\$547	\$483	\$535	\$474	\$726
Sale Weight/ Head Sold (all sales)	446	389	507	459	266	419	426	439	460	345	318	274	327	307	435
Reproductive Rate %	66.6%	50.4%	78.0%	73.8%	53.9%	67.7%	60.0%	74.0%	63.9%	61.4%	53.1%	54.5%	61.2%	52.4%	67.3%
Mortality Rate %	1.3%	1.9%	1.8%	1.4%	5.0%	1.8%	1.7%	1.1%	4.1%	4.0%	5.6%	4.2%	2.4%	1.8%	2.0%
Enterprise Size (Annual Avg AE)	1,075	1,331	644	1,388	8,030	5,229	3,828	2,124	5,420	19,824	9,852	4,319	9,397	11,796	1,982
Stocking Rate (AE/Ha)	0.29	0.30	0.19	0.24	0.06	0.05	0.10	0.13	0.02	0.04	0.07	0.07	0.05	0.05	0.10

### 8.4.2.2 2010 - 2012 Top 25% performance (regions)

#### WHOLE BUSINESS PROFITABILITY

	Q High Rainfall		Q Wheat-Sheep		QLD Pastoral				NT Pastoral				WA Pastoral		Average
	Q:SC	Q:NC	Q:ED	Q:SI	Q:Ca	Q:WSW	Q:CN	Q:CW	N:AS	N:BT	N:VK	N:DTE	W:Ki	W:Pi	
Operating Return	0.8%	0.4%	0.9%	2.1%	3.1%	5.5%	2.7%	3.2%	3.1%	5.6%	2.6%	2.6%	1.5%		2.4%
Capital Return	(2.2%)	(0.4%)	(0.1%)	(4.6%)	0.6%	(2.8%)	(4.1%)	(10.0%)	0.0%	(6.0%)	(5.4%)	(5.2%)	0.0%		(4.6%)
<b>Total Business Return</b>	<b>(1.4%)</b>	<b>(0.0%)</b>	<b>0.8%</b>	<b>(2.5%)</b>	<b>3.7%</b>	<b>2.7%</b>	<b>(1.4%)</b>	<b>(6.7%)</b>	<b>3.1%</b>	<b>(0.4%)</b>	<b>(2.8%)</b>	<b>(2.6%)</b>	<b>1.5%</b>		<b>(2.2%)</b>

#### BEEF ENTERPRISE INCOME STATEMENT

	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE
<b>GROSS PROFIT</b>	<b>176.68</b>	<b>125.04</b>	<b>287.44</b>	<b>211.98</b>	<b>96.17</b>	<b>189.63</b>	<b>136.88</b>	<b>207.17</b>	<b>154.40</b>	<b>159.23</b>	<b>103.52</b>	<b>170.09</b>	<b>101.54</b>		<b>166.63</b>
<b>ENTERPRISE EXPENSES</b>															
Animal Health	1.52	0.12	10.02	1.64	0.92	0.48	0.30	0.67	0.06	0.05	0.31	0.00	0.43		0.92
Insurance & Materials	4.31	3.60	10.90	4.82	1.92	2.33	2.98	4.44	3.58	1.66	2.06	10.88	3.52		3.68
Mustering & Contracting	2.87	2.11	2.97	4.36	4.09	2.70	3.99	5.99	4.94	4.13	4.80	6.34	5.29		4.55
Selling Costs	3.33	0.88	10.01	3.74	1.13	2.98	4.83	3.35	7.29	3.18	1.33	2.08	1.35		3.66
Fodder	17.37	7.21	26.93	9.89	4.31	4.58	14.59	11.17	5.02	2.78	7.22	23.35	8.15		10.69
	<b>29.40</b>	<b>13.92</b>	<b>60.83</b>	<b>24.46</b>	<b>12.37</b>	<b>13.07</b>	<b>26.69</b>	<b>25.61</b>	<b>20.88</b>	<b>11.79</b>	<b>15.71</b>	<b>42.65</b>	<b>18.73</b>		<b>23.50</b>
<b>GROSS MARGIN</b>	<b>147.28</b>	<b>111.12</b>	<b>226.61</b>	<b>187.52</b>	<b>83.80</b>	<b>176.56</b>	<b>110.19</b>	<b>181.57</b>	<b>133.52</b>	<b>147.43</b>	<b>87.81</b>	<b>127.43</b>	<b>82.81</b>		<b>143.14</b>
<b>OVERHEAD EXPENSES</b>															
Administration	7.71	3.36	9.74	6.40	1.20	5.83	3.83	7.18	7.91	3.03	1.54	2.69	1.64		4.85
Depreciation	18.35	14.91	19.23	18.69	6.37	12.27	8.08	14.81	15.19	12.90	6.69	11.84	9.13		12.94
Electricity & Gas	1.38	1.11	2.13	1.65	0.40	1.09	1.26	1.53	0.25	0.20	0.10	0.00	0.14		1.15
Freight	6.05	3.43	3.99	7.43	8.46	13.17	6.44	7.48	13.45	11.10	5.91	4.83	5.86		7.50
Fuel & Lubricants	7.82	4.80	10.01	9.92	5.32	7.05	5.11	7.41	11.18	12.50	7.10	14.11	5.60		7.74
Insurance	3.60	2.37	6.02	2.79	0.58	2.43	2.15	3.23	4.19	1.96	1.62	0.80	1.89		2.50
Materials	0.63	0.08	0.87	0.64	0.31	0.35	0.69	1.09	0.73	0.12	0.57	1.32	0.86		0.67
Motor Vehicle Expenses	2.70	2.33	4.13	2.86	0.76	2.86	1.06	2.78	2.32	0.40	0.54	2.47	2.96		1.97
Rates & Rents	8.26	11.93	24.87	7.51	3.71	5.88	3.78	4.81	1.32	1.98	1.86	4.51	4.22		5.42
R & M General	13.02	10.39	11.90	14.71	5.30	8.29	7.62	13.99	13.76	18.37	6.60	11.37	13.20		11.08
Wages	5.82	4.39	11.91	6.82	10.19	14.82	7.26	4.67	10.37	5.09	13.73	4.21	13.81		8.38
Wages (Owner)	42.75	39.32	77.87	34.35	6.27	12.19	16.77	25.99	14.09	14.12	5.01	27.16	5.86		22.15
	<b>118.08</b>	<b>98.40</b>	<b>182.65</b>	<b>113.76</b>	<b>48.88</b>	<b>86.23</b>	<b>64.05</b>	<b>94.97</b>	<b>94.75</b>	<b>81.77</b>	<b>51.27</b>	<b>85.30</b>	<b>65.16</b>		<b>86.35</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>147.48</b>	<b>112.32</b>	<b>243.48</b>	<b>138.22</b>	<b>61.24</b>	<b>99.30</b>	<b>90.74</b>	<b>120.58</b>	<b>115.64</b>	<b>93.56</b>	<b>66.98</b>	<b>127.95</b>	<b>83.89</b>		<b>109.85</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>29.20</b>	<b>12.71</b>	<b>43.96</b>	<b>73.76</b>	<b>34.92</b>	<b>90.33</b>	<b>46.14</b>	<b>86.59</b>	<b>38.76</b>	<b>65.67</b>	<b>36.54</b>	<b>42.14</b>	<b>17.65</b>		<b>56.78</b>

#### BEEF PRIMARY PERFORMANCE INDICATORS

Price Received (\$/kg LW)	\$1.74	\$1.66	\$1.75	\$1.76	\$1.61	\$1.71	\$1.58	\$1.64	\$1.51	\$2.41	\$1.81	\$1.85	\$1.57		\$1.64
Cost of Production (\$/kg LW)	\$1.45	\$1.49	\$1.48	\$1.15	\$1.02	\$0.90	\$1.05	\$0.95	\$1.13	\$1.41	\$1.17	\$1.39	\$1.29		\$1.08
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.29</b>	<b>\$0.17</b>	<b>\$0.27</b>	<b>\$0.61</b>	<b>\$0.58</b>	<b>\$0.81</b>	<b>\$0.53</b>	<b>\$0.68</b>	<b>\$0.38</b>	<b>\$0.99</b>	<b>\$0.64</b>	<b>\$0.46</b>	<b>\$0.27</b>		<b>\$0.56</b>
Kg Beef/ AE	101.5	75.4	164.0	120.6	59.9	110.9	86.5	126.4	102.3	66.2	57.1	91.7	64.8		101.9
Labour Efficiency (AE/FTE)	944	1,082	553	1,125	2,704	1,802	1,930	1,538	1,865	2,469	2,258	1,521	2,495		1,523
Labour Costs (\$/AE)	48.57	43.71	89.78	41.16	16.45	27.01	24.03	30.66	24.46	19.20	18.74	31.37	19.67		\$30.54

#### BEEF SECONDARY PERFORMANCE INDICATORS

Gross Value/ Head Sold (all sales)	\$855	\$725	\$915	\$894	\$445	\$773	\$678	\$798	\$780	\$577	\$559	\$528	\$580		\$752
Sale Weight/ Head Sold (all sales)	485	432	519	507	265	472	425	475	499	362	325	300	354		452
Reproductive Rate %	67.0%	56.6%	75.2%	75.6%	56.6%	86.0%	61.8%	74.7%	62.8%	77.4%	53.8%	64.9%	58.0%		70.9%
Mortality Rate %	1.0%	0.9%	1.6%	1.1%	4.2%	2.0%	1.6%	1.1%	5.1%	4.1%	5.2%	3.7%	2.5%		2.0%
Enterprise Size (Annual Avg AE)	2,325	1,620	948	2,700	16,805	5,883	5,998	3,619	7,513	12,484	22,235	2,983	14,733		4,160
Stocking Rate (AE/Ha)	0.28	0.30	0.15	0.23	0.08	0.04	0.11	0.13	0.02	0.03	0.09	0.07	0.05		0.11



### 8.4.2.3 2010 – 2012 average performance (herd size, markets & corporate)

#### WHOLE BUSINESS PROFITABILITY

	Average	HERD SIZE				MARKET			CORP Corp.
		200-800	800-1600	1600-5400	5400+	Slaughter	Store	Export	
Operating Return	0.4%	(1.9%)	(0.1%)	1.4%	2.2%	0.4%	0.1%	1.6%	3.1%
Capital Return	(3.3%)	(1.1%)	(2.2%)	(3.9%)	(5.5%)	(3.3%)	(2.7%)	(7.3%)	0.5%
<b>Total Business Return</b>	<b>(2.9%)</b>	<b>(3.0%)</b>	<b>(2.3%)</b>	<b>(2.5%)</b>	<b>(3.2%)</b>	<b>(2.9%)</b>	<b>(2.5%)</b>	<b>(5.7%)</b>	<b>3.6%</b>

#### BEEF ENTERPRISE INCOME STATEMENT

	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE
<b>GROSS PROFIT</b>	<b>157.80</b>	<b>182.20</b>	<b>172.93</b>	<b>176.49</b>	<b>133.90</b>	<b>171.07</b>	<b>148.86</b>	<b>109.45</b>	<b>121.61</b>
<b>ENTERPRISE EXPENSES</b>									
Animal Health	1.00	2.32	1.02	1.20	0.35	1.20	0.87	0.34	0.05
Insurance & Materials	4.17	4.90	6.07	4.52	2.78	4.50	4.02	2.91	3.55
Mustering & Contracting	4.64	3.08	4.78	4.79	5.01	4.68	4.22	6.22	5.43
Selling Costs	3.73	4.29	3.60	4.35	2.97	3.73	4.09	2.63	3.11
Fodder	12.69	15.06	17.35	13.62	9.36	14.04	11.07	11.81	6.55
	<b>26.23</b>	<b>29.64</b>	<b>32.82</b>	<b>28.48</b>	<b>20.47</b>	<b>28.15</b>	<b>24.26</b>	<b>23.92</b>	<b>18.68</b>
<b>GROSS MARGIN</b>	<b>131.57</b>	<b>152.56</b>	<b>140.11</b>	<b>148.01</b>	<b>113.43</b>	<b>142.92</b>	<b>124.60</b>	<b>85.53</b>	<b>102.93</b>
<b>OVERHEAD EXPENSES</b>									
Administration	6.63	11.01	7.54	6.32	5.09	6.95	7.23	2.42	2.87
Depreciation	16.90	32.62	20.75	17.39	9.03	18.25	16.85	8.99	6.25
Electricity & Gas	1.49	2.73	1.76	1.64	0.76	1.69	1.50	0.21	0.30
Freight	7.53	5.79	6.32	7.14	9.30	7.40	8.08	6.01	6.79
Fuel & Lubricants	8.92	13.09	10.74	8.69	7.02	9.04	9.07	7.47	8.15
Insurance	3.14	5.49	3.54	3.44	1.80	3.46	3.01	1.69	1.60
Materials	0.81	1.26	0.85	0.87	0.58	0.86	0.80	0.57	1.09
Motor Vehicle Expenses	2.55	5.04	3.15	2.52	1.42	2.95	2.27	1.23	1.67
Rates & Rents	6.56	11.92	7.63	6.85	3.90	7.64	5.90	2.79	3.95
R & M General	13.68	22.38	15.19	13.81	9.88	14.76	12.90	10.18	9.52
Wages	8.76	2.69	7.15	7.78	13.02	8.94	8.02	10.84	18.53
Wages (Owner)	42.32	145.49	60.37	31.16	8.26	45.06	45.35	10.58	0.00
	<b>119.29</b>	<b>259.52</b>	<b>144.99</b>	<b>107.60</b>	<b>70.07</b>	<b>127.00</b>	<b>120.98</b>	<b>62.97</b>	<b>60.72</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>145.53</b>	<b>289.15</b>	<b>177.81</b>	<b>136.07</b>	<b>90.54</b>	<b>155.15</b>	<b>145.25</b>	<b>86.89</b>	<b>79.41</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>12.27</b>	<b>(106.96)</b>	<b>(4.88)</b>	<b>40.41</b>	<b>43.36</b>	<b>15.93</b>	<b>3.62</b>	<b>22.56</b>	<b>42.21</b>

#### BEEF PRIMARY PERFORMANCE INDICATORS

Price Received (\$/kg LW)	\$1.64	\$1.62	\$1.63	\$1.64	\$1.69	\$1.57	\$1.70	\$1.88	\$1.64
Cost of Production (\$/kg LW)	\$1.51	\$2.58	\$1.68	\$1.26	\$1.14	\$1.42	\$1.66	\$1.50	\$1.07
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.13</b>	<b>(\$0.95)</b>	<b>(\$0.05)</b>	<b>\$0.37</b>	<b>\$0.55</b>	<b>\$0.15</b>	<b>\$0.04</b>	<b>\$0.39</b>	<b>\$0.57</b>
Kg Beef/ AE	96.4	112.3	106.1	107.8	79.4	108.9	87.4	58.1	74.2
Labour Efficiency (AE/FTE)	941	338	708	1,181	2,233	889	907	2,157	2,026
Labour Costs (\$/AE)	\$51.08	148.18	67.52	38.94	21.29	54.00	53.37	21.42	18.53

#### BEEF SECONDARY PERFORMANCE INDICATORS

Gross Value/ Head Sold (all sales)	\$726	\$709	\$732	\$770	\$676	\$834	\$628	\$543	\$547
Sale Weight/ Head Sold (all sales)	435	426	439	464	406	514	367	303	339
Reproductive Rate %	67.3%	72.6%	66.8%	66.5%	64.1%	67.2%	70.3%	57.6%	59.9%
Mortality Rate %	2.0%	1.9%	1.7%	1.5%	2.7%	1.5%	2.1%	4.5%	4.3%
Enterprise Size (Annual Avg AE)	1,982	496	1,311	3,175	14,402	1,888	1,794	8,703	22,705
Stocking Rate (AE/Ha)	0.10	0.23	0.13	0.10	0.07	0.13	0.09	0.06	0.06

#### 8.4.2.4 2010 – 2012 Top 25% performance (herd size, markets & corporate)

##### WHOLE BUSINESS PROFITABILITY

	Average	HERD SIZE				MARKET			CORP Corp.
		200-800	800-1600	1600-5400	5400+	Slaughter	Store	Export	
Operating Return	2.5%	(0.3%)	1.7%	3.8%	4.5%	2.6%	2.4%	4.2%	4.3%
Capital Return	(4.6%)	(1.0%)	(3.0%)	(5.6%)	(3.7%)	(5.7%)	(2.2%)	(4.1%)	0.1%
<b>Total Business Return</b>	<b>0.1%</b>	<b>(1.3%)</b>	<b>(1.2%)</b>	<b>(1.8%)</b>	<b>0.8%</b>	<b>(3.1%)</b>	<b>0.2%</b>	<b>0.1%</b>	<b>4.5%</b>

##### BEEF ENTERPRISE INCOME STATEMENT

	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE
<b>GROSS PROFIT</b>	<b>166.63</b>	<b>241.98</b>	<b>215.89</b>	<b>205.50</b>	<b>148.10</b>	<b>187.70</b>	<b>157.95</b>	<b>129.71</b>	<b>124.66</b>
<b>ENTERPRISE EXPENSES</b>									
Animal Health	0.92	2.85	0.90	2.03	0.43	1.11	0.85	0.25	0.07
Insurance & Materials	3.68	4.57	6.00	3.92	2.24	3.87	3.58	3.11	3.21
Mustering & Contracting	4.55	3.72	4.75	5.34	4.37	4.44	4.60	4.48	5.65
Selling Costs	3.66	4.97	4.54	4.37	2.71	3.72	4.11	1.99	2.28
Fodder	10.69	13.84	11.32	10.28	8.16	10.21	10.73	11.60	4.84
	<b>23.50</b>	<b>29.95</b>	<b>27.52</b>	<b>25.95</b>	<b>17.91</b>	<b>23.36</b>	<b>23.87</b>	<b>21.43</b>	<b>16.04</b>
<b>GROSS MARGIN</b>	<b>143.14</b>	<b>212.03</b>	<b>188.37</b>	<b>179.55</b>	<b>130.19</b>	<b>164.34</b>	<b>134.08</b>	<b>108.28</b>	<b>108.62</b>
<b>OVERHEAD EXPENSES</b>									
Administration	4.85	10.52	7.59	5.31	2.74	5.43	5.10	1.63	2.17
Depreciation	12.94	32.09	20.23	13.50	7.97	14.13	12.93	6.78	5.49
Electricity & Gas	1.15	2.84	1.67	1.51	0.73	1.34	1.18	0.19	0.47
Freight	7.50	6.05	8.03	6.38	9.55	7.61	7.78	5.85	8.13
Fuel & Lubricants	7.74	12.94	10.71	8.12	6.01	7.63	7.96	6.42	6.25
Insurance	2.50	4.67	3.47	3.07	1.55	2.77	2.35	1.55	1.70
Materials	0.67	0.84	0.95	0.79	0.48	0.68	0.64	0.79	1.29
Motor Vehicle Expenses	1.97	4.55	2.62	2.05	1.40	2.47	1.55	1.44	1.53
Rates & Rents	5.42	13.93	6.76	7.53	3.77	6.18	5.09	2.78	3.85
R & M General	11.08	21.25	13.17	11.03	8.58	12.15	10.11	9.94	7.82
Wages	8.38	2.81	5.27	7.56	12.71	7.56	8.06	11.68	16.58
Wages (Owner)	22.15	113.06	55.53	23.96	5.91	25.54	22.17	6.52	0.00
	<b>86.35</b>	<b>225.55</b>	<b>135.98</b>	<b>90.82</b>	<b>61.40</b>	<b>93.50</b>	<b>84.92</b>	<b>55.58</b>	<b>55.28</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>109.85</b>	<b>255.50</b>	<b>163.50</b>	<b>116.76</b>	<b>79.31</b>	<b>116.87</b>	<b>108.79</b>	<b>77.01</b>	<b>71.32</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>56.78</b>	<b>(13.52)</b>	<b>52.39</b>	<b>88.73</b>	<b>68.79</b>	<b>70.83</b>	<b>49.16</b>	<b>52.70</b>	<b>53.34</b>

##### BEEF PRIMARY PERFORMANCE INDICATORS

Price Received (\$/kg LW)	\$1.64	\$1.65	\$1.67	\$1.64	\$1.72	\$1.58	\$1.71	\$1.98	\$1.61
Cost of Production (\$/kg LW)	\$1.08	\$1.75	\$1.27	\$0.93	\$0.92	\$0.98	\$1.18	\$1.17	\$0.92
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.56</b>	<b>(\$0.09)</b>	<b>\$0.41</b>	<b>\$0.71</b>	<b>\$0.80</b>	<b>\$0.60</b>	<b>\$0.53</b>	<b>\$0.80</b>	<b>\$0.69</b>
Kg Beef/ AE	101.9	146.3	129.1	125.0	86.2	118.7	92.5	65.7	77.4
Labour Efficiency (AE/FTE)	1,523	440	803	1,481	2,407	1,394	1,572	2,441	4,172
Labour Costs (\$/AE)	\$30.54	115.87	60.79	31.53	18.62	33.10	30.23	18.20	16.58

##### BEEF SECONDARY PERFORMANCE INDICATORS

Gross Value/ Head Sold (all sales)	\$752	\$822	\$786	\$792	\$673	\$878	\$642	\$575	\$586
Sale Weight/ Head Sold (all sales)	452	495	469	474	405	538	379	318	361
Reproductive Rate %	70.9%	74.9%	76.2%	69.8%	67.7%	70.6%	75.5%	60.2%	57.9%
Mortality Rate %	2.0%	1.8%	1.3%	1.2%	2.8%	1.3%	2.0%	3.3%	4.1%
Enterprise Size (Annual Avg AE)	4,160	611	1,331	3,536	18,953	3,754	3,792	16,534	37,207
Stocking Rate (AE/Ha)	0.11	0.18	0.12	0.11	0.07	0.11	0.08	0.07	0.08

### 8.4.2.5 Long term average performance (regions)

#### WHOLE BUSINESS PROFITABILITY

	Q High Rainfall		Q Wheat-Sheep		QLD Pastoral			NT Pastoral				WA Pastoral		Average	
	Q:SC	Q:NC	Q:ED	Q:SI	Q:Ca	Q:WSW	Q:CN	Q:CW	N:AS	N:BT	N:VK	N:DTE	W:Ki	W:Pi	
Operating Return	(0.6%)	(0.5%)	(1.0%)	0.4%	1.5%	1.1%	1.3%	1.2%	1.3%	1.8%	2.1%	(0.6%)	3.2%	2.8%	0.2%
Capital Return	4.8%	4.2%	5.0%	5.2%	5.7%	3.5%	5.7%	4.4%	2.1%	2.8%	3.4%	5.4%	2.0%	2.3%	4.8%
<b>Total Business Return</b>	<b>4.2%</b>	<b>3.7%</b>	<b>4.0%</b>	<b>5.6%</b>	<b>7.2%</b>	<b>4.5%</b>	<b>7.1%</b>	<b>5.6%</b>	<b>3.3%</b>	<b>4.6%</b>	<b>5.5%</b>	<b>4.9%</b>	<b>5.1%</b>	<b>5.1%</b>	<b>5.0%</b>

#### BEEF ENTERPRISE INCOME STATEMENT

	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE
<b>GROSS PROFIT</b>	<b>195.90</b>	<b>153.13</b>	<b>286.54</b>	<b>224.54</b>	<b>102.50</b>	<b>142.86</b>	<b>141.43</b>	<b>202.01</b>	<b>142.87</b>	<b>112.87</b>	<b>118.78</b>	<b>107.22</b>	<b>117.19</b>	<b>117.75</b>	<b>171.04</b>
<b>ENTERPRISE EXPENSES</b>															
Animal Health	1.31	0.92	4.63	1.65	0.49	0.31	0.53	0.50	0.09	0.01	0.31	0.14	0.18	0.28	0.98
Insurance & Materials	5.85	5.37	9.05	6.12	3.07	3.88	3.14	5.52	3.66	3.28	4.20	6.97	4.42	3.04	4.97
Mustering & Contracting	2.79	3.68	2.53	3.83	4.59	5.41	3.82	4.13	2.69	4.51	4.82	5.49	6.13	4.59	3.95
Selling Costs	4.34	2.94	10.18	5.84	1.64	6.02	4.25	6.00	6.89	3.11	4.11	3.65	3.81	5.36	5.04
Fodder	29.59	31.48	54.97	24.83	8.08	12.55	18.34	19.35	5.38	3.98	9.12	13.26	6.98	3.44	21.14
	<b>43.88</b>	<b>44.39</b>	<b>81.34</b>	<b>42.26</b>	<b>17.87</b>	<b>28.16</b>	<b>30.09</b>	<b>35.50</b>	<b>18.71</b>	<b>14.89</b>	<b>22.56</b>	<b>29.50</b>	<b>21.52</b>	<b>16.71</b>	<b>36.08</b>
<b>GROSS MARGIN</b>	<b>152.02</b>	<b>108.73</b>	<b>205.19</b>	<b>182.28</b>	<b>84.63</b>	<b>114.69</b>	<b>111.34</b>	<b>166.52</b>	<b>124.16</b>	<b>97.98</b>	<b>96.22</b>	<b>77.72</b>	<b>95.67</b>	<b>101.04</b>	<b>134.96</b>
<b>OVERHEAD EXPENSES</b>															
Administration	10.03	6.04	15.29	9.68	2.59	6.70	5.63	10.24	6.53	4.86	3.43	4.92	3.90	3.84	7.73
Depreciation	24.17	19.15	28.51	23.94	9.20	12.66	10.14	16.34	18.52	10.30	8.01	11.54	8.14	10.53	17.72
Electricity & Gas	1.40	1.37	2.56	1.90	0.40	1.29	1.13	1.74	0.17	0.15	0.09	0.11	0.11	0.45	1.34
Freight	6.48	5.78	6.57	8.54	7.34	11.47	6.04	7.84	10.91	6.18	5.00	4.87	4.84	6.70	7.45
Fuel & Lubricants	11.39	8.14	17.98	13.95	6.35	9.18	6.87	11.50	11.55	13.94	9.07	10.12	8.86	8.76	10.74
Insurance	3.84	2.25	6.11	3.53	0.79	2.49	1.98	3.17	4.22	2.47	1.95	2.38	1.76	2.36	2.91
Materials	1.17	0.62	1.67	1.38	0.43	0.91	1.07	1.75	1.15	1.48	0.86	0.98	0.56	0.60	1.16
Motor Vehicle Expenses	4.58	2.32	5.44	3.56	1.13	2.31	1.51	3.32	3.01	1.10	1.42	1.57	2.02	1.76	2.85
Rates & Rents	9.32	7.29	14.97	7.76	3.10	5.32	4.03	5.13	2.68	1.74	2.50	3.32	3.52	2.63	6.20
R & M General	17.51	16.53	23.85	21.06	7.38	12.51	11.51	18.78	15.05	9.99	9.58	11.28	10.94	10.04	15.95
Wages	8.92	11.97	17.49	10.80	9.05	12.74	9.38	10.91	16.66	14.27	14.41	16.02	11.93	12.44	10.94
Wages (Owner)	77.30	42.32	108.70	57.66	14.89	19.19	26.82	43.27	17.88	9.20	9.51	19.51	8.91	12.75	43.81
	<b>176.12</b>	<b>123.78</b>	<b>249.16</b>	<b>163.75</b>	<b>62.67</b>	<b>96.76</b>	<b>86.10</b>	<b>133.97</b>	<b>108.33</b>	<b>75.68</b>	<b>65.81</b>	<b>86.61</b>	<b>65.49</b>	<b>72.86</b>	<b>128.80</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>220.00</b>	<b>168.17</b>	<b>330.51</b>	<b>206.01</b>	<b>80.54</b>	<b>124.92</b>	<b>116.19</b>	<b>169.47</b>	<b>127.04</b>	<b>90.57</b>	<b>88.37</b>	<b>116.11</b>	<b>87.01</b>	<b>89.57</b>	<b>164.88</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(24.10)</b>	<b>(15.04)</b>	<b>(43.97)</b>	<b>18.53</b>	<b>21.96</b>	<b>17.93</b>	<b>25.24</b>	<b>32.54</b>	<b>15.83</b>	<b>22.31</b>	<b>30.40</b>	<b>(8.90)</b>	<b>30.18</b>	<b>28.18</b>	<b>6.16</b>

#### BEEF PRIMARY PERFORMANCE INDICATORS

Price Received (\$/kg LW)	\$1.88	\$1.89	\$1.89	\$1.91	\$1.76	\$1.81	\$1.68	\$1.75	\$1.64	\$1.81	\$1.87	\$1.92	\$1.75	\$1.62	\$1.76
Cost of Production (\$/kg LW)	\$2.11	\$2.08	\$2.18	\$1.75	\$1.39	\$1.58	\$1.38	\$1.47	\$1.46	\$1.46	\$1.39	\$2.07	\$1.30	\$1.23	\$1.69
<b>Operating Margin (\$/kg LW)</b>	<b>(\$0.23)</b>	<b>(\$0.19)</b>	<b>(\$0.29)</b>	<b>\$0.16</b>	<b>\$0.38</b>	<b>\$0.23</b>	<b>\$0.30</b>	<b>\$0.28</b>	<b>\$0.18</b>	<b>\$0.36</b>	<b>\$0.48</b>	<b>(\$0.16)</b>	<b>\$0.45</b>	<b>\$0.39</b>	<b>\$0.06</b>
Kg Beef/ AE	104.4	81.0	151.8	117.7	58.1	79.0	84.0	115.1	87.3	62.2	63.5	56.0	66.9	72.8	97.4
Labour Efficiency (AE/FTE)	550	875	391	696	1,877	1,445	1,252	871	1,318	1,926	1,888	1,390	2,332	1,996	863
Labour Costs (\$/AE)	86.22	54.29	126.19	68.46	23.94	31.93	36.20	54.18	34.53	23.47	23.91	35.53	20.83	25.19	\$54.75

#### BEEF SECONDARY PERFORMANCE INDICATORS

Gross Value/ Head Sold (all sales)	\$862	\$784	\$1,013	\$906	\$475	\$664	\$741	\$806	\$649	\$547	\$575	\$566	\$550	\$492	\$792
Sale Weight/ Head Sold (all sales)	463	434	536	477	266	384	433	446	382	323	323	305	325	298	443
Reproductive Rate %	67.4%	55.8%	70.1%	71.4%	58.5%	61.6%	55.6%	67.8%	65.5%	59.2%	55.4%	53.0%	55.7%	56.6%	64.5%
Mortality Rate %	1.5%	1.9%	2.0%	1.7%	4.7%	2.8%	2.2%	1.7%	4.7%	4.2%	4.7%	5.4%	3.5%	1.9%	2.3%
Enterprise Size (Annual Avg AE)	1,132	1,741	716	1,535	6,183	4,460	3,863	2,188	6,062	12,682	10,331	4,482	9,108	8,214	2,031
Stocking Rate (AE/Ha)	0.26	0.20	0.20	0.18	0.05	0.04	0.10	0.10	0.02	0.03	0.06	0.07	0.04	0.03	0.09



### 8.4.2.6 Long term Top 25 % performance (regions)

#### WHOLE BUSINESS PROFITABILITY

	Q High Rainfall		Q Wheat-Sheep		QLD Pastoral				NT Pastoral				WA Pastoral		Average
	Q:SC	Q:NC	Q:ED	Q:SI	Q:Ca	Q:WSW	Q:CN	Q:CW	N:AS	N:BT	N:VK	N:DTE	W:Ki	W:Pi	
Operating Return	1.2%	2.1%	1.2%	2.2%	3.9%	3.9%	3.7%	2.8%	5.6%	4.0%	3.5%	1.6%	4.4%		2.7%
Capital Return	5.3%	2.5%	5.8%	6.4%	6.1%	5.1%	7.6%	5.0%	2.5%	3.4%	5.4%	8.2%	2.8%		5.5%
<b>Total Business Return</b>	<b>6.6%</b>	<b>4.6%</b>	<b>7.0%</b>	<b>8.6%</b>	<b>10.1%</b>	<b>9.0%</b>	<b>11.3%</b>	<b>7.8%</b>	<b>8.2%</b>	<b>7.4%</b>	<b>9.0%</b>	<b>9.9%</b>	<b>7.1%</b>		<b>8.1%</b>

#### BEEF ENTERPRISE INCOME STATEMENT

	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE
<b>GROSS PROFIT</b>	<b>208.81</b>	<b>198.56</b>	<b>379.19</b>	<b>243.25</b>	<b>111.49</b>	<b>168.39</b>	<b>162.76</b>	<b>211.97</b>	<b>179.30</b>	<b>145.50</b>	<b>124.57</b>	<b>141.67</b>	<b>123.17</b>		<b>186.47</b>
<b>ENTERPRISE EXPENSES</b>															
Animal Health	0.97	1.02	6.98	1.46	0.66	0.27	0.56	0.49	0.03	0.02	0.30	0.13	0.17		0.89
Insurance & Materials	5.17	5.51	12.51	4.93	2.80	3.17	2.92	5.06	2.74	3.60	3.98	4.05	5.56		4.16
Mustering & Contracting	2.64	5.39	4.13	3.56	4.09	4.04	3.76	3.99	3.62	2.59	4.72	6.02	4.18		3.92
Selling Costs	3.90	2.31	12.12	5.53	1.46	5.24	4.68	4.73	6.90	3.93	3.24	3.86	3.39		4.83
Fodder	23.44	31.16	63.90	17.71	6.12	8.29	15.44	19.06	3.99	3.51	6.79	13.73	7.07		15.95
	<b>36.12</b>	<b>45.40</b>	<b>99.64</b>	<b>33.19</b>	<b>15.11</b>	<b>21.01</b>	<b>27.36</b>	<b>33.32</b>	<b>17.28</b>	<b>13.65</b>	<b>19.03</b>	<b>27.78</b>	<b>20.37</b>		<b>29.75</b>
<b>GROSS MARGIN</b>	<b>172.69</b>	<b>153.16</b>	<b>279.55</b>	<b>210.06</b>	<b>96.37</b>	<b>147.38</b>	<b>135.40</b>	<b>178.65</b>	<b>162.02</b>	<b>131.84</b>	<b>105.55</b>	<b>113.90</b>	<b>102.80</b>		<b>156.71</b>
<b>OVERHEAD EXPENSES</b>															
Administration	7.96	5.46	17.33	8.41	1.36	7.59	4.98	8.01	6.74	4.09	2.43	5.50	3.47		6.13
Depreciation	18.39	16.65	21.78	18.78	6.37	11.64	8.55	13.82	14.21	14.11	6.75	11.97	7.31		13.01
Electricity & Gas	1.24	1.59	2.18	1.53	0.38	1.07	1.10	1.36	0.13	0.25	0.09	0.10	0.12		1.07
Freight	6.09	6.96	7.51	8.54	7.23	9.20	6.05	6.24	10.26	5.78	5.81	5.51	3.91		7.17
Fuel & Lubricants	9.24	7.13	13.53	10.79	5.95	7.74	5.75	11.05	11.36	16.15	7.90	9.93	9.38		8.66
Insurance	2.91	1.80	5.47	2.80	0.58	2.14	1.80	2.76	3.88	3.40	1.68	2.44	1.76		2.35
Materials	1.23	0.70	1.64	1.28	0.35	0.61	0.98	1.56	0.61	0.72	0.86	1.31	0.56		1.10
Motor Vehicle Expenses	3.09	1.51	3.80	2.61	0.84	2.03	1.12	2.89	1.56	1.12	1.18	2.20	2.37		2.12
Rates & Rents	8.24	7.44	20.19	6.96	2.85	4.67	3.69	4.05	2.64	1.30	2.61	1.62	3.89		5.08
R & M General	14.71	14.20	21.18	16.75	6.89	9.29	8.99	14.33	14.37	12.97	7.85	11.22	10.53		12.73
Wages	8.14	14.43	20.72	8.83	10.49	12.39	9.69	9.46	12.55	12.63	14.93	20.46	14.03		10.45
Wages (Owner)	44.50	25.62	76.57	38.03	7.87	14.64	17.38	32.24	15.12	12.71	6.25	16.65	5.98		24.87
	<b>125.75</b>	<b>103.48</b>	<b>211.89</b>	<b>125.31</b>	<b>51.16</b>	<b>83.03</b>	<b>70.07</b>	<b>107.78</b>	<b>93.44</b>	<b>85.22</b>	<b>58.35</b>	<b>88.91</b>	<b>63.31</b>		<b>94.75</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>161.87</b>	<b>148.88</b>	<b>311.53</b>	<b>158.50</b>	<b>66.27</b>	<b>104.04</b>	<b>97.42</b>	<b>141.11</b>	<b>110.72</b>	<b>98.88</b>	<b>77.37</b>	<b>116.69</b>	<b>83.68</b>		<b>124.51</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>46.94</b>	<b>49.68</b>	<b>67.65</b>	<b>84.75</b>	<b>45.22</b>	<b>64.35</b>	<b>65.34</b>	<b>70.87</b>	<b>68.58</b>	<b>46.62</b>	<b>47.20</b>	<b>24.98</b>	<b>39.49</b>		<b>61.96</b>

#### BEEF PRIMARY PERFORMANCE INDICATORS

Price Received (\$/kg LW)	\$1.87	\$1.85	\$1.82	\$1.89	\$1.76	\$1.74	\$1.69	\$1.75	\$1.66	\$2.09	\$1.96	\$2.00	\$1.69		\$1.76
Cost of Production (\$/kg LW)	\$1.45	\$1.39	\$1.50	\$1.23	\$1.05	\$1.07	\$1.01	\$1.16	\$1.03	\$1.42	\$1.22	\$1.65	\$1.15		\$1.18
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.42</b>	<b>\$0.46</b>	<b>\$0.33</b>	<b>\$0.66</b>	<b>\$0.71</b>	<b>\$0.66</b>	<b>\$0.68</b>	<b>\$0.58</b>	<b>\$0.64</b>	<b>\$0.67</b>	<b>\$0.74</b>	<b>\$0.35</b>	<b>\$0.54</b>		<b>\$0.59</b>
Kg Beef/ AE	111.9	107.4	207.9	128.4	63.4	96.9	96.2	121.2	107.8	69.7	63.5	70.7	72.8		105.9
Labour Efficiency (AE/FTE)	872	1,185	502	991	2,393	1,659	1,590	1,042	1,569	1,988	2,076	1,342	2,414		1,306
Labour Costs (\$/AE)	52.64	40.04	97.30	46.87	18.36	27.03	27.07	41.70	27.68	25.34	21.17	37.11	20.01		\$35.32

#### BEEF SECONDARY PERFORMANCE INDICATORS

Gross Value/ Head Sold (all sales)	\$925	\$877	\$1,242	\$983	\$450	\$700	\$783	\$856	\$720	\$572	\$573	\$587	\$580		\$828
Sale Weight/ Head Sold (all sales)	500	496	647	523	255	409	460	479	420	335	322	312	349		464
Reproductive Rate %	69.4%	63.5%	71.5%	75.3%	62.6%	68.7%	58.6%	70.0%	72.1%	69.0%	58.5%	55.7%	55.2%		67.4%
Mortality Rate %	1.0%	1.4%	1.6%	1.1%	3.8%	1.9%	2.1%	1.6%	3.6%	4.2%	4.3%	4.3%	3.0%		1.9%
Enterprise Size (Annual Avg AE)	2,258	2,544	1,141	2,600	11,294	5,907	6,306	3,217	7,010	9,835	16,604	5,062	13,338		3,931
Stocking Rate (AE/Ha)	0.26	0.18	0.23	0.21	0.08	0.04	0.12	0.12	0.02	0.03	0.08	0.06	0.04		0.09

### 8.4.2.7 Long term average performance (herd size, markets & corporate)

#### WHOLE BUSINESS PROFITABILITY

	Average	HERD SIZE				MARKET			CORP Corp.
		200-800	800-1600	1600-5400	5400+	Slaughter	Store	Export	
Operating Return	0.2%	(2.5%)	(0.1%)	1.3%	1.9%	0.3%	(0.2%)	1.6%	3.9%
Capital Return	4.8%	5.1%	4.7%	4.7%	4.4%	4.8%	5.1%	2.5%	5.0%
<b>Total Business Return</b>	<b>5.0%</b>	<b>2.6%</b>	<b>4.6%</b>	<b>6.0%</b>	<b>6.3%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>4.1%</b>	<b>8.9%</b>

#### BEEF ENTERPRISE INCOME STATEMENT

	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE
<b>GROSS PROFIT</b>	<b>171.04</b>	<b>190.74</b>	<b>196.79</b>	<b>194.27</b>	<b>139.14</b>	<b>183.94</b>	<b>159.59</b>	<b>113.86</b>	<b>135.92</b>
<b>ENTERPRISE EXPENSES</b>									
Animal Health	0.98	2.08	1.08	1.13	0.38	1.07	0.95	0.27	0.13
Insurance & Materials	4.97	7.16	6.00	5.08	3.58	5.02	4.98	4.18	4.26
Mustering & Contracting	3.95	2.21	3.58	3.88	4.76	4.02	3.61	4.99	4.92
Selling Costs	5.04	6.83	5.41	5.17	3.87	4.49	6.35	3.84	3.41
Fodder	21.14	34.51	25.89	21.78	13.83	23.02	20.20	9.88	8.43
	<b>36.08</b>	<b>52.79</b>	<b>41.97</b>	<b>37.03</b>	<b>26.42</b>	<b>37.63</b>	<b>36.09</b>	<b>23.15</b>	<b>21.15</b>
<b>GROSS MARGIN</b>	<b>134.96</b>	<b>137.96</b>	<b>154.82</b>	<b>157.24</b>	<b>112.72</b>	<b>146.31</b>	<b>123.51</b>	<b>90.71</b>	<b>114.77</b>
<b>OVERHEAD EXPENSES</b>									
Administration	7.73	12.53	9.00	8.03	5.09	7.97	8.11	3.94	4.37
Depreciation	17.72	32.72	21.93	16.80	10.96	18.81	17.32	10.62	7.99
Electricity & Gas	1.34	2.29	1.69	1.41	0.73	1.47	1.36	0.20	0.40
Freight	7.45	5.82	7.31	7.51	8.43	7.73	7.46	4.68	8.29
Fuel & Lubricants	10.74	15.84	13.05	10.10	8.35	10.96	10.74	8.82	8.51
Insurance	2.91	4.84	3.37	3.01	1.86	3.02	2.96	1.88	1.56
Materials	1.16	1.70	1.18	1.36	0.76	1.28	1.02	0.77	1.50
Motor Vehicle Expenses	2.85	5.98	3.66	2.64	1.57	3.03	2.72	1.63	1.39
Rates & Rents	6.20	9.59	7.76	6.45	3.92	6.74	6.08	2.43	3.76
R & M General	15.95	22.88	18.87	16.19	11.79	17.06	15.18	10.09	9.18
Wages	10.94	5.89	8.80	11.13	14.02	11.29	9.98	11.93	19.99
Wages (Owner)	43.81	140.00	62.44	33.34	9.32	46.02	45.94	12.84	0.00
	<b>128.80</b>	<b>260.07</b>	<b>159.06</b>	<b>117.95</b>	<b>76.80</b>	<b>135.37</b>	<b>128.86</b>	<b>69.83</b>	<b>66.94</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>164.88</b>	<b>312.86</b>	<b>201.03</b>	<b>154.99</b>	<b>103.22</b>	<b>173.00</b>	<b>164.95</b>	<b>92.98</b>	<b>88.10</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>6.16</b>	<b>(122.11)</b>	<b>(4.24)</b>	<b>39.28</b>	<b>35.92</b>	<b>10.94</b>	<b>(5.35)</b>	<b>20.88</b>	<b>47.83</b>

#### BEEF PRIMARY PERFORMANCE INDICATORS

Price Received (\$/kg LW)	\$1.76	\$1.76	\$1.78	\$1.77	\$1.76	\$1.70	\$1.81	\$1.92	\$1.92
Cost of Production (\$/kg LW)	\$1.69	\$2.89	\$1.82	\$1.41	\$1.31	\$1.60	\$1.87	\$1.57	\$1.24
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.06</b>	<b>(\$1.13)</b>	<b>(\$0.04)</b>	<b>\$0.36</b>	<b>\$0.46</b>	<b>\$0.10</b>	<b>(\$0.06)</b>	<b>\$0.35</b>	<b>\$0.67</b>
Kg Beef/ AE	97.4	108.1	110.5	110.0	78.9	107.9	88.4	59.3	70.9
Labour Efficiency (AE/FTE)	863	336	675	1,025	1,966	824	847	1,877	1,633
Labour Costs (\$/AE)	\$54.75	145.89	71.24	44.46	23.34	57.31	55.92	24.77	19.99

#### BEEF SECONDARY PERFORMANCE INDICATORS

Gross Value/ Head Sold (all sales)	\$792	\$766	\$808	\$849	\$718	\$876	\$694	\$580	\$607
Sale Weight/ Head Sold (all sales)	443	428	449	472	406	500	381	308	349
Reproductive Rate %	64.5%	68.3%	66.6%	65.2%	60.5%	65.8%	64.5%	56.0%	56.5%
Mortality Rate %	2.3%	2.3%	1.8%	2.0%	2.9%	1.9%	2.5%	4.3%	3.5%
Enterprise Size (Annual Avg AE)	2,031	509	1,352	3,196	13,188	1,997	1,798	7,511	17,542
Stocking Rate (AE/Ha)	0.09	0.17	0.12	0.09	0.06	0.10	0.08	0.05	0.05

### 8.4.2.8 Long term Top 25% performance (herd size, markets & corporate)

#### WHOLE BUSINESS PROFITABILITY

	Average	HERD SIZE				MARKET			CORP Corp.
		200-800	800-1600	1600-5400	5400+	Slaughter	Store	Export	
Operating Return	2.6%	(0.3%)	1.6%	3.8%	5.3%	2.6%	2.6%	4.1%	8.6%
Capital Return	5.5%	5.5%	4.4%	5.8%	5.5%	5.1%	6.6%	3.3%	6.4%
<b>Total Business Return</b>	<b>8.1%</b>	<b>5.2%</b>	<b>5.9%</b>	<b>9.6%</b>	<b>10.8%</b>	<b>7.7%</b>	<b>9.3%</b>	<b>7.3%</b>	<b>15.0%</b>

#### BEEF ENTERPRISE INCOME STATEMENT

	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE	\$/AE
<b>GROSS PROFIT</b>	<b>186.47</b>	<b>233.35</b>	<b>243.08</b>	<b>226.30</b>	<b>161.42</b>	<b>203.75</b>	<b>177.89</b>	<b>130.76</b>	<b>155.50</b>
<b>ENTERPRISE EXPENSES</b>									
Animal Health	0.89	1.34	1.03	1.05	0.33	1.05	0.76	0.27	0.07
Insurance & Materials	4.16	5.90	5.64	4.31	3.59	4.11	4.49	4.15	3.84
Mustering & Contracting	3.92	2.87	4.02	4.07	3.75	3.91	3.69	4.45	3.99
Selling Costs	4.83	6.87	6.77	5.44	4.01	4.57	5.86	3.43	2.21
Fodder	15.95	24.51	24.86	17.44	10.90	18.23	15.01	8.79	6.00
	<b>29.75</b>	<b>41.49</b>	<b>42.32</b>	<b>32.30</b>	<b>22.58</b>	<b>31.87</b>	<b>29.81</b>	<b>21.10</b>	<b>16.10</b>
<b>GROSS MARGIN</b>	<b>156.71</b>	<b>191.86</b>	<b>200.76</b>	<b>194.00</b>	<b>138.83</b>	<b>171.87</b>	<b>148.09</b>	<b>109.66</b>	<b>139.40</b>
<b>OVERHEAD EXPENSES</b>									
Administration	6.13	9.57	8.51	7.24	3.97	6.57	6.51	3.10	2.75
Depreciation	13.01	26.75	20.81	13.40	8.32	14.34	12.60	7.52	6.14
Electricity & Gas	1.07	2.14	1.56	1.27	0.57	1.25	1.08	0.20	0.42
Freight	7.17	6.17	8.21	7.10	7.40	7.73	6.89	4.81	7.36
Fuel & Lubricants	8.66	13.43	12.32	8.59	7.45	8.71	8.60	7.75	7.03
Insurance	2.35	3.86	3.20	2.75	1.61	2.42	2.39	1.69	1.39
Materials	1.10	1.59	1.54	1.17	0.54	1.21	0.90	0.77	0.85
Motor Vehicle Expenses	2.12	4.68	2.84	2.79	1.38	2.25	1.80	1.90	0.82
Rates & Rents	5.08	9.83	7.55	6.24	2.85	5.52	5.29	2.36	3.59
R & M General	12.73	19.18	16.95	14.08	9.51	13.91	11.97	10.16	8.35
Wages	10.45	4.58	6.04	9.91	13.07	10.17	10.24	12.79	18.44
Wages (Owner)	24.87	103.78	60.51	28.00	6.75	28.07	24.41	7.75	0.00
	<b>94.75</b>	<b>205.57</b>	<b>150.02</b>	<b>102.54</b>	<b>63.40</b>	<b>102.16</b>	<b>92.67</b>	<b>60.79</b>	<b>57.15</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>124.51</b>	<b>247.06</b>	<b>192.34</b>	<b>134.84</b>	<b>85.99</b>	<b>134.03</b>	<b>122.48</b>	<b>81.88</b>	<b>73.24</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>61.96</b>	<b>(13.71)</b>	<b>50.74</b>	<b>91.46</b>	<b>75.43</b>	<b>69.72</b>	<b>55.41</b>	<b>48.88</b>	<b>82.26</b>

#### BEEF PRIMARY PERFORMANCE INDICATORS

Price Received (\$/kg LW)	\$1.76	\$1.78	\$1.83	\$1.78	\$1.82	\$1.72	\$1.83	\$1.97	\$1.88
Cost of Production (\$/kg LW)	\$1.18	\$1.88	\$1.45	\$1.06	\$0.97	\$1.13	\$1.26	\$1.24	\$0.89
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.59</b>	<b>(\$0.10)</b>	<b>\$0.38</b>	<b>\$0.72</b>	<b>\$0.85</b>	<b>\$0.59</b>	<b>\$0.57</b>	<b>\$0.74</b>	<b>\$1.00</b>
Kg Beef/ AE	105.9	131.1	133.0	127.1	88.6	118.7	97.3	66.2	82.6
Labour Efficiency (AE/FTE)	1,306	452	717	1,237	2,222	1,204	1,338	2,299	2,964
Labour Costs (\$/AE)	\$35.32	108.36	66.54	37.91	19.82	38.24	34.65	20.54	18.44

#### BEEF SECONDARY PERFORMANCE INDICATORS

Gross Value/ Head Sold (all sales)	\$828	\$859	\$874	\$897	\$710	\$930	\$713	\$602	\$635
Sale Weight/ Head Sold (all sales)	464	476	485	493	397	528	395	317	360
Reproductive Rate %	67.4%	71.8%	72.9%	70.4%	65.1%	68.3%	69.1%	58.4%	57.5%
Mortality Rate %	1.9%	1.7%	1.4%	1.3%	2.6%	1.4%	2.2%	3.1%	3.1%
Enterprise Size (Annual Avg AE)	3,931	649	1,352	3,478	16,639	3,640	3,543	13,408	28,753
Stocking Rate (AE/Ha)	0.09	0.18	0.12	0.09	0.06	0.10	0.08	0.06	0.06

## 8.4.3 Performance by region

### 8.4.3.1 Queensland – Cape & Carpentaria

#### WHOLE BUSINESS INCOME STATEMENT: QUEENSLAND - CAPE & CARPENTARIA

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	341,980	536,356	564,625	561,127	511,384	615,750	744,324	896,787	1,158,611	885,043
Purchases- Beef	(19,973)	(32,467)	(80,511)	(41,897)	(43,017)	(39,289)	(40,233)	(160,850)	(107,147)	(88,809)
Inventory Change- Beef	82,291	35,038	419,072	169,279	165,396	305,213	159,602	791,633	564,631	462,839
Gross Profit- Beef	404,298	538,926	903,186	688,509	633,763	881,674	863,693	1,527,569	1,616,096	1,259,073
Gross Profit- Other Enterprises	4,121	34,854	0	753	11,455	14,251	144	0	0	2,993
Other Income	41,788	22,855	34,583	24,376	29,525	111,813	17,512	71,291	34,309	54,648
<b>GROSS PROFIT</b>	<b>449,744</b>	<b>595,955</b>	<b>937,695</b>	<b>713,638</b>	<b>674,432</b>	<b>1,007,371</b>	<b>881,349</b>	<b>1,598,663</b>	<b>1,650,405</b>	<b>1,316,594</b>
<b>ENTERPRISE EXPENSES</b>	<b>91,652</b>	<b>100,669</b>	<b>144,453</b>	<b>116,378</b>	<b>112,817</b>	<b>143,254</b>	<b>107,975</b>	<b>215,421</b>	<b>208,166</b>	<b>171,761</b>
Beef	89,716	95,401	143,411	115,926	110,507	139,230	107,945	214,893	207,829	170,691
Other Enterprises	1,936	5,268	1,042	452	2,310	4,024	29	528	338	1,070
<b>GROSS MARGIN</b>	<b>358,091</b>	<b>495,286</b>	<b>793,242</b>	<b>597,260</b>	<b>561,615</b>	<b>864,117</b>	<b>773,374</b>	<b>1,383,242</b>	<b>1,442,239</b>	<b>1,144,832</b>
<b>OVERHEAD EXPENSES</b>										
Administration	15,450	26,438	13,008	12,426	17,336	24,429	9,649	9,828	20,510	16,241
Depreciation	47,348	66,135	53,753	69,848	60,875	53,003	48,683	75,269	109,349	75,058
Electricity & Gas	1,446	3,550	2,292	2,869	2,670	2,300	3,692	3,737	6,940	4,455
Freight	26,755	27,207	65,739	70,509	47,935	42,996	32,789	93,949	145,269	84,833
Fuel & Lubricants	25,706	39,472	55,901	44,645	41,780	49,418	41,151	91,018	91,258	70,230
Insurance	6,195	4,752	4,228	5,842	5,241	8,317	3,314	5,049	9,999	6,889
Materials	3,000	1,502	2,505	4,291	2,821	6,940	539	3,960	5,337	4,181
Motor Vehicle Expenses	7,698	7,548	6,058	8,411	7,510	16,146	2,923	8,164	13,112	10,122
Rates & Rents	10,649	19,165	18,249	29,795	20,384	12,805	18,731	24,627	63,675	33,252
R & M General	41,420	42,679	64,457	48,245	48,702	55,988	64,254	108,982	90,988	81,241
Wages (inc stores & rations)	30,791	55,822	81,813	66,314	59,504	61,332	90,965	141,411	174,823	123,134
Wages (Owner)	111,694	98,245	76,896	106,648	98,769	133,522	82,784	50,525	107,555	93,956
	<b>328,152</b>	<b>392,514</b>	<b>444,898</b>	<b>469,844</b>	<b>413,527</b>	<b>467,196</b>	<b>399,476</b>	<b>616,519</b>	<b>838,814</b>	<b>603,593</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>419,804</b>	<b>493,183</b>	<b>589,352</b>	<b>586,222</b>	<b>526,344</b>	<b>610,451</b>	<b>507,450</b>	<b>831,940</b>	<b>1,046,981</b>	<b>775,354</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>29,939</b>	<b>102,771</b>	<b>348,344</b>	<b>127,416</b>	<b>148,088</b>	<b>396,921</b>	<b>373,898</b>	<b>766,723</b>	<b>603,425</b>	<b>541,240</b>
Interest	21,094	41,884	16,786	40,180	31,939	54,999	9,441	17,237	76,626	42,212
<b>EARNINGS BEFORE TAX</b>	<b>8,846</b>	<b>60,887</b>	<b>331,558</b>	<b>87,236</b>	<b>116,149</b>	<b>341,922</b>	<b>364,457</b>	<b>749,485</b>	<b>526,798</b>	<b>499,028</b>

**WHOLE BUSINESS BALANCE SHEET: QUEENSLAND - CAPE & CARPENTARIA**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	223,338	113,601	68,126	85,542	117,302	20,950	254,019	80,258	69,776	107,207
Plant, Equipment & Vehicles	194,107	407,577	219,598	347,401	307,959	278,662	312,906	304,178	587,932	392,038
Livestock	1,932,513	2,634,826	4,632,259	4,127,187	3,357,244	3,203,562	3,678,300	7,836,804	8,742,907	6,145,814
Land & Infrastructure	2,987,097	6,735,646	6,386,034	8,058,254	6,308,396	3,700,546	5,728,868	7,703,961	9,888,630	7,089,350
<b>TOTAL ASSETS</b>	<b>5,337,055</b>	<b>9,891,650</b>	<b>11,306,017</b>	<b>12,618,383</b>	<b>10,090,901</b>	<b>7,203,719</b>	<b>9,974,093</b>	<b>15,925,201</b>	<b>19,289,245</b>	<b>13,734,409</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	43,595	9,230	14,117	2,858	15,178	138,602	20,639	10,157	0	36,129
Plant & Equipment Finance	33,720	10,282	5,618	20,873	16,971	28,800	11,573	0	42,898	22,576
Long Term Debt	291,584	257,008	231,880	518,930	334,550	613,720	65,739	198,911	903,966	478,488
<b>TOTAL LIABILITIES</b>	<b>368,899</b>	<b>276,520</b>	<b>251,615</b>	<b>542,661</b>	<b>366,699</b>	<b>781,123</b>	<b>97,950</b>	<b>209,068</b>	<b>946,864</b>	<b>537,193</b>
<b>NET ASSETS (EQUITY)</b>	<b>4,968,156</b>	<b>9,615,130</b>	<b>11,054,401</b>	<b>12,075,722</b>	<b>9,724,203</b>	<b>6,422,597</b>	<b>9,876,142</b>	<b>15,716,133</b>	<b>18,342,381</b>	<b>13,197,217</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	70	26	8	11	19	4	42	5	4	9
Plant, Equipment & Vehicles	61	92	25	43	50	55	51	20	35	35
Livestock	609	593	522	514	543	634	605	528	520	544
Land & Infrastructure	941	1,517	719	1,004	1,020	732	942	519	588	628
<b>TOTAL ASSETS</b>	<b>1,681</b>	<b>2,228</b>	<b>1,273</b>	<b>1,571</b>	<b>1,632</b>	<b>1,426</b>	<b>1,641</b>	<b>1,072</b>	<b>1,148</b>	<b>1,216</b>
<b>TOTAL LIABILITIES</b>	<b>116</b>	<b>62</b>	<b>28</b>	<b>68</b>	<b>59</b>	<b>155</b>	<b>16</b>	<b>14</b>	<b>56</b>	<b>48</b>
<b>NET ASSETS</b>	<b>1,565</b>	<b>2,166</b>	<b>1,245</b>	<b>1,504</b>	<b>1,573</b>	<b>1,271</b>	<b>1,625</b>	<b>1,058</b>	<b>1,091</b>	<b>1,169</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	0.6%	1.0%	3.1%	1.0%	1.5%	5.5%	3.7%	4.8%	3.1%	3.9%
Capital Return	10.4%	8.5%	5.3%	(1.3%)	5.7%	11.2%	6.2%	6.5%	0.6%	6.1%
<b>Total Business Return</b>	<b>10.9%</b>	<b>9.5%</b>	<b>8.3%</b>	<b>(0.3%)</b>	<b>7.2%</b>	<b>16.7%</b>	<b>10.0%</b>	<b>11.4%</b>	<b>3.7%</b>	<b>10.1%</b>
Equity %	93.1%	97.2%	97.8%	95.7%	96.4%	89.2%	99.0%	98.7%	95.1%	96.1%
Finance Coverage (EBIT/ Finance Costs)	1.4	2.5	20.8	3.2	4.6	7.2	39.6	44.5	7.9	12.8
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	108,991	108,995	124,128	142,523	121,971	98,658	82,610	176,989	198,735	144,557
Total Cattle (head)	2,614	3,725	7,716	6,737	5,234	4,280	5,126	12,929	14,100	9,596
Total Beef AE	3,175	4,440	8,879	8,030	6,183	5,053	6,079	14,856	16,805	11,294
Stocking Rate (AE/Ha) Beef Only	0.03	0.04	0.07	0.06	0.05	0.05	0.07	0.08	0.08	0.07

**BEEF ENTERPRISE INCOME STATEMENT: QUEENSLAND - CAPE & CARPENTARIA**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>127.33</b>	<b>121.39</b>	<b>101.72</b>	<b>85.75</b>	<b>102.50</b>	<b>174.49</b>	<b>142.09</b>	<b>102.82</b>	<b>96.17</b>	<b>111.49</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.17	0.28	0.51	0.67	0.49	0.08	0.14	0.64	0.92	0.66
Insurance & Materials	5.21	2.60	3.76	2.21	3.07	4.09	2.19	4.07	1.92	2.80
Mustering & Contracting	5.72	3.56	4.42	5.01	4.59	4.91	3.29	4.17	4.09	4.09
Selling Costs	5.65	1.22	1.03	1.30	1.64	6.36	0.75	0.77	1.13	1.46
Fodder	11.51	13.83	6.43	5.25	8.08	12.11	11.38	4.81	4.31	6.12
	<b>28.26</b>	<b>21.49</b>	<b>16.15</b>	<b>14.44</b>	<b>17.87</b>	<b>27.56</b>	<b>17.76</b>	<b>14.46</b>	<b>12.37</b>	<b>15.11</b>
<b>GROSS MARGIN</b>	<b>99.08</b>	<b>99.90</b>	<b>85.57</b>	<b>71.31</b>	<b>84.63</b>	<b>146.94</b>	<b>124.33</b>	<b>88.36</b>	<b>83.80</b>	<b>96.37</b>
<b>OVERHEAD EXPENSES</b>										
Administration	4.37	5.39	1.41	1.49	2.59	4.23	1.56	0.63	1.20	1.36
Depreciation	13.40	13.47	5.83	8.39	9.20	9.18	7.85	4.84	6.37	6.37
Electricity & Gas	0.41	0.72	0.25	0.34	0.40	0.40	0.60	0.24	0.40	0.38
Freight	7.57	5.54	7.13	8.47	7.34	7.45	5.29	6.04	8.46	7.23
Fuel & Lubricants	7.28	8.04	6.06	5.36	6.35	8.56	6.63	5.85	5.32	5.95
Insurance	1.75	0.97	0.46	0.70	0.79	1.44	0.53	0.32	0.58	0.58
Materials	0.85	0.31	0.27	0.52	0.43	1.20	0.09	0.25	0.31	0.35
Motor Vehicle Expenses	2.18	1.54	0.66	1.01	1.13	2.80	0.47	0.53	0.76	0.84
Rates & Rents	3.01	3.90	1.98	3.58	3.10	2.22	3.02	1.58	3.71	2.85
R & M General	11.73	8.69	6.99	5.80	7.38	9.70	10.36	7.01	5.30	6.89
Wages	8.72	11.37	8.88	7.97	9.05	10.62	14.67	9.10	10.19	10.49
Wages (Owner)	31.62	20.01	8.34	12.81	14.89	23.13	13.35	3.25	6.27	7.87
	<b>92.91</b>	<b>79.95</b>	<b>48.26</b>	<b>56.45</b>	<b>62.67</b>	<b>80.93</b>	<b>64.40</b>	<b>39.65</b>	<b>48.88</b>	<b>51.16</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>121.16</b>	<b>101.44</b>	<b>64.42</b>	<b>70.89</b>	<b>80.54</b>	<b>108.48</b>	<b>82.16</b>	<b>54.12</b>	<b>61.24</b>	<b>66.27</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>6.17</b>	<b>19.95</b>	<b>37.31</b>	<b>14.86</b>	<b>21.96</b>	<b>66.01</b>	<b>59.93</b>	<b>48.71</b>	<b>34.92</b>	<b>45.22</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.06	\$1.94	\$1.70	\$1.61	\$1.76	\$2.01	\$1.96	\$1.78	\$1.61	\$1.76
Cost of Production (\$/kg LW)	\$1.96	\$1.62	\$1.08	\$1.33	\$1.39	\$1.25	\$1.13	\$0.94	\$1.02	\$1.05
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.10</b>	<b>\$0.32</b>	<b>\$0.63</b>	<b>\$0.28</b>	<b>\$0.38</b>	<b>\$0.76</b>	<b>\$0.83</b>	<b>\$0.84</b>	<b>\$0.58</b>	<b>\$0.71</b>
Kg Beef/ AE	61.9	62.7	59.7	53.2	58.1	86.7	72.4	57.8	59.9	63.4
Labour Efficiency (AE/FTE)	1,070	1,416	2,681	2,192	1,877	1,246	1,549	3,649	2,704	2,393
Labour Costs (\$/AE)	40.34	31.38	17.22	20.78	23.94	33.75	28.01	12.35	16.45	18.36
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$656	\$567	\$370	\$447	\$475	\$718	\$517	\$339	\$445	\$450
Sale Weight/ Head Sold (all sales)	324	288	226	266	266	355	263	207	265	255
Reproductive Rate %	52.5%	58.6%	66.8%	53.9%	58.5%	61.2%	69.7%	70.0%	56.6%	62.6%
Mortality Rate %	5.5%	3.9%	4.6%	5.0%	4.7%	2.3%	3.1%	4.0%	4.2%	3.8%
Enterprise Size (Annual Avg AE)	3,175	4,440	8,879	8,030	6,183	5,053	6,079	14,856	16,805	11,294



### 8.4.3.2 Queensland – West & South West

#### WHOLE BUSINESS INCOME STATEMENT: QUEENSLAND - WEST & SOUTH WEST

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	776,256	798,503	752,295	720,104	755,689	963,087	619,338	1,162,773	831,295	923,763
Purchases- Beef	(81,157)	(111,119)	(168,864)	(242,570)	(162,472)	(116,979)	(94,116)	(257,243)	(180,734)	(176,331)
Inventory Change- Beef	9,583	(91,489)	(102,659)	318,353	43,953	114,257	256,103	119,580	465,035	247,181
Gross Profit- Beef	704,682	595,896	480,772	795,887	637,169	960,364	781,326	1,025,110	1,115,597	994,613
Gross Profit- Other Enterprises	88,343	46,718	34,126	39,232	48,831	65,344	107,780	46,516	34,698	57,968
Other Income	21,794	114,038	88,849	51,827	68,658	5,419	87,888	174,895	67,664	92,879
<b>GROSS PROFIT</b>	<b>808,247</b>	<b>753,621</b>	<b>601,384</b>	<b>885,106</b>	<b>751,472</b>	<b>1,025,589</b>	<b>972,472</b>	<b>1,246,217</b>	<b>1,217,958</b>	<b>1,143,427</b>
<b>ENTERPRISE EXPENSES</b>	<b>161,079</b>	<b>147,178</b>	<b>135,956</b>	<b>103,657</b>	<b>133,655</b>	<b>162,699</b>	<b>128,346</b>	<b>159,876</b>	<b>80,486</b>	<b>130,843</b>
Beef	150,100	133,528	131,135	97,222	125,617	157,174	112,743	154,473	76,878	124,084
Other Enterprises	10,979	13,650	4,822	6,435	8,038	5,525	15,603	5,403	3,608	6,759
<b>GROSS MARGIN</b>	<b>647,168</b>	<b>606,442</b>	<b>465,428</b>	<b>781,449</b>	<b>617,817</b>	<b>862,890</b>	<b>844,125</b>	<b>1,086,341</b>	<b>1,137,472</b>	<b>1,012,584</b>
<b>OVERHEAD EXPENSES</b>										
Administration	35,962	66,535	25,817	29,258	35,758	36,630	106,816	45,885	37,467	52,679
Depreciation	59,984	93,377	55,712	70,274	67,151	53,215	101,053	85,375	78,835	79,855
Electricity & Gas	5,522	8,693	5,540	8,136	6,819	5,859	9,021	7,683	6,973	7,350
Freight	49,263	48,957	54,576	81,283	60,263	66,401	38,040	50,209	84,612	61,537
Fuel & Lubricants	46,473	58,496	49,395	44,233	48,839	45,435	63,019	59,483	45,274	53,059
Insurance	13,789	14,241	9,449	16,221	13,104	14,168	20,949	9,988	15,634	14,527
Materials	2,895	8,022	6,376	2,818	4,912	810	3,640	8,943	2,235	4,332
Motor Vehicle Expenses	18,492	8,859	8,888	13,199	12,097	20,615	8,039	7,345	18,389	13,440
Rates & Rents	18,498	40,982	23,291	33,298	28,187	19,760	28,766	35,661	37,744	31,842
R & M General	101,928	78,215	49,083	53,480	66,092	111,295	22,840	61,570	53,235	61,914
Wages (inc stores & rations)	57,246	69,894	63,082	77,944	67,333	53,591	88,787	91,859	95,161	84,633
Wages (Owner)	123,320	105,800	94,217	92,491	101,633	135,678	103,459	93,243	78,310	99,123
	<b>533,373</b>	<b>602,069</b>	<b>445,425</b>	<b>522,634</b>	<b>512,186</b>	<b>563,456</b>	<b>594,429</b>	<b>557,244</b>	<b>553,869</b>	<b>564,291</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>694,452</b>	<b>749,248</b>	<b>581,381</b>	<b>626,291</b>	<b>645,841</b>	<b>726,155</b>	<b>722,775</b>	<b>717,120</b>	<b>634,355</b>	<b>695,134</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>113,795</b>	<b>4,373</b>	<b>20,003</b>	<b>258,815</b>	<b>105,631</b>	<b>299,434</b>	<b>249,697</b>	<b>529,097</b>	<b>583,603</b>	<b>448,293</b>
Interest	69,868	135,201	115,990	138,197	116,205	48,505	201,092	190,105	180,953	161,054
<b>EARNINGS BEFORE TAX</b>	<b>43,927</b>	<b>(130,828)</b>	<b>(95,987)</b>	<b>120,618</b>	<b>(10,574)</b>	<b>250,929</b>	<b>48,605</b>	<b>338,992</b>	<b>402,651</b>	<b>287,239</b>

**WHOLE BUSINESS BALANCE SHEET: QUEENSLAND - WEST & SOUTH WEST**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	171,338	213,795	193,080	86,533	161,312	134,310	39,332	93,059	46,986	77,637
Plant, Equipment & Vehicles	288,439	517,611	310,194	422,662	373,245	163,082	612,867	363,530	439,561	391,962
Livestock	2,507,783	2,424,257	1,934,364	2,917,620	2,418,759	2,796,269	3,221,199	3,471,217	3,391,132	3,266,365
Land & Infrastructure	4,689,483	7,347,667	7,969,650	7,288,267	6,995,869	3,727,098	8,762,289	10,608,657	6,742,844	7,734,101
<b>TOTAL ASSETS</b>	<b>7,657,044</b>	<b>10,503,330</b>	<b>10,407,288</b>	<b>10,715,083</b>	<b>9,949,186</b>	<b>6,820,759</b>	<b>12,635,688</b>	<b>14,536,463</b>	<b>10,620,523</b>	<b>11,470,065</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	341,538	477,839	141,250	103,808	228,220	363,270	537,660	146,215	178,831	271,176
Plant & Equipment Finance	31,559	62,037	28,046	36,516	36,948	15,023	83,640	48,556	45,731	47,434
Long Term Debt	635,427	1,423,678	1,390,005	1,684,018	1,326,149	206,181	1,827,132	2,380,179	1,789,977	1,666,927
<b>TOTAL LIABILITIES</b>	<b>1,008,524</b>	<b>1,963,554</b>	<b>1,559,301</b>	<b>1,824,342</b>	<b>1,591,317</b>	<b>584,474</b>	<b>2,448,432</b>	<b>2,574,950</b>	<b>2,014,539</b>	<b>1,985,537</b>
<b>NET ASSETS (EQUITY)</b>	<b>6,648,520</b>	<b>8,539,776</b>	<b>8,847,987</b>	<b>8,890,741</b>	<b>8,357,869</b>	<b>6,236,285</b>	<b>10,187,256</b>	<b>11,961,513</b>	<b>8,605,984</b>	<b>9,484,528</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	40	51	48	17	36	28	7	13	8	13
Plant, Equipment & Vehicles	67	124	77	81	84	34	117	52	75	66
Livestock	583	580	479	558	542	586	614	494	576	553
Land & Infrastructure	1,090	1,759	1,973	1,394	1,569	781	1,670	1,510	1,146	1,309
<b>TOTAL ASSETS</b>	<b>1,780</b>	<b>2,514</b>	<b>2,577</b>	<b>2,049</b>	<b>2,231</b>	<b>1,429</b>	<b>2,408</b>	<b>2,069</b>	<b>1,805</b>	<b>1,942</b>
<b>TOTAL LIABILITIES</b>	<b>234</b>	<b>470</b>	<b>386</b>	<b>349</b>	<b>357</b>	<b>122</b>	<b>467</b>	<b>367</b>	<b>342</b>	<b>336</b>
<b>NET ASSETS</b>	<b>1,545</b>	<b>2,044</b>	<b>2,191</b>	<b>1,700</b>	<b>1,874</b>	<b>1,306</b>	<b>1,941</b>	<b>1,703</b>	<b>1,463</b>	<b>1,606</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	1.5%	0.0%	0.2%	2.4%	1.1%	4.4%	2.0%	3.6%	5.5%	3.9%
Capital Return	11.9%	4.2%	3.4%	(5.7%)	3.5%	15.0%	4.0%	4.1%	(2.8%)	5.1%
<b>Total Business Return</b>	<b>13.4%</b>	<b>4.2%</b>	<b>3.6%</b>	<b>(3.3%)</b>	<b>4.5%</b>	<b>19.4%</b>	<b>6.0%</b>	<b>7.7%</b>	<b>2.7%</b>	<b>9.0%</b>
Equity %	86.8%	81.3%	85.0%	83.0%	84.0%	91.4%	80.6%	82.3%	81.0%	82.7%
Finance Coverage (EBIT/ Finance Costs)	1.6	0.0	0.2	1.9	0.9	6.2	1.2	2.8	3.2	2.8
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	95,865	135,224	90,019	102,535	102,460	119,848	136,860	184,041	134,677	147,743
Total Cattle (head)	3,659	3,534	3,391	4,431	3,771	3,974	4,423	5,939	5,013	4,990
Total Beef AE	4,302	4,178	4,038	5,229	4,460	4,774	5,248	7,026	5,883	5,907
Stocking Rate (AE/Ha) Beef Only	0.04	0.03	0.04	0.05	0.04	0.04	0.04	0.04	0.04	0.04



**BEEF ENTERPRISE INCOME STATEMENT: QUEENSLAND - WEST & SOUTH WEST**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>163.78</b>	<b>142.63</b>	<b>119.05</b>	<b>152.22</b>	<b>142.86</b>	<b>201.15</b>	<b>148.89</b>	<b>145.91</b>	<b>189.63</b>	<b>168.39</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.22	0.18	0.26	0.45	0.31	0.20	0.03	0.24	0.48	0.27
Insurance & Materials	3.58	3.64	4.37	3.74	3.88	2.97	4.46	3.36	2.33	3.17
Mustering & Contracting	6.67	4.37	6.02	4.61	5.41	9.57	1.12	3.98	2.70	4.04
Selling Costs	11.03	1.98	7.13	3.98	6.02	12.07	1.64	5.67	2.98	5.24
Fodder	13.39	21.79	14.68	5.82	12.55	8.11	14.24	8.73	4.58	8.29
	<b>34.89</b>	<b>31.96</b>	<b>32.47</b>	<b>18.59</b>	<b>28.16</b>	<b>32.92</b>	<b>21.48</b>	<b>21.99</b>	<b>13.07</b>	<b>21.01</b>
<b>GROSS MARGIN</b>	<b>128.90</b>	<b>110.67</b>	<b>86.58</b>	<b>133.63</b>	<b>114.69</b>	<b>168.23</b>	<b>127.41</b>	<b>123.92</b>	<b>176.56</b>	<b>147.38</b>
<b>OVERHEAD EXPENSES</b>										
Administration	7.29	12.59	5.11	5.03	6.70	7.18	16.35	5.37	5.83	7.59
Depreciation	12.16	17.67	11.03	12.09	12.66	10.44	15.47	10.00	12.27	11.64
Electricity & Gas	1.12	1.65	1.10	1.40	1.29	1.15	1.38	0.90	1.09	1.07
Freight	9.98	9.27	10.80	13.98	11.47	13.02	5.82	5.88	13.17	9.20
Fuel & Lubricants	9.42	11.07	9.78	7.61	9.18	8.91	9.65	6.96	7.05	7.74
Insurance	2.79	2.70	1.87	2.79	2.49	2.78	3.21	1.17	2.43	2.14
Materials	0.59	1.52	1.26	0.48	0.91	0.16	0.56	1.05	0.35	0.61
Motor Vehicle Expenses	3.75	1.68	1.76	2.27	2.31	4.04	1.23	0.86	2.86	2.03
Rates & Rents	3.75	7.76	4.61	5.73	5.32	3.88	4.40	4.18	5.88	4.67
R & M General	20.65	14.80	9.72	9.20	12.51	21.83	3.50	7.21	8.29	9.29
Wages	11.60	13.23	12.49	13.40	12.74	10.51	13.59	10.76	14.82	12.39
Wages (Owner)	24.99	20.02	18.65	15.91	19.19	26.61	15.84	10.92	12.19	14.64
	<b>108.08</b>	<b>113.95</b>	<b>88.17</b>	<b>89.88</b>	<b>96.76</b>	<b>110.51</b>	<b>91.01</b>	<b>65.24</b>	<b>86.23</b>	<b>83.03</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>142.97</b>	<b>145.91</b>	<b>120.65</b>	<b>108.48</b>	<b>124.92</b>	<b>143.43</b>	<b>112.50</b>	<b>87.23</b>	<b>99.30</b>	<b>104.04</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>20.81</b>	<b>(3.28)</b>	<b>(1.60)</b>	<b>43.74</b>	<b>17.93</b>	<b>57.72</b>	<b>36.40</b>	<b>58.68</b>	<b>90.33</b>	<b>64.35</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.00	\$2.04	\$1.63	\$1.75	\$1.81	\$2.04	\$1.86	\$1.58	\$1.71	\$1.74
Cost of Production (\$/kg LW)	\$1.75	\$2.08	\$1.65	\$1.25	\$1.58	\$1.46	\$1.41	\$0.94	\$0.90	\$1.07
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.25</b>	<b>(\$0.05)</b>	<b>(\$0.02)</b>	<b>\$0.50</b>	<b>\$0.23</b>	<b>\$0.59</b>	<b>\$0.46</b>	<b>\$0.63</b>	<b>\$0.81</b>	<b>\$0.66</b>
Kg Beef/ AE	81.8	70.1	72.9	87.1	79.0	98.5	79.9	92.4	110.9	96.9
Labour Efficiency (AE/FTE)	1,161	1,312	1,575	1,633	1,445	1,207	1,312	2,105	1,802	1,659
Labour Costs (\$/AE)	36.59	33.25	31.14	29.31	31.93	37.12	29.43	21.67	27.01	27.03
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$714	\$679	\$614	\$685	\$664	\$749	\$752	\$626	\$773	\$700
Sale Weight/ Head Sold (all sales)	362	354	385	419	384	379	392	392	472	409
Reproductive Rate %	61.7%	59.9%	56.9%	67.7%	61.6%	66.6%	58.2%	64.6%	86.0%	68.7%
Mortality Rate %	4.0%	3.2%	2.9%	1.8%	2.8%	1.7%	2.3%	1.7%	2.0%	1.9%
Enterprise Size (Annual Avg AE)	4,302	4,178	4,038	5,229	4,460	4,774	5,248	7,026	5,883	5,907

### 8.4.3.3 Queensland – Central North

#### WHOLE BUSINESS INCOME STATEMENT: QUEENSLAND - CENTRAL NORTH

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	671,421	796,239	586,947	518,303	631,656	1,001,107	1,341,672	1,185,046	836,611	1,094,412
Purchases- Beef	(100,927)	(82,376)	(137,402)	(39,287)	(90,702)	(142,395)	(165,825)	(308,892)	(73,487)	(179,177)
Inventory Change- Beef	54,140	(124,714)	76,042	3,753	5,323	256,266	(92,061)	244,956	57,866	111,098
Gross Profit- Beef	624,634	589,149	525,588	482,769	546,277	1,114,978	1,083,786	1,121,110	820,991	1,026,333
Gross Profit- Other Enterprises	36,941	17,827	4,218	3,265	13,014	99,507	39,285	12,186	4,187	31,370
Other Income	24,338	25,182	62,822	40,790	41,001	28,284	32,996	92,086	79,572	63,213
<b>GROSS PROFIT</b>	<b>684,462</b>	<b>630,443</b>	<b>591,295</b>	<b>525,244</b>	<b>598,780</b>	<b>1,240,010</b>	<b>1,150,581</b>	<b>1,222,848</b>	<b>904,556</b>	<b>1,118,277</b>
<b>ENTERPRISE EXPENSES</b>	<b>134,069</b>	<b>128,504</b>	<b>115,249</b>	<b>112,179</b>	<b>120,866</b>	<b>210,694</b>	<b>168,948</b>	<b>186,126</b>	<b>163,805</b>	<b>179,757</b>
Beef	128,229	123,061	110,926	108,668	116,235	197,036	160,572	180,071	160,098	172,506
Other Enterprises	5,840	5,444	4,323	3,511	4,630	13,657	8,376	6,056	3,707	7,251
<b>GROSS MARGIN</b>	<b>550,393</b>	<b>501,939</b>	<b>476,046</b>	<b>413,065</b>	<b>477,914</b>	<b>1,029,317</b>	<b>981,633</b>	<b>1,036,721</b>	<b>740,751</b>	<b>938,520</b>
<b>OVERHEAD EXPENSES</b>										
Administration	22,806	26,965	27,722	17,736	23,877	22,496	44,382	40,344	25,338	34,096
Depreciation	39,873	45,551	43,391	42,186	42,923	51,717	62,644	64,344	53,403	58,709
Electricity & Gas	3,627	3,816	5,341	5,702	4,778	5,008	6,532	9,042	8,311	7,536
Freight	24,418	26,413	24,668	26,655	25,582	39,878	41,531	41,583	42,546	41,553
Fuel & Lubricants	29,342	29,208	32,181	25,477	29,110	30,048	37,522	51,652	33,786	39,485
Insurance	8,669	7,026	8,428	9,289	8,386	13,061	9,660	12,688	14,185	12,426
Materials	5,131	7,080	3,801	2,698	4,495	12,373	5,604	6,501	4,549	6,722
Motor Vehicle Expenses	5,627	6,990	6,188	6,555	6,375	6,780	9,163	7,673	6,986	7,696
Rates & Rents	17,743	16,977	15,627	18,220	17,045	21,467	28,875	24,865	25,006	25,319
R & M General	60,845	52,314	48,254	38,493	48,747	71,252	58,765	69,578	50,356	61,781
Wages (inc stores & rations)	41,131	44,335	40,337	34,250	39,712	65,295	80,326	72,970	47,972	66,444
Wages (Owner)	128,156	115,808	109,591	106,510	113,524	122,027	112,640	131,702	110,818	119,485
	<b>387,368</b>	<b>382,481</b>	<b>365,528</b>	<b>333,770</b>	<b>364,553</b>	<b>461,402</b>	<b>497,644</b>	<b>532,941</b>	<b>423,257</b>	<b>481,253</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>521,437</b>	<b>510,986</b>	<b>480,777</b>	<b>445,949</b>	<b>485,418</b>	<b>672,096</b>	<b>666,592</b>	<b>719,068</b>	<b>587,061</b>	<b>661,010</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>163,025</b>	<b>119,458</b>	<b>110,518</b>	<b>79,295</b>	<b>113,361</b>	<b>567,915</b>	<b>483,989</b>	<b>503,780</b>	<b>317,495</b>	<b>457,267</b>
Interest	41,495	63,273	82,774	95,845	74,444	77,851	110,191	175,477	166,966	140,488
<b>EARNINGS BEFORE TAX</b>	<b>121,530</b>	<b>56,184</b>	<b>27,744</b>	<b>(16,550)</b>	<b>38,917</b>	<b>490,064</b>	<b>373,798</b>	<b>328,303</b>	<b>150,528</b>	<b>316,779</b>

**WHOLE BUSINESS BALANCE SHEET: QUEENSLAND - CENTRAL NORTH**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	305,218	373,029	319,019	190,175	293,166	455,089	632,646	278,955	283,854	397,282
Plant, Equipment & Vehicles	250,353	319,344	307,218	297,894	297,181	302,831	448,030	426,725	364,625	393,543
Livestock	2,498,062	2,170,501	1,788,916	1,883,074	2,031,655	3,556,892	3,561,329	3,359,853	2,940,552	3,324,702
Land & Infrastructure	4,098,474	5,699,881	7,348,557	5,681,236	5,914,924	5,091,483	8,336,471	10,418,534	8,008,725	8,326,183
<b>TOTAL ASSETS</b>	<b>7,152,108</b>	<b>8,562,755</b>	<b>9,763,710</b>	<b>8,052,379</b>	<b>8,536,927</b>	<b>9,406,295</b>	<b>12,978,476</b>	<b>14,484,067</b>	<b>11,597,757</b>	<b>12,441,711</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	151,382	107,735	577,175	405,822	343,616	112,917	55,466	1,391,310	471,494	586,883
Plant & Equipment Finance	19,141	14,330	29,166	45,767	28,539	44,203	13,001	27,653	51,735	33,623
Long Term Debt	535,889	714,084	536,609	930,885	687,576	1,192,115	1,204,658	824,191	1,805,833	1,256,671
<b>TOTAL LIABILITIES</b>	<b>706,411</b>	<b>836,149</b>	<b>1,142,951</b>	<b>1,382,474</b>	<b>1,059,731</b>	<b>1,349,235</b>	<b>1,273,125</b>	<b>2,243,154</b>	<b>2,329,061</b>	<b>1,877,177</b>
<b>NET ASSETS (EQUITY)</b>	<b>6,445,697</b>	<b>7,726,605</b>	<b>8,620,759</b>	<b>6,669,905</b>	<b>7,477,196</b>	<b>8,057,060</b>	<b>11,705,351</b>	<b>12,240,914</b>	<b>9,268,695</b>	<b>10,564,534</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	73	96	86	50	76	78	100	41	47	63
Plant, Equipment & Vehicles	60	82	83	78	77	52	71	62	61	62
Livestock	598	558	485	492	526	608	564	491	490	527
Land & Infrastructure	982	1,466	1,991	1,484	1,531	870	1,319	1,524	1,335	1,320
<b>TOTAL ASSETS</b>	<b>1,713</b>	<b>2,203</b>	<b>2,645</b>	<b>2,103</b>	<b>2,210</b>	<b>1,608</b>	<b>2,054</b>	<b>2,119</b>	<b>1,934</b>	<b>1,973</b>
<b>TOTAL LIABILITIES</b>	<b>169</b>	<b>215</b>	<b>310</b>	<b>361</b>	<b>274</b>	<b>231</b>	<b>202</b>	<b>328</b>	<b>388</b>	<b>298</b>
<b>NET ASSETS</b>	<b>1,544</b>	<b>1,987</b>	<b>2,335</b>	<b>1,742</b>	<b>1,936</b>	<b>1,377</b>	<b>1,853</b>	<b>1,791</b>	<b>1,545</b>	<b>1,675</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	2.3%	1.4%	1.1%	1.0%	1.3%	6.0%	3.7%	3.5%	2.7%	3.7%
Capital Return	13.5%	4.4%	8.9%	(4.0%)	5.7%	11.6%	8.5%	14.4%	(4.1%)	7.6%
<b>Total Business Return</b>	<b>15.8%</b>	<b>5.8%</b>	<b>10.0%</b>	<b>(3.0%)</b>	<b>7.1%</b>	<b>17.7%</b>	<b>12.2%</b>	<b>17.9%</b>	<b>(1.4%)</b>	<b>11.3%</b>
Equity %	90.1%	90.2%	88.3%	82.8%	87.6%	85.7%	90.2%	84.5%	79.9%	84.9%
Finance Coverage (EBIT/ Finance Costs)	3.9	1.9	1.3	0.8	1.5	7.3	4.4	2.9	1.9	3.3
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	41,895	38,661	36,808	36,999	38,209	44,153	56,549	56,748	52,455	53,361
Total Cattle (head)	3,509	3,289	3,106	3,295	3,274	4,931	5,372	5,776	5,205	5,373
Total Beef AE	4,176	3,888	3,692	3,828	3,863	5,851	6,318	6,837	5,998	6,306
Stocking Rate (AE/Ha) Beef Only	0.10	0.10	0.10	0.10	0.10	0.13	0.11	0.12	0.11	0.12

**BEEF ENTERPRISE INCOME STATEMENT: QUEENSLAND - CENTRAL NORTH**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>149.59</b>	<b>151.55</b>	<b>142.37</b>	<b>126.10</b>	<b>141.43</b>	<b>190.56</b>	<b>171.54</b>	<b>163.99</b>	<b>136.88</b>	<b>162.76</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.20	0.22	1.02	0.51	0.53	0.20	0.21	1.19	0.30	0.56
Insurance & Materials	2.46	3.18	3.90	2.79	3.14	2.57	2.84	3.10	2.98	2.92
Mustering & Contracting	3.83	2.52	4.38	4.31	3.82	2.87	1.77	5.51	3.99	3.76
Selling Costs	7.34	1.39	5.06	3.64	4.25	9.30	1.24	4.93	4.83	4.68
Fodder	16.88	24.35	15.70	17.13	18.34	18.73	19.35	11.61	14.59	15.44
	<b>30.71</b>	<b>31.65</b>	<b>30.05</b>	<b>28.38</b>	<b>30.09</b>	<b>33.67</b>	<b>25.41</b>	<b>26.34</b>	<b>26.69</b>	<b>27.36</b>
<b>GROSS MARGIN</b>	<b>118.88</b>	<b>119.89</b>	<b>112.33</b>	<b>97.72</b>	<b>111.34</b>	<b>156.88</b>	<b>146.12</b>	<b>137.65</b>	<b>110.19</b>	<b>135.40</b>
<b>OVERHEAD EXPENSES</b>										
Administration	4.98	6.48	6.67	4.26	5.63	3.46	6.62	5.41	3.83	4.98
Depreciation	8.71	10.95	10.45	10.13	10.14	7.95	9.34	8.63	8.08	8.55
Electricity & Gas	0.79	0.92	1.29	1.37	1.13	0.77	0.97	1.21	1.26	1.10
Freight	5.34	6.35	5.94	6.40	6.04	6.13	6.19	5.58	6.44	6.05
Fuel & Lubricants	6.41	7.02	7.75	6.12	6.87	4.62	5.59	6.93	5.11	5.75
Insurance	1.89	1.69	2.03	2.23	1.98	2.01	1.44	1.70	2.15	1.80
Materials	1.12	1.70	0.92	0.65	1.07	1.90	0.84	0.87	0.69	0.98
Motor Vehicle Expenses	1.23	1.68	1.49	1.57	1.51	1.04	1.37	1.03	1.06	1.12
Rates & Rents	3.88	4.08	3.76	4.37	4.03	3.30	4.30	3.33	3.78	3.69
R & M General	13.30	12.58	11.62	9.24	11.51	10.95	8.76	9.33	7.62	8.99
Wages	8.99	10.66	9.71	8.22	9.38	10.03	11.98	9.79	7.26	9.69
Wages (Owner)	28.01	27.84	26.39	25.57	26.82	18.75	16.79	17.66	16.77	17.38
	<b>84.66</b>	<b>91.94</b>	<b>88.01</b>	<b>80.13</b>	<b>86.10</b>	<b>70.90</b>	<b>74.19</b>	<b>71.47</b>	<b>64.05</b>	<b>70.07</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>115.37</b>	<b>123.59</b>	<b>118.06</b>	<b>108.52</b>	<b>116.19</b>	<b>104.58</b>	<b>99.61</b>	<b>97.81</b>	<b>90.74</b>	<b>97.42</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>34.22</b>	<b>27.95</b>	<b>24.31</b>	<b>17.58</b>	<b>25.24</b>	<b>85.98</b>	<b>71.93</b>	<b>66.18</b>	<b>46.14</b>	<b>65.34</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.91	\$1.86	\$1.54	\$1.56	\$1.68	\$1.86	\$1.85	\$1.58	\$1.58	\$1.69
Cost of Production (\$/kg LW)	\$1.47	\$1.52	\$1.27	\$1.34	\$1.38	\$1.02	\$1.07	\$0.94	\$1.05	\$1.01
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.44</b>	<b>\$0.34</b>	<b>\$0.26</b>	<b>\$0.22</b>	<b>\$0.30</b>	<b>\$0.84</b>	<b>\$0.78</b>	<b>\$0.64</b>	<b>\$0.53</b>	<b>\$0.68</b>
Kg Beef/ AE	78.3	81.5	92.6	80.9	84.0	102.5	92.7	103.9	86.5	96.2
Labour Efficiency (AE/FTE)	1,173	1,127	1,292	1,403	1,252	1,465	1,422	1,568	1,930	1,590
Labour Costs (\$/AE)	37.00	38.49	36.10	33.79	36.20	28.79	28.77	27.45	24.03	27.07
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$752	\$795	\$734	\$680	\$741	\$839	\$820	\$806	\$678	\$783
Sale Weight/ Head Sold (all sales)	391	425	472	426	433	437	439	518	425	460
Reproductive Rate %	55.0%	53.2%	53.8%	60.0%	55.6%	62.6%	57.4%	54.9%	61.8%	58.6%
Mortality Rate %	2.8%	2.8%	1.7%	1.7%	2.2%	2.3%	2.7%	1.8%	1.6%	2.1%
Enterprise Size (Annual Avg AE)	4,176	3,888	3,692	3,828	3,863	5,851	6,318	6,837	5,998	6,306

### 8.4.3.4 Queensland – Central West

#### WHOLE BUSINESS INCOME STATEMENT: QUEENSLAND - CENTRAL WEST

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	651,129	494,971	418,084	403,309	472,105	580,757	672,469	659,397	683,945	656,649
Purchases- Beef	(84,647)	(105,218)	(44,215)	(31,702)	(62,567)	(72,499)	(144,472)	(65,168)	(47,134)	(83,365)
Inventory Change- Beef	(34,919)	56,796	28,635	54,171	32,532	62,336	147,610	92,002	112,965	108,531
Gross Profit- Beef	531,563	446,550	402,505	425,779	442,070	570,594	675,607	686,230	749,776	681,815
Gross Profit- Other Enterprises	22,536	10,122	14,267	6,170	12,231	2,939	3,271	17,497	8,792	8,488
Other Income	31,561	38,150	45,449	24,114	34,995	44,058	64,090	43,795	40,472	48,550
<b>GROSS PROFIT</b>	<b>577,347</b>	<b>494,567</b>	<b>460,528</b>	<b>455,358</b>	<b>487,142</b>	<b>617,199</b>	<b>742,466</b>	<b>747,142</b>	<b>798,722</b>	<b>738,454</b>
<b>ENTERPRISE EXPENSES</b>	<b>102,931</b>	<b>95,167</b>	<b>83,863</b>	<b>59,038</b>	<b>82,568</b>	<b>97,899</b>	<b>133,020</b>	<b>122,713</b>	<b>95,942</b>	<b>113,553</b>
Beef	95,964	88,303	79,000	56,985	77,680	94,407	125,433	112,267	92,676	107,187
Other Enterprises	6,967	6,864	4,863	2,053	4,888	3,492	7,587	10,446	3,266	6,366
<b>GROSS MARGIN</b>	<b>474,416</b>	<b>399,400</b>	<b>376,665</b>	<b>396,321</b>	<b>404,574</b>	<b>519,300</b>	<b>609,446</b>	<b>624,429</b>	<b>702,780</b>	<b>624,901</b>
<b>OVERHEAD EXPENSES</b>										
Administration	24,084	29,946	16,921	27,807	24,593	20,172	42,507	17,770	27,679	27,976
Depreciation	37,274	41,283	38,283	40,108	39,402	41,406	48,620	41,903	57,115	48,112
Electricity & Gas	3,443	4,647	4,115	4,342	4,202	3,106	4,698	4,594	5,901	4,747
Freight	29,425	16,676	17,651	15,961	18,887	18,690	17,366	20,341	28,846	21,694
Fuel & Lubricants	28,495	33,220	29,759	20,978	27,821	29,828	47,282	46,333	28,577	38,604
Insurance	9,519	6,839	7,078	7,761	7,630	8,954	9,255	7,158	12,440	9,586
Materials	2,665	5,231	5,321	3,288	4,252	2,435	9,157	4,903	4,204	5,465
Motor Vehicle Expenses	9,328	9,724	8,198	5,671	8,024	7,951	9,125	11,779	10,711	10,069
Rates & Rents	12,764	12,550	12,265	12,116	12,376	11,824	11,901	12,923	18,551	14,082
R & M General	60,467	53,140	37,223	37,758	45,266	56,063	42,147	49,581	53,934	49,882
Wages (inc stores & rations)	53,442	32,522	15,528	15,845	26,240	43,877	48,560	26,174	17,991	33,102
Wages (Owner)	106,791	112,357	104,273	96,601	104,453	110,571	120,078	119,236	100,206	112,456
	<b>377,697</b>	<b>358,136</b>	<b>296,615</b>	<b>288,235</b>	<b>323,147</b>	<b>354,876</b>	<b>410,696</b>	<b>362,694</b>	<b>366,156</b>	<b>375,774</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>480,628</b>	<b>453,303</b>	<b>380,478</b>	<b>347,273</b>	<b>405,715</b>	<b>452,774</b>	<b>543,716</b>	<b>485,407</b>	<b>462,098</b>	<b>489,327</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>96,719</b>	<b>41,264</b>	<b>80,050</b>	<b>108,085</b>	<b>81,427</b>	<b>164,424</b>	<b>198,751</b>	<b>261,735</b>	<b>336,624</b>	<b>249,127</b>
Interest	55,749	63,643	51,995	49,126	54,691	51,567	91,873	41,732	105,019	75,815
<b>EARNINGS BEFORE TAX</b>	<b>40,970</b>	<b>(22,379)</b>	<b>28,056</b>	<b>58,959</b>	<b>26,736</b>	<b>112,858</b>	<b>106,878</b>	<b>220,003</b>	<b>231,605</b>	<b>173,311</b>

**WHOLE BUSINESS BALANCE SHEET: QUEENSLAND - CENTRAL WEST**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	222,400	197,220	122,335	141,271	163,458	128,827	214,749	268,842	255,527	225,765
Plant, Equipment & Vehicles	299,536	316,439	306,232	322,751	312,533	300,311	383,236	335,629	442,277	373,824
Livestock	1,515,709	1,334,396	1,026,491	1,105,096	1,208,867	1,853,424	1,916,886	1,569,470	1,909,970	1,814,304
Land & Infrastructure	3,426,617	4,772,258	5,802,108	5,518,415	5,061,772	3,414,775	6,236,461	7,167,237	7,757,952	6,432,933
<b>TOTAL ASSETS</b>	<b>5,464,263</b>	<b>6,620,313</b>	<b>7,257,165</b>	<b>7,087,533</b>	<b>6,746,630</b>	<b>5,697,338</b>	<b>8,751,332</b>	<b>9,341,178</b>	<b>10,365,727</b>	<b>8,846,827</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	119,787	108,595	125,164	74,467	105,158	134,710	165,547	149,239	157,209	153,613
Plant & Equipment Finance	15,202	11,072	17,183	44,862	23,490	12,557	12,302	12,440	81,786	32,554
Long Term Debt	619,272	750,530	508,660	593,733	612,817	525,710	1,108,624	324,195	1,290,783	858,789
<b>TOTAL LIABILITIES</b>	<b>754,262</b>	<b>870,197</b>	<b>651,006</b>	<b>713,062</b>	<b>741,466</b>	<b>672,977</b>	<b>1,286,474</b>	<b>485,874</b>	<b>1,529,777</b>	<b>1,044,956</b>
<b>NET ASSETS (EQUITY)</b>	<b>4,710,001</b>	<b>5,750,116</b>	<b>6,606,159</b>	<b>6,374,471</b>	<b>6,005,165</b>	<b>5,024,360</b>	<b>7,464,858</b>	<b>8,855,304</b>	<b>8,835,950</b>	<b>7,801,871</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	89	90	59	67	75	44	70	87	71	70
Plant, Equipment & Vehicles	120	144	149	152	143	102	124	109	122	116
Livestock	606	607	498	520	552	627	622	509	528	564
Land & Infrastructure	1,370	2,170	2,815	2,598	2,313	1,155	2,022	2,326	2,144	2,000
<b>TOTAL ASSETS</b>	<b>2,185</b>	<b>3,010</b>	<b>3,520</b>	<b>3,337</b>	<b>3,083</b>	<b>1,927</b>	<b>2,838</b>	<b>3,032</b>	<b>2,864</b>	<b>2,750</b>
<b>TOTAL LIABILITIES</b>	<b>302</b>	<b>396</b>	<b>316</b>	<b>336</b>	<b>339</b>	<b>228</b>	<b>417</b>	<b>158</b>	<b>423</b>	<b>325</b>
<b>NET ASSETS</b>	<b>1,883</b>	<b>2,614</b>	<b>3,205</b>	<b>3,001</b>	<b>2,744</b>	<b>1,699</b>	<b>2,421</b>	<b>2,874</b>	<b>2,441</b>	<b>2,426</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	1.8%	0.6%	1.1%	1.5%	1.2%	2.9%	2.3%	2.8%	3.2%	2.8%
Capital Return	11.6%	10.3%	2.8%	(7.1%)	4.4%	9.6%	13.5%	6.7%	(10.0%)	5.0%
<b>Total Business Return</b>	<b>13.4%</b>	<b>10.9%</b>	<b>3.9%</b>	<b>(5.6%)</b>	<b>5.6%</b>	<b>12.5%</b>	<b>15.8%</b>	<b>9.5%</b>	<b>(6.7%)</b>	<b>7.8%</b>
Equity %	86.2%	86.9%	91.0%	89.9%	89.0%	88.2%	85.3%	94.8%	85.2%	88.2%
Finance Coverage (EBIT/ Finance Costs)	1.7	0.6	1.5	2.2	1.5	3.2	2.2	6.3	3.2	3.3
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	28,646	24,645	18,053	16,063	20,894	31,555	31,424	22,209	27,468	27,920
Total Cattle (head)	2,121	1,898	1,790	1,873	1,897	2,520	2,685	2,700	3,218	2,815
Total Beef AE	2,501	2,199	2,061	2,124	2,188	2,957	3,084	3,081	3,619	3,217
Stocking Rate (AE/Ha) Beef Only	0.09	0.09	0.11	0.13	0.11	0.09	0.10	0.14	0.13	0.12

**BEEF ENTERPRISE INCOME STATEMENT: QUEENSLAND - CENTRAL WEST**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>212.52</b>	<b>203.03</b>	<b>195.25</b>	<b>200.46</b>	<b>202.01</b>	<b>192.99</b>	<b>219.10</b>	<b>222.74</b>	<b>207.17</b>	<b>211.97</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.24	0.47	0.67	0.53	0.50	0.19	0.60	0.35	0.67	0.49
Insurance & Materials	4.97	5.44	6.01	5.48	5.52	4.87	6.34	4.60	4.44	5.06
Mustering & Contracting	2.01	3.53	4.64	5.61	4.13	1.57	2.49	4.51	5.99	3.99
Selling Costs	10.80	1.43	8.18	4.75	6.00	9.13	1.15	7.61	3.35	4.73
Fodder	20.34	29.28	18.83	10.46	19.35	16.17	30.09	19.38	11.17	19.06
	<b>38.37</b>	<b>40.15</b>	<b>38.32</b>	<b>26.83</b>	<b>35.50</b>	<b>31.93</b>	<b>40.68</b>	<b>36.44</b>	<b>25.61</b>	<b>33.32</b>
<b>GROSS MARGIN</b>	<b>174.16</b>	<b>162.88</b>	<b>156.93</b>	<b>173.63</b>	<b>166.52</b>	<b>161.06</b>	<b>178.42</b>	<b>186.30</b>	<b>181.57</b>	<b>178.65</b>
<b>OVERHEAD EXPENSES</b>										
Administration	8.87	12.29	7.17	12.24	10.24	6.31	12.54	5.30	7.18	8.01
Depreciation	13.72	16.95	16.23	17.66	16.34	12.95	14.35	12.49	14.81	13.82
Electricity & Gas	1.27	1.91	1.74	1.91	1.74	0.97	1.39	1.37	1.53	1.36
Freight	10.83	6.85	7.48	7.03	7.84	5.84	5.12	6.06	7.48	6.24
Fuel & Lubricants	10.49	13.64	12.62	9.23	11.50	9.33	13.95	13.81	7.41	11.05
Insurance	3.50	2.81	3.00	3.42	3.17	2.80	2.73	2.13	3.23	2.76
Materials	0.98	2.15	2.26	1.45	1.75	0.76	2.70	1.46	1.09	1.56
Motor Vehicle Expenses	3.43	3.99	3.48	2.50	3.32	2.49	2.69	3.51	2.78	2.89
Rates & Rents	4.70	5.15	5.20	5.33	5.13	3.70	3.51	3.85	4.81	4.05
R & M General	22.26	21.81	15.78	16.62	18.78	17.53	12.44	14.78	13.99	14.33
Wages	19.67	13.35	6.58	6.98	10.91	13.72	14.33	7.80	4.67	9.46
Wages (Owner)	39.31	46.12	44.21	42.53	43.27	34.57	35.43	35.55	25.99	32.24
	<b>139.03</b>	<b>147.02</b>	<b>125.76</b>	<b>126.89</b>	<b>133.97</b>	<b>110.97</b>	<b>121.19</b>	<b>108.13</b>	<b>94.97</b>	<b>107.78</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>177.40</b>	<b>187.17</b>	<b>164.08</b>	<b>153.72</b>	<b>169.47</b>	<b>142.90</b>	<b>161.87</b>	<b>144.57</b>	<b>120.58</b>	<b>141.11</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>35.12</b>	<b>15.86</b>	<b>31.17</b>	<b>46.74</b>	<b>32.54</b>	<b>50.09</b>	<b>57.23</b>	<b>78.17</b>	<b>86.59</b>	<b>70.87</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.06	\$1.90	\$1.58	\$1.63	\$1.75	\$2.03	\$1.94	\$1.59	\$1.64	\$1.75
Cost of Production (\$/kg LW)	\$1.72	\$1.75	\$1.33	\$1.25	\$1.47	\$1.50	\$1.44	\$1.03	\$0.95	\$1.16
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.34</b>	<b>\$0.15</b>	<b>\$0.25</b>	<b>\$0.38</b>	<b>\$0.28</b>	<b>\$0.53</b>	<b>\$0.51</b>	<b>\$0.56</b>	<b>\$0.68</b>	<b>\$0.58</b>
Kg Beef/ AE	103.4	106.7	123.4	122.6	115.1	95.1	112.7	140.0	126.4	121.2
Labour Efficiency (AE/FTE)	810	745	928	1,015	871	780	866	1,053	1,538	1,042
Labour Costs (\$/AE)	58.98	59.47	50.79	49.50	54.18	48.29	49.76	43.35	30.66	41.70
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$872	\$858	\$774	\$738	\$806	\$878	\$907	\$864	\$798	\$856
Sale Weight/ Head Sold (all sales)	431	437	473	439	446	434	461	527	475	479
Reproductive Rate %	62.0%	64.2%	68.8%	74.0%	67.8%	62.9%	66.9%	72.0%	74.7%	70.0%
Mortality Rate %	3.0%	2.1%	0.9%	1.1%	1.7%	3.3%	2.0%	0.9%	1.1%	1.6%
Enterprise Size (Annual Avg AE)	2,501	2,199	2,061	2,124	2,188	2,957	3,084	3,081	3,619	3,217



### 8.4.3.5 Queensland – Eastern Downs

#### WHOLE BUSINESS INCOME STATEMENT: QUEENSLAND - EASTERN DOWNS

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	190,704	443,788	267,221	198,298	258,027	330,499	1,108,652	556,086	317,381	526,050
Purchases- Beef	(31,789)	(131,749)	(32,405)	(55,046)	(58,738)	(58,909)	(363,089)	(76,210)	(49,856)	(117,015)
Inventory Change- Beef	(26,954)	42,496	(9,250)	16,805	5,834	(28,330)	128,127	26,284	5,099	23,541
Gross Profit- Beef	131,961	354,534	225,566	160,057	205,123	243,260	873,690	506,160	272,624	432,577
Gross Profit- Other Enterprises	24,735	10,117	16,598	16,587	17,179	33,909	10,911	25,242	16,536	22,569
Other Income	11,677	19,529	17,520	10,730	14,155	16,844	36,572	16,663	10,622	18,686
<b>GROSS PROFIT</b>	<b>166,912</b>	<b>384,180</b>	<b>259,442</b>	<b>187,273</b>	<b>236,045</b>	<b>293,334</b>	<b>921,173</b>	<b>547,538</b>	<b>299,782</b>	<b>473,510</b>
<b>ENTERPRISE EXPENSES</b>	<b>55,176</b>	<b>98,430</b>	<b>90,846</b>	<b>46,070</b>	<b>68,239</b>	<b>72,601</b>	<b>257,941</b>	<b>163,780</b>	<b>65,547</b>	<b>127,149</b>
Beef	46,859	83,490	81,099	37,380	58,232	59,027	235,331	150,756	57,696	113,666
Other Enterprises	8,317	14,940	9,747	8,689	10,007	13,574	22,611	13,024	7,851	13,484
<b>GROSS MARGIN</b>	<b>111,737</b>	<b>285,750</b>	<b>168,596</b>	<b>141,203</b>	<b>167,806</b>	<b>220,732</b>	<b>663,232</b>	<b>383,758</b>	<b>234,235</b>	<b>346,361</b>
<b>OVERHEAD EXPENSES</b>										
Administration	8,854	20,686	17,066	7,787	12,579	8,428	44,824	32,229	10,158	21,462
Depreciation	23,292	30,084	26,237	19,094	23,715	20,604	46,749	29,056	20,058	27,356
Electricity & Gas	1,803	2,337	2,180	2,196	2,132	1,844	4,648	2,908	2,217	2,730
Freight	3,076	7,884	5,093	5,794	5,420	5,587	22,434	9,838	4,163	9,341
Fuel & Lubricants	12,536	22,310	15,699	11,971	14,874	13,132	26,459	22,061	10,439	17,006
Insurance	2,308	8,251	5,528	4,663	5,012	4,102	9,860	8,464	6,276	6,852
Materials	1,141	2,427	898	1,308	1,381	2,019	4,627	1,509	904	2,061
Motor Vehicle Expenses	3,240	5,377	5,702	4,061	4,510	2,146	6,860	6,659	4,304	4,734
Rates & Rents	11,610	15,393	12,633	11,353	12,454	23,033	30,242	24,534	25,938	25,566
R & M General	17,370	25,582	23,524	15,879	19,790	22,488	43,370	35,495	12,406	26,644
Wages (inc stores & rations)	9,168	26,534	15,066	10,819	14,349	16,772	51,518	32,818	12,417	25,878
Wages (Owner)	104,741	92,778	86,846	84,653	91,051	113,266	93,470	102,230	81,212	97,751
	<b>199,139</b>	<b>259,643</b>	<b>216,470</b>	<b>179,577</b>	<b>207,267</b>	<b>233,420</b>	<b>385,061</b>	<b>307,802</b>	<b>190,491</b>	<b>267,381</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>254,315</b>	<b>358,073</b>	<b>307,316</b>	<b>225,647</b>	<b>275,506</b>	<b>306,022</b>	<b>643,003</b>	<b>471,582</b>	<b>256,037</b>	<b>394,530</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(87,402)</b>	<b>26,107</b>	<b>(47,874)</b>	<b>(38,374)</b>	<b>(39,461)</b>	<b>(12,688)</b>	<b>278,170</b>	<b>75,956</b>	<b>43,744</b>	<b>78,980</b>
Interest	10,233	24,557	35,484	19,089	22,024	15,256	40,428	73,716	46,818	43,146
<b>EARNINGS BEFORE TAX</b>	<b>(97,635)</b>	<b>1,550</b>	<b>(83,358)</b>	<b>(57,464)</b>	<b>(61,485)</b>	<b>(27,944)</b>	<b>237,742</b>	<b>2,240</b>	<b>(3,074)</b>	<b>35,834</b>



**WHOLE BUSINESS BALANCE SHEET: QUEENSLAND - EASTERN DOWNS**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	59,841	217,570	37,812	85,126	92,813	132,340	385,182	76,698	122,627	163,008
Plant, Equipment & Vehicles	172,230	226,531	204,695	146,355	180,498	150,826	329,457	249,206	117,253	198,300
Livestock	405,244	640,294	339,733	364,634	418,331	598,401	1,167,702	564,293	498,341	667,256
Land & Infrastructure	2,179,876	3,998,622	4,062,061	3,443,218	3,415,278	3,382,785	8,683,580	7,631,160	4,052,739	5,590,382
<b>TOTAL ASSETS</b>	<b>2,817,191</b>	<b>5,083,016</b>	<b>4,644,301</b>	<b>4,039,333</b>	<b>4,106,920</b>	<b>4,264,352</b>	<b>10,565,922</b>	<b>8,521,357</b>	<b>4,790,960</b>	<b>6,618,947</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	50,364	195,977	123,595	77,737	104,310	102,062	398,410	225,749	114,135	190,585
Plant & Equipment Finance	11,147	10,342	24,581	6,348	12,427	5,171	14,788	18,067	10,062	11,486
Long Term Debt	53,165	271,377	382,861	161,148	210,080	51,188	520,178	878,993	478,185	461,324
<b>TOTAL LIABILITIES</b>	<b>114,676</b>	<b>477,696</b>	<b>531,037</b>	<b>245,233</b>	<b>326,817</b>	<b>158,421</b>	<b>933,376</b>	<b>1,122,809</b>	<b>602,381</b>	<b>663,395</b>
<b>NET ASSETS (EQUITY)</b>	<b>2,702,515</b>	<b>4,605,320</b>	<b>4,113,265</b>	<b>3,794,100</b>	<b>3,780,103</b>	<b>4,105,931</b>	<b>9,632,546</b>	<b>7,398,547</b>	<b>4,188,579</b>	<b>5,955,552</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	92	221	56	132	130	137	215	71	129	143
Plant, Equipment & Vehicles	266	230	301	227	252	156	184	231	124	174
Livestock	626	651	499	566	584	620	653	523	525	585
Land & Infrastructure	3,369	4,063	5,968	5,346	4,771	3,507	4,855	7,071	4,273	4,900
<b>TOTAL ASSETS</b>	<b>4,355</b>	<b>5,164</b>	<b>6,824</b>	<b>6,272</b>	<b>5,737</b>	<b>4,421</b>	<b>5,908</b>	<b>7,896</b>	<b>5,051</b>	<b>5,802</b>
<b>TOTAL LIABILITIES</b>	<b>177</b>	<b>485</b>	<b>780</b>	<b>381</b>	<b>457</b>	<b>164</b>	<b>522</b>	<b>1,040</b>	<b>635</b>	<b>582</b>
<b>NET ASSETS</b>	<b>4,177</b>	<b>4,679</b>	<b>6,043</b>	<b>5,891</b>	<b>5,280</b>	<b>4,257</b>	<b>5,386</b>	<b>6,856</b>	<b>4,416</b>	<b>5,220</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	(3.1%)	0.5%	(1.0%)	(1.0%)	(1.0%)	(0.3%)	2.6%	0.9%	0.9%	1.2%
Capital Return	8.3%	10.1%	2.9%	(1.4%)	5.0%	8.0%	12.1%	3.2%	(0.1%)	5.8%
<b>Total Business Return</b>	<b>5.2%</b>	<b>10.7%</b>	<b>1.9%</b>	<b>(2.3%)</b>	<b>4.0%</b>	<b>7.7%</b>	<b>14.7%</b>	<b>4.1%</b>	<b>0.8%</b>	<b>7.0%</b>
Equity %	95.9%	90.6%	88.6%	93.9%	92.0%	96.3%	91.2%	86.8%	87.4%	90.0%
Finance Coverage (EBIT/ Finance Costs)	(8.5)	1.1	(1.3)	(2.0)	(1.8)	(0.8)	6.9	1.0	0.9	1.8
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	3,310	3,857	4,352	3,349	3,670	3,793	7,408	2,946	6,424	5,010
Total Cattle (head)	550	837	574	548	608	826	1,532	919	819	978
Total Beef AE	647	984	681	644	716	965	1,788	1,079	948	1,141
Stocking Rate (AE/Ha) Beef Only	0.20	0.26	0.16	0.19	0.20	0.25	0.24	0.37	0.15	0.25

**BEEF ENTERPRISE INCOME STATEMENT: QUEENSLAND - EASTERN DOWNS**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>203.97</b>	<b>360.21</b>	<b>331.42</b>	<b>248.52</b>	<b>286.54</b>	<b>252.20</b>	<b>488.52</b>	<b>469.01</b>	<b>287.44</b>	<b>379.19</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.66	2.70	7.46	6.58	4.63	0.96	5.21	12.42	10.02	6.98
Insurance & Materials	5.53	11.49	9.85	8.73	9.05	6.10	18.30	13.59	10.90	12.51
Mustering & Contracting	3.51	3.38	1.65	1.88	2.53	4.86	6.63	1.37	2.97	4.13
Selling Costs	14.15	2.79	19.37	7.17	10.18	14.20	1.94	25.02	10.01	12.12
Fodder	48.57	64.47	80.82	33.68	54.97	35.07	99.51	87.30	26.93	63.90
	<b>72.43</b>	<b>84.83</b>	<b>119.16</b>	<b>58.04</b>	<b>81.34</b>	<b>61.20</b>	<b>131.58</b>	<b>139.69</b>	<b>60.83</b>	<b>99.64</b>
<b>GROSS MARGIN</b>	<b>131.54</b>	<b>275.38</b>	<b>212.26</b>	<b>190.48</b>	<b>205.19</b>	<b>191.00</b>	<b>356.94</b>	<b>329.32</b>	<b>226.61</b>	<b>279.55</b>
<b>OVERHEAD EXPENSES</b>										
Administration	10.82	19.39	21.80	10.33	15.29	7.25	23.77	27.61	9.74	17.33
Depreciation	28.46	28.21	33.52	25.34	28.51	17.71	24.79	24.89	19.23	21.78
Electricity & Gas	2.20	2.19	2.78	2.91	2.56	1.59	2.47	2.49	2.13	2.18
Freight	3.76	7.39	6.51	7.69	6.57	4.80	11.90	8.43	3.99	7.51
Fuel & Lubricants	15.32	20.92	20.05	15.89	17.98	11.29	14.03	18.90	10.01	13.53
Insurance	2.82	7.74	7.06	6.19	6.11	3.53	5.23	7.25	6.02	5.47
Materials	1.39	2.28	1.15	1.74	1.67	1.74	2.45	1.29	0.87	1.64
Motor Vehicle Expenses	3.96	5.04	7.28	5.39	5.44	1.84	3.64	5.70	4.13	3.80
Rates & Rents	14.19	14.43	16.14	15.07	14.97	19.80	16.04	21.02	24.87	20.19
R & M General	21.23	23.99	30.05	21.07	23.85	19.33	23.00	30.40	11.90	21.18
Wages	11.20	24.88	19.25	14.36	17.49	14.42	27.32	28.11	11.91	20.72
Wages (Owner)	128.00	86.99	110.94	112.34	108.70	97.38	49.57	87.57	77.87	76.57
	<b>243.35</b>	<b>243.44</b>	<b>276.52</b>	<b>238.30</b>	<b>249.16</b>	<b>200.68</b>	<b>204.21</b>	<b>263.66</b>	<b>182.65</b>	<b>211.89</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>315.78</b>	<b>328.27</b>	<b>395.68</b>	<b>296.34</b>	<b>330.51</b>	<b>261.88</b>	<b>335.79</b>	<b>403.35</b>	<b>243.48</b>	<b>311.53</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(111.81)</b>	<b>31.94</b>	<b>(64.26)</b>	<b>(47.83)</b>	<b>(43.97)</b>	<b>(9.68)</b>	<b>152.73</b>	<b>65.66</b>	<b>43.96</b>	<b>67.65</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.40	\$1.97	\$1.66	\$1.84	\$1.89	\$2.25	\$1.88	\$1.63	\$1.75	\$1.82
Cost of Production (\$/kg LW)	\$3.71	\$1.79	\$1.98	\$2.19	\$2.18	\$2.34	\$1.29	\$1.40	\$1.48	\$1.50
<b>Operating Margin (\$/kg LW)</b>	<b>(\$1.32)</b>	<b>\$0.17</b>	<b>(\$0.32)</b>	<b>(\$0.35)</b>	<b>(\$0.29)</b>	<b>(\$0.09)</b>	<b>\$0.59</b>	<b>\$0.23</b>	<b>\$0.27</b>	<b>\$0.33</b>
Kg Beef/ AE	85.0	182.9	199.6	135.3	151.8	112.0	260.1	287.7	164.0	207.9
Labour Efficiency (AE/FTE)	325	493	374	388	391	406	727	404	553	502
Labour Costs (\$/AE)	139.20	111.87	130.18	126.69	126.19	111.80	76.89	115.68	89.78	97.30
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$777	\$1,255	\$1,133	\$893	\$1,013	\$868	\$1,561	\$1,612	\$915	\$1,242
Sale Weight/ Head Sold (all sales)	366	608	659	507	536	408	756	938	519	647
Reproductive Rate %	64.9%	70.0%	65.5%	78.0%	70.1%	66.0%	72.1%	72.4%	75.2%	71.5%
Mortality Rate %	2.8%	1.5%	2.2%	1.8%	2.0%	1.9%	1.6%	1.6%	1.6%	1.6%
Enterprise Size (Annual Avg AE)	647	984	681	644	716	965	1,788	1,079	948	1,141

### 8.4.3.6 Queensland – Southern Inland

#### WHOLE BUSINESS INCOME STATEMENT: QUEENSLAND - SOUTHERN INLAND

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	470,653	425,503	438,510	319,724	410,767	847,847	668,648	749,662	618,612	702,945
Purchases- Beef	(71,422)	(90,407)	(58,009)	(49,645)	(67,772)	(136,842)	(161,645)	(111,712)	(77,511)	(118,556)
Inventory Change- Beef	(19,349)	19,819	(9,413)	7,745	1,647	83,651	60,763	33,798	31,279	48,027
Gross Profit- Beef	379,881	354,914	371,088	277,824	344,642	794,656	567,766	671,748	572,381	632,416
Gross Profit- Other Enterprises	45,592	22,477	11,538	23,658	23,811	42,161	30,870	20,772	47,641	35,054
Other Income	20,620	28,770	29,922	16,191	24,505	34,688	45,539	45,218	22,493	36,697
<b>GROSS PROFIT</b>	<b>443,944</b>	<b>405,652</b>	<b>412,035</b>	<b>317,632</b>	<b>392,273</b>	<b>870,546</b>	<b>643,136</b>	<b>737,227</b>	<b>642,443</b>	<b>703,579</b>
<b>ENTERPRISE EXPENSES</b>	<b>112,148</b>	<b>79,462</b>	<b>83,958</b>	<b>50,475</b>	<b>79,294</b>	<b>153,202</b>	<b>86,472</b>	<b>117,109</b>	<b>82,268</b>	<b>103,795</b>
Beef	93,266	62,936	72,295	38,566	64,866	127,683	69,607	102,179	66,041	86,301
Other Enterprises	18,882	16,526	11,663	11,909	14,428	25,519	16,866	14,931	16,226	17,495
<b>GROSS MARGIN</b>	<b>331,796</b>	<b>326,191</b>	<b>328,077</b>	<b>267,157</b>	<b>312,979</b>	<b>717,344</b>	<b>556,664</b>	<b>620,117</b>	<b>560,175</b>	<b>599,784</b>
<b>OVERHEAD EXPENSES</b>										
Administration	19,463	19,551	16,090	12,958	16,919	36,584	21,994	25,065	19,395	24,291
Depreciation	36,452	41,938	49,983	35,944	41,723	49,984	45,830	62,701	56,643	54,329
Electricity & Gas	3,094	3,000	3,746	3,336	3,310	4,172	3,470	4,913	4,987	4,432
Freight	17,946	14,447	16,097	11,984	14,917	33,398	20,288	26,497	22,522	24,681
Fuel & Lubricants	26,249	26,704	26,272	18,113	24,357	32,921	27,078	35,686	30,078	31,221
Insurance	5,634	5,889	6,806	6,117	6,158	7,975	7,954	7,910	8,464	8,102
Materials	4,822	2,421	1,873	1,348	2,426	12,688	2,537	1,612	1,954	3,688
Motor Vehicle Expenses	6,017	7,528	5,951	5,146	6,223	6,073	7,116	7,603	8,659	7,558
Rates & Rents	12,695	12,078	15,960	13,126	13,538	20,065	13,841	23,469	22,747	20,130
R & M General	40,949	37,959	39,352	29,540	36,779	52,349	41,000	57,927	44,582	48,415
Wages (inc stores & rations)	25,681	18,854	20,416	12,360	18,884	42,674	17,347	29,149	20,661	25,474
Wages (Owner)	107,231	103,679	100,991	92,417	100,745	126,430	102,318	115,113	104,092	110,051
	<b>306,233</b>	<b>294,048</b>	<b>303,536</b>	<b>242,389</b>	<b>285,978</b>	<b>425,313</b>	<b>310,771</b>	<b>397,644</b>	<b>344,783</b>	<b>362,371</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>418,381</b>	<b>373,510</b>	<b>387,494</b>	<b>292,863</b>	<b>365,273</b>	<b>578,515</b>	<b>397,244</b>	<b>514,753</b>	<b>427,051</b>	<b>466,166</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>25,563</b>	<b>32,143</b>	<b>24,541</b>	<b>24,768</b>	<b>27,001</b>	<b>292,031</b>	<b>245,893</b>	<b>222,473</b>	<b>215,392</b>	<b>237,413</b>
Interest	32,019	47,358	85,052	53,424	56,719	55,923	68,720	164,677	102,050	102,757
<b>EARNINGS BEFORE TAX</b>	<b>(6,456)</b>	<b>(15,215)</b>	<b>(60,511)</b>	<b>(28,655)</b>	<b>(29,718)</b>	<b>236,109</b>	<b>177,173</b>	<b>57,796</b>	<b>113,342</b>	<b>134,655</b>

**WHOLE BUSINESS BALANCE SHEET: QUEENSLAND - SOUTHERN INLAND**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	191,399	156,495	204,010	130,004	169,410	333,353	328,903	408,747	324,423	349,691
Plant, Equipment & Vehicles	242,632	302,998	315,627	271,085	287,848	316,589	363,837	396,345	399,405	376,143
Livestock	904,695	929,781	1,008,114	767,344	906,744	1,694,939	1,266,636	1,798,526	1,515,119	1,552,466
Land & Infrastructure	3,290,532	5,167,523	7,525,437	5,001,317	5,453,853	5,442,045	7,059,845	11,825,265	8,196,021	8,438,287
<b>TOTAL ASSETS</b>	<b>4,629,257</b>	<b>6,556,798</b>	<b>9,053,189</b>	<b>6,169,750</b>	<b>6,817,855</b>	<b>7,786,925</b>	<b>9,019,221</b>	<b>14,428,883</b>	<b>10,434,968</b>	<b>10,716,586</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	182,126	133,294	189,058	191,603	172,166	275,383	136,681	189,586	351,815	238,457
Plant & Equipment Finance	18,990	26,647	24,903	21,558	23,527	31,459	22,874	34,735	29,923	29,560
Long Term Debt	267,089	570,113	910,855	533,879	602,794	631,704	791,712	1,983,048	1,007,299	1,153,321
<b>TOTAL LIABILITIES</b>	<b>468,205</b>	<b>730,055</b>	<b>1,124,816</b>	<b>747,039</b>	<b>798,488</b>	<b>938,546</b>	<b>951,267</b>	<b>2,207,369</b>	<b>1,389,037</b>	<b>1,421,339</b>
<b>NET ASSETS (EQUITY)</b>	<b>4,161,053</b>	<b>5,826,743</b>	<b>7,928,372</b>	<b>5,422,710</b>	<b>6,019,367</b>	<b>6,848,379</b>	<b>8,067,955</b>	<b>12,221,514</b>	<b>9,045,932</b>	<b>9,295,248</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	139	109	109	94	110	135	173	126	120	135
Plant, Equipment & Vehicles	176	212	169	195	188	128	191	122	148	145
Livestock	655	650	538	553	591	684	664	554	561	597
Land & Infrastructure	2,382	3,614	4,019	3,604	3,553	2,196	3,703	3,639	3,035	3,246
<b>TOTAL ASSETS</b>	<b>3,351</b>	<b>4,585</b>	<b>4,835</b>	<b>4,446</b>	<b>4,442</b>	<b>3,143</b>	<b>4,730</b>	<b>4,441</b>	<b>3,864</b>	<b>4,122</b>
<b>TOTAL LIABILITIES</b>	<b>339</b>	<b>511</b>	<b>601</b>	<b>538</b>	<b>520</b>	<b>379</b>	<b>499</b>	<b>679</b>	<b>514</b>	<b>547</b>
<b>NET ASSETS</b>	<b>3,012</b>	<b>4,075</b>	<b>4,234</b>	<b>3,908</b>	<b>3,922</b>	<b>2,764</b>	<b>4,231</b>	<b>3,761</b>	<b>3,350</b>	<b>3,575</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	0.6%	0.5%	0.3%	0.4%	0.4%	3.8%	2.7%	1.5%	2.1%	2.2%
Capital Return	11.3%	9.0%	3.4%	(2.8%)	5.2%	14.7%	11.3%	4.2%	(4.6%)	6.4%
<b>Total Business Return</b>	<b>11.9%</b>	<b>9.5%</b>	<b>3.6%</b>	<b>(2.4%)</b>	<b>5.6%</b>	<b>18.4%</b>	<b>14.1%</b>	<b>5.8%</b>	<b>(2.5%)</b>	<b>8.6%</b>
Equity %	89.9%	88.9%	87.6%	87.9%	88.3%	87.9%	89.5%	84.7%	86.7%	86.7%
Finance Coverage (EBIT/ Finance Costs)	0.8	0.7	0.3	0.5	0.5	5.2	3.6	1.4	2.1	2.3
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	7,570	7,801	12,886	5,868	8,703	12,286	8,231	17,903	11,835	12,568
Total Cattle (head)	1,172	1,213	1,559	1,177	1,294	2,110	1,624	2,696	2,308	2,198
Total Beef AE	1,381	1,430	1,873	1,388	1,535	2,478	1,907	3,249	2,700	2,600
Stocking Rate (AE/Ha) Beef Only	0.18	0.18	0.15	0.24	0.19	0.20	0.23	0.18	0.23	0.21

**BEEF ENTERPRISE INCOME STATEMENT: QUEENSLAND - SOUTHERN INLAND**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>275.01</b>	<b>248.20</b>	<b>198.17</b>	<b>200.22</b>	<b>224.54</b>	<b>320.73</b>	<b>297.78</b>	<b>206.74</b>	<b>211.98</b>	<b>243.25</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	4.69	0.65	1.20	1.38	1.65	4.53	0.71	0.37	1.64	1.46
Insurance & Materials	6.89	7.96	4.78	5.37	6.12	6.00	6.17	3.83	4.82	4.93
Mustering & Contracting	3.27	4.45	2.96	4.81	3.83	3.93	3.82	2.50	4.36	3.56
Selling Costs	12.03	2.80	6.39	4.29	5.84	9.35	3.48	6.74	3.74	5.53
Fodder	40.63	28.16	23.28	11.95	24.83	27.73	22.33	18.01	9.89	17.71
	<b>67.52</b>	<b>44.01</b>	<b>38.61</b>	<b>27.79</b>	<b>42.26</b>	<b>51.53</b>	<b>36.51</b>	<b>31.45</b>	<b>24.46</b>	<b>33.19</b>
<b>GROSS MARGIN</b>	<b>207.49</b>	<b>204.18</b>	<b>159.56</b>	<b>172.43</b>	<b>182.28</b>	<b>269.20</b>	<b>261.27</b>	<b>175.30</b>	<b>187.52</b>	<b>210.06</b>
<b>OVERHEAD EXPENSES</b>										
Administration	12.06	11.96	7.74	8.17	9.68	13.48	10.18	7.03	6.40	8.41
Depreciation	22.58	25.66	24.04	22.66	23.94	18.42	21.22	17.58	18.69	18.78
Electricity & Gas	1.92	1.84	1.80	2.10	1.90	1.54	1.61	1.38	1.65	1.53
Freight	11.12	8.84	7.74	7.55	8.54	12.30	9.39	7.43	7.43	8.54
Fuel & Lubricants	16.26	16.34	12.64	11.42	13.95	12.13	12.54	10.01	9.92	10.79
Insurance	3.49	3.60	3.27	3.86	3.53	2.94	3.68	2.22	2.79	2.80
Materials	2.99	1.48	0.90	0.85	1.38	4.67	1.17	0.45	0.64	1.28
Motor Vehicle Expenses	3.73	4.61	2.86	3.24	3.56	2.24	3.29	2.13	2.86	2.61
Rates & Rents	7.86	7.39	7.68	8.27	7.76	7.39	6.41	6.58	7.51	6.96
R & M General	25.37	23.23	18.93	18.62	21.06	19.29	18.98	16.24	14.71	16.75
Wages	15.91	11.54	9.82	7.79	10.80	15.72	8.03	8.17	6.82	8.83
Wages (Owner)	66.43	63.44	48.57	58.26	57.66	46.58	47.37	32.28	34.35	38.03
	<b>189.70</b>	<b>179.91</b>	<b>145.98</b>	<b>152.79</b>	<b>163.75</b>	<b>156.70</b>	<b>143.89</b>	<b>111.51</b>	<b>113.76</b>	<b>125.31</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>257.22</b>	<b>223.92</b>	<b>184.59</b>	<b>180.59</b>	<b>206.01</b>	<b>208.23</b>	<b>180.40</b>	<b>142.96</b>	<b>138.22</b>	<b>158.50</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>17.79</b>	<b>24.27</b>	<b>13.58</b>	<b>19.64</b>	<b>18.53</b>	<b>112.50</b>	<b>117.38</b>	<b>63.78</b>	<b>73.76</b>	<b>84.75</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.16	\$2.11	\$1.70	\$1.77	\$1.91	\$2.16	\$2.15	\$1.71	\$1.76	\$1.89
Cost of Production (\$/kg LW)	\$2.02	\$1.91	\$1.58	\$1.60	\$1.75	\$1.40	\$1.30	\$1.18	\$1.15	\$1.23
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.14</b>	<b>\$0.21</b>	<b>\$0.12</b>	<b>\$0.17</b>	<b>\$0.16</b>	<b>\$0.76</b>	<b>\$0.85</b>	<b>\$0.53</b>	<b>\$0.61</b>	<b>\$0.66</b>
Kg Beef/ AE	127.4	117.4	116.5	113.1	117.7	148.6	138.4	121.0	120.6	128.4
Labour Efficiency (AE/FTE)	583	637	810	720	696	737	846	1,151	1,125	991
Labour Costs (\$/AE)	82.34	74.97	58.39	66.05	68.46	62.30	55.41	40.46	41.16	46.87
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$997	\$942	\$885	\$809	\$906	\$1,129	\$1,023	\$957	\$894	\$983
Sale Weight/ Head Sold (all sales)	469	456	515	459	477	531	496	557	507	523
Reproductive Rate %	73.8%	70.5%	69.4%	73.8%	71.4%	79.8%	75.7%	72.6%	75.6%	75.3%
Mortality Rate %	1.9%	1.6%	2.0%	1.4%	1.7%	1.2%	1.1%	1.1%	1.1%	1.1%
Enterprise Size (Annual Avg AE)	1,381	1,430	1,873	1,388	1,535	2,478	1,907	3,249	2,700	2,600

### 8.4.3.7 Queensland – Southern Coastal

#### WHOLE BUSINESS INCOME STATEMENT: QUEENSLAND - SOUTHERN COASTAL

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	299,917	267,167	287,065	210,428	260,723	516,568	464,176	640,534	449,594	516,337
Purchases- Beef	(29,145)	(33,101)	(42,384)	(24,264)	(32,843)	(42,746)	(58,834)	(88,965)	(37,575)	(57,850)
Inventory Change- Beef	(1,919)	(1,606)	(13,812)	(3,185)	(6,069)	18,648	39,358	4,909	(1,295)	12,936
Gross Profit- Beef	268,852	232,460	230,869	182,979	221,811	492,470	444,701	556,478	410,724	471,424
Gross Profit- Other Enterprises	6,372	3,660	3,206	4,479	4,138	11,400	4,234	3,334	5,892	5,553
Other Income	15,641	23,530	26,907	12,813	20,249	11,720	26,973	58,195	28,668	34,200
<b>GROSS PROFIT</b>	<b>290,545</b>	<b>259,536</b>	<b>260,812</b>	<b>200,204</b>	<b>246,052</b>	<b>514,818</b>	<b>475,695</b>	<b>617,947</b>	<b>445,030</b>	<b>510,915</b>
<b>ENTERPRISE EXPENSES</b>	<b>72,651</b>	<b>64,088</b>	<b>63,176</b>	<b>36,248</b>	<b>56,448</b>	<b>68,868</b>	<b>90,350</b>	<b>124,066</b>	<b>74,515</b>	<b>91,456</b>
Beef	66,815	54,651	56,472	31,043	49,685	58,655	77,311	112,456	68,351	81,550
Other Enterprises	5,836	9,437	6,704	5,205	6,763	10,213	13,039	11,611	6,164	9,906
<b>GROSS MARGIN</b>	<b>217,894</b>	<b>195,448</b>	<b>197,636</b>	<b>163,956</b>	<b>189,604</b>	<b>445,950</b>	<b>385,345</b>	<b>493,881</b>	<b>370,515</b>	<b>419,458</b>
<b>OVERHEAD EXPENSES</b>										
Administration	16,608	12,215	13,587	10,042	12,598	18,113	14,472	24,594	19,412	19,515
Depreciation	33,152	28,062	32,966	28,079	30,351	39,333	36,224	53,931	46,233	45,050
Electricity & Gas	1,262	1,519	2,019	1,883	1,756	1,782	2,480	3,604	3,483	3,039
Freight	11,351	9,135	7,103	6,968	8,121	20,532	10,810	15,025	15,233	14,869
Fuel & Lubricants	14,980	17,101	15,336	10,853	14,325	20,115	22,993	27,020	19,693	22,604
Insurance	3,875	3,470	5,952	5,122	4,832	4,129	3,809	9,170	9,062	7,147
Materials	701	1,432	2,452	834	1,477	1,073	2,807	5,904	1,598	3,026
Motor Vehicle Expenses	8,736	4,671	6,217	4,702	5,740	8,689	5,809	9,443	6,789	7,572
Rates & Rents	11,841	8,525	13,872	11,808	11,712	17,715	10,853	28,715	20,802	20,231
R & M General	22,944	20,810	26,290	18,018	22,017	35,563	31,252	44,157	32,785	36,018
Wages (inc stores & rations)	21,749	9,044	11,907	7,264	11,175	23,945	14,644	28,768	14,648	19,939
Wages (Owner)	100,348	105,147	95,622	90,935	97,060	101,347	110,041	112,698	107,679	108,763
	<b>247,548</b>	<b>221,131</b>	<b>233,323</b>	<b>196,507</b>	<b>221,165</b>	<b>292,335</b>	<b>266,197</b>	<b>363,029</b>	<b>297,417</b>	<b>307,773</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>320,199</b>	<b>285,220</b>	<b>296,499</b>	<b>232,755</b>	<b>277,613</b>	<b>361,204</b>	<b>356,547</b>	<b>487,095</b>	<b>371,932</b>	<b>399,229</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(29,654)</b>	<b>(25,683)</b>	<b>(35,687)</b>	<b>(32,551)</b>	<b>(31,561)</b>	<b>153,615</b>	<b>119,148</b>	<b>130,852</b>	<b>73,098</b>	<b>111,686</b>
Interest	14,443	21,890	33,077	25,999	25,729	18,372	31,115	80,045	66,052	54,964
<b>EARNINGS BEFORE TAX</b>	<b>(44,097)</b>	<b>(47,573)</b>	<b>(68,764)</b>	<b>(58,549)</b>	<b>(57,290)</b>	<b>135,243</b>	<b>88,033</b>	<b>50,807</b>	<b>7,046</b>	<b>56,721</b>

**WHOLE BUSINESS BALANCE SHEET: QUEENSLAND - SOUTHERN COASTAL**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	145,761	67,848	130,115	102,553	109,306	235,005	93,309	218,124	99,265	150,494
Plant, Equipment & Vehicles	214,793	204,537	228,548	200,229	212,376	251,799	246,402	337,626	292,468	288,508
Livestock	705,152	673,372	684,977	591,323	656,368	1,312,280	1,133,275	1,525,359	1,291,822	1,322,833
Land & Infrastructure	2,603,186	3,515,943	6,126,647	4,644,879	4,577,817	4,852,658	4,918,137	10,197,097	7,412,373	7,243,310
<b>TOTAL ASSETS</b>	<b>3,668,892</b>	<b>4,461,701</b>	<b>7,170,287</b>	<b>5,538,983</b>	<b>5,555,867</b>	<b>6,651,742</b>	<b>6,391,122</b>	<b>12,278,206</b>	<b>9,095,927</b>	<b>9,005,145</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	49,919	82,693	101,011	77,544	82,503	73,635	42,713	133,684	170,983	116,230
Plant & Equipment Finance	7,377	12,394	10,917	10,134	10,533	6,477	16,497	15,363	26,147	18,038
Long Term Debt	139,840	207,888	360,573	267,542	266,016	143,902	423,236	1,001,618	742,990	655,389
<b>TOTAL LIABILITIES</b>	<b>197,136</b>	<b>302,974</b>	<b>472,501</b>	<b>355,220</b>	<b>359,053</b>	<b>224,015</b>	<b>482,446</b>	<b>1,150,665</b>	<b>940,120</b>	<b>789,658</b>
<b>NET ASSETS (EQUITY)</b>	<b>3,471,756</b>	<b>4,158,727</b>	<b>6,697,786</b>	<b>5,183,763</b>	<b>5,196,814</b>	<b>6,427,727</b>	<b>5,908,676</b>	<b>11,127,541</b>	<b>8,155,807</b>	<b>8,215,487</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	137	65	102	95	97	120	54	78	43	67
Plant, Equipment & Vehicles	201	195	179	186	188	129	144	121	126	128
Livestock	661	643	537	550	580	672	660	547	556	586
Land & Infrastructure	2,441	3,355	4,800	4,323	4,043	2,486	2,865	3,659	3,189	3,208
<b>TOTAL ASSETS</b>	<b>3,440</b>	<b>4,258</b>	<b>5,618</b>	<b>5,155</b>	<b>4,907</b>	<b>3,408</b>	<b>3,723</b>	<b>4,406</b>	<b>3,913</b>	<b>3,989</b>
<b>TOTAL LIABILITIES</b>	<b>185</b>	<b>289</b>	<b>370</b>	<b>331</b>	<b>317</b>	<b>115</b>	<b>281</b>	<b>413</b>	<b>404</b>	<b>350</b>
<b>NET ASSETS</b>	<b>3,255</b>	<b>3,969</b>	<b>5,248</b>	<b>4,824</b>	<b>4,590</b>	<b>3,293</b>	<b>3,442</b>	<b>3,993</b>	<b>3,508</b>	<b>3,639</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	(0.8%)	(0.6%)	(0.5%)	(0.6%)	(0.6%)	2.3%	1.9%	1.1%	0.8%	1.2%
Capital Return	8.8%	8.7%	2.9%	(1.2%)	4.8%	8.0%	9.9%	5.6%	(2.2%)	5.3%
<b>Total Business Return</b>	<b>8.0%</b>	<b>8.1%</b>	<b>2.4%</b>	<b>(1.8%)</b>	<b>4.2%</b>	<b>10.3%</b>	<b>11.8%</b>	<b>6.6%</b>	<b>(1.4%)</b>	<b>6.6%</b>
Equity %	94.6%	93.2%	93.4%	93.6%	93.5%	96.6%	92.5%	90.6%	89.7%	91.2%
Finance Coverage (EBIT/ Finance Costs)	(2.1)	(1.2)	(1.1)	(1.3)	(1.2)	8.4	3.8	1.6	1.1	2.0
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	4,995	4,213	4,867	3,707	4,377	9,940	6,203	9,983	8,427	8,550
Total Cattle (head)	909	893	1,071	919	960	1,676	1,474	2,388	1,999	1,938
Total Beef AE	1,067	1,048	1,276	1,075	1,132	1,952	1,717	2,787	2,325	2,258
Stocking Rate (AE/Ha) Beef Only	0.21	0.25	0.26	0.29	0.26	0.20	0.28	0.28	0.28	0.27



**BEEF ENTERPRISE INCOME STATEMENT: QUEENSLAND - SOUTHERN COASTAL**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>252.09</b>	<b>221.85</b>	<b>180.88</b>	<b>170.29</b>	<b>195.90</b>	<b>252.32</b>	<b>259.07</b>	<b>199.69</b>	<b>176.68</b>	<b>208.81</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.30	0.32	1.81	1.86	1.31	0.09	0.42	1.02	1.52	0.97
Insurance & Materials	7.17	7.20	5.86	4.24	5.85	4.55	4.91	6.39	4.31	5.17
Mustering & Contracting	0.97	2.87	2.94	3.36	2.79	0.81	2.59	3.07	2.87	2.64
Selling Costs	7.90	2.47	4.92	3.41	4.34	6.28	2.42	4.42	3.33	3.90
Fodder	46.31	39.29	28.71	16.03	29.59	18.32	34.69	25.46	17.37	23.44
	<b>62.65</b>	<b>52.16</b>	<b>44.24</b>	<b>28.89</b>	<b>43.88</b>	<b>30.05</b>	<b>45.04</b>	<b>40.35</b>	<b>29.40</b>	<b>36.12</b>
<b>GROSS MARGIN</b>	<b>189.44</b>	<b>169.69</b>	<b>136.64</b>	<b>141.40</b>	<b>152.02</b>	<b>222.27</b>	<b>214.03</b>	<b>159.34</b>	<b>147.28</b>	<b>172.69</b>
<b>OVERHEAD EXPENSES</b>										
Administration	14.41	10.44	9.42	8.54	10.03	8.88	7.88	7.95	7.71	7.96
Depreciation	28.76	23.99	22.86	23.88	24.17	19.28	19.73	17.43	18.35	18.39
Electricity & Gas	1.10	1.30	1.40	1.60	1.40	0.87	1.35	1.16	1.38	1.24
Freight	9.85	7.81	4.93	5.93	6.48	10.06	5.89	4.86	6.05	6.09
Fuel & Lubricants	13.00	14.62	10.64	9.23	11.39	9.86	12.52	8.73	7.82	9.24
Insurance	3.36	2.97	4.13	4.36	3.84	2.02	2.07	2.96	3.60	2.91
Materials	0.61	1.22	1.70	0.71	1.17	0.53	1.53	1.91	0.63	1.23
Motor Vehicle Expenses	7.58	3.99	4.31	4.00	4.58	4.26	3.16	3.05	2.70	3.09
Rates & Rents	10.27	7.29	9.62	10.04	9.32	8.68	5.91	9.28	8.26	8.24
R & M General	19.91	17.79	18.23	15.33	17.51	17.43	17.02	14.27	13.02	14.71
Wages	18.87	7.73	8.26	6.18	8.92	11.74	7.98	9.30	5.82	8.14
Wages (Owner)	87.07	89.88	66.32	77.35	77.30	49.67	59.93	36.42	42.75	44.50
	<b>214.78</b>	<b>189.02</b>	<b>161.82</b>	<b>167.14</b>	<b>176.12</b>	<b>143.28</b>	<b>144.98</b>	<b>117.31</b>	<b>118.08</b>	<b>125.75</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>277.43</b>	<b>241.17</b>	<b>206.06</b>	<b>196.03</b>	<b>220.00</b>	<b>173.33</b>	<b>190.02</b>	<b>157.67</b>	<b>147.48</b>	<b>161.87</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(25.34)</b>	<b>(19.33)</b>	<b>(25.18)</b>	<b>(25.74)</b>	<b>(24.10)</b>	<b>78.99</b>	<b>69.06</b>	<b>42.02</b>	<b>29.20</b>	<b>46.94</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.20	\$2.09	\$1.72	\$1.75	\$1.88	\$2.14	\$2.10	\$1.75	\$1.74	\$1.87
Cost of Production (\$/kg LW)	\$2.42	\$2.27	\$1.96	\$2.01	\$2.11	\$1.47	\$1.54	\$1.38	\$1.45	\$1.45
<b>Operating Margin (\$/kg LW)</b>	<b>(\$0.22)</b>	<b>(\$0.18)</b>	<b>(\$0.24)</b>	<b>(\$0.26)</b>	<b>(\$0.23)</b>	<b>\$0.67</b>	<b>\$0.56</b>	<b>\$0.37</b>	<b>\$0.29</b>	<b>\$0.42</b>
Kg Beef/ AE	114.5	106.2	105.3	97.5	104.4	117.7	123.4	114.4	101.5	111.9
Labour Efficiency (AE/FTE)	439	474	644	576	550	702	683	1,028	944	872
Labour Costs (\$/AE)	105.94	97.61	74.58	83.52	86.22	61.41	67.91	45.72	48.57	52.64
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$914	\$932	\$854	\$786	\$862	\$953	\$1,045	\$912	\$855	\$925
Sale Weight/ Head Sold (all sales)	430	451	497	446	463	449	506	530	485	500
Reproductive Rate %	75.4%	65.1%	66.6%	66.6%	67.4%	76.5%	70.4%	68.7%	67.0%	69.4%
Mortality Rate %	2.3%	1.3%	1.5%	1.3%	1.5%	1.4%	0.7%	1.1%	1.0%	1.0%
Enterprise Size (Annual Avg AE)	1,067	1,048	1,276	1,075	1,132	1,952	1,717	2,787	2,325	2,258



### 8.4.3.8 Queensland – Northern Coastal

#### WHOLE BUSINESS INCOME STATEMENT: QUEENSLAND - NORTHERN COASTAL

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	526,341	424,803	260,324	199,752	308,707	263,748	794,870	555,730	204,793	494,580
Purchases- Beef	(32,910)	(184,623)	(62,921)	(24,463)	(68,825)	(27,332)	(520,018)	(152,867)	(23,837)	(197,075)
Inventory Change- Beef	64,231	183,910	(1,994)	(48,285)	26,791	282,204	636,495	67,910	21,544	207,536
Gross Profit- Beef	557,662	424,090	195,409	127,005	266,673	518,620	911,347	470,773	202,500	505,041
Gross Profit- Other Enterprises	92,662	30,809	32,956	7,449	32,793	24,448	106,605	78,165	12,311	62,765
Other Income	13,064	24,117	46,568	16,515	28,081	5,637	37,985	107,438	12,302	56,667
<b>GROSS PROFIT</b>	<b>662,662</b>	<b>478,922</b>	<b>274,914</b>	<b>150,963</b>	<b>327,420</b>	<b>548,705</b>	<b>1,055,915</b>	<b>656,349</b>	<b>227,112</b>	<b>624,457</b>
<b>ENTERPRISE EXPENSES</b>	<b>163,678</b>	<b>122,192</b>	<b>80,514</b>	<b>43,370</b>	<b>88,009</b>	<b>62,910</b>	<b>202,947</b>	<b>167,369</b>	<b>26,597</b>	<b>129,016</b>
Beef	124,661	110,794	75,125	39,651	77,313	53,662	168,226	159,164	22,541	115,469
Other Enterprises	39,016	11,398	5,389	3,719	10,696	9,248	34,720	8,205	4,056	13,547
<b>GROSS MARGIN</b>	<b>498,984</b>	<b>356,730</b>	<b>194,400</b>	<b>107,594</b>	<b>239,411</b>	<b>485,795</b>	<b>852,968</b>	<b>488,980</b>	<b>200,516</b>	<b>495,441</b>
<b>OVERHEAD EXPENSES</b>										
Administration	15,458	16,860	13,054	9,835	13,063	10,008	26,251	21,308	6,110	17,434
Depreciation	61,731	60,931	31,080	30,642	40,761	33,249	98,504	43,620	27,078	51,575
Electricity & Gas	3,086	4,018	2,681	2,547	2,942	1,335	8,954	5,411	2,017	5,034
Freight	20,882	21,662	7,594	7,912	12,162	10,766	53,407	14,585	6,223	21,397
Fuel & Lubricants	32,754	22,773	14,433	10,877	17,411	15,124	42,390	20,817	8,721	22,247
Insurance	6,597	4,945	3,863	5,051	4,828	2,523	7,218	6,239	4,298	5,675
Materials	2,400	1,460	1,471	688	1,349	3,763	2,531	3,335	138	2,261
Motor Vehicle Expenses	9,879	5,662	3,427	4,024	4,939	3,500	7,291	3,459	4,231	4,613
Rates & Rents	21,287	13,939	14,111	16,131	15,737	15,039	27,451	23,117	21,667	23,214
R & M General	68,747	54,044	26,522	19,016	35,139	20,813	70,994	51,963	18,866	45,095
Wages (inc stores & rations)	51,122	45,260	20,698	8,113	25,480	8,120	91,219	51,614	7,966	45,922
Wages (Owner)	120,522	89,577	92,719	79,494	91,816	103,059	91,377	73,328	71,423	79,187
	<b>414,466</b>	<b>341,132</b>	<b>231,654</b>	<b>194,330</b>	<b>265,626</b>	<b>227,298</b>	<b>527,587</b>	<b>318,796</b>	<b>178,737</b>	<b>323,654</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>578,144</b>	<b>463,324</b>	<b>312,168</b>	<b>237,700</b>	<b>353,635</b>	<b>290,208</b>	<b>730,533</b>	<b>486,165</b>	<b>205,334</b>	<b>452,670</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>84,518</b>	<b>15,598</b>	<b>(37,253)</b>	<b>(86,736)</b>	<b>(26,215)</b>	<b>258,497</b>	<b>325,381</b>	<b>170,184</b>	<b>21,778</b>	<b>171,787</b>
Interest	48,125	56,262	31,947	19,549	34,737	17,371	126,498	81,017	22,198	71,088
<b>EARNINGS BEFORE TAX</b>	<b>36,393</b>	<b>(40,664)</b>	<b>(69,200)</b>	<b>(106,285)</b>	<b>(60,953)</b>	<b>241,126</b>	<b>198,883</b>	<b>89,168</b>	<b>(420)</b>	<b>100,699</b>

**WHOLE BUSINESS BALANCE SHEET: QUEENSLAND - NORTHERN COASTAL**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	192,988	109,817	185,600	314,853	214,072	33,490	224,002	163,591	286,146	204,274
Plant, Equipment & Vehicles	291,423	263,388	193,556	204,426	223,697	100,679	410,665	234,739	158,038	246,707
Livestock	1,940,974	1,385,355	703,911	669,019	992,585	1,306,600	2,642,565	1,330,479	864,593	1,515,811
Land & Infrastructure	3,595,085	4,706,974	5,001,911	3,463,755	4,256,650	1,674,629	8,579,444	6,905,690	4,058,065	6,151,259
<b>TOTAL ASSETS</b>	<b>6,020,469</b>	<b>6,465,534</b>	<b>6,084,978</b>	<b>4,652,052</b>	<b>5,687,004</b>	<b>3,115,397</b>	<b>11,856,676</b>	<b>8,634,499</b>	<b>5,366,842</b>	<b>8,118,051</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	79,961	190,915	204,212	85,456	146,220	24,090	182,615	465,363	36,275	245,002
Plant & Equipment Finance	9,057	10,353	20,187	11,629	14,064	517	4,064	39,224	6,358	18,729
Long Term Debt	655,119	777,954	172,922	164,438	349,694	259,309	2,194,672	516,805	206,835	819,572
<b>TOTAL LIABILITIES</b>	<b>744,138</b>	<b>979,222</b>	<b>397,322</b>	<b>261,523</b>	<b>509,978</b>	<b>283,916</b>	<b>2,381,350</b>	<b>1,021,391</b>	<b>249,467</b>	<b>1,083,303</b>
<b>NET ASSETS (EQUITY)</b>	<b>5,276,332</b>	<b>5,486,311</b>	<b>5,687,656</b>	<b>4,390,529</b>	<b>5,177,026</b>	<b>2,831,481</b>	<b>9,475,326</b>	<b>7,613,107</b>	<b>5,117,375</b>	<b>7,034,748</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	63	52	134	237	123	18	59	65	177	80
Plant, Equipment & Vehicles	95	124	139	154	128	53	107	93	98	97
Livestock	635	650	507	503	570	694	691	525	534	596
Land & Infrastructure	1,177	2,210	3,602	2,603	2,444	889	2,244	2,727	2,506	2,418
<b>TOTAL ASSETS</b>	<b>1,971</b>	<b>3,035</b>	<b>4,382</b>	<b>3,496</b>	<b>3,266</b>	<b>1,654</b>	<b>3,102</b>	<b>3,409</b>	<b>3,314</b>	<b>3,192</b>
<b>TOTAL LIABILITIES</b>	<b>244</b>	<b>460</b>	<b>286</b>	<b>197</b>	<b>293</b>	<b>151</b>	<b>623</b>	<b>403</b>	<b>154</b>	<b>426</b>
<b>NET ASSETS</b>	<b>1,727</b>	<b>2,575</b>	<b>4,096</b>	<b>3,299</b>	<b>2,973</b>	<b>1,503</b>	<b>2,479</b>	<b>3,006</b>	<b>3,160</b>	<b>2,766</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	1.4%	0.2%	(0.6%)	(1.9%)	(0.5%)	8.3%	2.7%	2.0%	0.4%	2.1%
Capital Return	8.7%	1.8%	6.7%	(0.3%)	4.2%	10.8%	(9.3%)	8.8%	(0.4%)	2.5%
<b>Total Business Return</b>	<b>10.1%</b>	<b>2.0%</b>	<b>6.1%</b>	<b>(2.2%)</b>	<b>3.7%</b>	<b>19.1%</b>	<b>(6.6%)</b>	<b>10.8%</b>	<b>(0.0%)</b>	<b>4.6%</b>
Equity %	87.6%	84.9%	93.5%	94.4%	91.0%	90.9%	79.9%	88.2%	95.4%	86.7%
Finance Coverage (EBIT/ Finance Costs)	1.8	0.3	(1.2)	(4.4)	(0.8)	14.9	2.6	2.1	1.0	2.4
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	18,172	14,607	5,595	4,433	8,656	17,692	28,878	11,323	5,318	14,319
Total Cattle (head)	2,586	1,803	1,153	1,132	1,468	1,567	3,227	2,116	1,397	2,145
Total Beef AE	3,055	2,130	1,389	1,331	1,741	1,884	3,823	2,533	1,620	2,544
Stocking Rate (AE/Ha) Beef Only	0.17	0.15	0.25	0.30	0.23	0.11	0.13	0.22	0.30	0.22

**BEEF ENTERPRISE INCOME STATEMENT: QUEENSLAND - NORTHERN COASTAL**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>182.52</b>	<b>199.07</b>	<b>140.73</b>	<b>95.44</b>	<b>153.13</b>	<b>275.32</b>	<b>238.40</b>	<b>185.87</b>	<b>125.04</b>	<b>198.56</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.84	0.75	1.77	0.20	0.92	1.03	0.74	1.69	0.12	1.02
Insurance & Materials	4.81	4.91	7.39	4.03	5.37	4.11	3.91	7.99	3.60	5.51
Mustering & Contracting	2.64	2.44	6.24	2.91	3.68	5.73	2.36	9.57	2.11	5.39
Selling Costs	3.41	1.19	4.92	1.80	2.94	4.02	0.98	3.95	0.88	2.31
Fodder	29.10	42.72	33.79	20.86	31.48	13.60	36.02	39.65	7.21	31.16
	<b>40.80</b>	<b>52.01</b>	<b>54.10</b>	<b>29.80</b>	<b>44.39</b>	<b>28.49</b>	<b>44.01</b>	<b>62.84</b>	<b>13.92</b>	<b>45.40</b>
<b>GROSS MARGIN</b>	<b>141.72</b>	<b>147.07</b>	<b>86.62</b>	<b>65.64</b>	<b>108.73</b>	<b>246.83</b>	<b>194.40</b>	<b>123.03</b>	<b>111.12</b>	<b>153.16</b>
<b>OVERHEAD EXPENSES</b>										
Administration	4.26	7.01	6.68	6.22	6.04	5.02	5.93	6.03	3.36	5.46
Depreciation	17.00	25.33	15.91	19.37	19.15	16.68	22.24	12.35	14.91	16.65
Electricity & Gas	0.85	1.67	1.37	1.61	1.37	0.67	2.02	1.53	1.11	1.59
Freight	5.75	9.00	3.89	5.00	5.78	5.40	12.06	4.13	3.43	6.96
Fuel & Lubricants	9.02	9.47	7.39	6.88	8.14	7.59	9.57	5.90	4.80	7.13
Insurance	1.82	2.06	1.98	3.19	2.25	1.27	1.63	1.77	2.37	1.80
Materials	0.66	0.61	0.75	0.43	0.62	1.89	0.57	0.94	0.08	0.70
Motor Vehicle Expenses	2.72	2.35	1.75	2.54	2.32	1.76	1.65	0.98	2.33	1.51
Rates & Rents	5.86	5.79	7.22	10.20	7.29	7.55	6.20	6.55	11.93	7.44
R & M General	18.94	22.46	13.58	12.02	16.53	10.44	16.03	14.72	10.39	14.20
Wages	14.08	18.81	10.60	5.13	11.97	4.07	20.60	14.62	4.39	14.43
Wages (Owner)	33.20	37.23	47.46	50.26	42.32	51.71	20.63	20.77	39.32	25.62
	<b>114.16</b>	<b>141.80</b>	<b>118.58</b>	<b>122.86</b>	<b>123.78</b>	<b>114.05</b>	<b>119.12</b>	<b>90.28</b>	<b>98.40</b>	<b>103.48</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>154.96</b>	<b>193.81</b>	<b>172.68</b>	<b>152.65</b>	<b>168.17</b>	<b>142.54</b>	<b>163.12</b>	<b>153.12</b>	<b>112.32</b>	<b>148.88</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>27.56</b>	<b>5.27</b>	<b>(31.96)</b>	<b>(57.21)</b>	<b>(15.04)</b>	<b>132.78</b>	<b>75.28</b>	<b>32.75</b>	<b>12.71</b>	<b>49.68</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.38	\$2.02	\$1.54	\$1.66	\$1.89	\$3.95	\$2.10	\$1.54	\$1.66	\$1.85
Cost of Production (\$/kg LW)	\$2.02	\$1.97	\$1.89	\$2.65	\$2.08	\$2.05	\$1.44	\$1.27	\$1.49	\$1.39
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.36</b>	<b>\$0.05</b>	<b>(\$0.35)</b>	<b>(\$0.99)</b>	<b>(\$0.19)</b>	<b>\$1.91</b>	<b>\$0.66</b>	<b>\$0.27</b>	<b>\$0.17</b>	<b>\$0.46</b>
Kg Beef/ AE	76.7	98.3	91.4	57.5	81.0	69.7	113.6	120.7	75.4	107.4
Labour Efficiency (AE/FTE)	960	881	792	900	875	822	1,229	1,267	1,082	1,185
Labour Costs (\$/AE)	47.28	56.05	58.06	55.39	54.29	55.79	41.23	35.38	43.71	40.04
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$851	\$890	\$766	\$653	\$784	\$858	\$916	\$895	\$725	\$877
Sale Weight/ Head Sold (all sales)	421	453	468	389	434	424	466	546	432	496
Reproductive Rate %	51.4%	59.0%	61.8%	50.4%	55.8%	44.7%	66.7%	66.0%	56.6%	63.5%
Mortality Rate %	2.5%	1.5%	1.7%	1.9%	1.9%	2.9%	1.5%	1.2%	0.9%	1.4%
Enterprise Size (Annual Avg AE)	3,055	2,130	1,389	1,331	1,741	1,884	3,823	2,533	1,620	2,544

### 8.4.3.9 Western Australia – Kimberley

#### WHOLE BUSINESS INCOME STATEMENT: WESTERN AUSTRALIA - KIMBERLEY

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	522,834	705,110	1,480,530	1,383,035	1,038,813	386,887	768,086	3,019,860	2,186,457	1,636,862
Purchases- Beef	(160,521)	(204,326)	(144,604)	(107,571)	(152,884)	(245,823)	(265,019)	(348,663)	(209,642)	(265,456)
Inventory Change- Beef	705,576	91,896	170,278	(295,629)	181,469	899,693	188,360	770,891	(480,842)	271,349
Gross Profit- Beef	1,067,889	592,680	1,506,203	979,835	1,067,398	1,040,757	691,428	3,442,088	1,495,974	1,642,756
Gross Profit- Other Enterprises	9,135	10,432	15,756	842	9,305	15,285	14,474	47,783	1,773	18,930
Other Income	13,378	27,654	68,821	47,960	40,420	9,902	25,141	159,602	40,319	58,589
<b>GROSS PROFIT</b>	<b>1,090,402</b>	<b>630,765</b>	<b>1,590,781</b>	<b>1,028,636</b>	<b>1,117,122</b>	<b>1,065,944</b>	<b>731,043</b>	<b>3,649,472</b>	<b>1,538,066</b>	<b>1,720,276</b>
<b>ENTERPRISE EXPENSES</b>	<b>67,085</b>	<b>162,094</b>	<b>299,561</b>	<b>248,699</b>	<b>196,868</b>	<b>51,022</b>	<b>165,488</b>	<b>577,545</b>	<b>275,980</b>	<b>273,363</b>
Beef	66,919	160,128	298,273	248,699	196,033	50,793	162,760	573,881	275,980	271,668
Other Enterprises	166	1,966	1,288	0	835	228	2,728	3,664	0	1,695
<b>GROSS MARGIN</b>	<b>1,023,317</b>	<b>468,671</b>	<b>1,291,220</b>	<b>779,937</b>	<b>920,254</b>	<b>1,014,922</b>	<b>565,555</b>	<b>3,071,927</b>	<b>1,262,086</b>	<b>1,446,913</b>
<b>OVERHEAD EXPENSES</b>										
Administration	44,853	28,092	49,823	21,954	37,138	37,661	32,181	105,621	24,828	48,610
Depreciation	47,314	57,763	100,788	102,387	77,868	47,909	62,084	148,706	138,297	101,783
Electricity & Gas	250	0	2,201	1,377	1,017	0	0	4,725	2,086	1,721
Freight	26,387	40,131	49,433	69,851	46,281	12,818	46,685	55,354	88,825	54,338
Fuel & Lubricants	47,319	94,276	128,845	65,470	84,907	50,368	107,483	281,159	84,783	131,470
Insurance	9,168	10,185	26,496	19,731	16,812	12,298	7,694	49,874	28,556	24,574
Materials	3,751	5,514	5,973	6,422	5,401	4,343	4,156	8,374	13,003	7,724
Motor Vehicle Expenses	13,191	27,706	15,418	23,061	19,336	14,307	37,553	27,884	44,894	32,920
Rates & Rents	8,521	44,863	42,588	40,815	33,771	9,194	44,340	91,247	63,874	54,395
R & M General	38,144	79,000	172,946	120,670	104,857	32,094	77,910	257,538	199,966	146,825
Wages (inc stores & rations)	35,127	71,306	217,777	117,738	114,365	32,499	70,184	462,866	209,209	196,223
Wages (Owner)	95,717	87,717	72,121	85,469	84,859	94,495	84,537	65,387	88,712	83,067
	<b>369,741</b>	<b>546,554</b>	<b>884,410</b>	<b>674,944</b>	<b>626,612</b>	<b>347,987</b>	<b>574,807</b>	<b>1,558,735</b>	<b>987,031</b>	<b>883,650</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>436,826</b>	<b>708,648</b>	<b>1,183,971</b>	<b>923,643</b>	<b>823,480</b>	<b>399,008</b>	<b>740,295</b>	<b>2,136,280</b>	<b>1,263,011</b>	<b>1,157,013</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>653,576</b>	<b>(77,883)</b>	<b>406,810</b>	<b>104,993</b>	<b>293,642</b>	<b>666,936</b>	<b>(9,252)</b>	<b>1,513,192</b>	<b>275,055</b>	<b>563,263</b>
Interest	26,928	55,416	105,492	19,810	53,622	29,362	76,049	274,669	40,620	104,324
<b>EARNINGS BEFORE TAX</b>	<b>626,648</b>	<b>(133,298)</b>	<b>301,318</b>	<b>85,183</b>	<b>240,020</b>	<b>637,574</b>	<b>(85,301)</b>	<b>1,238,523</b>	<b>234,435</b>	<b>458,939</b>

**WHOLE BUSINESS BALANCE SHEET: WESTERN AUSTRALIA - KIMBERLEY**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	256,540	135,687	137,778	458,828	245,078	9,387	2,298	15,334	577,808	171,184
Plant, Equipment & Vehicles	144,609	167,496	678,366	786,888	454,017	140,040	165,317	1,041,306	1,061,594	625,150
Livestock	4,239,434	4,043,481	6,111,678	4,535,495	4,796,745	3,316,507	4,249,516	12,615,126	7,066,881	6,868,573
Land & Infrastructure	1,545,131	2,930,161	5,227,370	6,887,419	4,164,361	569,544	2,598,461	7,502,818	9,115,145	5,241,614
<b>TOTAL ASSETS</b>	<b>6,185,714</b>	<b>7,276,826</b>	<b>12,155,192</b>	<b>12,668,629</b>	<b>9,660,201</b>	<b>4,035,478</b>	<b>7,015,592</b>	<b>21,174,584</b>	<b>17,821,428</b>	<b>12,906,521</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	27,753	61,026	236,113	112,035	114,025	21,355	84,671	310,076	236,082	169,539
Plant & Equipment Finance	36,617	2,955	21,203	6,624	17,771	57,898	3,316	9,790	2,207	14,937
Long Term Debt	224,507	1,141,922	797,365	0	532,153	268,692	1,584,363	2,418,075	0	1,079,587
<b>TOTAL LIABILITIES</b>	<b>288,878</b>	<b>1,205,903</b>	<b>1,054,681</b>	<b>118,659</b>	<b>663,949</b>	<b>347,944</b>	<b>1,672,350</b>	<b>2,737,941</b>	<b>238,289</b>	<b>1,264,063</b>
<b>NET ASSETS (EQUITY)</b>	<b>5,896,836</b>	<b>6,070,923</b>	<b>11,100,511</b>	<b>12,549,970</b>	<b>8,996,252</b>	<b>3,687,534</b>	<b>5,343,243</b>	<b>18,436,643</b>	<b>17,583,139</b>	<b>11,642,459</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	39	19	11	49	27	2	0	1	39	13
Plant, Equipment & Vehicles	22	23	54	84	50	29	22	41	72	47
Livestock	646	561	482	483	527	686	571	494	480	515
Land & Infrastructure	236	406	412	733	457	118	349	294	619	393
<b>TOTAL ASSETS</b>	<b>943</b>	<b>1,009</b>	<b>959</b>	<b>1,348</b>	<b>1,061</b>	<b>834</b>	<b>942</b>	<b>829</b>	<b>1,210</b>	<b>968</b>
<b>TOTAL LIABILITIES</b>	<b>44</b>	<b>167</b>	<b>83</b>	<b>13</b>	<b>73</b>	<b>72</b>	<b>225</b>	<b>107</b>	<b>16</b>	<b>95</b>
<b>NET ASSETS</b>	<b>899</b>	<b>842</b>	<b>876</b>	<b>1,335</b>	<b>988</b>	<b>762</b>	<b>717</b>	<b>722</b>	<b>1,193</b>	<b>873</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	10.6%	(1.1%)	3.3%	0.8%	3.0%	16.5%	(0.1%)	7.1%	1.5%	4.4%
Capital Return	6.6%	4.6%	(1.3%)	(1.7%)	2.0%	7.0%	6.0%	(1.9%)	0.0%	2.8%
<b>Total Business Return</b>	<b>17.2%</b>	<b>3.5%</b>	<b>2.0%</b>	<b>(0.9%)</b>	<b>5.1%</b>	<b>23.5%</b>	<b>5.8%</b>	<b>5.2%</b>	<b>1.5%</b>	<b>7.1%</b>
Equity %	95.3%	83.4%	91.3%	99.1%	93.1%	91.4%	76.2%	87.1%	98.7%	90.2%
Finance Coverage (EBIT/ Finance Costs)	24.3	(1.4)	3.9	5.3	5.5	22.7	(0.1)	5.5	6.8	5.4
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	210,460	258,703	279,238	196,268	236,991	228,560	285,114	447,153	283,862	312,565
Total Cattle (head)	5,491	5,914	10,606	8,025	7,634	4,094	6,154	21,344	12,693	11,246
Total Beef AE	6,558	7,214	12,675	9,397	9,108	4,838	7,447	25,532	14,733	13,338
Stocking Rate (AE/Ha) Beef Only	0.03	0.03	0.05	0.05	0.04	0.02	0.03	0.06	0.05	0.04

**BEEF ENTERPRISE INCOME STATEMENT: WESTERN AUSTRALIA - KIMBERLEY**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>162.84</b>	<b>82.16</b>	<b>118.83</b>	<b>104.27</b>	<b>117.19</b>	<b>215.12</b>	<b>92.84</b>	<b>134.82</b>	<b>101.54</b>	<b>123.17</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.14	0.00	0.07	0.54	0.18	0.30	0.00	0.02	0.43	0.17
Insurance & Materials	1.37	5.28	6.31	3.11	4.42	2.35	6.31	7.20	3.52	5.56
Mustering & Contracting	3.31	7.91	4.35	9.86	6.13	3.47	7.26	2.44	5.29	4.18
Selling Costs	3.14	2.30	5.54	2.63	3.81	3.02	1.88	5.39	1.35	3.39
Fodder	2.25	6.71	7.26	10.33	6.98	1.36	6.41	7.43	8.15	7.07
	<b>10.20</b>	<b>22.20</b>	<b>23.53</b>	<b>26.46</b>	<b>21.52</b>	<b>10.50</b>	<b>21.86</b>	<b>22.48</b>	<b>18.73</b>	<b>20.37</b>
<b>GROSS MARGIN</b>	<b>152.64</b>	<b>59.96</b>	<b>95.30</b>	<b>77.80</b>	<b>95.67</b>	<b>204.62</b>	<b>70.99</b>	<b>112.34</b>	<b>82.81</b>	<b>102.80</b>
<b>OVERHEAD EXPENSES</b>										
Administration	6.70	3.66	3.72	2.23	3.90	7.60	4.09	3.90	1.64	3.47
Depreciation	7.07	7.52	7.53	10.38	8.14	9.67	7.88	5.49	9.13	7.31
Electricity & Gas	0.04	0.00	0.16	0.14	0.11	0.00	0.00	0.17	0.14	0.12
Freight	3.94	5.23	3.69	7.08	4.84	2.59	5.93	2.04	5.86	3.91
Fuel & Lubricants	7.07	12.28	9.62	6.64	8.86	10.16	13.65	10.39	5.60	9.38
Insurance	1.37	1.33	1.98	2.00	1.76	2.48	0.98	1.84	1.89	1.76
Materials	0.56	0.72	0.45	0.65	0.56	0.88	0.53	0.31	0.86	0.56
Motor Vehicle Expenses	1.97	3.61	1.15	2.34	2.02	2.89	4.77	1.03	2.96	2.37
Rates & Rents	1.27	5.84	3.18	4.14	3.52	1.86	5.63	3.37	4.22	3.89
R & M General	5.70	10.29	12.92	12.23	10.94	6.48	9.89	9.51	13.20	10.53
Wages	5.25	9.29	16.27	11.93	11.93	6.56	8.91	17.10	13.81	14.03
Wages (Owner)	14.29	11.43	5.39	8.66	8.91	19.07	10.74	2.42	5.86	5.98
	<b>55.22</b>	<b>71.19</b>	<b>66.07</b>	<b>68.42</b>	<b>65.49</b>	<b>70.23</b>	<b>73.00</b>	<b>57.58</b>	<b>65.16</b>	<b>63.31</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>65.42</b>	<b>93.39</b>	<b>89.60</b>	<b>94.88</b>	<b>87.01</b>	<b>80.73</b>	<b>94.86</b>	<b>80.06</b>	<b>83.89</b>	<b>83.68</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>97.42</b>	<b>(11.23)</b>	<b>29.23</b>	<b>9.39</b>	<b>30.18</b>	<b>134.39</b>	<b>(2.01)</b>	<b>54.76</b>	<b>17.65</b>	<b>39.49</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.28	\$2.04	\$1.53	\$1.60	\$1.75	\$2.61	\$2.10	\$1.55	\$1.57	\$1.69
Cost of Production (\$/kg LW)	\$0.92	\$2.32	\$1.16	\$1.46	\$1.30	\$0.98	\$2.14	\$0.92	\$1.29	\$1.15
<b>Operating Margin (\$/kg LW)</b>	<b>\$1.37</b>	<b>(\$0.28)</b>	<b>\$0.38</b>	<b>\$0.14</b>	<b>\$0.45</b>	<b>\$1.63</b>	<b>(\$0.05)</b>	<b>\$0.63</b>	<b>\$0.27</b>	<b>\$0.54</b>
Kg Beef/ AE	71.3	40.2	77.6	65.2	66.9	82.5	44.3	86.8	64.8	72.8
Labour Efficiency (AE/FTE)	2,148	2,184	2,396	2,507	2,332	1,679	2,382	2,538	2,495	2,414
Labour Costs (\$/AE)	19.54	20.71	21.66	20.60	20.83	25.63	19.65	19.51	19.67	20.01
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$533	\$517	\$581	\$535	\$550	\$594	\$532	\$596	\$580	\$580
Sale Weight/ Head Sold (all sales)	270	270	364	327	325	301	278	373	354	349
Reproductive Rate %	63.0%	45.9%	53.9%	61.2%	55.7%	60.0%	48.2%	55.3%	58.0%	55.2%
Mortality Rate %	4.0%	6.3%	2.6%	2.4%	3.5%	0.8%	6.0%	2.6%	2.5%	3.0%
Enterprise Size (Annual Avg AE)	6,558	7,214	12,675	9,397	9,108	4,838	7,447	25,532	14,733	13,338

### 8.4.3.10 Western Australia – Pilbara

#### WHOLE BUSINESS INCOME STATEMENT: WESTERN AUSTRALIA - PILBARA

	AVERAGE				
	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$
<b>INCOME</b>					
Sales- Beef	727,731	853,714	867,728	1,537,806	946,737
Purchases- Beef	(22,913)	(22,181)	(50,545)	(93,653)	(42,749)
Inventory Change- Beef	227,860	(143,618)	444,437	(406,771)	63,235
Gross Profit- Beef	932,678	687,914	1,261,620	1,037,382	967,224
Gross Profit- Other Enterprises	0	0	31,769	87,669	24,142
Other Income	10,933	11,367	114,587	68,020	51,688
<b>GROSS PROFIT</b>	<b>943,612</b>	<b>699,282</b>	<b>1,407,976</b>	<b>1,193,071</b>	<b>1,043,054</b>
<b>ENTERPRISE EXPENSES</b>	<b>76,951</b>	<b>121,877</b>	<b>126,099</b>	<b>261,729</b>	<b>137,467</b>
Beef	76,951	121,259	126,099	261,729	137,261
Other Enterprises	0	617	0	0	206
<b>GROSS MARGIN</b>	<b>866,660</b>	<b>577,405</b>	<b>1,281,877</b>	<b>931,342</b>	<b>905,587</b>
<b>OVERHEAD EXPENSES</b>					
Administration	36,700	15,881	45,295	47,631	34,161
Depreciation	48,357	78,289	116,042	138,710	93,699
Electricity & Gas	3,634	361	3,250	13,826	4,126
Freight	37,681	65,666	42,182	101,670	59,025
Fuel & Lubricants	44,518	48,939	88,840	160,228	78,573
Insurance	7,232	6,416	36,967	41,000	21,509
Materials	12,592	656	3,112	9,354	5,230
Motor Vehicle Expenses	11,581	20,238	9,310	20,726	15,310
Rates & Rents	3,580	9,126	29,461	68,833	24,069
R & M General	51,836	73,565	100,967	144,599	89,279
Wages (inc stores & rations)	58,754	55,905	89,880	331,893	112,665
Wages (Owner)	77,566	110,060	114,494	155,256	112,424
	<b>394,030</b>	<b>485,102</b>	<b>679,800</b>	<b>1,233,726</b>	<b>650,068</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>470,981</b>	<b>606,978</b>	<b>805,900</b>	<b>1,495,456</b>	<b>787,535</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>472,630</b>	<b>92,303</b>	<b>602,077</b>	<b>(302,384)</b>	<b>255,519</b>
Interest	11,804	13,614	55,553	16,654	26,340
<b>EARNINGS BEFORE TAX</b>	<b>460,826</b>	<b>78,690</b>	<b>546,523</b>	<b>(319,038)</b>	<b>229,179</b>



**WHOLE BUSINESS BALANCE SHEET: WESTERN AUSTRALIA - PILBARA**

	AVERAGE				
	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
Cash & Liquid Assets	19,207	257,700	172,816	165,224	169,124
Plant, Equipment & Vehicles	191,393	394,986	597,635	878,389	495,629
Livestock	2,892,730	3,137,971	4,942,163	5,182,108	3,970,870
Land & Infrastructure	1,520,937	3,104,512	6,317,776	6,708,066	4,352,368
<b>TOTAL ASSETS</b>	<b>4,624,267</b>	<b>6,895,169</b>	<b>12,030,390</b>	<b>12,933,788</b>	<b>8,987,991</b>
<b>LIABILITIES</b>					
Overdraft/ working capital debt	5,501	8,828	345,419	223,096	144,851
Plant & Equipment Finance	0	0	16,056	3,187	5,348
Long Term Debt	36,232	213,832	675,961	0	281,312
<b>TOTAL LIABILITIES</b>	<b>41,733</b>	<b>222,659</b>	<b>1,037,436</b>	<b>226,283</b>	<b>431,511</b>
<b>NET ASSETS (EQUITY)</b>	<b>4,582,534</b>	<b>6,672,509</b>	<b>10,992,954</b>	<b>12,707,504</b>	<b>8,556,480</b>

**Balance Sheet per Adult Equivalent**

Cash & Liquid Assets	4	42	16	14	21
Plant, Equipment & Vehicles	38	65	56	74	60
Livestock	572	515	462	439	483
Land & Infrastructure	301	510	591	569	530
<b>TOTAL ASSETS</b>	<b>914</b>	<b>1,132</b>	<b>1,126</b>	<b>1,096</b>	<b>1,094</b>
<b>TOTAL LIABILITIES</b>	<b>8</b>	<b>37</b>	<b>97</b>	<b>19</b>	<b>53</b>
<b>NET ASSETS</b>	<b>906</b>	<b>1,096</b>	<b>1,028</b>	<b>1,077</b>	<b>1,042</b>

**KEY PERFORMANCE INDICATORS**

Operating Return	10.2%	1.3%	5.0%	(2.3%)	2.8%
Capital Return	4.9%	4.5%	4.0%	(4.3%)	2.3%
<b>Total Business Return</b>	<b>15.1%</b>	<b>5.9%</b>	<b>9.0%</b>	<b>(6.6%)</b>	<b>5.1%</b>
Equity %	99.1%	96.8%	91.4%	98.3%	95.2%
Finance Coverage (EBIT/ Finance Costs)	40.0	6.8	10.8	(18.2)	9.7

**LAND & LIVESTOCK DATA**

Total Area (Ha)	188,169	245,437	278,877	246,885	244,256
Total Cattle (head)	4,222	5,184	8,883	9,761	6,864
Total Beef AE	5,058	6,089	10,689	11,796	8,214
Stocking Rate (AE/Ha) Beef Only	0.03	0.02	0.04	0.05	0.03



**BEEF ENTERPRISE INCOME STATEMENT: WESTERN AUSTRALIA - PILBARA**

	AVERAGE				
	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>184.38</b>	<b>112.97</b>	<b>118.03</b>	<b>87.94</b>	<b>117.75</b>
<b>ENTERPRISE EXPENSES</b>					
Animal Health	0.04	0.01	0.38	0.53	0.28
Insurance & Materials	1.49	3.13	3.80	2.49	3.04
Mustering & Contracting	5.86	9.02	2.20	3.28	4.59
Selling Costs	6.99	4.05	3.80	8.40	5.36
Fodder	0.84	3.71	1.62	7.49	3.44
	<b>15.21</b>	<b>19.91</b>	<b>11.80</b>	<b>22.19</b>	<b>16.71</b>
<b>GROSS MARGIN</b>	<b>169.17</b>	<b>93.06</b>	<b>106.24</b>	<b>65.76</b>	<b>101.04</b>
<b>OVERHEAD EXPENSES</b>					
Administration	7.17	2.57	3.80	3.51	3.84
Depreciation	9.45	12.65	9.73	10.22	10.53
Electricity & Gas	0.71	0.06	0.27	1.02	0.45
Freight	7.36	10.61	3.54	7.49	6.70
Fuel & Lubricants	8.70	7.91	7.45	11.81	8.76
Insurance	1.41	1.04	3.10	3.02	2.36
Materials	2.46	0.11	0.26	0.69	0.60
Motor Vehicle Expenses	2.26	3.27	0.78	1.53	1.76
Rates & Rents	0.70	1.47	2.47	5.07	2.63
R & M General	10.13	11.88	8.46	10.66	10.04
Wages	11.48	9.03	7.53	24.46	12.44
Wages (Owner)	15.16	17.78	9.60	11.44	12.75
	<b>76.99</b>	<b>78.37</b>	<b>56.99</b>	<b>90.94</b>	<b>72.86</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>92.20</b>	<b>98.28</b>	<b>68.79</b>	<b>113.13</b>	<b>89.57</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>92.17</b>	<b>14.69</b>	<b>49.25</b>	<b>(25.18)</b>	<b>28.18</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>					
Price Received (\$/kg LW)	\$2.08	\$1.79	\$1.46	\$1.44	\$1.62
Cost of Production (\$/kg LW)	\$1.04	\$1.55	\$0.85	\$1.85	\$1.23
<b>Operating Margin (\$/kg LW)</b>	<b>\$1.04</b>	<b>\$0.23</b>	<b>\$0.61</b>	<b>(\$0.41)</b>	<b>\$0.39</b>
Kg Beef/ AE	88.8	63.3	81.0	61.1	72.8
Labour Efficiency (AE/FTE)	1,788	1,583	2,599	1,901	1,996
Labour Costs (\$/AE)	26.64	26.81	17.13	35.91	25.19
<b>SECONDARY PERFORMANCE INDICATORS</b>					
Gross Value/ Head Sold (all sales)	\$510	\$484	\$510	\$474	\$492
Sale Weight/ Head Sold (all sales)	274	267	339	307	298
Reproductive Rate %	76.4%	57.2%	52.5%	52.4%	56.6%
Mortality Rate %	3.3%	1.9%	1.6%	1.8%	1.9%
Enterprise Size (Annual Avg AE)	5,058	6,089	10,689	11,796	8,214

### 8.4.3.11 Northern Territory – Alice Springs

#### WHOLE BUSINESS INCOME STATEMENT: NORTHERN TERRITORY - ALICE SPRINGS

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
<b>INCOME</b>										
Sales- Beef	968,302	1,087,871	1,029,004	754,579	954,619	890,042	1,493,605	788,626	1,047,513	1,068,713
Purchases- Beef	(40,667)	(49,721)	(47,026)	(46,323)	(45,819)	(51,316)	(68,645)	(2,592)	(44,907)	(46,192)
Inventory Change- Beef	157,481	(338,185)	(124,250)	100,933	(42,682)	370,252	152,382	247,063	157,468	234,290
Gross Profit- Beef	1,085,116	699,965	857,728	809,189	866,118	1,208,978	1,577,342	1,033,097	1,160,075	1,256,811
Gross Profit- Other Enterprises	178	1,223	5,409	7,117	3,437	578	3,532	0	12,466	4,809
Other Income	50,915	38,984	71,542	80,412	60,353	61,411	43,274	29,484	90,925	61,121
<b>GROSS PROFIT</b>	<b>1,136,208</b>	<b>740,172</b>	<b>934,679</b>	<b>896,718</b>	<b>929,908</b>	<b>1,270,968</b>	<b>1,624,147</b>	<b>1,062,582</b>	<b>1,263,466</b>	<b>1,322,740</b>
<b>ENTERPRISE EXPENSES</b>	<b>108,376</b>	<b>110,569</b>	<b>143,964</b>	<b>103,072</b>	<b>115,385</b>	<b>84,800</b>	<b>149,158</b>	<b>77,413</b>	<b>157,308</b>	<b>121,255</b>
Beef	107,152	110,217	138,802	101,510	113,416	84,762	149,158	77,413	156,912	121,123
Other Enterprises	1,223	352	5,162	1,561	1,969	38	0	0	397	132
<b>GROSS MARGIN</b>	<b>1,027,832</b>	<b>629,603</b>	<b>790,715</b>	<b>793,646</b>	<b>814,523</b>	<b>1,186,168</b>	<b>1,474,990</b>	<b>985,169</b>	<b>1,106,158</b>	<b>1,201,486</b>
<b>OVERHEAD EXPENSES</b>										
Administration	47,094	38,638	39,849	43,797	42,520	36,319	59,186	32,797	64,703	49,930
Depreciation	117,649	114,480	121,644	129,028	120,769	72,304	124,605	100,531	124,329	105,025
Electricity & Gas	992	1,432	800	1,268	1,132	357	1,124	0	2,013	991
Freight	56,274	48,767	94,362	88,764	71,466	38,124	77,089	82,327	110,055	76,065
Fuel & Lubricants	58,157	74,327	97,035	75,887	75,472	57,963	113,897	72,331	91,519	83,868
Insurance	29,221	24,614	29,597	26,636	27,476	30,368	28,785	14,677	34,258	28,786
Materials	13,480	3,628	6,001	6,297	7,477	2,692	5,321	3,839	5,991	4,503
Motor Vehicle Expenses	32,163	17,994	12,573	13,849	19,456	11,835	6,046	5,536	18,962	11,637
Rates & Rents	10,655	30,209	19,276	10,772	17,438	5,051	57,190	4,226	10,763	19,297
R & M General	99,094	101,296	92,839	98,266	98,036	90,251	159,088	40,424	112,585	106,157
Wages (inc stores & rations)	149,274	103,485	103,786	74,325	107,966	93,415	120,171	62,241	84,869	92,588
Wages (Owner)	113,177	117,148	120,569	115,870	116,511	90,966	129,134	117,312	115,323	111,592
	<b>727,230</b>	<b>676,017</b>	<b>738,331</b>	<b>684,758</b>	<b>705,721</b>	<b>529,647</b>	<b>881,636</b>	<b>536,242</b>	<b>775,368</b>	<b>690,438</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>835,606</b>	<b>786,586</b>	<b>882,295</b>	<b>787,830</b>	<b>821,105</b>	<b>614,447</b>	<b>1,030,794</b>	<b>613,654</b>	<b>932,677</b>	<b>811,693</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>300,602</b>	<b>(46,414)</b>	<b>52,384</b>	<b>108,888</b>	<b>108,803</b>	<b>656,521</b>	<b>593,353</b>	<b>448,927</b>	<b>330,789</b>	<b>511,048</b>
Interest	44,945	32,233	90,060	78,465	60,675	18,752	23,257	146,044	119,052	69,525
<b>EARNINGS BEFORE TAX</b>	<b>255,658</b>	<b>(78,647)</b>	<b>(37,675)</b>	<b>30,422</b>	<b>48,127</b>	<b>637,769</b>	<b>570,096</b>	<b>302,883</b>	<b>211,737</b>	<b>441,523</b>

**WHOLE BUSINESS BALANCE SHEET: NORTHERN TERRITORY - ALICE SPRINGS**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	164,335	346,191	167,955	95,939	192,039	264,999	339,605	1,716	68,968	183,791
Plant, Equipment & Vehicles	467,643	569,437	703,107	723,883	612,988	361,965	594,836	454,205	603,534	505,597
Livestock	3,574,758	3,312,304	2,865,470	2,579,437	3,088,559	3,149,763	4,829,426	3,389,092	3,607,444	3,731,907
Land & Infrastructure	2,862,731	3,963,121	7,585,242	5,514,833	4,884,295	2,139,233	4,461,458	6,062,530	6,523,974	4,625,345
<b>TOTAL ASSETS</b>	<b>7,069,467</b>	<b>8,191,053</b>	<b>11,321,774</b>	<b>8,914,092</b>	<b>8,777,881</b>	<b>5,915,961</b>	<b>10,225,325</b>	<b>9,907,542</b>	<b>10,803,920</b>	<b>9,046,640</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	225,202	205,994	93,426	228,174	192,078	69,668	240,935	134,036	236,446	171,478
Plant & Equipment Finance	20,478	30,565	501	63,548	29,992	4,936	42,384	0	132,239	51,843
Long Term Debt	285,670	308,099	805,724	617,097	494,273	199,357	129,255	1,203,117	1,140,699	619,703
<b>TOTAL LIABILITIES</b>	<b>531,351</b>	<b>544,658</b>	<b>899,652</b>	<b>908,819</b>	<b>716,343</b>	<b>273,961</b>	<b>412,574</b>	<b>1,337,153</b>	<b>1,509,384</b>	<b>843,024</b>
<b>NET ASSETS (EQUITY)</b>	<b>6,538,116</b>	<b>7,646,395</b>	<b>10,422,122</b>	<b>8,005,273</b>	<b>8,061,538</b>	<b>5,642,000</b>	<b>9,812,751</b>	<b>8,570,390</b>	<b>9,294,536</b>	<b>8,203,616</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	27	55	26	18	32	51	40	0	9	26
Plant, Equipment & Vehicles	75	90	110	134	101	69	70	64	80	72
Livestock	577	526	447	476	509	602	565	477	480	532
Land & Infrastructure	462	629	1,184	1,018	806	409	522	853	868	660
<b>TOTAL ASSETS</b>	<b>1,141</b>	<b>1,300</b>	<b>1,768</b>	<b>1,645</b>	<b>1,448</b>	<b>1,131</b>	<b>1,197</b>	<b>1,394</b>	<b>1,438</b>	<b>1,291</b>
<b>TOTAL LIABILITIES</b>	<b>86</b>	<b>86</b>	<b>140</b>	<b>168</b>	<b>118</b>	<b>52</b>	<b>48</b>	<b>188</b>	<b>201</b>	<b>120</b>
<b>NET ASSETS</b>	<b>1,055</b>	<b>1,213</b>	<b>1,627</b>	<b>1,477</b>	<b>1,330</b>	<b>1,079</b>	<b>1,148</b>	<b>1,206</b>	<b>1,237</b>	<b>1,170</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	4.3%	(0.6%)	0.5%	1.2%	1.2%	11.1%	5.8%	4.5%	3.1%	5.6%
Capital Return	6.9%	4.2%	0.5%	(3.3%)	2.1%	5.9%	6.1%	(1.9%)	0.0%	2.5%
<b>Total Business Return</b>	<b>11.2%</b>	<b>3.6%</b>	<b>1.0%</b>	<b>(2.1%)</b>	<b>3.3%</b>	<b>17.0%</b>	<b>11.9%</b>	<b>2.6%</b>	<b>3.1%</b>	<b>8.2%</b>
Equity %	92.5%	93.4%	92.1%	89.8%	91.8%	95.4%	96.0%	86.5%	86.0%	90.7%
Finance Coverage (EBIT/ Finance Costs)	6.7	(1.4)	0.6	1.4	1.8	35.0	25.5	3.1	2.8	7.4
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	455,902	364,646	329,382	355,300	378,590	259,993	415,985	313,438	432,912	358,307
Total Cattle (head)	5,287	5,376	5,477	4,619	5,174	4,506	7,480	6,088	6,403	6,041
Total Beef AE	6,196	6,302	6,404	5,420	6,062	5,229	8,546	7,105	7,513	7,010
Stocking Rate (AE/Ha) Beef Only	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02

**BEEF ENTERPRISE INCOME STATEMENT: NORTHERN TERRITORY - ALICE SPRINGS**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>175.12</b>	<b>111.07</b>	<b>133.93</b>	<b>149.30</b>	<b>142.87</b>	<b>231.21</b>	<b>184.57</b>	<b>145.41</b>	<b>154.40</b>	<b>179.30</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.02	0.16	0.02	0.16	0.09	0.01	0.03	0.00	0.06	0.03
Insurance & Materials	3.71	4.16	3.89	2.85	3.66	1.93	3.65	0.41	3.58	2.74
Mustering & Contracting	1.77	3.33	1.94	3.78	2.69	1.71	4.68	1.63	4.94	3.62
Selling Costs	7.47	3.83	9.69	6.80	6.89	9.03	4.53	7.49	7.29	6.90
Fodder	4.33	6.02	6.13	5.14	5.38	3.53	4.57	1.38	5.02	3.99
	<b>17.29</b>	<b>17.49</b>	<b>21.67</b>	<b>18.73</b>	<b>18.71</b>	<b>16.21</b>	<b>17.45</b>	<b>10.90</b>	<b>20.88</b>	<b>17.28</b>
<b>GROSS MARGIN</b>	<b>157.83</b>	<b>93.58</b>	<b>112.26</b>	<b>130.57</b>	<b>124.16</b>	<b>215.00</b>	<b>167.12</b>	<b>134.51</b>	<b>133.52</b>	<b>162.02</b>
<b>OVERHEAD EXPENSES</b>										
Administration	7.26	5.80	5.71	7.29	6.53	6.61	6.73	4.49	7.91	6.74
Depreciation	18.13	17.18	17.43	21.48	18.52	13.15	14.16	13.76	15.19	14.21
Electricity & Gas	0.15	0.21	0.11	0.21	0.17	0.06	0.13	0.00	0.25	0.13
Freight	8.67	7.32	13.52	14.78	10.91	6.94	8.76	11.27	13.45	10.26
Fuel & Lubricants	8.96	11.15	13.90	12.64	11.55	10.54	12.94	9.90	11.18	11.36
Insurance	4.50	3.69	4.24	4.43	4.22	5.52	3.27	2.01	4.19	3.88
Materials	2.08	0.54	0.86	1.05	1.15	0.49	0.60	0.53	0.73	0.61
Motor Vehicle Expenses	4.96	2.70	1.80	2.31	3.01	2.15	0.69	0.76	2.32	1.56
Rates & Rents	1.64	4.53	2.76	1.79	2.68	0.92	6.50	0.58	1.32	2.64
R & M General	15.27	15.20	13.30	16.36	15.05	16.42	18.08	5.53	13.76	14.37
Wages	23.01	15.53	14.87	12.38	16.66	16.99	13.66	8.52	10.37	12.55
Wages (Owner)	17.44	17.58	17.28	19.29	17.88	16.55	14.68	16.05	14.09	15.12
	<b>112.09</b>	<b>101.45</b>	<b>105.80</b>	<b>114.01</b>	<b>108.33</b>	<b>96.35</b>	<b>100.19</b>	<b>73.38</b>	<b>94.75</b>	<b>93.44</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>129.38</b>	<b>118.94</b>	<b>127.47</b>	<b>132.74</b>	<b>127.04</b>	<b>112.56</b>	<b>117.65</b>	<b>84.28</b>	<b>115.64</b>	<b>110.72</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>45.74</b>	<b>(7.86)</b>	<b>6.46</b>	<b>16.56</b>	<b>15.83</b>	<b>118.65</b>	<b>66.93</b>	<b>61.13</b>	<b>38.76</b>	<b>68.58</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.83	\$1.72	\$1.47	\$1.51	\$1.64	\$1.81	\$1.76	\$1.52	\$1.51	\$1.66
Cost of Production (\$/kg LW)	\$1.35	\$1.84	\$1.40	\$1.35	\$1.46	\$0.88	\$1.12	\$0.88	\$1.13	\$1.03
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.48</b>	<b>(\$0.12)</b>	<b>\$0.07</b>	<b>\$0.17</b>	<b>\$0.18</b>	<b>\$0.93</b>	<b>\$0.64</b>	<b>\$0.64</b>	<b>\$0.38</b>	<b>\$0.64</b>
Kg Beef/ AE	95.6	64.7	91.0	98.6	87.3	127.4	105.1	96.0	102.3	107.8
Labour Efficiency (AE/FTE)	1,135	1,353	1,439	1,421	1,318	1,260	1,487	1,807	1,865	1,569
Labour Costs (\$/AE)	40.45	33.11	32.15	31.67	34.53	33.54	28.33	24.57	24.46	27.68
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$683	\$615	\$605	\$718	\$649	\$741	\$714	\$579	\$780	\$720
Sale Weight/ Head Sold (all sales)	363	336	397	460	382	394	390	380	499	420
Reproductive Rate %	75.0%	59.0%	63.1%	63.9%	65.5%	88.5%	73.8%	64.9%	62.8%	72.1%
Mortality Rate %	6.0%	4.4%	4.2%	4.1%	4.7%	3.3%	3.0%	2.2%	5.1%	3.6%
Enterprise Size (Annual Avg AE)	6,196	6,302	6,404	5,420	6,062	5,229	8,546	7,105	7,513	7,010

### 8.4.3.12 Northern Territory – Barkly Tablelands

#### WHOLE BUSINESS INCOME STATEMENT: NORTHERN TERRITORY - BARKLY TABLELANDS

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	1,190,282	1,084,694	624,468	2,550,273	1,510,613	1,008,810	822,316	639,118	1,387,854	980,325
Purchases- Beef	(137,330)	(224,044)	(412,946)	(1,074,845)	(507,961)	(121,665)	(265,351)	(591,633)	(84,566)	(265,854)
Inventory Change- Beef	104,226	(96,544)	664,876	881,276	428,842	594,674	127,760	1,223,593	684,553	716,521
Gross Profit- Beef	1,157,179	764,105	876,397	2,356,703	1,431,494	1,481,819	684,724	1,271,077	1,987,840	1,430,992
Gross Profit- Other Enterprises	3,884	0	0	0	1,264	0	0	0	0	0
Other Income	82,170	328,997	356,460	55,158	164,587	90,310	368,652	504,208	64,685	244,554
<b>GROSS PROFIT</b>	<b>1,243,233</b>	<b>1,093,102</b>	<b>1,232,857</b>	<b>2,411,861</b>	<b>1,597,346</b>	<b>1,572,130</b>	<b>1,053,376</b>	<b>1,775,285</b>	<b>2,052,526</b>	<b>1,675,546</b>
<b>ENTERPRISE EXPENSES</b>	<b>108,384</b>	<b>119,385</b>	<b>130,634</b>	<b>343,536</b>	<b>190,876</b>	<b>132,124</b>	<b>96,198</b>	<b>147,008</b>	<b>153,925</b>	<b>136,327</b>
Beef	107,922	119,074	130,634	337,924	188,847	131,673	95,813	147,008	147,239	134,280
Other Enterprises	463	311	0	5,612	2,028	452	385	0	6,686	2,047
<b>GROSS MARGIN</b>	<b>1,134,848</b>	<b>973,717</b>	<b>1,102,223</b>	<b>2,068,325</b>	<b>1,406,470</b>	<b>1,440,006</b>	<b>957,178</b>	<b>1,628,276</b>	<b>1,898,601</b>	<b>1,539,219</b>
<b>OVERHEAD EXPENSES</b>										
Administration	115,403	43,896	45,768	49,076	69,212	52,745	35,274	60,645	39,020	48,215
Depreciation	120,522	168,918	189,302	156,767	152,998	123,356	144,176	231,681	166,334	168,855
Electricity & Gas	2,985	2,035	0	2,310	2,055	6,263	1,242	0	2,623	2,675
Freight	21,921	73,705	49,417	178,443	86,427	8,050	44,718	57,388	143,140	65,391
Fuel & Lubricants	152,981	223,537	230,518	234,122	205,310	108,589	224,113	315,723	161,174	199,987
Insurance	44,958	42,102	38,438	24,691	36,682	43,171	46,450	51,762	25,283	41,135
Materials	20,324	4,138	9,941	33,839	20,158	12,416	5,294	14,272	1,515	8,716
Motor Vehicle Expenses	23,656	18,233	12,302	9,642	16,098	20,680	12,304	14,414	5,095	13,214
Rates & Rents	11,395	31,447	8,481	43,848	24,684	11,823	6,448	10,566	25,484	14,373
R & M General	41,067	185,027	148,502	231,294	146,425	36,381	158,086	186,909	236,835	154,160
Wages (inc stores & rations)	148,033	99,340	238,733	293,217	204,250	128,066	79,727	323,862	65,550	157,032
Wages (Owner)	131,329	196,360	110,579	125,252	136,076	116,496	193,761	123,707	181,979	149,566
	<b>834,574</b>	<b>1,088,739</b>	<b>1,081,981</b>	<b>1,382,502</b>	<b>1,100,374</b>	<b>668,035</b>	<b>951,591</b>	<b>1,390,929</b>	<b>1,054,033</b>	<b>1,023,320</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>942,959</b>	<b>1,208,124</b>	<b>1,212,616</b>	<b>1,726,039</b>	<b>1,291,250</b>	<b>800,160</b>	<b>1,047,789</b>	<b>1,537,937</b>	<b>1,207,958</b>	<b>1,159,647</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>300,274</b>	<b>(115,022)</b>	<b>20,242</b>	<b>685,823</b>	<b>306,096</b>	<b>771,970</b>	<b>5,587</b>	<b>237,348</b>	<b>844,568</b>	<b>515,899</b>
Interest	76,939	136,788	204,304	250,496	166,884	77,132	61,343	236,246	191,048	150,342
<b>EARNINGS BEFORE TAX</b>	<b>223,336</b>	<b>(251,809)</b>	<b>(184,062)</b>	<b>435,327</b>	<b>139,212</b>	<b>694,838</b>	<b>(55,756)</b>	<b>1,101</b>	<b>653,520</b>	<b>365,557</b>

**WHOLE BUSINESS BALANCE SHEET: NORTHERN TERRITORY - BARKLY TABLELANDS**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	67,446	109,559	15,934	108,595	78,115	97,771	164,249	24,489	240,900	128,253
Plant, Equipment & Vehicles	590,606	752,432	1,237,451	738,102	785,315	679,939	730,573	1,472,635	883,326	965,068
Livestock	5,708,295	5,404,350	4,104,927	9,978,030	6,750,661	5,325,736	4,257,997	5,292,833	6,334,970	5,418,982
Land & Infrastructure	4,548,189	6,854,639	8,181,442	16,902,927	9,622,084	3,391,616	4,222,884	9,484,911	7,603,474	6,392,703
<b>TOTAL ASSETS</b>	<b>10,914,536</b>	<b>13,120,980</b>	<b>13,539,754</b>	<b>27,727,653</b>	<b>17,236,175</b>	<b>9,495,062</b>	<b>9,375,703</b>	<b>16,274,868</b>	<b>15,062,670</b>	<b>12,905,006</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	71,884	217,416	181,177	269,311	180,187	151,408	0	108,095	548,278	224,383
Plant & Equipment Finance	129,086	147,872	185,731	27,120	109,485	160,724	135,221	285,456	29,182	154,582
Long Term Debt	519,687	1,296,926	2,485,079	2,365,432	1,612,809	673,077	389,505	3,118,449	1,999,565	1,673,554
<b>TOTAL LIABILITIES</b>	<b>720,657</b>	<b>1,662,214</b>	<b>2,851,988</b>	<b>2,661,862</b>	<b>1,902,481</b>	<b>985,208</b>	<b>524,726</b>	<b>3,512,000</b>	<b>2,577,026</b>	<b>2,052,519</b>
<b>NET ASSETS (EQUITY)</b>	<b>10,193,879</b>	<b>11,458,766</b>	<b>10,687,766</b>	<b>25,065,791</b>	<b>15,333,695</b>	<b>8,509,853</b>	<b>8,850,977</b>	<b>12,762,869</b>	<b>12,485,645</b>	<b>10,852,487</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	7	11	2	5	6	11	22	2	19	13
Plant, Equipment & Vehicles	61	78	155	37	62	79	100	149	71	98
Livestock	585	561	515	503	532	617	583	535	507	551
Land & Infrastructure	466	712	1,027	853	759	393	578	958	609	650
<b>TOTAL ASSETS</b>	<b>1,118</b>	<b>1,362</b>	<b>1,699</b>	<b>1,399</b>	<b>1,359</b>	<b>1,099</b>	<b>1,283</b>	<b>1,644</b>	<b>1,207</b>	<b>1,312</b>
<b>TOTAL LIABILITIES</b>	<b>74</b>	<b>173</b>	<b>358</b>	<b>134</b>	<b>150</b>	<b>114</b>	<b>72</b>	<b>355</b>	<b>206</b>	<b>209</b>
<b>NET ASSETS</b>	<b>1,045</b>	<b>1,190</b>	<b>1,341</b>	<b>1,264</b>	<b>1,209</b>	<b>985</b>	<b>1,212</b>	<b>1,289</b>	<b>1,000</b>	<b>1,103</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	2.8%	(0.9%)	0.1%	2.5%	1.8%	8.1%	0.1%	1.5%	5.6%	4.0%
Capital Return	6.4%	7.1%	4.6%	(6.9%)	2.8%	6.2%	4.0%	9.4%	(6.0%)	3.4%
<b>Total Business Return</b>	<b>9.2%</b>	<b>6.2%</b>	<b>4.8%</b>	<b>(4.4%)</b>	<b>4.6%</b>	<b>14.3%</b>	<b>4.0%</b>	<b>10.8%</b>	<b>(0.4%)</b>	<b>7.4%</b>
Equity %	93.4%	87.3%	78.9%	90.4%	89.0%	89.6%	94.4%	78.4%	82.9%	84.1%
Finance Coverage (EBIT/ Finance Costs)	3.9	(0.8)	0.1	2.7	1.8	10.0	0.1	1.0	4.4	3.4
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	320,734	485,873	327,934	536,223	419,116	282,418	346,471	361,701	488,278	372,300
Total Cattle (head)	8,020	7,894	6,650	16,094	10,373	7,200	6,012	8,307	10,538	8,237
Total Beef AE	9,758	9,633	7,969	19,824	12,682	8,638	7,306	9,901	12,484	9,835
Stocking Rate (AE/Ha) Beef Only	0.03	0.02	0.02	0.04	0.03	0.03	0.02	0.03	0.03	0.03

**BEEF ENTERPRISE INCOME STATEMENT: NORTHERN TERRITORY - BARKLY TABLELANDS**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>118.59</b>	<b>79.32</b>	<b>109.98</b>	<b>118.88</b>	<b>112.87</b>	<b>171.54</b>	<b>93.73</b>	<b>128.38</b>	<b>159.23</b>	<b>145.50</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.00	0.00	0.01	0.01	0.01	0.00	0.00	0.00	0.05	0.02
Insurance & Materials	2.58	2.35	6.22	3.19	3.28	2.83	3.63	6.72	1.66	3.60
Mustering & Contracting	1.48	2.59	1.53	7.15	4.51	1.96	3.78	0.66	4.13	2.59
Selling Costs	4.09	3.84	3.53	2.35	3.11	5.48	4.23	3.40	3.18	3.93
Fodder	2.90	3.58	5.10	4.35	3.98	4.96	1.48	4.08	2.78	3.51
	<b>11.06</b>	<b>12.36</b>	<b>16.39</b>	<b>17.05</b>	<b>14.89</b>	<b>15.24</b>	<b>13.12</b>	<b>14.85</b>	<b>11.79</b>	<b>13.65</b>
<b>GROSS MARGIN</b>	<b>107.53</b>	<b>66.96</b>	<b>93.59</b>	<b>101.83</b>	<b>97.98</b>	<b>156.30</b>	<b>80.61</b>	<b>113.53</b>	<b>147.43</b>	<b>131.84</b>
<b>OVERHEAD EXPENSES</b>										
Administration	11.01	3.19	4.08	2.42	4.86	5.76	3.14	4.39	3.03	4.09
Depreciation	11.50	12.26	16.89	7.73	10.30	13.46	12.83	16.75	12.90	14.11
Electricity & Gas	0.28	0.15	0.00	0.11	0.15	0.68	0.11	0.00	0.20	0.25
Freight	2.09	5.35	4.41	8.80	6.18	0.88	3.98	4.15	11.10	5.78
Fuel & Lubricants	14.59	16.22	20.56	11.54	13.94	11.85	19.94	22.83	12.50	16.15
Insurance	4.29	3.06	3.43	1.22	2.47	4.71	4.13	3.74	1.96	3.40
Materials	1.94	0.30	0.89	1.67	1.48	1.35	0.47	1.03	0.12	0.72
Motor Vehicle Expenses	2.26	1.32	1.10	0.48	1.10	2.26	1.09	1.04	0.40	1.12
Rates & Rents	1.09	2.28	0.76	2.16	1.74	1.29	0.57	0.76	1.98	1.30
R & M General	3.92	13.43	13.25	11.40	9.99	3.97	14.07	13.52	18.37	12.97
Wages	14.12	7.21	21.30	14.45	14.27	13.97	7.09	23.42	5.09	12.63
Wages (Owner)	12.53	14.25	9.86	6.17	9.20	12.71	17.24	8.95	14.12	12.71
	<b>79.61</b>	<b>79.01</b>	<b>96.52</b>	<b>68.14</b>	<b>75.68</b>	<b>72.89</b>	<b>84.67</b>	<b>100.58</b>	<b>81.77</b>	<b>85.22</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>90.67</b>	<b>91.37</b>	<b>112.92</b>	<b>85.19</b>	<b>90.57</b>	<b>88.14</b>	<b>97.79</b>	<b>115.43</b>	<b>93.56</b>	<b>98.88</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>27.92</b>	<b>(12.04)</b>	<b>(2.93)</b>	<b>33.69</b>	<b>22.31</b>	<b>83.41</b>	<b>(4.06)</b>	<b>12.95</b>	<b>65.67</b>	<b>46.62</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.85	\$1.87	\$2.02	\$1.75	\$1.81	\$1.80	\$1.89	\$2.11	\$2.41	\$2.09
Cost of Production (\$/kg LW)	\$1.41	\$2.16	\$2.07	\$1.26	\$1.46	\$0.92	\$1.98	\$1.90	\$1.41	\$1.42
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.43</b>	<b>(\$0.28)</b>	<b>(\$0.05)</b>	<b>\$0.50</b>	<b>\$0.36</b>	<b>\$0.87</b>	<b>(\$0.08)</b>	<b>\$0.21</b>	<b>\$0.99</b>	<b>\$0.67</b>
Kg Beef/ AE	64.2	42.4	54.5	67.8	62.2	95.3	49.5	60.7	66.2	69.7
Labour Efficiency (AE/FTE)	1,452	1,940	2,173	2,220	1,926	1,472	1,665	2,330	2,469	1,988
Labour Costs (\$/AE)	26.65	21.46	31.16	20.63	23.47	26.69	24.33	32.37	19.20	25.34
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$540	\$575	\$506	\$551	\$547	\$573	\$546	\$581	\$577	\$572
Sale Weight/ Head Sold (all sales)	281	308	326	345	323	298	292	374	362	335
Reproductive Rate %	59.8%	48.5%	59.2%	61.4%	59.2%	78.0%	52.5%	57.3%	77.4%	69.0%
Mortality Rate %	3.1%	6.6%	5.1%	4.0%	4.2%	3.0%	4.9%	5.1%	4.1%	4.2%
Enterprise Size (Annual Avg AE)	9,758	9,633	7,969	19,824	12,682	8,638	7,306	9,901	12,484	9,835



### 8.4.3.13 Northern Territory – VRD & Katherine

#### WHOLE BUSINESS INCOME STATEMENT: NORTHERN TERRITORY - VRD & KATHERINE

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	1,109,917	1,246,004	1,960,715	1,161,401	1,417,945	1,989,389	1,643,658	3,016,625	2,816,430	2,540,691
Purchases- Beef	(119,778)	(131,353)	(702,351)	(220,836)	(343,965)	(253,322)	(129,785)	(1,600,502)	(647,742)	(730,377)
Inventory Change- Beef	8,719	117,780	367,111	55,538	153,040	223,022	187,427	537,618	133,188	258,163
Gross Profit- Beef	998,858	1,232,431	1,625,474	996,104	1,227,020	1,959,088	1,701,300	1,953,740	2,301,877	2,068,478
Gross Profit- Other Enterprises	440	6,542	3,399	4,233	3,399	507	0	4,778	149	1,338
Other Income	62,739	53,840	115,141	79,578	84,429	74,543	34,711	182,106	142,089	123,927
<b>GROSS PROFIT</b>	<b>1,062,037</b>	<b>1,292,813</b>	<b>1,744,015</b>	<b>1,079,915</b>	<b>1,314,848</b>	<b>2,034,139</b>	<b>1,736,011</b>	<b>2,140,624</b>	<b>2,444,114</b>	<b>2,193,744</b>
<b>ENTERPRISE EXPENSES</b>	<b>170,461</b>	<b>245,311</b>	<b>326,118</b>	<b>188,955</b>	<b>235,659</b>	<b>311,093</b>	<b>300,153</b>	<b>278,783</b>	<b>351,598</b>	<b>318,673</b>
Beef	167,662	243,117	323,642	186,204	233,050	308,060	296,098	276,023	349,350	315,908
Other Enterprises	2,798	2,194	2,476	2,750	2,608	3,033	4,055	2,760	2,247	2,765
<b>GROSS MARGIN</b>	<b>891,576</b>	<b>1,047,502</b>	<b>1,417,897</b>	<b>890,961</b>	<b>1,079,189</b>	<b>1,723,046</b>	<b>1,435,858</b>	<b>1,861,841</b>	<b>2,092,517</b>	<b>1,875,071</b>
<b>OVERHEAD EXPENSES</b>										
Administration	53,092	43,594	40,107	24,163	37,866	66,559	51,704	26,466	36,390	42,460
Depreciation	83,427	79,279	98,906	85,710	88,735	85,766	94,405	94,433	157,915	118,849
Electricity & Gas	652	463	966	1,396	988	747	192	2,231	2,268	1,672
Freight	30,543	56,109	68,075	59,077	55,401	54,454	97,502	84,875	139,506	102,389
Fuel & Lubricants	88,110	92,990	132,552	80,479	100,397	143,105	105,891	102,939	167,538	138,901
Insurance	19,212	25,705	25,810	17,753	21,585	19,824	26,333	25,186	38,194	29,542
Materials	7,192	17,893	12,262	5,471	9,463	7,909	37,228	12,984	13,563	15,067
Motor Vehicle Expenses	20,119	11,253	20,369	9,845	15,652	30,860	10,057	30,596	12,855	20,793
Rates & Rents	10,840	20,455	48,445	21,442	27,729	18,267	17,332	91,035	43,955	46,553
R & M General	66,938	120,499	144,226	90,129	106,005	126,728	152,736	109,692	155,837	137,814
Wages (inc stores & rations)	136,962	112,382	215,787	136,942	159,593	254,119	120,873	238,387	324,173	263,079
Wages (Owner)	98,931	119,055	112,108	98,143	105,221	119,020	98,895	92,524	118,260	109,789
	<b>616,018</b>	<b>699,675</b>	<b>919,613</b>	<b>630,550</b>	<b>728,635</b>	<b>927,358</b>	<b>813,149</b>	<b>911,349</b>	<b>1,210,453</b>	<b>1,026,906</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>786,478</b>	<b>944,986</b>	<b>1,245,730</b>	<b>819,505</b>	<b>964,294</b>	<b>1,238,451</b>	<b>1,113,302</b>	<b>1,190,131</b>	<b>1,562,051</b>	<b>1,345,579</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>275,558</b>	<b>347,827</b>	<b>498,284</b>	<b>260,410</b>	<b>350,554</b>	<b>795,688</b>	<b>622,709</b>	<b>950,493</b>	<b>882,064</b>	<b>848,164</b>
Interest	94,422	58,698	178,536	213,706	158,495	109,648	43,806	72,471	484,605	248,021
<b>EARNINGS BEFORE TAX</b>	<b>181,137</b>	<b>289,129</b>	<b>319,748</b>	<b>46,704</b>	<b>192,059</b>	<b>686,040</b>	<b>578,903</b>	<b>878,022</b>	<b>397,458</b>	<b>600,144</b>



**WHOLE BUSINESS BALANCE SHEET: NORTHERN TERRITORY - VRD & KATHERINE**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	27,755	48,699	4,284	6,132	15,143	25,229	6,537	7,146	5,103	10,194
Plant, Equipment & Vehicles	381,405	467,343	682,997	601,498	564,298	406,680	599,733	679,418	1,111,158	788,845
Livestock	4,730,698	5,134,994	6,805,297	5,108,301	5,576,747	7,405,502	7,211,529	7,317,937	11,599,077	9,099,289
Land & Infrastructure	3,267,574	7,252,870	15,921,054	10,567,565	10,319,614	3,328,958	7,723,187	15,339,998	20,849,066	14,058,796
<b>TOTAL ASSETS</b>	<b>8,407,433</b>	<b>12,903,906</b>	<b>23,413,632</b>	<b>16,283,496</b>	<b>16,475,802</b>	<b>11,166,369</b>	<b>15,540,986</b>	<b>23,344,499</b>	<b>33,564,404</b>	<b>23,957,125</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	137,201	341,736	531,732	1,193,432	651,117	194,754	32,857	167,584	2,898,819	1,289,581
Plant & Equipment Finance	16,312	2,284	33,675	17,307	20,654	30,223	0	24,609	15,192	18,936
Long Term Debt	860,128	407,951	1,828,813	1,302,040	1,273,028	663,900	492,264	980,139	2,498,744	1,480,889
<b>TOTAL LIABILITIES</b>	<b>1,013,642</b>	<b>751,970</b>	<b>2,394,220</b>	<b>2,512,780</b>	<b>1,944,799</b>	<b>888,878</b>	<b>525,121</b>	<b>1,172,332</b>	<b>5,412,755</b>	<b>2,789,406</b>
<b>NET ASSETS (EQUITY)</b>	<b>7,393,791</b>	<b>12,151,936</b>	<b>21,019,413</b>	<b>13,770,717</b>	<b>14,531,004</b>	<b>10,277,491</b>	<b>15,015,865</b>	<b>22,172,167</b>	<b>28,151,649</b>	<b>21,167,718</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	4	6	0	1	1	2	1	1	0	1
Plant, Equipment & Vehicles	50	55	51	61	55	34	51	49	50	48
Livestock	615	604	513	518	540	628	608	533	522	548
Land & Infrastructure	425	853	1,200	1,073	999	282	651	1,117	938	847
<b>TOTAL ASSETS</b>	<b>1,093</b>	<b>1,517</b>	<b>1,764</b>	<b>1,653</b>	<b>1,595</b>	<b>947</b>	<b>1,311</b>	<b>1,699</b>	<b>1,510</b>	<b>1,443</b>
<b>TOTAL LIABILITIES</b>	<b>132</b>	<b>88</b>	<b>180</b>	<b>255</b>	<b>188</b>	<b>75</b>	<b>44</b>	<b>85</b>	<b>243</b>	<b>168</b>
<b>NET ASSETS</b>	<b>961</b>	<b>1,429</b>	<b>1,584</b>	<b>1,398</b>	<b>1,407</b>	<b>872</b>	<b>1,267</b>	<b>1,614</b>	<b>1,266</b>	<b>1,275</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	3.3%	2.7%	2.1%	1.6%	2.1%	7.1%	4.0%	4.1%	2.6%	3.5%
Capital Return	8.7%	6.2%	6.7%	(8.1%)	3.4%	8.6%	5.1%	13.4%	(5.4%)	5.4%
<b>Total Business Return</b>	<b>12.0%</b>	<b>8.9%</b>	<b>8.8%</b>	<b>(6.5%)</b>	<b>5.5%</b>	<b>15.8%</b>	<b>9.1%</b>	<b>17.5%</b>	<b>(2.8%)</b>	<b>9.0%</b>
Equity %	87.9%	94.2%	89.8%	84.6%	88.2%	92.0%	96.6%	95.0%	83.9%	88.4%
Finance Coverage (EBIT/ Finance Costs)	2.9	5.9	2.8	1.2	2.2	7.3	14.2	13.1	1.8	3.4
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	160,375	172,912	181,945	132,086	159,052	217,649	177,025	140,457	238,552	202,535
Total Cattle (head)	6,483	7,107	11,273	8,578	8,822	9,946	9,888	11,697	19,546	14,346
Total Beef AE	7,695	8,504	13,273	9,852	10,331	11,790	11,856	13,738	22,235	16,604
Stocking Rate (AE/Ha) Beef Only	0.05	0.05	0.07	0.07	0.07	0.05	0.07	0.10	0.09	0.08

**BEEF ENTERPRISE INCOME STATEMENT: NORTHERN TERRITORY - VRD & KATHERINE**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>129.80</b>	<b>144.92</b>	<b>122.46</b>	<b>101.11</b>	<b>118.78</b>	<b>166.16</b>	<b>143.49</b>	<b>142.22</b>	<b>103.52</b>	<b>124.57</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.01	0.40	0.34	0.38	0.31	0.00	0.49	0.40	0.31	0.30
Insurance & Materials	6.25	8.50	4.10	2.07	4.20	7.60	10.03	3.87	2.06	3.98
Mustering & Contracting	3.50	4.72	5.24	4.97	4.82	4.27	4.16	5.07	4.80	4.72
Selling Costs	6.76	3.29	4.98	1.92	4.11	8.02	3.71	4.61	1.33	3.24
Fodder	5.26	11.68	9.72	9.55	9.12	6.24	6.58	6.14	7.22	6.79
	<b>21.79</b>	<b>28.59</b>	<b>24.38</b>	<b>18.90</b>	<b>22.56</b>	<b>26.13</b>	<b>24.97</b>	<b>20.09</b>	<b>15.71</b>	<b>19.03</b>
<b>GROSS MARGIN</b>	<b>108.01</b>	<b>116.33</b>	<b>98.08</b>	<b>82.21</b>	<b>96.22</b>	<b>140.03</b>	<b>118.52</b>	<b>122.12</b>	<b>87.81</b>	<b>105.55</b>
<b>OVERHEAD EXPENSES</b>										
Administration	6.49	4.89	2.82	2.26	3.43	5.44	4.27	1.76	1.54	2.43
Depreciation	10.20	8.89	6.95	8.02	8.01	7.01	7.80	6.27	6.69	6.75
Electricity & Gas	0.08	0.05	0.07	0.13	0.09	0.06	0.02	0.15	0.10	0.09
Freight	3.73	6.29	4.78	5.53	5.00	4.45	8.06	5.64	5.91	5.81
Fuel & Lubricants	10.77	10.42	9.31	7.53	9.07	11.69	8.75	6.84	7.10	7.90
Insurance	2.35	2.88	1.81	1.66	1.95	1.62	2.18	1.67	1.62	1.68
Materials	0.88	2.01	0.86	0.51	0.86	0.65	3.08	0.86	0.57	0.86
Motor Vehicle Expenses	2.46	1.26	1.43	0.92	1.42	2.52	0.83	2.03	0.54	1.18
Rates & Rents	1.32	2.29	3.40	2.01	2.50	1.49	1.43	6.05	1.86	2.61
R & M General	8.18	13.51	10.13	8.44	9.58	10.35	12.62	7.29	6.60	7.85
Wages	16.74	12.60	15.15	12.82	14.41	20.76	9.99	15.84	13.73	14.93
Wages (Owner)	12.09	13.35	7.87	9.19	9.51	9.72	8.17	6.15	5.01	6.25
	<b>75.29</b>	<b>78.43</b>	<b>64.57</b>	<b>59.03</b>	<b>65.81</b>	<b>75.75</b>	<b>67.21</b>	<b>60.55</b>	<b>51.27</b>	<b>58.35</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>97.08</b>	<b>107.02</b>	<b>88.96</b>	<b>77.93</b>	<b>88.37</b>	<b>101.88</b>	<b>92.19</b>	<b>80.64</b>	<b>66.98</b>	<b>77.37</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>32.72</b>	<b>37.90</b>	<b>33.51</b>	<b>23.17</b>	<b>30.40</b>	<b>64.28</b>	<b>51.31</b>	<b>61.58</b>	<b>36.54</b>	<b>47.20</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.11	\$2.05	\$1.80	\$1.79	\$1.87	\$2.11	\$2.09	\$2.11	\$1.81	\$1.96
Cost of Production (\$/kg LW)	\$1.58	\$1.52	\$1.30	\$1.38	\$1.39	\$1.30	\$1.34	\$1.20	\$1.17	\$1.22
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.53</b>	<b>\$0.54</b>	<b>\$0.49</b>	<b>\$0.41</b>	<b>\$0.48</b>	<b>\$0.82</b>	<b>\$0.75</b>	<b>\$0.91</b>	<b>\$0.64</b>	<b>\$0.74</b>
Kg Beef/ AE	61.6	70.6	68.2	56.5	63.5	78.7	68.5	67.4	57.1	63.5
Labour Efficiency (AE/FTE)	1,584	1,980	1,913	2,021	1,888	1,508	3,390	1,890	2,258	2,076
Labour Costs (\$/AE)	28.83	25.94	23.02	22.01	23.91	30.48	18.17	21.98	18.74	21.17
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$653	\$655	\$552	\$547	\$575	\$697	\$666	\$519	\$559	\$573
Sale Weight/ Head Sold (all sales)	315	325	329	318	323	336	330	309	325	322
Reproductive Rate %	55.3%	57.7%	56.5%	53.1%	55.4%	59.5%	56.7%	72.2%	53.8%	58.5%
Mortality Rate %	5.2%	3.3%	4.2%	5.6%	4.7%	2.8%	2.9%	3.7%	5.2%	4.3%
Enterprise Size (Annual Avg AE)	7,695	8,504	13,273	9,852	10,331	11,790	11,856	13,738	22,235	16,604

### 8.4.3.14 Northern Territory – Darwin & Top End

#### WHOLE BUSINESS INCOME STATEMENT: NORTHERN TERRITORY - DARWIN & TOP-END

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	422,220	285,467	712,935	423,754	465,101	491,371	410,274	980,005	272,011	550,934
Purchases- Beef	(90,937)	(64,072)	(35,162)	(14,489)	(49,244)	(104,132)	(125,865)	(11,754)	(41,533)	(72,524)
Inventory Change- Beef	1,517	192,418	81,357	20,952	64,689	248,243	388,172	69,828	276,937	238,769
Gross Profit- Beef	332,800	413,813	759,129	430,218	480,547	635,482	672,582	1,038,079	507,415	717,180
Gross Profit- Other Enterprises	5,416	0	1,364	8,432	4,265	2,913	0	3,209	14,012	4,693
Other Income	53,504	11,634	62,159	31,031	40,465	56,250	14,165	58,399	36,126	43,827
<b>GROSS PROFIT</b>	<b>391,720</b>	<b>425,447</b>	<b>822,652</b>	<b>469,681</b>	<b>525,277</b>	<b>694,645</b>	<b>686,746</b>	<b>1,099,686</b>	<b>557,554</b>	<b>765,699</b>
<b>ENTERPRISE EXPENSES</b>	<b>100,289</b>	<b>133,507</b>	<b>188,127</b>	<b>150,254</b>	<b>143,003</b>	<b>133,609</b>	<b>122,608</b>	<b>228,534</b>	<b>132,160</b>	<b>154,746</b>
Beef	76,669	123,794	185,136	143,678	132,229	96,910	118,940	228,076	127,244	140,610
Other Enterprises	23,620	9,713	2,992	6,576	10,775	36,699	3,668	458	4,916	14,136
<b>GROSS MARGIN</b>	<b>291,431</b>	<b>291,940</b>	<b>634,525</b>	<b>319,426</b>	<b>382,274</b>	<b>561,036</b>	<b>564,138</b>	<b>871,153</b>	<b>425,394</b>	<b>610,953</b>
<b>OVERHEAD EXPENSES</b>										
Administration	42,084	17,931	26,680	12,267	24,611	52,689	6,834	36,841	8,809	30,032
Depreciation	54,998	36,978	78,413	54,612	56,898	62,689	44,907	105,643	38,816	64,749
Electricity & Gas	37	208	822	939	530	0	672	1,546	0	527
Freight	12,856	16,308	40,231	25,111	23,793	18,765	8,259	74,105	15,827	29,799
Fuel & Lubricants	49,483	36,857	62,019	49,182	49,876	56,897	32,240	74,547	46,246	53,954
Insurance	14,549	7,007	13,366	11,365	11,801	17,711	4,921	23,178	2,610	13,267
Materials	6,440	1,397	5,757	5,192	4,893	10,562	469	10,501	4,312	7,142
Motor Vehicle Expenses	15,642	3,997	5,594	5,714	7,923	24,508	2,671	6,708	8,097	12,090
Rates & Rents	4,363	1,530	35,499	20,949	16,245	5,597	961	14,819	14,770	8,848
R & M General	27,956	35,594	109,523	47,980	55,067	29,449	41,295	137,059	37,270	60,449
Wages (inc stores & rations)	90,805	44,736	140,370	43,422	79,272	107,822	20,587	270,729	13,800	110,787
Wages (Owner)	109,181	90,431	89,051	94,684	96,251	100,955	109,145	60,796	89,048	90,141
	<b>428,393</b>	<b>292,974</b>	<b>607,324</b>	<b>371,417</b>	<b>427,160</b>	<b>487,643</b>	<b>272,961</b>	<b>816,472</b>	<b>279,607</b>	<b>481,784</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>528,682</b>	<b>426,481</b>	<b>795,451</b>	<b>521,671</b>	<b>570,163</b>	<b>621,252</b>	<b>395,569</b>	<b>1,045,006</b>	<b>411,767</b>	<b>636,530</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(136,962)</b>	<b>(1,034)</b>	<b>27,201</b>	<b>(51,990)</b>	<b>(44,886)</b>	<b>73,393</b>	<b>291,177</b>	<b>54,681</b>	<b>145,787</b>	<b>129,169</b>
Interest	54,107	58,445	96,233	93,872	77,014	39,493	69,411	70,764	9,436	47,282
<b>EARNINGS BEFORE TAX</b>	<b>(191,068)</b>	<b>(59,479)</b>	<b>(69,032)</b>	<b>(145,862)</b>	<b>(121,900)</b>	<b>33,900</b>	<b>221,766</b>	<b>(16,083)</b>	<b>136,351</b>	<b>81,887</b>

**WHOLE BUSINESS BALANCE SHEET: NORTHERN TERRITORY - DARWIN & TOP-END**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	7,046	82,962	489,559	194,368	194,229	12,625	247,755	442,365	522,690	275,309
Plant, Equipment & Vehicles	333,931	299,927	569,635	412,330	407,219	397,205	362,987	687,520	308,426	444,159
Livestock	2,403,277	1,990,027	3,406,083	2,258,688	2,517,924	2,785,315	2,638,637	4,475,348	1,667,956	2,944,482
Land & Infrastructure	1,954,816	3,039,146	8,453,059	6,163,507	4,993,868	1,725,878	3,068,218	9,628,860	3,177,669	4,283,734
<b>TOTAL ASSETS</b>	<b>4,699,070</b>	<b>5,412,062</b>	<b>12,918,336</b>	<b>9,028,894</b>	<b>8,113,239</b>	<b>4,921,023</b>	<b>6,317,596</b>	<b>15,234,092</b>	<b>5,676,740</b>	<b>7,947,684</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	177,629	157,494	491,022	585,040	371,040	265,129	129,644	196,776	178,430	201,753
Plant & Equipment Finance	18,577	0	0	0	4,830	20,398	0	0	0	6,799
Long Term Debt	360,203	414,092	812,372	538,401	532,961	196,889	720,294	143,166	0	251,482
<b>TOTAL LIABILITIES</b>	<b>556,409</b>	<b>571,585</b>	<b>1,303,394</b>	<b>1,123,441</b>	<b>908,830</b>	<b>482,416</b>	<b>849,939</b>	<b>339,941</b>	<b>178,430</b>	<b>460,034</b>
<b>NET ASSETS (EQUITY)</b>	<b>4,142,661</b>	<b>4,840,476</b>	<b>11,614,942</b>	<b>7,905,452</b>	<b>7,204,409</b>	<b>4,438,607</b>	<b>5,467,658</b>	<b>14,894,151</b>	<b>5,498,310</b>	<b>7,487,650</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	2	27	74	45	43	3	63	50	175	54
Plant, Equipment & Vehicles	88	99	86	95	91	93	92	78	103	88
Livestock	630	654	516	523	562	654	670	508	559	582
Land & Infrastructure	512	998	1,280	1,427	1,114	405	779	1,094	1,065	846
<b>TOTAL ASSETS</b>	<b>1,232</b>	<b>1,778</b>	<b>1,955</b>	<b>2,090</b>	<b>1,810</b>	<b>1,155</b>	<b>1,605</b>	<b>1,731</b>	<b>1,903</b>	<b>1,570</b>
<b>TOTAL LIABILITIES</b>	<b>146</b>	<b>188</b>	<b>197</b>	<b>260</b>	<b>203</b>	<b>113</b>	<b>216</b>	<b>39</b>	<b>60</b>	<b>91</b>
<b>NET ASSETS</b>	<b>1,086</b>	<b>1,590</b>	<b>1,758</b>	<b>1,830</b>	<b>1,607</b>	<b>1,042</b>	<b>1,389</b>	<b>1,692</b>	<b>1,843</b>	<b>1,479</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	(2.9%)	(0.0%)	0.2%	(0.6%)	(0.6%)	1.5%	4.6%	0.4%	2.6%	1.6%
Capital Return	8.9%	8.8%	16.9%	(13.1%)	5.4%	8.2%	5.5%	24.5%	(5.2%)	8.2%
<b>Total Business Return</b>	<b>6.0%</b>	<b>8.8%</b>	<b>17.1%</b>	<b>(13.6%)</b>	<b>4.9%</b>	<b>9.6%</b>	<b>10.1%</b>	<b>24.9%</b>	<b>(2.6%)</b>	<b>9.9%</b>
Equity %	88.2%	89.4%	89.9%	87.6%	88.8%	90.2%	86.5%	97.8%	96.9%	94.2%
Finance Coverage (EBIT/ Finance Costs)	(2.5)	(0.0)	0.3	(0.6)	(0.6)	1.9	4.2	0.8	15.4	2.7
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	58,633	35,288	113,238	64,305	68,771	64,825	23,931	214,374	40,594	88,644
Total Cattle (head)	3,200	2,567	5,578	3,669	3,785	3,573	3,352	7,470	2,537	4,286
Total Beef AE	3,815	3,044	6,606	4,319	4,482	4,261	3,936	8,802	2,983	5,062
Stocking Rate (AE/Ha) Beef Only	0.07	0.09	0.06	0.07	0.07	0.07	0.16	0.04	0.07	0.08

**BEEF ENTERPRISE INCOME STATEMENT: NORTHERN TERRITORY - DARWIN & TOP-END**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>87.24</b>	<b>135.93</b>	<b>114.91</b>	<b>99.61</b>	<b>107.22</b>	<b>149.15</b>	<b>170.87</b>	<b>117.94</b>	<b>170.09</b>	<b>141.67</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.10	0.11	0.17	0.14	0.14	0.06	0.18	0.18	0.00	0.13
Insurance & Materials	3.95	9.91	5.62	9.54	6.97	3.71	2.72	2.83	10.88	4.05
Mustering & Contracting	3.87	5.51	5.81	6.33	5.49	4.28	2.95	8.19	6.34	6.02
Selling Costs	3.80	1.76	5.91	1.66	3.65	3.33	1.51	5.59	2.08	3.86
Fodder	8.38	23.37	10.51	15.61	13.26	11.36	22.86	9.13	23.35	13.73
	<b>20.10</b>	<b>40.66</b>	<b>28.02</b>	<b>33.27</b>	<b>29.50</b>	<b>22.75</b>	<b>30.22</b>	<b>25.91</b>	<b>42.65</b>	<b>27.78</b>
<b>GROSS MARGIN</b>	<b>67.14</b>	<b>95.26</b>	<b>86.89</b>	<b>66.34</b>	<b>77.72</b>	<b>126.41</b>	<b>140.65</b>	<b>92.03</b>	<b>127.43</b>	<b>113.90</b>
<b>OVERHEAD EXPENSES</b>										
Administration	9.37	5.73	3.73	2.60	4.92	11.31	1.70	3.95	2.69	5.50
Depreciation	12.25	11.81	10.95	11.58	11.54	13.46	11.17	11.33	11.84	11.97
Electricity & Gas	0.01	0.07	0.11	0.20	0.11	0.00	0.17	0.17	0.00	0.10
Freight	2.86	5.21	5.62	5.33	4.87	4.03	2.05	7.95	4.83	5.51
Fuel & Lubricants	11.02	11.78	8.66	10.43	10.12	12.22	8.02	7.99	14.11	9.93
Insurance	3.24	2.24	1.87	2.41	2.38	3.80	1.22	2.49	0.80	2.44
Materials	1.43	0.45	0.80	1.10	0.98	2.27	0.12	1.13	1.32	1.31
Motor Vehicle Expenses	3.48	1.28	0.78	1.21	1.57	5.26	0.66	0.72	2.47	2.20
Rates & Rents	0.97	0.49	4.96	4.44	3.32	1.20	0.24	1.59	4.51	1.62
R & M General	6.23	11.37	15.30	10.18	11.28	6.32	10.27	14.70	11.37	11.22
Wages	20.22	14.29	19.61	9.21	16.02	23.15	5.12	29.04	4.21	20.46
Wages (Owner)	24.32	28.89	12.44	20.08	19.51	21.68	27.16	6.52	27.16	16.65
	<b>95.41</b>	<b>93.60</b>	<b>84.83</b>	<b>78.77</b>	<b>86.61</b>	<b>104.71</b>	<b>67.91</b>	<b>87.56</b>	<b>85.30</b>	<b>88.91</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>115.50</b>	<b>134.27</b>	<b>112.86</b>	<b>112.04</b>	<b>116.11</b>	<b>127.45</b>	<b>98.13</b>	<b>113.48</b>	<b>127.95</b>	<b>116.69</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(28.27)</b>	<b>1.66</b>	<b>2.05</b>	<b>(12.43)</b>	<b>(8.90)</b>	<b>21.70</b>	<b>72.74</b>	<b>4.46</b>	<b>42.14</b>	<b>24.98</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.45	\$2.33	\$1.69	\$1.79	\$1.92	\$2.35	\$2.39	\$1.71	\$1.85	\$2.00
Cost of Production (\$/kg LW)	\$3.24	\$2.30	\$1.66	\$2.02	\$2.07	\$2.00	\$1.37	\$1.64	\$1.39	\$1.65
<b>Operating Margin (\$/kg LW)</b>	<b>(\$0.79)</b>	<b>\$0.03</b>	<b>\$0.03</b>	<b>(\$0.22)</b>	<b>(\$0.16)</b>	<b>\$0.34</b>	<b>\$1.02</b>	<b>\$0.06</b>	<b>\$0.46</b>	<b>\$0.35</b>
Kg Beef/ AE	35.6	58.3	68.1	55.6	56.0	63.6	71.5	69.1	91.7	70.7
Labour Efficiency (AE/FTE)	1,041	1,219	1,564	1,706	1,390	1,045	1,457	1,526	1,521	1,342
Labour Costs (\$/AE)	44.54	43.18	32.05	29.29	35.53	44.83	32.28	35.56	31.37	37.11
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$631	\$695	\$565	\$483	\$566	\$660	\$679	\$535	\$528	\$587
Sale Weight/ Head Sold (all sales)	297	337	329	274	305	311	329	311	300	312
Reproductive Rate %	47.1%	51.4%	56.1%	54.5%	53.0%	52.8%	49.6%	56.9%	64.9%	55.7%
Mortality Rate %	9.2%	3.0%	4.9%	4.2%	5.4%	4.5%	2.9%	4.8%	3.7%	4.3%
Enterprise Size (Annual Avg AE)	3,815	3,044	6,606	4,319	4,482	4,261	3,936	8,802	2,983	5,062

## 8.4.4 Performance by herd size

### 8.4.4.1 Herd size 200- 800 head

#### WHOLE BUSINESS INCOME STATEMENT:HERD SIZE 200-800

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	121,708	161,276	128,649	113,531	131,111	178,859	225,716	176,257	164,408	187,026
Purchases- Beef	(23,440)	(37,750)	(28,144)	(21,417)	(27,853)	(36,507)	(46,782)	(51,597)	(32,529)	(42,656)
Inventory Change- Beef	(7,300)	(2,092)	(12,281)	(1,740)	(6,196)	4,287	(9,847)	15,771	16,085	7,061
Gross Profit- Beef	90,968	121,434	88,224	90,373	97,062	146,639	169,087	140,431	147,964	151,431
Gross Profit- Other Enterprises	21,366	11,496	6,153	5,054	9,231	46,679	21,113	13,925	15,488	21,161
Other Income	8,882	15,602	19,774	8,506	14,079	9,150	29,153	32,997	10,062	21,950
<b>GROSS PROFIT</b>	<b>120,360</b>	<b>148,490</b>	<b>113,709</b>	<b>103,897</b>	<b>120,081</b>	<b>201,298</b>	<b>219,295</b>	<b>187,075</b>	<b>173,440</b>	<b>194,252</b>
<b>ENTERPRISE EXPENSES</b>	<b>37,621</b>	<b>42,008</b>	<b>36,119</b>	<b>18,439</b>	<b>32,719</b>	<b>39,820</b>	<b>38,492</b>	<b>39,993</b>	<b>25,014</b>	<b>35,314</b>
Beef	30,827	32,543	31,386	14,701	26,862	29,168	25,475	35,492	18,316	26,925
Other Enterprises	6,794	9,466	4,732	3,738	5,857	10,652	13,018	4,500	6,698	8,389
<b>GROSS MARGIN</b>	<b>82,739</b>	<b>106,482</b>	<b>77,590</b>	<b>85,459</b>	<b>87,362</b>	<b>161,478</b>	<b>180,803</b>	<b>147,083</b>	<b>148,426</b>	<b>158,938</b>
<b>OVERHEAD EXPENSES</b>										
Administration	9,457	9,830	7,265	6,287	7,901	7,850	7,936	8,386	7,508	7,934
Depreciation	20,480	23,476	20,331	18,618	20,610	19,486	25,496	19,303	23,041	22,107
Electricity & Gas	1,480	1,376	1,346	1,559	1,432	1,641	1,280	2,036	2,027	1,766
Freight	3,024	4,488	3,610	3,307	3,650	3,684	6,580	5,156	4,355	5,109
Fuel & Lubricants	10,594	12,881	9,857	7,468	9,999	10,208	13,130	11,631	9,308	11,182
Insurance	2,620	2,833	3,288	3,135	3,044	2,846	2,985	3,440	3,344	3,200
Materials	1,063	1,414	1,137	726	1,076	1,748	2,184	1,110	605	1,359
Motor Vehicle Expenses	3,636	5,140	3,580	2,874	3,757	3,282	5,115	3,634	3,241	3,883
Rates & Rents	5,181	5,587	5,924	6,809	5,991	5,299	7,450	7,926	9,955	7,983
R & M General	14,208	17,258	13,816	12,789	14,393	20,691	17,525	12,861	15,259	15,981
Wages (inc stores & rations)	3,231	5,704	4,505	1,532	3,769	1,575	4,137	6,820	1,994	3,942
Wages (Owner)	95,891	96,653	83,051	83,091	88,071	100,710	93,867	76,722	80,783	86,146
	<b>170,865</b>	<b>186,640</b>	<b>157,709</b>	<b>148,195</b>	<b>163,692</b>	<b>179,021</b>	<b>187,684</b>	<b>159,024</b>	<b>161,422</b>	<b>170,592</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>208,487</b>	<b>228,649</b>	<b>193,828</b>	<b>166,634</b>	<b>196,412</b>	<b>218,841</b>	<b>226,176</b>	<b>199,017</b>	<b>186,436</b>	<b>205,906</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(88,126)</b>	<b>(80,158)</b>	<b>(80,119)</b>	<b>(62,736)</b>	<b>(76,331)</b>	<b>(17,543)</b>	<b>(6,881)</b>	<b>(11,941)</b>	<b>(12,996)</b>	<b>(11,654)</b>
Interest	10,105	12,523	14,707	11,207	12,558	11,790	15,230	17,505	19,881	16,708
<b>EARNINGS BEFORE TAX</b>	<b>(98,231)</b>	<b>(92,681)</b>	<b>(94,827)</b>	<b>(73,943)</b>	<b>(88,888)</b>	<b>(29,333)</b>	<b>(22,111)</b>	<b>(29,446)</b>	<b>(32,876)</b>	<b>(28,362)</b>

**WHOLE BUSINESS BALANCE SHEET: HERD SIZE 200- 800**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	76,918	77,105	106,831	79,281	87,834	97,868	82,024	83,750	86,336	86,070
Plant, Equipment & Vehicles	132,806	171,509	160,706	151,064	156,632	149,542	175,469	148,091	187,483	167,050
Livestock	234,987	323,050	248,740	240,463	262,034	291,383	420,749	340,976	306,071	346,000
Land & Infrastructure	1,356,239	2,142,426	3,068,724	2,747,502	2,519,654	2,045,245	2,478,111	3,394,568	4,024,557	3,120,547
<b>TOTAL ASSETS</b>	<b>1,800,950</b>	<b>2,714,089</b>	<b>3,585,000</b>	<b>3,218,310</b>	<b>3,026,154</b>	<b>2,584,039</b>	<b>3,156,354</b>	<b>3,967,384</b>	<b>4,604,447</b>	<b>3,719,666</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	53,223	60,851	57,463	56,596	57,426	92,384	50,202	48,990	115,436	74,475
Plant & Equipment Finance	7,063	10,039	9,433	5,609	8,163	3,849	11,275	5,764	5,713	7,000
Long Term Debt	62,412	119,224	119,759	95,206	104,672	62,666	150,515	153,297	180,440	146,927
<b>TOTAL LIABILITIES</b>	<b>122,698</b>	<b>190,114</b>	<b>186,655</b>	<b>157,411</b>	<b>170,261</b>	<b>158,898</b>	<b>211,993</b>	<b>208,052</b>	<b>301,588</b>	<b>228,402</b>
<b>NET ASSETS (EQUITY)</b>	<b>1,678,252</b>	<b>2,523,976</b>	<b>3,398,345</b>	<b>3,060,899</b>	<b>2,855,892</b>	<b>2,425,141</b>	<b>2,944,361</b>	<b>3,759,332</b>	<b>4,302,859</b>	<b>3,491,264</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	178	136	209	160	173	183	112	126	141	133
Plant, Equipment & Vehicles	307	303	314	305	308	279	240	224	307	257
Livestock	543	571	487	485	515	544	574	515	501	533
Land & Infrastructure	3,135	3,786	6,003	5,539	4,952	3,817	3,383	5,124	6,582	4,809
<b>TOTAL ASSETS</b>	<b>4,163</b>	<b>4,796</b>	<b>7,013</b>	<b>6,488</b>	<b>5,947</b>	<b>4,823</b>	<b>4,309</b>	<b>5,989</b>	<b>7,530</b>	<b>5,732</b>
<b>TOTAL LIABILITIES</b>	<b>284</b>	<b>336</b>	<b>365</b>	<b>317</b>	<b>335</b>	<b>297</b>	<b>289</b>	<b>314</b>	<b>493</b>	<b>352</b>
<b>NET ASSETS</b>	<b>3,880</b>	<b>4,460</b>	<b>6,647</b>	<b>6,171</b>	<b>5,612</b>	<b>4,527</b>	<b>4,020</b>	<b>5,675</b>	<b>7,037</b>	<b>5,380</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	(4.9%)	(3.0%)	(2.2%)	(1.9%)	(2.5%)	(0.7%)	(0.2%)	(0.3%)	(0.3%)	(0.3%)
Capital Return	9.0%	8.5%	4.0%	(1.1%)	5.1%	12.0%	6.8%	4.2%	(1.0%)	5.5%
<b>Total Business Return</b>	<b>4.1%</b>	<b>5.6%</b>	<b>1.8%</b>	<b>(3.0%)</b>	<b>2.6%</b>	<b>11.3%</b>	<b>6.6%</b>	<b>3.9%</b>	<b>(1.3%)</b>	<b>5.2%</b>
Equity %	93.2%	93.0%	94.8%	95.1%	94.4%	93.9%	93.3%	94.8%	93.5%	93.9%
Finance Coverage (EBIT/ Finance Costs)	(8.7)	(6.4)	(5.4)	(5.6)	(6.1)	(1.5)	(0.5)	(0.7)	(0.7)	(0.7)
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	3,584	3,410	3,036	2,131	2,945	3,268	3,699	3,971	3,374	3,624
Total Cattle (head)	367	476	422	412	424	462	610	540	513	540
Total Beef AE	433	566	511	496	509	536	733	662	611	649
Stocking Rate (AE/Ha) Beef Only	0.12	0.17	0.17	0.23	0.18	0.16	0.20	0.17	0.18	0.18



**BEEF ENTERPRISE INCOME STATEMENT: HERD SIZE 200- 800**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>210.30</b>	<b>214.57</b>	<b>172.57</b>	<b>182.20</b>	<b>190.74</b>	<b>273.70</b>	<b>230.83</b>	<b>211.99</b>	<b>241.98</b>	<b>233.35</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	2.87	0.59	2.74	2.32	2.08	0.97	0.22	1.33	2.85	1.34
Insurance & Materials	8.23	8.88	7.30	4.90	7.16	6.85	5.66	6.95	4.57	5.90
Mustering & Contracting	0.49	2.34	2.02	3.08	2.21	1.17	3.35	2.30	3.72	2.87
Selling Costs	13.04	2.53	10.00	4.29	6.83	16.16	2.74	9.12	4.97	6.87
Fodder	46.63	43.15	39.33	15.06	34.51	29.29	22.81	33.88	13.84	24.51
	<b>71.27</b>	<b>57.50</b>	<b>61.40</b>	<b>29.64</b>	<b>52.79</b>	<b>54.44</b>	<b>34.78</b>	<b>53.58</b>	<b>29.95</b>	<b>41.49</b>
<b>GROSS MARGIN</b>	<b>139.04</b>	<b>157.06</b>	<b>111.18</b>	<b>152.56</b>	<b>137.96</b>	<b>219.26</b>	<b>196.06</b>	<b>158.41</b>	<b>212.03</b>	<b>191.86</b>
<b>OVERHEAD EXPENSES</b>										
Administration	16.61	14.20	11.06	11.01	12.53	10.70	8.37	9.53	10.52	9.57
Depreciation	35.62	33.85	30.94	32.62	32.72	26.44	26.89	21.99	32.09	26.75
Electricity & Gas	2.59	1.99	2.05	2.73	2.29	2.23	1.34	2.33	2.84	2.14
Freight	5.25	6.48	5.52	5.79	5.82	4.94	6.95	5.95	6.05	6.17
Fuel & Lubricants	18.42	18.56	15.08	13.09	15.84	13.87	13.76	13.36	12.94	13.43
Insurance	4.55	4.08	5.01	5.49	4.84	3.83	3.12	3.95	4.67	3.86
Materials	1.87	2.05	1.72	1.26	1.70	2.41	2.26	1.23	0.84	1.59
Motor Vehicle Expenses	6.38	7.47	5.46	5.04	5.98	4.53	5.31	4.19	4.55	4.68
Rates & Rents	9.04	8.09	9.07	11.92	9.59	7.13	7.97	9.21	13.93	9.83
R & M General	24.68	24.93	21.08	22.38	22.88	27.88	18.35	14.67	21.25	19.18
Wages	5.65	8.16	6.80	2.69	5.89	2.09	4.27	7.47	2.81	4.58
Wages (Owner)	166.78	139.50	126.68	145.49	140.00	136.33	98.41	87.99	113.06	103.78
	<b>297.44</b>	<b>269.34</b>	<b>240.44</b>	<b>259.52</b>	<b>260.07</b>	<b>242.37</b>	<b>197.00</b>	<b>181.86</b>	<b>225.55</b>	<b>205.57</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>368.71</b>	<b>326.85</b>	<b>301.84</b>	<b>289.15</b>	<b>312.86</b>	<b>296.81</b>	<b>231.78</b>	<b>235.44</b>	<b>255.50</b>	<b>247.06</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(158.41)</b>	<b>(112.28)</b>	<b>(129.26)</b>	<b>(106.96)</b>	<b>(122.11)</b>	<b>(23.11)</b>	<b>(0.94)</b>	<b>(23.45)</b>	<b>(13.52)</b>	<b>(13.71)</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.99	\$1.97	\$1.64	\$1.62	\$1.76	\$1.89	\$1.95	\$1.70	\$1.65	\$1.78
Cost of Production (\$/kg LW)	\$3.49	\$3.00	\$2.87	\$2.58	\$2.89	\$2.05	\$1.95	\$1.88	\$1.75	\$1.88
<b>Operating Margin (\$/kg LW)</b>	<b>(\$1.50)</b>	<b>(\$1.03)</b>	<b>(\$1.23)</b>	<b>(\$0.95)</b>	<b>(\$1.13)</b>	<b>(\$0.16)</b>	<b>(\$0.01)</b>	<b>(\$0.19)</b>	<b>(\$0.09)</b>	<b>(\$0.10)</b>
Kg Beef/ AE	105.6	108.9	105.0	112.3	108.1	144.9	118.6	125.0	146.3	131.1
Labour Efficiency (AE/FTE)	273	325	373	338	336	333	465	525	440	452
Labour Costs (\$/AE)	172.43	147.66	133.47	148.18	145.89	138.42	102.69	95.46	115.87	108.36
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$794	\$872	\$723	\$709	\$766	\$918	\$912	\$808	\$822	\$859
Sale Weight/ Head Sold (all sales)	424	442	421	426	428	485	461	472	495	476
Reproductive Rate %	72.1%	63.3%	67.6%	72.6%	68.3%	78.3%	65.7%	72.9%	74.9%	71.8%
Mortality Rate %	4.2%	1.8%	2.2%	1.9%	2.3%	2.6%	1.4%	1.4%	1.8%	1.7%
Enterprise Size (Annual Avg AE)	433	566	511	496	509	536	733	662	611	649



### 8.4.4.2 Herd size 800 – 1,600 head

#### WHOLE BUSINESS INCOME STATEMENT: HERD SIZE 800-1,600 HEAD

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	340,464	363,246	297,978	241,398	305,295	335,240	405,648	352,233	271,484	338,020
Purchases- Beef	(32,105)	(68,025)	(61,967)	(25,921)	(47,591)	(25,021)	(97,719)	(100,074)	(33,930)	(66,210)
Inventory Change- Beef	8,254	(6,483)	17,456	11,287	8,373	84,023	67,765	37,595	49,780	56,897
Gross Profit- Beef	316,613	288,737	253,467	226,764	266,077	394,242	375,693	289,754	287,334	328,707
Gross Profit- Other Enterprises	31,723	11,468	13,296	9,092	15,149	29,679	23,907	19,050	14,048	20,704
Other Income	17,322	34,306	44,807	22,187	30,789	5,868	51,482	61,621	29,867	39,578
<b>GROSS PROFIT</b>	<b>363,678</b>	<b>334,299</b>	<b>310,698</b>	<b>257,767</b>	<b>311,257</b>	<b>428,664</b>	<b>450,433</b>	<b>369,840</b>	<b>330,415</b>	<b>388,216</b>
<b>ENTERPRISE EXPENSES</b>	<b>76,868</b>	<b>67,753</b>	<b>71,494</b>	<b>48,315</b>	<b>65,086</b>	<b>71,193</b>	<b>70,009</b>	<b>78,399</b>	<b>38,624</b>	<b>63,435</b>
Beef	66,364	57,524	63,114	43,034	56,747	64,729	58,734	72,217	36,628	57,226
Other Enterprises	10,505	10,229	8,381	5,282	8,338	6,463	11,275	6,182	1,995	6,209
<b>GROSS MARGIN</b>	<b>286,809</b>	<b>266,546</b>	<b>239,204</b>	<b>209,452</b>	<b>246,171</b>	<b>357,472</b>	<b>380,424</b>	<b>291,441</b>	<b>291,792</b>	<b>324,781</b>
<b>OVERHEAD EXPENSES</b>										
Administration	14,951	15,629	15,676	11,250	14,279	12,095	15,794	15,071	11,700	13,701
Depreciation	35,208	37,007	36,261	30,994	34,751	33,076	34,757	34,615	31,088	33,330
Electricity & Gas	2,102	2,403	3,333	2,619	2,682	1,594	2,521	3,076	2,556	2,518
Freight	14,874	12,412	10,858	9,448	11,580	21,813	9,462	10,806	12,359	12,988
Fuel & Lubricants	22,443	25,039	20,543	16,027	20,679	14,240	23,525	24,415	16,484	19,993
Insurance	4,549	5,823	5,454	5,281	5,321	2,829	5,672	6,151	5,275	5,165
Materials	1,889	2,161	2,228	1,268	1,878	1,519	3,265	3,624	1,475	2,519
Motor Vehicle Expenses	6,402	5,598	6,700	4,691	5,819	3,994	3,950	6,100	3,949	4,572
Rates & Rents	13,579	11,068	13,288	11,378	12,283	15,930	10,851	12,092	10,464	12,036
R & M General	39,572	32,556	28,431	22,697	29,876	28,395	36,855	25,734	20,190	27,226
Wages (inc stores & rations)	20,542	15,354	11,637	10,651	13,905	15,503	6,342	9,869	8,233	9,605
Wages (Owner)	100,909	104,181	101,486	90,141	98,806	96,048	104,984	103,087	85,312	97,022
	<b>277,021</b>	<b>269,231</b>	<b>255,895</b>	<b>216,445</b>	<b>251,859</b>	<b>247,035</b>	<b>257,977</b>	<b>254,641</b>	<b>209,086</b>	<b>240,674</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>353,889</b>	<b>336,983</b>	<b>327,389</b>	<b>264,761</b>	<b>316,945</b>	<b>318,227</b>	<b>327,986</b>	<b>333,041</b>	<b>247,710</b>	<b>304,108</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>9,788</b>	<b>(2,684)</b>	<b>(16,691)</b>	<b>(6,993)</b>	<b>(5,688)</b>	<b>110,437</b>	<b>122,447</b>	<b>36,800</b>	<b>82,706</b>	<b>84,108</b>
Interest	18,624	36,802	39,544	31,863	32,796	12,291	43,600	43,652	44,157	37,963
<b>EARNINGS BEFORE TAX</b>	<b>(8,835)</b>	<b>(39,487)</b>	<b>(56,235)</b>	<b>(38,856)</b>	<b>(38,485)</b>	<b>98,146</b>	<b>78,847</b>	<b>(6,852)</b>	<b>38,549</b>	<b>46,144</b>

**WHOLE BUSINESS BALANCE SHEET: HERD SIZE 800-1,600 HEAD**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	175,484	128,690	115,737	104,236	126,769	293,686	190,022	115,745	190,603	188,222
Plant, Equipment & Vehicles	236,181	255,550	257,579	222,295	243,116	159,493	268,128	257,164	213,322	228,770
Livestock	784,205	760,593	703,327	648,311	716,436	797,568	725,336	718,839	671,960	721,263
Land & Infrastructure	3,452,256	4,292,825	5,390,043	4,208,568	4,434,754	3,939,438	4,366,788	4,891,756	3,683,170	4,237,212
<b>TOTAL ASSETS</b>	<b>4,648,125</b>	<b>5,437,658</b>	<b>6,466,686</b>	<b>5,183,410</b>	<b>5,521,075</b>	<b>5,190,185</b>	<b>5,550,275</b>	<b>5,983,504</b>	<b>4,759,055</b>	<b>5,375,467</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	115,013	112,921	118,216	91,903	108,944	54,538	115,918	111,964	51,520	84,530
Plant & Equipment Finance	10,737	22,559	21,938	23,128	20,311	2,119	18,364	32,995	23,168	20,934
Long Term Debt	136,081	401,677	371,276	303,974	315,139	102,001	468,047	472,585	487,418	407,037
<b>TOTAL LIABILITIES</b>	<b>261,831</b>	<b>537,157</b>	<b>511,429</b>	<b>419,005</b>	<b>444,395</b>	<b>158,658</b>	<b>602,329</b>	<b>617,544</b>	<b>562,106</b>	<b>512,501</b>
<b>NET ASSETS (EQUITY)</b>	<b>4,386,294</b>	<b>4,900,501</b>	<b>5,955,257</b>	<b>4,764,405</b>	<b>5,076,680</b>	<b>5,031,527</b>	<b>4,947,946</b>	<b>5,365,960</b>	<b>4,196,949</b>	<b>4,862,966</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	123	97	85	79	94	208	152	82	143	139
Plant, Equipment & Vehicles	166	193	189	170	180	113	214	181	160	169
Livestock	551	574	515	494	530	564	580	507	505	533
Land & Infrastructure	2,424	3,238	3,945	3,210	3,280	2,784	3,492	3,451	2,767	3,133
<b>TOTAL ASSETS</b>	<b>3,264</b>	<b>4,102</b>	<b>4,733</b>	<b>3,953</b>	<b>4,083</b>	<b>3,668</b>	<b>4,438</b>	<b>4,222</b>	<b>3,576</b>	<b>3,975</b>
<b>TOTAL LIABILITIES</b>	<b>184</b>	<b>405</b>	<b>374</b>	<b>320</b>	<b>329</b>	<b>112</b>	<b>482</b>	<b>436</b>	<b>422</b>	<b>379</b>
<b>NET ASSETS</b>	<b>3,080</b>	<b>3,697</b>	<b>4,359</b>	<b>3,633</b>	<b>3,755</b>	<b>3,556</b>	<b>3,956</b>	<b>3,786</b>	<b>3,153</b>	<b>3,596</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	0.2%	(0.0%)	(0.3%)	(0.1%)	(0.1%)	2.1%	2.2%	0.6%	1.7%	1.6%
Capital Return	10.6%	7.7%	2.7%	(2.2%)	4.7%	11.7%	5.7%	3.1%	(3.0%)	4.4%
<b>Total Business Return</b>	<b>10.8%</b>	<b>7.6%</b>	<b>2.4%</b>	<b>(2.3%)</b>	<b>4.6%</b>	<b>13.8%</b>	<b>7.9%</b>	<b>3.7%</b>	<b>(1.2%)</b>	<b>5.9%</b>
Equity %	94.4%	90.1%	92.1%	91.9%	92.0%	96.9%	89.1%	89.7%	88.2%	90.5%
Finance Coverage (EBIT/ Finance Costs)	0.5	(0.1)	(0.4)	(0.2)	(0.2)	9.0	2.8	0.8	1.9	2.2
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	13,241	11,339	11,485	9,894	11,332	15,306	8,488	13,114	10,696	11,723
Total Cattle (head)	1,224	1,124	1,141	1,128	1,149	1,235	1,072	1,208	1,147	1,163
Total Beef AE	1,424	1,326	1,366	1,311	1,352	1,415	1,251	1,417	1,331	1,352
Stocking Rate (AE/Ha) Beef Only	0.11	0.12	0.12	0.13	0.12	0.09	0.15	0.11	0.12	0.12

**BEEF ENTERPRISE INCOME STATEMENT: HERD SIZE 800 – 1,600 HEAD**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>222.32</b>	<b>217.81</b>	<b>185.53</b>	<b>172.93</b>	<b>196.79</b>	<b>278.66</b>	<b>300.40</b>	<b>204.43</b>	<b>215.89</b>	<b>243.08</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.91	0.94	1.36	1.02	1.08	0.36	1.69	1.10	0.90	1.03
Insurance & Materials	5.63	6.13	6.08	6.07	6.00	5.97	6.70	4.31	6.00	5.64
Mustering & Contracting	2.74	3.66	2.99	4.78	3.58	1.92	6.04	3.22	4.75	4.02
Selling Costs	8.03	2.77	7.37	3.60	5.41	6.32	5.09	10.41	4.54	6.77
Fodder	29.29	29.90	28.39	17.35	25.89	31.18	27.44	31.91	11.32	24.86
	<b>46.60</b>	<b>43.39</b>	<b>46.20</b>	<b>32.82</b>	<b>41.97</b>	<b>45.75</b>	<b>46.96</b>	<b>50.95</b>	<b>27.52</b>	<b>42.32</b>
<b>GROSS MARGIN</b>	<b>175.72</b>	<b>174.41</b>	<b>139.33</b>	<b>140.11</b>	<b>154.82</b>	<b>232.90</b>	<b>253.44</b>	<b>153.48</b>	<b>188.37</b>	<b>200.76</b>
<b>OVERHEAD EXPENSES</b>										
Administration	9.11	10.17	9.36	7.54	9.00	7.85	10.53	8.35	7.59	8.51
Depreciation	21.38	24.17	21.65	20.75	21.93	21.49	23.20	19.20	20.23	20.81
Electricity & Gas	1.28	1.57	2.00	1.76	1.69	1.04	1.68	1.70	1.67	1.56
Freight	9.03	8.07	6.49	6.32	7.31	14.09	6.31	5.95	8.03	8.21
Fuel & Lubricants	13.67	16.32	12.23	10.74	13.05	9.24	15.65	13.44	10.71	12.32
Insurance	2.77	3.81	3.26	3.54	3.37	1.84	3.79	3.40	3.47	3.20
Materials	1.15	1.43	1.32	0.85	1.18	0.98	2.19	1.98	0.95	1.54
Motor Vehicle Expenses	3.89	3.64	3.99	3.15	3.66	2.59	2.65	3.34	2.62	2.84
Rates & Rents	8.26	7.23	7.97	7.63	7.76	10.31	7.26	6.72	6.76	7.55
R & M General	24.09	21.25	16.94	15.19	18.87	18.51	24.55	14.06	13.17	16.95
Wages	12.50	10.04	6.90	7.15	8.80	10.04	4.23	5.50	5.27	6.04
Wages (Owner)	61.42	68.02	60.71	60.37	62.44	62.38	70.05	57.14	55.53	60.51
	<b>168.54</b>	<b>175.71</b>	<b>152.83</b>	<b>144.99</b>	<b>159.06</b>	<b>160.33</b>	<b>172.10</b>	<b>140.78</b>	<b>135.98</b>	<b>150.02</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>215.14</b>	<b>219.11</b>	<b>199.03</b>	<b>177.81</b>	<b>201.03</b>	<b>206.08</b>	<b>219.06</b>	<b>191.74</b>	<b>163.50</b>	<b>192.34</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>7.18</b>	<b>(1.30)</b>	<b>(13.49)</b>	<b>(4.88)</b>	<b>(4.24)</b>	<b>72.57</b>	<b>81.34</b>	<b>12.70</b>	<b>52.39</b>	<b>50.74</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.95	\$1.95	\$1.67	\$1.63	\$1.78	\$2.12	\$2.00	\$1.64	\$1.67	\$1.83
Cost of Production (\$/kg LW)	\$1.89	\$1.96	\$1.79	\$1.68	\$1.82	\$1.57	\$1.46	\$1.53	\$1.27	\$1.45
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.06</b>	<b>(\$0.01)</b>	<b>(\$0.12)</b>	<b>(\$0.05)</b>	<b>(\$0.04)</b>	<b>\$0.55</b>	<b>\$0.54</b>	<b>\$0.10</b>	<b>\$0.41</b>	<b>\$0.38</b>
Kg Beef/ AE	114.0	111.5	111.3	106.1	110.5	131.6	150.5	125.0	129.1	133.0
Labour Efficiency (AE/FTE)	654	619	708	708	675	670	616	764	803	717
Labour Costs (\$/AE)	73.92	78.06	67.61	67.52	71.24	72.42	74.28	62.64	60.79	66.54
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$838	\$863	\$804	\$732	\$808	\$913	\$926	\$881	\$786	\$874
Sale Weight/ Head Sold (all sales)	443	440	470	439	449	490	472	509	469	485
Reproductive Rate %	66.9%	66.2%	66.4%	66.8%	66.6%	72.9%	75.9%	67.4%	76.2%	72.9%
Mortality Rate %	2.4%	1.7%	1.6%	1.7%	1.8%	2.2%	1.1%	1.3%	1.3%	1.4%
Enterprise Size (Annual Avg AE)	1,424	1,326	1,366	1,311	1,352	1,415	1,251	1,417	1,331	1,352

### 8.4.4.3 Herd size 1,600 – 5,400 head

#### WHOLE BUSINESS INCOME STATEMENT: HERD SIZE 1,600-5,400

	TYPICAL BUSINESS									
	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	836,754	787,004	625,793	589,705	698,159	799,905	955,470	682,658	711,678	792,766
Purchases- Beef	(112,153)	(123,413)	(69,070)	(74,420)	(92,942)	(124,700)	(154,221)	(107,327)	(90,084)	(119,687)
Inventory Change- Beef	(20,242)	(30,275)	55,488	45,057	15,734	163,026	62,573	145,380	105,034	114,079
Gross Profit- Beef	704,360	633,316	612,211	560,342	620,952	838,231	863,823	720,711	726,629	787,158
Gross Profit- Other Enterprises	36,921	20,602	13,635	31,809	25,138	55,512	21,902	9,476	74,415	39,830
Other Income	37,086	41,556	52,893	34,072	41,553	38,287	35,715	61,713	50,791	46,564
<b>GROSS PROFIT</b>	<b>775,106</b>	<b>693,716</b>	<b>678,182</b>	<b>625,897</b>	<b>686,315</b>	<b>929,641</b>	<b>917,984</b>	<b>791,712</b>	<b>851,506</b>	<b>871,943</b>
<b>ENTERPRISE EXPENSES</b>	<b>188,242</b>	<b>140,442</b>	<b>115,851</b>	<b>103,687</b>	<b>132,879</b>	<b>128,665</b>	<b>155,052</b>	<b>109,887</b>	<b>115,865</b>	<b>128,306</b>
Beef	169,205	125,482	103,822	90,409	118,372	113,275	139,920	101,693	91,744	112,363
Other Enterprises	19,037	14,959	12,029	13,278	14,507	15,390	15,131	8,193	24,121	15,943
<b>GROSS MARGIN</b>	<b>586,864</b>	<b>553,275</b>	<b>562,332</b>	<b>522,210</b>	<b>553,436</b>	<b>800,976</b>	<b>762,933</b>	<b>681,825</b>	<b>735,642</b>	<b>743,637</b>
<b>OVERHEAD EXPENSES</b>										
Administration	32,844	34,275	25,751	22,402	28,373	30,295	34,868	23,619	21,956	27,754
Depreciation	55,067	58,577	61,028	61,664	59,413	47,373	51,192	51,606	55,694	51,745
Electricity & Gas	3,793	5,149	4,867	5,808	4,996	3,479	5,483	3,960	6,295	4,935
Freight	35,732	25,825	21,653	25,307	26,516	29,469	29,657	23,697	26,413	27,308
Fuel & Lubricants	37,065	39,079	36,616	30,778	35,678	35,500	33,424	30,141	33,752	33,138
Insurance	10,267	9,026	10,816	12,183	10,638	10,039	10,611	8,820	12,745	10,642
Materials	6,051	5,822	4,750	3,087	4,807	5,147	2,890	7,362	3,303	4,530
Motor Vehicle Expenses	11,246	9,326	8,283	8,932	9,315	10,281	12,422	11,469	8,414	10,681
Rates & Rents	22,346	21,143	23,122	24,298	22,797	17,420	20,358	26,805	31,006	24,201
R & M General	63,776	60,710	57,800	48,928	57,198	61,576	57,217	53,612	45,550	54,067
Wages (inc stores & rations)	61,078	41,859	33,205	27,559	39,280	43,334	46,297	31,363	31,259	38,043
Wages (Owner)	126,742	114,463	122,228	110,491	117,794	116,703	101,201	118,241	98,696	107,726
	<b>466,008</b>	<b>425,254</b>	<b>410,118</b>	<b>381,436</b>	<b>416,806</b>	<b>410,616</b>	<b>405,620</b>	<b>390,696</b>	<b>375,082</b>	<b>394,770</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>654,251</b>	<b>565,695</b>	<b>525,969</b>	<b>485,124</b>	<b>549,685</b>	<b>539,281</b>	<b>560,671</b>	<b>500,582</b>	<b>490,947</b>	<b>523,076</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>120,855</b>	<b>128,021</b>	<b>152,213</b>	<b>140,774</b>	<b>136,630</b>	<b>390,360</b>	<b>357,313</b>	<b>291,130</b>	<b>360,559</b>	<b>348,867</b>
Interest	54,018	78,871	104,770	93,788	85,080	45,212	76,009	98,794	108,576	84,140
<b>EARNINGS BEFORE TAX</b>	<b>66,837</b>	<b>49,150</b>	<b>47,443</b>	<b>46,986</b>	<b>51,550</b>	<b>345,148</b>	<b>281,304</b>	<b>192,335</b>	<b>251,983</b>	<b>264,727</b>

**WHOLE BUSINESS BALANCE SHEET: HERD SIZE 1,600-5,400**

	AVERAGE (TYPICAL BUSINESS)					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	278,527	265,024	347,572	246,888	284,343	281,948	345,105	448,992	239,494	328,930
Plant, Equipment & Vehicles	360,176	406,462	413,196	436,227	407,618	269,302	372,181	312,861	389,065	341,889
Livestock	1,772,582	1,874,876	1,643,795	1,598,657	1,715,380	2,122,491	1,955,191	1,801,957	1,769,066	1,901,438
Land & Infrastructure	4,792,611	7,846,004	10,280,497	7,642,090	7,833,383	3,409,269	7,170,226	8,634,175	6,980,930	6,719,287
<b>TOTAL ASSETS</b>	<b>7,203,896</b>	<b>10,392,365</b>	<b>12,685,061</b>	<b>9,923,862</b>	<b>10,240,725</b>	<b>6,083,011</b>	<b>9,842,702</b>	<b>11,197,985</b>	<b>9,378,554</b>	<b>9,291,544</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	205,595	228,621	321,237	292,941	266,840	210,036	183,724	221,495	341,145	240,641
Plant & Equipment Finance	29,155	26,820	32,280	39,028	32,185	19,087	18,620	17,073	26,973	20,599
Long Term Debt	547,788	897,038	1,064,093	944,389	886,201	391,693	930,879	1,069,581	1,084,622	898,000
<b>TOTAL LIABILITIES</b>	<b>782,538</b>	<b>1,152,480</b>	<b>1,417,611</b>	<b>1,276,358</b>	<b>1,185,225</b>	<b>620,815</b>	<b>1,133,223</b>	<b>1,308,149</b>	<b>1,452,740</b>	<b>1,159,241</b>
<b>NET ASSETS (EQUITY)</b>	<b>6,421,358</b>	<b>9,239,886</b>	<b>11,267,450</b>	<b>8,647,504</b>	<b>9,055,500</b>	<b>5,462,196</b>	<b>8,709,480</b>	<b>9,889,836</b>	<b>7,925,814</b>	<b>8,132,303</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	87	82	109	78	89	76	105	131	68	95
Plant, Equipment & Vehicles	112	126	129	137	128	72	113	91	110	98
Livestock	554	583	514	504	537	570	595	524	500	547
Land & Infrastructure	1,497	2,441	3,215	2,407	2,451	916	2,180	2,511	1,974	1,932
<b>TOTAL ASSETS</b>	<b>2,250</b>	<b>3,234</b>	<b>3,967</b>	<b>3,126</b>	<b>3,204</b>	<b>1,634</b>	<b>2,993</b>	<b>3,256</b>	<b>2,652</b>	<b>2,671</b>
<b>TOTAL LIABILITIES</b>	<b>244</b>	<b>359</b>	<b>443</b>	<b>402</b>	<b>371</b>	<b>167</b>	<b>345</b>	<b>380</b>	<b>411</b>	<b>333</b>
<b>NET ASSETS</b>	<b>554</b>	<b>583</b>	<b>514</b>	<b>504</b>	<b>537</b>	<b>570</b>	<b>595</b>	<b>524</b>	<b>500</b>	<b>547</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	1.7%	1.2%	1.2%	1.4%	1.3%	6.4%	3.6%	2.6%	3.8%	3.8%
Capital Return	11.8%	8.4%	2.4%	(3.9%)	4.7%	12.4%	8.9%	7.7%	(5.6%)	5.8%
<b>Total Business Return</b>	<b>13.5%</b>	<b>9.7%</b>	<b>3.6%</b>	<b>(2.5%)</b>	<b>6.0%</b>	<b>18.8%</b>	<b>12.6%</b>	<b>10.3%</b>	<b>(1.8%)</b>	<b>9.6%</b>
Equity %	89.1%	88.9%	88.8%	87.1%	88.4%	89.8%	88.5%	88.3%	84.5%	87.5%
Finance Coverage (EBIT/ Finance Costs)	2.2	1.6	1.5	1.5	1.6	8.6	4.7	2.9	3.3	4.1
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	45,372	39,017	33,054	30,684	36,322	70,908	27,752	29,045	31,489	37,705
Total Cattle (head)	2,735	2,740	2,715	2,745	2,734	3,147	2,788	2,870	3,067	2,955
Total Beef AE	3,202	3,214	3,198	3,175	3,196	3,722	3,289	3,439	3,536	3,478
Stocking Rate (AE/Ha) Beef Only	0.07	0.08	0.10	0.10	0.09	0.05	0.12	0.12	0.11	0.10

**BEEF ENTERPRISE INCOME STATEMENT: HERD SIZE 1,600 – 5,400**

	AVERAGE (TYPICAL BUSINESS)					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>219.96</b>	<b>197.07</b>	<b>191.45</b>	<b>176.49</b>	<b>194.27</b>	<b>225.22</b>	<b>262.66</b>	<b>209.58</b>	<b>205.50</b>	<b>226.30</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	1.83	0.43	1.20	1.20	1.13	0.08	0.76	1.11	2.03	1.05
Insurance & Materials	5.16	5.56	5.14	4.52	5.08	2.64	6.18	4.09	3.92	4.31
Mustering & Contracting	3.86	3.54	3.27	4.79	3.88	4.72	2.85	3.42	5.34	4.07
Selling Costs	9.90	1.93	5.68	4.35	5.17	9.78	2.31	6.37	4.37	5.44
Fodder	32.10	27.59	17.17	13.62	21.78	13.21	30.43	14.59	10.28	17.44
	<b>52.84</b>	<b>39.05</b>	<b>32.47</b>	<b>28.48</b>	<b>37.03</b>	<b>30.44</b>	<b>42.54</b>	<b>29.57</b>	<b>25.95</b>	<b>32.30</b>
<b>GROSS MARGIN</b>	<b>167.12</b>	<b>158.02</b>	<b>158.98</b>	<b>148.01</b>	<b>157.24</b>	<b>194.78</b>	<b>220.11</b>	<b>180.01</b>	<b>179.55</b>	<b>194.00</b>
<b>OVERHEAD EXPENSES</b>										
Administration	9.29	9.73	7.27	6.32	8.03	7.34	9.98	6.25	5.31	7.24
Depreciation	15.59	16.63	17.24	17.39	16.80	11.42	14.65	13.62	13.50	13.40
Electricity & Gas	1.08	1.46	1.38	1.64	1.41	0.84	1.57	1.05	1.51	1.27
Freight	10.14	7.33	6.13	7.14	7.51	7.19	8.49	6.25	6.38	7.10
Fuel & Lubricants	10.50	11.10	10.33	8.69	10.10	8.63	9.57	7.96	8.12	8.59
Insurance	2.91	2.56	3.06	3.44	3.01	2.43	3.04	2.33	3.07	2.75
Materials	1.69	1.65	1.34	0.87	1.36	1.21	0.83	1.95	0.79	1.17
Motor Vehicle Expenses	3.19	2.65	2.34	2.52	2.64	2.52	3.55	3.04	2.05	2.79
Rates & Rents	6.34	6.00	6.53	6.85	6.45	4.16	5.82	7.11	7.53	6.24
R & M General	18.05	17.25	16.31	13.81	16.19	14.94	16.37	14.19	11.03	14.08
Wages	17.31	11.89	9.37	7.78	11.13	10.47	13.25	8.27	7.56	9.91
Wages (Owner)	35.92	32.51	34.54	31.16	33.34	28.27	28.98	31.29	23.96	28.00
	<b>131.99</b>	<b>120.77</b>	<b>115.84</b>	<b>107.60</b>	<b>117.95</b>	<b>99.43</b>	<b>116.09</b>	<b>103.31</b>	<b>90.82</b>	<b>102.54</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>184.83</b>	<b>159.82</b>	<b>148.30</b>	<b>136.07</b>	<b>154.99</b>	<b>129.86</b>	<b>158.64</b>	<b>132.88</b>	<b>116.76</b>	<b>134.84</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>35.13</b>	<b>37.25</b>	<b>43.15</b>	<b>40.41</b>	<b>39.28</b>	<b>95.36</b>	<b>104.02</b>	<b>76.71</b>	<b>88.73</b>	<b>91.46</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.89	\$1.93	\$1.66	\$1.64	\$1.77	\$1.87	\$1.94	\$1.66	\$1.64	\$1.78
Cost of Production (\$/kg LW)	\$1.59	\$1.57	\$1.28	\$1.26	\$1.41	\$1.08	\$1.17	\$1.05	\$0.93	\$1.06
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.30</b>	<b>\$0.37</b>	<b>\$0.37</b>	<b>\$0.37</b>	<b>\$0.36</b>	<b>\$0.79</b>	<b>\$0.77</b>	<b>\$0.61</b>	<b>\$0.71</b>	<b>\$0.72</b>
Kg Beef/ AE	116.5	101.9	115.5	107.8	110.0	120.2	135.6	126.2	125.0	127.1
Labour Efficiency (AE/FTE)	845	1,029	1,039	1,181	1,025	1,195	1,149	1,154	1,481	1,237
Labour Costs (\$/AE)	53.23	44.40	43.91	38.94	44.46	38.75	42.23	39.56	31.53	37.91
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$891	\$912	\$828	\$770	\$849	\$843	\$1,041	\$886	\$792	\$897
Sale Weight/ Head Sold (all sales)	477	464	486	464	472	445	528	518	474	493
Reproductive Rate %	68.2%	62.1%	64.8%	66.5%	65.2%	72.4%	68.9%	70.6%	69.8%	70.4%
Mortality Rate %	3.0%	2.2%	1.6%	1.5%	2.0%	1.8%	1.3%	1.2%	1.2%	1.3%
Enterprise Size (Annual Avg AE)	3,202	3,214	3,198	3,175	3,196	3,722	3,289	3,439	3,536	3,478

#### 8.4.4.4 Herd size over 5,400 head

##### WHOLE BUSINESS INCOME STATEMENT: HERD SIZE 5,400+

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	1,771,028	2,227,159	2,275,043	2,012,713	2,088,062	2,201,925	2,778,684	2,931,261	2,591,273	2,638,967
Purchases- Beef	(221,222)	(393,973)	(379,860)	(339,123)	(340,007)	(199,690)	(334,214)	(612,706)	(407,684)	(393,646)
Inventory Change- Beef	78,184	107,863	(99,483)	254,727	86,930	581,202	(20,840)	594,602	623,441	440,422
Gross Profit- Beef	1,627,991	1,941,048	1,795,701	1,928,317	1,834,985	2,583,436	2,423,630	2,913,157	2,807,030	2,685,743
Gross Profit- Other Enterprises	63,776	37,944	30,733	36,566	40,309	55,917	6,785	21,178	20,563	24,554
Other Income	51,436	79,223	128,456	78,838	88,266	61,555	99,753	157,420	106,820	107,503
<b>GROSS PROFIT</b>	<b>1,739,491</b>	<b>2,057,958</b>	<b>1,952,925</b>	<b>2,040,609</b>	<b>1,961,262</b>	<b>2,700,712</b>	<b>2,530,113</b>	<b>3,090,459</b>	<b>2,934,414</b>	<b>2,817,437</b>
<b>ENTERPRISE EXPENSES</b>	<b>331,418</b>	<b>408,872</b>	<b>414,457</b>	<b>319,138</b>	<b>367,977</b>	<b>333,023</b>	<b>398,342</b>	<b>455,320</b>	<b>354,928</b>	<b>385,452</b>
Beef	312,759	388,734	399,858	294,821	348,449	321,705	392,476	449,940	339,464	375,747
Other Enterprises	18,659	20,138	14,599	24,317	19,528	11,318	5,865	5,380	15,464	9,706
<b>GROSS MARGIN</b>	<b>1,408,073</b>	<b>1,649,086</b>	<b>1,538,469</b>	<b>1,721,471</b>	<b>1,593,285</b>	<b>2,367,689</b>	<b>2,131,771</b>	<b>2,635,140</b>	<b>2,579,485</b>	<b>2,431,984</b>
<b>OVERHEAD EXPENSES</b>										
Administration	67,768	72,357	68,856	77,522	72,059	90,691	59,272	80,287	54,815	69,556
Depreciation	118,593	172,422	184,007	137,984	154,917	114,999	145,820	154,857	158,762	145,286
Electricity & Gas	8,022	8,721	11,437	11,707	10,311	5,037	6,694	12,688	14,430	10,035
Freight	76,252	108,995	128,733	141,666	118,692	95,473	105,246	110,039	188,443	128,694
Fuel & Lubricants	97,241	124,141	138,557	107,374	118,061	124,331	137,852	139,721	119,574	130,106
Insurance	24,721	23,301	28,245	27,555	26,340	26,710	26,746	27,114	30,710	27,987
Materials	13,714	10,871	10,865	8,872	10,790	10,432	6,343	12,015	9,571	9,494
Motor Vehicle Expenses	28,241	21,912	18,772	21,695	22,126	29,293	23,812	15,300	27,788	24,105
Rates & Rents	33,724	64,208	58,572	59,425	55,280	30,453	41,761	44,456	74,620	49,649
R & M General	149,088	190,136	176,982	150,805	166,286	163,339	183,390	142,747	170,080	165,628
Wages (inc stores & rations)	178,736	208,280	202,486	198,773	198,020	248,201	191,120	221,991	252,431	228,391
Wages (Owner)	141,279	131,369	131,035	126,229	131,560	127,188	121,716	105,638	117,591	117,837
	<b>937,379</b>	<b>1,136,713</b>	<b>1,158,547</b>	<b>1,069,607</b>	<b>1,084,442</b>	<b>1,066,149</b>	<b>1,049,771</b>	<b>1,066,852</b>	<b>1,218,817</b>	<b>1,106,767</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>1,268,797</b>	<b>1,545,585</b>	<b>1,573,004</b>	<b>1,388,745</b>	<b>1,452,418</b>	<b>1,399,172</b>	<b>1,448,113</b>	<b>1,522,172</b>	<b>1,573,745</b>	<b>1,492,220</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>470,693</b>	<b>512,373</b>	<b>379,921</b>	<b>651,864</b>	<b>508,844</b>	<b>1,301,540</b>	<b>1,082,000</b>	<b>1,568,288</b>	<b>1,360,668</b>	<b>1,325,217</b>
Interest	145,202	231,735	352,527	339,820	284,232	105,359	152,610	337,941	381,949	253,873
<b>EARNINGS BEFORE TAX</b>	<b>325,491</b>	<b>280,638</b>	<b>27,394</b>	<b>312,044</b>	<b>224,611</b>	<b>1,196,181</b>	<b>929,390</b>	<b>1,230,347</b>	<b>978,719</b>	<b>1,071,344</b>



**WHOLE BUSINESS BALANCE SHEET: HERD SIZE 5,400+**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	421,878	574,368	373,451	335,711	412,475	429,626	901,739	538,010	337,663	551,039
Plant, Equipment & Vehicles	636,190	874,232	898,010	836,188	824,185	661,511	823,036	860,677	922,251	827,119
Livestock	5,947,986	7,300,319	7,180,423	7,559,418	7,088,527	8,026,914	8,284,341	9,705,108	9,999,933	9,070,181
Land & Infrastructure	8,909,437	16,930,297	23,956,582	20,268,251	18,502,143	6,787,189	11,724,023	18,747,611	19,199,005	14,544,955
<b>TOTAL ASSETS</b>	<b>15,915,491</b>	<b>25,679,216</b>	<b>32,408,466</b>	<b>28,999,567</b>	<b>26,827,331</b>	<b>15,905,240</b>	<b>21,733,139</b>	<b>29,851,405</b>	<b>30,458,853</b>	<b>24,993,294</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	401,889	391,827	1,061,157	1,045,685	792,771	189,588	257,951	1,361,513	818,681	669,962
Plant & Equipment Finance	43,133	43,094	59,355	108,815	68,245	32,883	26,631	44,019	102,888	54,404
Long Term Debt	1,705,775	3,173,066	3,651,910	3,649,917	3,182,565	1,305,719	2,071,633	2,808,921	4,362,479	2,756,790
<b>TOTAL LIABILITIES</b>	<b>2,150,797</b>	<b>3,607,986</b>	<b>4,772,422</b>	<b>4,804,417</b>	<b>4,043,581</b>	<b>1,528,189</b>	<b>2,356,215</b>	<b>4,214,454</b>	<b>5,284,047</b>	<b>3,481,156</b>
<b>NET ASSETS (EQUITY)</b>	<b>13,764,694</b>	<b>22,071,229</b>	<b>27,636,045</b>	<b>24,195,151</b>	<b>22,783,749</b>	<b>14,377,051</b>	<b>19,376,924</b>	<b>25,636,951</b>	<b>25,174,806</b>	<b>21,512,138</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	40	46	27	23	31	30	63	29	18	33
Plant, Equipment & Vehicles	60	70	64	58	62	47	58	46	49	50
Livestock	557	585	511	525	537	566	581	523	528	545
Land & Infrastructure	835	1,358	1,706	1,407	1,403	478	823	1,010	1,013	874
<b>TOTAL ASSETS</b>	<b>1,491</b>	<b>2,059</b>	<b>2,308</b>	<b>2,014</b>	<b>2,034</b>	<b>1,121</b>	<b>1,525</b>	<b>1,609</b>	<b>1,607</b>	<b>1,502</b>
<b>TOTAL LIABILITIES</b>	<b>202</b>	<b>289</b>	<b>340</b>	<b>334</b>	<b>307</b>	<b>108</b>	<b>165</b>	<b>227</b>	<b>279</b>	<b>209</b>
<b>NET ASSETS</b>	<b>1,290</b>	<b>1,770</b>	<b>1,968</b>	<b>1,680</b>	<b>1,728</b>	<b>1,013</b>	<b>1,360</b>	<b>1,382</b>	<b>1,328</b>	<b>1,293</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	3.0%	2.0%	1.2%	2.2%	1.9%	8.2%	5.0%	5.3%	4.5%	5.3%
Capital Return	10.6%	5.3%	7.1%	(5.5%)	4.4%	9.2%	9.6%	6.9%	(3.7%)	5.5%
<b>Total Business Return</b>	<b>13.5%</b>	<b>7.3%</b>	<b>8.3%</b>	<b>(3.2%)</b>	<b>6.3%</b>	<b>17.4%</b>	<b>14.6%</b>	<b>12.2%</b>	<b>0.8%</b>	<b>10.8%</b>
Equity %	86.5%	85.9%	85.3%	83.4%	84.9%	90.4%	89.2%	85.9%	82.7%	86.1%
Finance Coverage (EBIT/ Finance Costs)	3.2	2.2	1.1	1.9	1.8	12.4	7.1	4.6	3.6	5.2
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	188,682	234,095	201,357	192,390	202,935	245,655	296,343	272,374	290,294	278,236
Total Cattle (head)	9,058	10,538	11,857	12,269	11,180	11,873	12,014	15,799	16,257	14,126
Total Beef AE	10,674	12,471	14,039	14,402	13,188	14,194	14,249	18,557	18,953	16,639
Stocking Rate (AE/Ha) Beef Only	0.06	0.05	0.07	0.07	0.07	0.06	0.05	0.07	0.07	0.06



**BEEF ENTERPRISE INCOME STATEMENT: HERD SIZE 5,400+**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>152.52</b>	<b>155.65</b>	<b>127.91</b>	<b>133.90</b>	<b>139.14</b>	<b>182.00</b>	<b>170.09</b>	<b>156.98</b>	<b>148.10</b>	<b>161.42</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.45	0.19	0.50	0.35	0.38	0.06	0.23	0.48	0.43	0.33
Insurance & Materials	3.30	4.53	3.98	2.78	3.58	4.13	4.82	3.90	2.24	3.59
Mustering & Contracting	3.58	4.89	4.99	5.01	4.76	2.94	3.10	4.07	4.37	3.75
Selling Costs	6.77	1.54	4.87	2.97	3.87	6.94	2.51	4.91	2.71	4.01
Fodder	15.20	20.03	14.14	9.36	13.83	8.60	16.88	10.88	8.16	10.90
	<b>29.30</b>	<b>31.17</b>	<b>28.48</b>	<b>20.47</b>	<b>26.42</b>	<b>22.66</b>	<b>27.54</b>	<b>24.25</b>	<b>17.91</b>	<b>22.58</b>
<b>GROSS MARGIN</b>	<b>123.22</b>	<b>124.47</b>	<b>99.42</b>	<b>113.43</b>	<b>112.72</b>	<b>159.34</b>	<b>142.54</b>	<b>132.74</b>	<b>130.19</b>	<b>138.83</b>
<b>OVERHEAD EXPENSES</b>										
Administration	5.90	5.39	4.51	5.09	5.09	6.08	3.99	4.06	2.74	3.97
Depreciation	10.36	13.04	12.07	9.03	10.96	7.73	9.84	7.87	7.97	8.32
Electricity & Gas	0.70	0.65	0.75	0.76	0.73	0.34	0.45	0.64	0.73	0.57
Freight	6.66	8.26	8.48	9.30	8.43	6.43	7.10	5.59	9.55	7.40
Fuel & Lubricants	8.50	9.37	9.08	7.02	8.35	8.35	9.27	7.12	6.01	7.45
Insurance	2.16	1.75	1.85	1.80	1.86	1.79	1.81	1.38	1.55	1.61
Materials	1.18	0.82	0.71	0.58	0.76	0.70	0.42	0.61	0.48	0.54
Motor Vehicle Expenses	2.46	1.66	1.23	1.42	1.57	1.97	1.60	0.78	1.40	1.38
Rates & Rents	2.94	4.85	3.83	3.90	3.92	2.05	2.80	2.25	3.77	2.85
R & M General	13.07	14.36	11.61	9.88	11.79	11.03	12.35	7.27	8.58	9.51
Wages	15.60	15.71	13.26	13.02	14.02	16.66	12.84	11.29	12.71	13.07
Wages (Owner)	12.38	9.90	8.59	8.26	9.32	8.57	8.20	5.35	5.91	6.75
	<b>81.92</b>	<b>85.76</b>	<b>75.98</b>	<b>70.07</b>	<b>76.80</b>	<b>71.71</b>	<b>70.68</b>	<b>54.20</b>	<b>61.40</b>	<b>63.40</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>111.22</b>	<b>116.93</b>	<b>104.46</b>	<b>90.54</b>	<b>103.22</b>	<b>94.37</b>	<b>98.22</b>	<b>78.45</b>	<b>79.31</b>	<b>85.99</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>41.31</b>	<b>38.71</b>	<b>23.45</b>	<b>43.36</b>	<b>35.92</b>	<b>87.63</b>	<b>71.86</b>	<b>78.53</b>	<b>68.79</b>	<b>75.43</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.84	\$1.98	\$1.67	\$1.69	\$1.76	\$1.89	\$2.01	\$1.75	\$1.72	\$1.82
Cost of Production (\$/kg LW)	\$1.34	\$1.49	\$1.36	\$1.14	\$1.31	\$0.98	\$1.16	\$0.87	\$0.92	\$0.97
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.50</b>	<b>\$0.49</b>	<b>\$0.31</b>	<b>\$0.55</b>	<b>\$0.46</b>	<b>\$0.91</b>	<b>\$0.85</b>	<b>\$0.87</b>	<b>\$0.80</b>	<b>\$0.85</b>
Kg Beef/ AE	82.7	78.7	76.7	79.4	78.9	96.2	84.5	90.0	86.2	88.6
Labour Efficiency (AE/FTE)	1,623	1,723	2,098	2,233	1,966	1,828	2,031	2,549	2,407	2,222
Labour Costs (\$/AE)	27.98	25.61	21.85	21.29	23.34	25.23	21.05	16.64	18.62	19.82
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$764	\$769	\$704	\$676	\$718	\$769	\$743	\$682	\$673	\$710
Sale Weight/ Head Sold (all sales)	409	391	413	406	406	406	379	399	405	397
Reproductive Rate %	59.7%	56.7%	59.8%	64.1%	60.5%	61.3%	65.6%	64.4%	67.7%	65.1%
Mortality Rate %	3.5%	2.8%	2.8%	2.7%	2.9%	2.9%	2.9%	1.9%	2.8%	2.6%
Enterprise Size (Annual Avg AE)	10,674	12,471	14,039	14,402	13,188	14,194	14,249	18,557	18,953	16,639

## 8.4.5 Performance by market

### 8.4.5.1 Slaughter cattle

#### WHOLE BUSINESS INCOME STATEMENT: MARKET - SLAUGHTER CATTLE

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	472,525	440,114	470,464	352,062	429,585	886,768	750,591	864,058	699,103	790,421
Purchases- Beef	(58,943)	(86,343)	(68,358)	(40,569)	(63,801)	(110,985)	(170,160)	(136,794)	(65,419)	(121,809)
Inventory Change- Beef	(3,113)	118	(3,932)	11,494	1,605	88,832	56,310	82,454	70,986	73,022
Gross Profit- Beef	410,469	353,889	398,174	322,987	367,389	864,615	636,741	809,719	704,670	741,634
Gross Profit- Other Enterprises	23,309	14,645	13,371	16,932	16,399	30,371	24,447	28,575	34,191	29,282
Other Income	19,330	25,497	43,852	20,339	28,192	31,397	35,686	81,191	38,267	47,081
<b>GROSS PROFIT</b>	<b>450,903</b>	<b>393,650</b>	<b>454,784</b>	<b>359,935</b>	<b>411,239</b>	<b>923,834</b>	<b>696,012</b>	<b>918,408</b>	<b>776,066</b>	<b>816,711</b>
<b>ENTERPRISE EXPENSES</b>	<b>104,651</b>	<b>85,792</b>	<b>96,598</b>	<b>62,605</b>	<b>85,571</b>	<b>150,793</b>	<b>116,819</b>	<b>161,104</b>	<b>99,665</b>	<b>129,599</b>
Beef	94,146	73,826	86,779	53,141	75,160	135,923	102,927	147,058	87,711	116,020
Other Enterprises	10,505	11,966	9,820	9,464	10,411	14,870	13,892	14,046	11,954	13,579
<b>GROSS MARGIN</b>	<b>346,252</b>	<b>307,858</b>	<b>358,186</b>	<b>297,330</b>	<b>325,668</b>	<b>773,041</b>	<b>579,193</b>	<b>757,304</b>	<b>676,401</b>	<b>687,112</b>
<b>OVERHEAD EXPENSES</b>										
Administration	20,119	18,479	19,072	14,635	17,851	32,256	24,028	28,922	22,482	26,371
Depreciation	39,507	41,546	47,779	38,432	42,090	55,466	54,055	61,829	58,443	57,490
Electricity & Gas	2,747	2,763	3,824	3,556	3,282	4,348	3,951	6,095	5,556	5,009
Freight	20,022	16,268	18,216	15,587	17,267	38,793	24,227	31,787	31,433	30,839
Fuel & Lubricants	24,437	25,791	28,830	19,034	24,530	36,430	32,558	40,209	31,581	34,941
Insurance	6,172	5,652	7,627	7,277	6,753	10,544	7,703	9,379	11,460	9,692
Materials	3,855	2,980	3,216	1,817	2,870	9,146	3,805	5,245	2,799	4,887
Motor Vehicle Expenses	7,887	6,750	6,666	6,209	6,768	11,802	7,174	7,602	10,193	8,978
Rates & Rents	12,512	13,395	17,259	16,098	15,092	17,315	18,182	26,686	25,580	22,207
R & M General	42,210	38,029	42,817	31,058	38,144	66,255	48,965	61,555	50,278	55,729
Wages (inc stores & rations)	34,354	22,383	28,918	18,827	25,272	56,551	33,357	47,927	31,220	40,770
Wages (Owner)	108,817	106,840	103,252	94,888	102,821	120,362	109,209	117,350	105,647	112,361
	<b>322,638</b>	<b>300,875</b>	<b>327,477</b>	<b>267,418</b>	<b>302,740</b>	<b>459,268</b>	<b>367,213</b>	<b>444,586</b>	<b>386,670</b>	<b>409,276</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>427,290</b>	<b>386,667</b>	<b>424,075</b>	<b>330,023</b>	<b>388,311</b>	<b>610,061</b>	<b>484,032</b>	<b>605,690</b>	<b>486,335</b>	<b>538,875</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>23,614</b>	<b>6,983</b>	<b>30,709</b>	<b>29,912</b>	<b>22,928</b>	<b>313,773</b>	<b>211,980</b>	<b>312,718</b>	<b>289,731</b>	<b>277,836</b>
Interest	29,320	41,376	72,687	51,604	51,032	55,364	68,087	148,595	106,858	96,726
<b>EARNINGS BEFORE TAX</b>	<b>(5,707)</b>	<b>(34,393)</b>	<b>(41,978)</b>	<b>(21,691)</b>	<b>(28,104)</b>	<b>258,409</b>	<b>143,893</b>	<b>164,123</b>	<b>182,873</b>	<b>181,111</b>

**WHOLE BUSINESS BALANCE SHEET: MARKET - SLAUGHTER CATTLE**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	196,769	143,883	234,772	168,789	185,527	344,167	291,433	380,474	360,249	342,722
Plant, Equipment & Vehicles	256,479	280,178	321,514	276,945	286,922	334,586	371,166	393,396	397,464	377,208
Livestock	1,059,993	1,038,430	1,199,507	947,621	1,062,224	2,065,275	1,686,040	2,279,371	1,921,993	1,971,593
Land & Infrastructure	3,325,522	4,826,441	7,980,699	5,715,101	5,710,843	5,036,567	7,031,830	11,318,446	8,457,640	8,134,732
<b>TOTAL ASSETS</b>	<b>4,838,764</b>	<b>6,288,932</b>	<b>9,736,491</b>	<b>7,108,456</b>	<b>7,245,517</b>	<b>7,780,595</b>	<b>9,380,470</b>	<b>14,371,688</b>	<b>11,137,347</b>	<b>10,826,256</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	113,873	109,150	228,572	193,566	167,301	159,686	131,802	406,508	349,112	266,273
Plant & Equipment Finance	16,194	17,841	24,937	23,875	21,253	29,186	21,030	34,299	43,537	32,109
Long Term Debt	311,043	507,307	742,147	515,539	542,576	716,745	908,954	1,425,123	1,126,828	1,063,462
<b>TOTAL LIABILITIES</b>	<b>441,110</b>	<b>634,297</b>	<b>995,657</b>	<b>732,980</b>	<b>731,130</b>	<b>905,616</b>	<b>1,061,786</b>	<b>1,865,931</b>	<b>1,519,477</b>	<b>1,361,844</b>
<b>NET ASSETS (EQUITY)</b>	<b>4,397,654</b>	<b>5,654,635</b>	<b>8,740,834</b>	<b>6,375,476</b>	<b>6,514,387</b>	<b>6,874,979</b>	<b>8,318,684</b>	<b>12,505,757</b>	<b>9,617,870</b>	<b>9,464,412</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	102	80	100	89	93	94	102	87	96	94
Plant, Equipment & Vehicles	133	157	137	147	144	92	130	90	106	104
Livestock	548	581	512	502	532	566	589	520	512	542
Land & Infrastructure	1,718	2,699	3,410	3,027	2,859	1,380	2,456	2,580	2,253	2,235
<b>TOTAL ASSETS</b>	<b>2,500</b>	<b>3,517</b>	<b>4,160</b>	<b>3,765</b>	<b>3,628</b>	<b>2,132</b>	<b>3,276</b>	<b>3,277</b>	<b>2,967</b>	<b>2,974</b>
<b>TOTAL LIABILITIES</b>	<b>228</b>	<b>355</b>	<b>425</b>	<b>388</b>	<b>366</b>	<b>248</b>	<b>371</b>	<b>425</b>	<b>405</b>	<b>374</b>
<b>NET ASSETS</b>	<b>2,272</b>	<b>3,162</b>	<b>3,734</b>	<b>3,377</b>	<b>3,262</b>	<b>1,884</b>	<b>2,905</b>	<b>2,851</b>	<b>2,562</b>	<b>2,600</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	0.5%	0.1%	0.3%	0.4%	0.3%	4.0%	2.3%	2.2%	2.6%	2.6%
Capital Return	10.5%	7.3%	4.9%	(3.3%)	4.8%	11.9%	7.6%	6.6%	(5.7%)	5.1%
<b>Total Business Return</b>	<b>11.0%</b>	<b>7.4%</b>	<b>5.2%</b>	<b>(2.9%)</b>	<b>5.2%</b>	<b>15.9%</b>	<b>9.9%</b>	<b>8.8%</b>	<b>(3.1%)</b>	<b>7.7%</b>
Equity %	90.9%	89.9%	89.8%	89.7%	89.9%	88.4%	88.7%	87.0%	86.4%	87.4%
Finance Coverage (EBIT/ Finance Costs)	0.8	0.2	0.4	0.6	0.4	5.7	3.1	2.1	2.7	2.9
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	23,442	20,853	20,760	14,816	19,579	45,069	26,416	36,650	35,299	34,928
Total Cattle (head)	1,654	1,524	1,977	1,620	1,701	3,117	2,451	3,733	3,256	3,121
Total Beef AE	1,936	1,788	2,341	1,888	1,997	3,649	2,863	4,386	3,754	3,640
Stocking Rate (AE/Ha) Beef Only	0.08	0.09	0.11	0.13	0.10	0.08	0.11	0.12	0.11	0.11

**BEEF ENTERPRISE INCOME STATEMENT: MARKET - SLAUGHTER CATTLE**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>212.06</b>	<b>197.90</b>	<b>170.11</b>	<b>171.07</b>	<b>183.94</b>	<b>236.92</b>	<b>222.39</b>	<b>184.61</b>	<b>187.70</b>	<b>203.75</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	1.56	0.44	1.19	1.20	1.07	1.83	0.60	0.85	1.11	1.05
Insurance & Materials	5.11	6.04	4.66	4.50	5.02	4.02	4.89	3.81	3.87	4.11
Mustering & Contracting	3.69	3.68	3.91	4.68	4.02	4.07	2.77	4.14	4.44	3.91
Selling Costs	8.10	2.03	5.08	3.73	4.49	7.79	2.13	5.17	3.72	4.57
Fodder	30.18	29.09	22.24	14.04	23.02	19.52	25.55	19.55	10.21	18.23
	<b>48.64</b>	<b>41.29</b>	<b>37.07</b>	<b>28.15</b>	<b>37.63</b>	<b>37.24</b>	<b>35.95</b>	<b>33.53</b>	<b>23.36</b>	<b>31.87</b>
<b>GROSS MARGIN</b>	<b>163.42</b>	<b>156.62</b>	<b>133.04</b>	<b>142.92</b>	<b>146.31</b>	<b>199.67</b>	<b>186.44</b>	<b>151.08</b>	<b>164.34</b>	<b>171.87</b>
<b>OVERHEAD EXPENSES</b>										
Administration	9.42	9.26	7.14	6.95	7.97	8.24	7.66	5.81	5.43	6.57
Depreciation	18.51	20.89	17.90	18.25	18.81	14.16	17.25	12.50	14.13	14.34
Electricity & Gas	1.29	1.39	1.43	1.69	1.47	1.11	1.26	1.23	1.34	1.25
Freight	9.38	8.16	6.85	7.40	7.73	9.93	7.73	6.48	7.61	7.73
Fuel & Lubricants	11.45	12.97	10.78	9.04	10.96	9.32	10.40	8.09	7.63	8.71
Insurance	2.89	2.84	2.86	3.46	3.02	2.70	2.46	1.89	2.77	2.42
Materials	1.80	1.50	1.20	0.86	1.28	2.31	1.21	1.05	0.68	1.21
Motor Vehicle Expenses	3.70	3.39	2.50	2.95	3.03	3.03	2.29	1.54	2.47	2.25
Rates & Rents	5.87	6.73	6.46	7.64	6.74	4.42	5.81	5.37	6.18	5.52
R & M General	19.81	19.12	16.03	14.76	17.06	16.96	15.63	12.40	12.15	13.91
Wages	16.09	11.25	10.80	8.94	11.29	14.47	10.66	9.62	7.56	10.17
Wages (Owner)	51.08	53.68	38.73	45.06	46.02	30.85	34.85	23.72	25.54	28.07
	<b>151.29</b>	<b>151.17</b>	<b>122.68</b>	<b>127.00</b>	<b>135.37</b>	<b>117.50</b>	<b>117.21</b>	<b>89.70</b>	<b>93.50</b>	<b>102.16</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>199.93</b>	<b>192.46</b>	<b>159.76</b>	<b>155.15</b>	<b>173.00</b>	<b>154.75</b>	<b>153.16</b>	<b>123.23</b>	<b>116.87</b>	<b>134.03</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>12.13</b>	<b>5.45</b>	<b>10.35</b>	<b>15.93</b>	<b>10.94</b>	<b>82.17</b>	<b>69.23</b>	<b>61.38</b>	<b>70.83</b>	<b>69.72</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.85	\$1.91	\$1.60	\$1.57	\$1.70	\$1.88	\$1.89	\$1.61	\$1.58	\$1.72
Cost of Production (\$/kg LW)	\$1.74	\$1.85	\$1.50	\$1.42	\$1.60	\$1.22	\$1.30	\$1.08	\$0.98	\$1.13
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.11</b>	<b>\$0.05</b>	<b>\$0.10</b>	<b>\$0.15</b>	<b>\$0.10</b>	<b>\$0.65</b>	<b>\$0.59</b>	<b>\$0.54</b>	<b>\$0.60</b>	<b>\$0.59</b>
Kg Beef/ AE	114.8	103.8	106.6	108.9	107.9	126.3	117.9	114.6	118.7	118.7
Labour Efficiency (AE/FTE)	695	718	960	889	824	1,019	1,004	1,384	1,394	1,204
Labour Costs (\$/AE)	67.17	64.93	49.53	54.00	57.31	45.32	45.51	33.34	33.10	38.24
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$890	\$909	\$872	\$834	\$876	\$978	\$967	\$909	\$878	\$930
Sale Weight/ Head Sold (all sales)	485	473	521	514	500	526	503	543	538	528
Reproductive Rate %	67.7%	62.9%	65.8%	67.2%	65.8%	68.9%	67.3%	66.7%	70.6%	68.3%
Mortality Rate %	2.8%	2.1%	1.7%	1.5%	1.9%	1.8%	1.6%	1.2%	1.3%	1.4%
Enterprise Size (Annual Avg AE)	1,936	1,788	2,341	1,888	1,997	3,649	2,863	4,386	3,754	3,640

## 8.4.5.2 Store cattle

### WHOLE BUSINESS INCOME STATEMENT: MARKET - BREEDERS & STORES

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	368,572	438,795	365,125	306,498	362,824	613,695	764,584	765,717	585,484	676,230
Purchases- Beef	(54,222)	(64,432)	(76,327)	(59,567)	(64,936)	(103,696)	(115,702)	(174,414)	(114,945)	(130,566)
Inventory Change- Beef	(27,081)	(26,538)	(21,755)	20,157	(10,957)	49,999	31,879	85,345	128,443	84,614
Gross Profit- Beef	287,269	347,826	267,043	267,088	286,931	559,999	680,761	676,648	598,983	630,278
Gross Profit- Other Enterprises	48,774	16,056	9,107	10,177	17,851	76,909	22,861	19,507	27,041	32,509
Other Income	20,176	37,804	35,065	19,894	28,385	23,567	47,729	52,957	40,600	42,652
<b>GROSS PROFIT</b>	<b>354,812</b>	<b>400,795</b>	<b>310,496</b>	<b>296,818</b>	<b>332,406</b>	<b>658,929</b>	<b>748,682</b>	<b>748,879</b>	<b>665,804</b>	<b>704,325</b>
<b>ENTERPRISE EXPENSES</b>	<b>96,453</b>	<b>86,494</b>	<b>74,356</b>	<b>48,272</b>	<b>72,807</b>	<b>123,056</b>	<b>127,735</b>	<b>125,955</b>	<b>97,930</b>	<b>115,917</b>
Beef	81,470	75,585	69,202	43,536	64,880	103,679	113,923	119,618	90,514	105,602
Other Enterprises	14,982	10,909	5,155	4,737	7,928	19,377	13,812	6,337	7,416	10,315
<b>GROSS MARGIN</b>	<b>258,360</b>	<b>314,301</b>	<b>236,140</b>	<b>248,545</b>	<b>259,598</b>	<b>535,873</b>	<b>620,947</b>	<b>622,924</b>	<b>567,875</b>	<b>588,408</b>
<b>OVERHEAD EXPENSES</b>										
Administration	17,863	22,092	15,529	14,413	16,928	27,476	35,341	24,033	21,528	25,834
Depreciation	34,015	40,154	36,840	33,595	36,025	40,494	48,911	50,106	54,501	49,805
Electricity & Gas	2,331	3,100	2,725	2,991	2,812	2,695	3,781	4,633	4,964	4,263
Freight	14,074	14,197	16,470	16,100	15,475	22,486	23,598	25,561	32,812	27,231
Fuel & Lubricants	22,380	26,769	23,768	18,075	22,402	24,945	34,285	39,446	33,584	33,965
Insurance	5,812	6,236	6,432	5,993	6,149	7,931	9,234	9,988	9,904	9,470
Materials	2,090	2,666	2,297	1,606	2,125	4,222	3,690	4,071	2,715	3,548
Motor Vehicle Expenses	6,481	6,670	5,740	4,526	5,691	6,254	7,948	7,843	6,523	7,128
Rates & Rents	14,907	11,692	12,899	11,756	12,664	21,768	16,287	22,786	21,474	20,944
R & M General	36,075	37,902	30,871	25,719	31,648	49,294	48,029	51,653	42,619	47,396
Wages (inc stores & rations)	21,490	27,776	20,566	15,983	20,795	40,954	41,903	47,072	34,014	40,473
Wages (Owner)	106,822	98,080	93,550	90,381	95,851	99,429	94,790	100,632	93,503	96,830
	<b>284,341</b>	<b>297,334</b>	<b>267,688</b>	<b>241,137</b>	<b>268,566</b>	<b>347,948</b>	<b>367,798</b>	<b>387,825</b>	<b>358,141</b>	<b>366,886</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>380,793</b>	<b>383,829</b>	<b>342,045</b>	<b>289,409</b>	<b>341,373</b>	<b>471,004</b>	<b>495,533</b>	<b>513,780</b>	<b>456,070</b>	<b>482,803</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(25,981)</b>	<b>16,967</b>	<b>(31,548)</b>	<b>7,409</b>	<b>(8,968)</b>	<b>187,925</b>	<b>253,149</b>	<b>235,099</b>	<b>209,734</b>	<b>221,521</b>
Interest	30,357	47,944	49,748	46,137	44,859	40,885	71,493	94,707	105,262	84,997
<b>EARNINGS BEFORE TAX</b>	<b>(56,338)</b>	<b>(30,977)</b>	<b>(81,297)</b>	<b>(38,728)</b>	<b>(53,827)</b>	<b>147,041</b>	<b>181,656</b>	<b>140,391</b>	<b>104,472</b>	<b>136,524</b>

**WHOLE BUSINESS BALANCE SHEET: MARKET - BREEDERS & STORES**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	128,523	188,113	113,063	88,346	123,445	221,453	287,273	111,926	110,445	162,536
Plant, Equipment & Vehicles	226,546	270,517	235,604	237,979	241,765	261,800	338,141	295,888	369,003	323,734
Livestock	837,487	1,039,311	964,557	924,581	945,039	1,459,021	1,819,262	2,103,074	2,017,237	1,910,988
Land & Infrastructure	2,985,552	4,296,327	4,882,397	4,008,199	4,163,597	3,613,665	5,573,038	7,166,831	6,310,614	5,967,033
<b>TOTAL ASSETS</b>	<b>4,178,107</b>	<b>5,794,268</b>	<b>6,195,622</b>	<b>5,259,105</b>	<b>5,473,846</b>	<b>5,555,939</b>	<b>8,017,715</b>	<b>9,677,719</b>	<b>8,807,298</b>	<b>8,364,290</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	157,676	174,135	157,886	111,245	146,988	256,233	171,754	196,030	180,437	196,222
Plant & Equipment Finance	13,098	22,014	14,841	21,195	17,905	10,918	12,794	20,836	35,394	22,793
Long Term Debt	237,365	481,664	462,448	489,436	434,685	310,250	840,586	998,900	1,171,500	913,664
<b>TOTAL LIABILITIES</b>	<b>408,139</b>	<b>677,813</b>	<b>635,174</b>	<b>621,877</b>	<b>599,579</b>	<b>577,402</b>	<b>1,025,134</b>	<b>1,215,766</b>	<b>1,387,331</b>	<b>1,132,680</b>
<b>NET ASSETS (EQUITY)</b>	<b>3,769,969</b>	<b>5,116,455</b>	<b>5,560,448</b>	<b>4,637,229</b>	<b>4,874,267</b>	<b>4,978,537</b>	<b>6,992,580</b>	<b>8,461,953</b>	<b>7,419,967</b>	<b>7,231,610</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	84	102	59	49	69	86	92	27	29	46
Plant, Equipment & Vehicles	148	147	122	133	134	102	109	73	97	91
Livestock	547	565	501	515	526	567	585	516	532	539
Land & Infrastructure	1,951	2,338	2,537	2,234	2,316	1,403	1,791	1,758	1,664	1,684
<b>TOTAL ASSETS</b>	<b>2,730</b>	<b>3,153</b>	<b>3,219</b>	<b>2,931</b>	<b>3,045</b>	<b>2,158</b>	<b>2,577</b>	<b>2,373</b>	<b>2,322</b>	<b>2,361</b>
<b>TOTAL LIABILITIES</b>	<b>267</b>	<b>369</b>	<b>330</b>	<b>347</b>	<b>333</b>	<b>224</b>	<b>329</b>	<b>298</b>	<b>366</b>	<b>320</b>
<b>NET ASSETS</b>	<b>2,463</b>	<b>2,784</b>	<b>2,889</b>	<b>2,585</b>	<b>2,711</b>	<b>1,933</b>	<b>2,247</b>	<b>2,075</b>	<b>1,957</b>	<b>2,041</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	(0.6%)	0.3%	(0.5%)	0.1%	(0.2%)	3.4%	3.2%	2.4%	2.4%	2.6%
Capital Return	11.4%	8.5%	3.2%	(2.7%)	5.1%	16.4%	8.3%	4.0%	(2.2%)	6.6%
<b>Total Business Return</b>	<b>10.7%</b>	<b>8.8%</b>	<b>2.7%</b>	<b>(2.5%)</b>	<b>4.9%</b>	<b>19.8%</b>	<b>11.5%</b>	<b>6.4%</b>	<b>0.2%</b>	<b>9.3%</b>
Equity %	90.2%	88.3%	89.7%	88.2%	89.0%	89.6%	87.2%	87.4%	84.2%	86.5%
Finance Coverage (EBIT/ Finance Costs)	(0.9)	0.4	(0.6)	0.2	(0.2)	4.6	3.5	2.5	2.0	2.6
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	22,128	23,214	27,346	20,957	23,652	37,937	45,282	54,805	45,780	46,997
Total Cattle (head)	1,302	1,537	1,605	1,523	1,513	2,194	2,604	3,448	3,235	3,004
Total Beef AE	1,531	1,838	1,925	1,794	1,798	2,575	3,111	4,078	3,792	3,543
Stocking Rate (AE/Ha) Beef Only	0.07	0.08	0.07	0.09	0.08	0.07	0.07	0.07	0.08	0.08

**BEEF ENTERPRISE INCOME STATEMENT: MARKET - BREEDERS & STORES**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>187.68</b>	<b>189.24</b>	<b>138.75</b>	<b>148.86</b>	<b>159.59</b>	<b>217.47</b>	<b>218.80</b>	<b>165.94</b>	<b>157.95</b>	<b>177.89</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	1.44	0.64	1.00	0.87	0.95	0.45	0.73	0.77	0.85	0.76
Insurance & Materials	5.20	5.09	5.67	4.02	4.98	4.36	5.31	5.17	3.58	4.49
Mustering & Contracting	2.18	3.57	3.72	4.22	3.61	2.16	2.53	3.80	4.60	3.69
Selling Costs	12.94	2.19	7.95	4.09	6.35	12.44	2.25	7.15	4.11	5.86
Fodder	31.47	29.64	17.61	11.07	20.20	20.85	25.80	12.44	10.73	15.01
	<b>53.23</b>	<b>41.12</b>	<b>35.96</b>	<b>24.26</b>	<b>36.09</b>	<b>40.26</b>	<b>36.62</b>	<b>29.34</b>	<b>23.87</b>	<b>29.81</b>
<b>GROSS MARGIN</b>	<b>134.45</b>	<b>148.12</b>	<b>102.80</b>	<b>124.60</b>	<b>123.51</b>	<b>177.21</b>	<b>182.18</b>	<b>136.61</b>	<b>134.08</b>	<b>148.09</b>
<b>OVERHEAD EXPENSES</b>										
Administration	9.47	10.36	6.94	7.23	8.11	9.10	10.25	5.33	5.10	6.51
Depreciation	18.02	18.92	16.45	16.85	17.32	13.41	14.36	11.09	12.93	12.60
Electricity & Gas	1.24	1.46	1.22	1.50	1.36	0.89	1.10	1.03	1.18	1.08
Freight	7.49	6.75	7.32	8.08	7.46	7.52	6.92	5.65	7.78	6.89
Fuel & Lubricants	11.87	12.63	10.59	9.07	10.74	8.25	10.04	8.74	7.96	8.60
Insurance	3.08	2.94	2.87	3.01	2.96	2.62	2.70	2.21	2.35	2.39
Materials	1.11	1.26	1.03	0.80	1.02	1.41	1.08	0.90	0.64	0.90
Motor Vehicle Expenses	3.43	3.14	2.55	2.27	2.72	2.03	2.34	1.74	1.55	1.80
Rates & Rents	7.90	5.53	5.76	5.90	6.08	7.28	4.75	5.06	5.09	5.29
R & M General	19.09	17.98	13.78	12.90	15.18	16.14	14.15	11.46	10.11	11.97
Wages	11.43	13.10	9.19	8.02	9.98	13.71	12.20	10.45	8.06	10.24
Wages (Owner)	56.57	46.09	41.68	45.35	45.94	32.91	27.63	22.26	22.17	24.41
	<b>150.69</b>	<b>140.15</b>	<b>119.37</b>	<b>120.98</b>	<b>128.86</b>	<b>115.27</b>	<b>107.52</b>	<b>85.91</b>	<b>84.92</b>	<b>92.67</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>203.92</b>	<b>181.28</b>	<b>155.32</b>	<b>145.25</b>	<b>164.95</b>	<b>155.53</b>	<b>144.13</b>	<b>115.24</b>	<b>108.79</b>	<b>122.48</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>(16.24)</b>	<b>7.97</b>	<b>(16.57)</b>	<b>3.62</b>	<b>(5.35)</b>	<b>61.93</b>	<b>74.67</b>	<b>50.70</b>	<b>49.16</b>	<b>55.41</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$1.94	\$1.97	\$1.72	\$1.70	\$1.81	\$1.97	\$1.97	\$1.82	\$1.71	\$1.83
Cost of Production (\$/kg LW)	\$2.11	\$1.88	\$1.92	\$1.66	\$1.87	\$1.41	\$1.30	\$1.26	\$1.18	\$1.26
<b>Operating Margin (\$/kg LW)</b>	<b>(\$0.17)</b>	<b>\$0.08</b>	<b>(\$0.21)</b>	<b>\$0.04</b>	<b>(\$0.06)</b>	<b>\$0.56</b>	<b>\$0.67</b>	<b>\$0.56</b>	<b>\$0.53</b>	<b>\$0.57</b>
Kg Beef/ AE	96.6	96.2	80.8	87.4	88.4	110.5	111.2	91.2	92.5	97.3
Labour Efficiency (AE/FTE)	674	800	930	907	847	993	1,167	1,381	1,572	1,338
Labour Costs (\$/AE)	67.99	59.19	50.87	53.37	55.92	46.62	39.83	32.71	30.23	34.65
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$781	\$800	\$643	\$628	\$694	\$817	\$864	\$668	\$642	\$713
Sale Weight/ Head Sold (all sales)	409	398	368	367	381	425	431	380	379	395
Reproductive Rate %	65.1%	60.6%	62.0%	70.3%	64.5%	69.1%	66.2%	64.3%	75.5%	69.1%
Mortality Rate %	3.4%	2.1%	2.7%	2.1%	2.5%	2.7%	1.9%	2.3%	2.0%	2.2%
Enterprise Size (Annual Avg AE)	1,531	1,838	1,925	1,794	1,798	2,575	3,111	4,078	3,792	3,543



### 8.4.5.3 Live exports

#### WHOLE BUSINESS INCOME STATEMENT: MARKET - LIVE EXPORTS

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>										
Sales- Beef	726,550	793,658	854,061	1,051,870	867,695	1,180,125	1,764,341	1,271,665	2,230,722	1,668,088
Purchases- Beef	(118,454)	(123,071)	(85,539)	(125,944)	(112,754)	(316,011)	(278,238)	(134,955)	(339,870)	(260,922)
Inventory Change- Beef	198,966	67,634	95,768	26,648	100,271	641,066	210,679	386,373	253,659	346,063
Gross Profit- Beef	807,062	738,221	864,290	952,574	855,212	1,505,181	1,696,781	1,523,083	2,144,511	1,753,230
Gross Profit- Other Enterprises	15,633	5,024	7,479	2,978	8,087	20,562	10,952	2,493	2,081	7,238
Other Income	45,996	27,076	61,424	58,616	50,952	24,848	42,221	101,180	101,124	75,240
<b>GROSS PROFIT</b>	<b>867,812</b>	<b>770,321</b>	<b>933,194</b>	<b>1,014,168</b>	<b>914,000</b>	<b>1,550,269</b>	<b>1,749,954</b>	<b>1,626,756</b>	<b>2,247,717</b>	<b>1,835,656</b>
<b>ENTERPRISE EXPENSES</b>	<b>118,659</b>	<b>175,030</b>	<b>207,083</b>	<b>210,617</b>	<b>178,003</b>	<b>144,889</b>	<b>315,234</b>	<b>263,793</b>	<b>356,911</b>	<b>285,271</b>
Beef	112,031	170,591	203,903	208,148	173,859	143,980	311,320	261,900	354,279	282,844
Other Enterprises	6,629	4,439	3,181	2,468	4,144	909	3,913	1,893	2,631	2,427
<b>GROSS MARGIN</b>	<b>749,152</b>	<b>595,291</b>	<b>726,110</b>	<b>803,551</b>	<b>735,996</b>	<b>1,405,380</b>	<b>1,434,720</b>	<b>1,362,963</b>	<b>1,890,806</b>	<b>1,550,386</b>
<b>OVERHEAD EXPENSES</b>										
Administration	42,571	31,863	30,222	22,700	31,747	55,512	54,265	44,076	28,909	43,557
Depreciation	62,912	56,088	129,755	84,489	85,895	63,903	96,788	123,452	119,511	106,445
Electricity & Gas	1,296	1,923	1,335	1,950	1,598	853	3,285	3,108	3,349	2,858
Freight	25,724	34,583	31,264	55,834	37,546	30,982	75,920	45,086	102,474	67,719
Fuel & Lubricants	60,534	73,759	82,009	70,200	71,081	85,616	145,877	90,130	113,060	109,332
Insurance	13,915	14,178	16,388	15,932	15,209	11,064	24,930	26,484	27,639	23,985
Materials	5,694	8,113	6,425	5,246	6,120	3,728	13,119	9,581	13,828	10,765
Motor Vehicle Expenses	12,909	16,471	13,255	11,590	13,146	20,688	35,661	24,410	25,542	26,743
Rates & Rents	10,368	18,112	23,074	26,217	19,630	14,036	34,239	27,264	49,635	33,674
R & M General	52,025	77,713	99,481	95,416	81,394	68,167	175,777	127,284	175,342	143,775
Wages (inc stores & rations)	86,294	83,553	107,517	101,255	95,933	134,204	162,891	193,593	205,224	180,524
Wages (Owner)	107,108	96,119	108,972	99,470	103,639	100,512	124,520	96,938	116,225	109,849
	<b>481,349</b>	<b>512,474</b>	<b>649,698</b>	<b>590,298</b>	<b>562,937</b>	<b>589,265</b>	<b>947,271</b>	<b>811,407</b>	<b>980,739</b>	<b>859,226</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>600,009</b>	<b>687,504</b>	<b>856,781</b>	<b>800,914</b>	<b>740,941</b>	<b>734,154</b>	<b>1,262,505</b>	<b>1,075,200</b>	<b>1,337,650</b>	<b>1,144,497</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>267,803</b>	<b>82,817</b>	<b>76,413</b>	<b>213,254</b>	<b>173,059</b>	<b>816,115</b>	<b>487,449</b>	<b>551,556</b>	<b>910,067</b>	<b>691,159</b>
Interest	60,967	63,293	138,647	153,420	109,418	68,279	106,989	102,392	208,776	130,981
<b>EARNINGS BEFORE TAX</b>	<b>206,836</b>	<b>19,524</b>	<b>(62,234)</b>	<b>59,834</b>	<b>63,640</b>	<b>747,836</b>	<b>380,460</b>	<b>449,164</b>	<b>701,291</b>	<b>560,178</b>



**WHOLE BUSINESS BALANCE SHEET: MARKET - LIVE EXPORTS**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>ASSETS</b>										
Cash & Liquid Assets	128,872	94,405	75,128	167,778	121,167	23,461	123,274	51,022	336,225	151,795
Plant, Equipment & Vehicles	294,958	340,255	564,779	607,264	466,269	235,633	525,423	826,988	834,025	664,001
Livestock	3,745,105	3,788,853	4,296,628	4,511,281	4,126,128	5,478,868	7,943,698	6,886,026	8,837,451	7,507,341
Land & Infrastructure	2,840,655	4,433,610	8,602,514	8,347,438	6,245,882	1,682,609	7,474,077	10,453,076	11,591,484	8,700,303
<b>TOTAL ASSETS</b>	<b>7,009,590</b>	<b>8,657,123</b>	<b>13,539,049</b>	<b>13,633,760</b>	<b>10,959,446</b>	<b>7,420,571</b>	<b>16,066,472</b>	<b>18,217,112</b>	<b>21,599,185</b>	<b>17,023,441</b>
<b>LIABILITIES</b>										
Overdraft/ working capital debt	102,918	185,484	450,392	679,315	379,400	37,434	255,040	193,053	458,637	264,604
Plant & Equipment Finance	34,851	8,293	27,364	13,065	22,320	63,410	1,876	8,371	11,131	16,662
Long Term Debt	570,432	676,422	1,274,688	1,022,537	906,962	446,297	1,537,483	856,747	1,993,736	1,299,961
<b>TOTAL LIABILITIES</b>	<b>708,201</b>	<b>870,199</b>	<b>1,752,443</b>	<b>1,714,917</b>	<b>1,308,681</b>	<b>547,141</b>	<b>1,794,399</b>	<b>1,058,171</b>	<b>2,463,504</b>	<b>1,581,227</b>
<b>NET ASSETS (EQUITY)</b>	<b>6,301,388</b>	<b>7,786,924</b>	<b>11,786,605</b>	<b>11,918,844</b>	<b>9,650,765</b>	<b>6,873,430</b>	<b>14,272,073</b>	<b>17,158,941</b>	<b>19,135,681</b>	<b>15,442,213</b>
<b>Balance Sheet per Adult Equivalent</b>										
Cash & Liquid Assets	20	15	9	19	16	3	9	4	20	11
Plant, Equipment & Vehicles	46	53	70	70	62	26	39	66	50	50
Livestock	589	592	534	518	549	609	590	551	535	560
Land & Infrastructure	447	692	1,069	959	832	187	555	836	701	649
<b>TOTAL ASSETS</b>	<b>1,103</b>	<b>1,352</b>	<b>1,683</b>	<b>1,566</b>	<b>1,459</b>	<b>825</b>	<b>1,193</b>	<b>1,457</b>	<b>1,306</b>	<b>1,270</b>
<b>TOTAL LIABILITIES</b>	<b>111</b>	<b>136</b>	<b>218</b>	<b>197</b>	<b>174</b>	<b>61</b>	<b>133</b>	<b>85</b>	<b>149</b>	<b>118</b>
<b>NET ASSETS</b>	<b>991</b>	<b>1,216</b>	<b>1,465</b>	<b>1,369</b>	<b>1,285</b>	<b>764</b>	<b>1,060</b>	<b>1,373</b>	<b>1,157</b>	<b>1,152</b>
<b>KEY PERFORMANCE INDICATORS</b>										
Operating Return	3.8%	1.0%	0.6%	1.6%	1.6%	11.0%	3.0%	3.0%	4.2%	4.1%
Capital Return	10.3%	5.7%	1.2%	(7.3%)	2.5%	9.2%	4.5%	3.5%	(4.1%)	3.3%
<b>Total Business Return</b>	<b>14.1%</b>	<b>6.7%</b>	<b>1.8%</b>	<b>(5.7%)</b>	<b>4.1%</b>	<b>20.2%</b>	<b>7.5%</b>	<b>6.5%</b>	<b>0.1%</b>	<b>7.3%</b>
Equity %	89.9%	89.9%	87.1%	87.4%	88.1%	92.6%	88.8%	94.2%	88.6%	90.7%
Finance Coverage (EBIT/ Finance Costs)	4.4	1.3	0.6	1.4	1.6	12.0	4.6	5.4	4.4	5.3
<b>LAND &amp; LIVESTOCK DATA</b>										
Total Area (Ha)	141,020	124,726	145,873	137,873	138,874	244,649	254,737	205,739	224,453	229,121
Total Cattle (head)	5,294	5,379	6,757	7,491	6,349	7,402	11,316	10,417	14,427	11,381
Total Beef AE	6,357	6,405	8,047	8,703	7,511	8,999	13,467	12,499	16,534	13,408
Stocking Rate (AE/Ha) Beef Only	0.05	0.05	0.06	0.06	0.05	0.04	0.05	0.06	0.07	0.06

**BEEF ENTERPRISE INCOME STATEMENT: MARKET - LIVE EXPORTS**

	AVERAGE					TOP 25%				
	2001-03	2004-06	2007-09	2010-12	Average	2001-03	2004-06	2007-09	2010-12	Average
	\$/AE	\$/AE	\$/AE	\$/AE	\$	\$/AE	\$/AE	\$/AE	\$/AE	\$
<b>GROSS PROFIT</b>	<b>126.95</b>	<b>115.26</b>	<b>107.41</b>	<b>109.45</b>	<b>113.86</b>	<b>167.26</b>	<b>125.99</b>	<b>121.85</b>	<b>129.71</b>	<b>130.76</b>
<b>ENTERPRISE EXPENSES</b>										
Animal Health	0.06	0.22	0.38	0.34	0.27	0.12	0.29	0.34	0.25	0.27
Insurance & Materials	3.70	7.48	4.62	2.91	4.18	4.99	6.00	3.73	3.11	4.15
Mustering & Contracting	3.11	5.74	4.73	6.22	4.99	3.45	5.45	3.97	4.48	4.45
Selling Costs	5.07	2.63	4.84	2.63	3.84	5.60	2.60	5.28	1.99	3.43
Fodder	5.68	10.57	10.78	11.81	9.88	1.84	8.78	7.64	11.60	8.79
	<b>17.62</b>	<b>26.63</b>	<b>25.34</b>	<b>23.92</b>	<b>23.15</b>	<b>16.00</b>	<b>23.12</b>	<b>20.95</b>	<b>21.43</b>	<b>21.10</b>
<b>GROSS MARGIN</b>	<b>109.33</b>	<b>88.62</b>	<b>82.07</b>	<b>85.53</b>	<b>90.71</b>	<b>151.26</b>	<b>102.88</b>	<b>100.90</b>	<b>108.28</b>	<b>109.66</b>
<b>OVERHEAD EXPENSES</b>										
Administration	6.24	4.77	3.48	2.42	3.94	6.03	3.92	3.30	1.63	3.10
Depreciation	9.17	8.40	14.88	8.99	10.62	6.88	6.97	9.23	6.78	7.52
Electricity & Gas	0.19	0.29	0.15	0.21	0.20	0.09	0.24	0.23	0.19	0.20
Freight	3.76	5.20	3.59	6.01	4.68	3.34	5.50	3.36	5.85	4.81
Fuel & Lubricants	8.86	11.02	9.43	7.47	8.82	9.26	10.48	6.73	6.42	7.75
Insurance	2.03	2.13	1.88	1.69	1.88	1.19	1.80	1.99	1.55	1.69
Materials	0.84	1.22	0.74	0.57	0.77	0.41	0.95	0.72	0.79	0.77
Motor Vehicle Expenses	1.89	2.47	1.53	1.23	1.63	2.23	2.57	1.83	1.44	1.90
Rates & Rents	1.52	2.70	2.66	2.79	2.43	1.51	2.46	2.04	2.78	2.36
R & M General	7.59	11.61	11.43	10.18	10.09	7.27	12.65	9.52	9.94	10.16
Wages	12.65	12.46	12.39	10.84	11.93	14.50	11.71	14.55	11.68	12.79
Wages (Owner)	15.62	14.41	12.52	10.58	12.84	10.88	8.99	7.20	6.52	7.75
	<b>70.36</b>	<b>76.68</b>	<b>74.68</b>	<b>62.97</b>	<b>69.83</b>	<b>63.57</b>	<b>68.24</b>	<b>60.70</b>	<b>55.58</b>	<b>60.79</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>87.98</b>	<b>103.32</b>	<b>100.02</b>	<b>86.89</b>	<b>92.98</b>	<b>79.57</b>	<b>91.35</b>	<b>81.65</b>	<b>77.01</b>	<b>81.88</b>
<b>EARNINGS BEFORE INTEREST &amp; TAX</b>	<b>38.97</b>	<b>11.94</b>	<b>7.39</b>	<b>22.56</b>	<b>20.88</b>	<b>87.69</b>	<b>34.64</b>	<b>40.20</b>	<b>52.70</b>	<b>48.88</b>
<b>PRIMARY PERFORMANCE INDICATORS</b>										
Price Received (\$/kg LW)	\$2.07	\$2.16	\$1.73	\$1.88	\$1.92	\$2.26	\$2.21	\$1.70	\$1.98	\$1.97
Cost of Production (\$/kg LW)	\$1.44	\$1.93	\$1.61	\$1.50	\$1.57	\$1.07	\$1.61	\$1.14	\$1.17	\$1.24
<b>Operating Margin (\$/kg LW)</b>	<b>\$0.64</b>	<b>\$0.22</b>	<b>\$0.12</b>	<b>\$0.39</b>	<b>\$0.35</b>	<b>\$1.18</b>	<b>\$0.61</b>	<b>\$0.56</b>	<b>\$0.80</b>	<b>\$0.74</b>
Kg Beef/ AE	61.2	53.4	62.1	58.1	59.3	74.1	56.9	71.7	65.7	66.2
Labour Efficiency (AE/FTE)	1,569	1,858	1,902	2,157	1,877	1,857	2,399	2,250	2,441	2,299
Labour Costs (\$/AE)	28.27	26.87	24.92	21.42	24.77	25.37	20.70	21.74	18.20	20.54
<b>SECONDARY PERFORMANCE INDICATORS</b>										
Gross Value/ Head Sold (all sales)	\$623	\$603	\$588	\$543	\$580	\$659	\$597	\$636	\$575	\$602
Sale Weight/ Head Sold (all sales)	311	289	322	303	308	319	287	350	318	317
Reproductive Rate %	55.4%	53.6%	55.6%	57.6%	56.0%	55.7%	54.1%	61.2%	60.2%	58.4%
Mortality Rate %	4.8%	4.2%	3.7%	4.5%	4.3%	2.1%	4.1%	2.3%	3.3%	3.1%
Enterprise Size (Annual Avg AE)	6,357	6,405	8,047	8,703	7,511	8,999	13,467	12,499	16,534	13,408

## 8.5 Adult equivalent tables

### 8.5.1 Bos Taurus AE tables

# ADULT EQUIVALENT (AE) TABLES: BOS TAURUS

AE Ratings represent energy requirements relative to the AE standard, which is a 450kg Bos taurus steer at maintenance

#### Growing steer

		Liveweight gain (kg/hd/day)						
		0.0	0.2	0.4	0.6	0.8	1.0	1.2
Liveweight (kg)	150	0.43	0.53	0.64	0.75	0.87	0.99	1.11
	200	0.52	0.64	0.77	0.90	1.03	1.17	1.31
	250	0.62	0.77	0.91	1.06	1.21	1.37	1.53
	300	0.72	0.89	1.05	1.22	1.39	1.56	1.74
	350	0.82	1.00	1.18	1.37	1.55	1.74	1.93
	400	0.91	1.11	1.30	1.50	1.70	1.90	2.10
	450	1.00	1.21	1.41	1.62	1.83	2.04	2.25
	500	1.09	1.30	1.52	1.73	1.95	2.16	2.38
	550	1.18	1.40	1.62	1.84	2.05	2.27	2.49
	600	1.27	1.49	1.71	1.93	2.15	2.38	2.60
650	1.36	1.58	1.80	2.02	2.24	2.46	2.69	

#### Annualised breeder

		Weaning rate						
		60%	65%	70%	75%	80%	85%	90%
Liveweight (kg)	350	1.18	1.21	1.24	1.27	1.31	1.34	1.37
	375	1.22	1.26	1.29	1.32	1.36	1.39	1.42
	400	1.27	1.30	1.34	1.37	1.40	1.44	1.47
	425	1.32	1.35	1.38	1.42	1.45	1.48	1.52
	450	1.37	1.40	1.43	1.47	1.50	1.53	1.57
	475	1.41	1.45	1.48	1.51	1.55	1.58	1.61
	500	1.46	1.49	1.53	1.56	1.59	1.63	1.66
	525	1.51	1.54	1.58	1.61	1.64	1.68	1.71
	550	1.56	1.59	1.62	1.66	1.69	1.72	1.76
	575	1.60	1.64	1.67	1.70	1.74	1.77	1.80
600	1.65	1.69	1.72	1.75	1.79	1.82	1.85	

#### Pregnant female

		Days pregnant						
		0	45	90	135	180	225	270
Liveweight (kg)	350	0.77	0.78	0.79	0.81	0.86	0.99	1.30
	375	0.82	0.82	0.83	0.85	0.91	1.03	1.34
	400	0.87	0.87	0.88	0.90	0.95	1.08	1.39
	425	0.92	0.92	0.93	0.95	1.00	1.13	1.44
	450	0.96	0.97	0.98	1.00	1.05	1.18	1.49
	475	1.01	1.02	1.02	1.05	1.10	1.22	1.53
	500	1.06	1.06	1.07	1.09	1.15	1.27	1.58
	525	1.11	1.11	1.12	1.14	1.19	1.32	1.63
	550	1.16	1.16	1.17	1.19	1.24	1.37	1.68
	575	1.20	1.21	1.22	1.24	1.29	1.42	1.73
600	1.25	1.25	1.26	1.29	1.34	1.46	1.77	

#### Lactating female

		Days in milk						
		0	30	60	90	120	150	180
Liveweight (kg)	350	1.30	1.92	1.82	1.65	1.42	1.13	0.80
	375	1.34	1.96	1.86	1.70	1.47	1.18	0.84
	400	1.39	2.01	1.91	1.74	1.51	1.23	0.89
	425	1.44	2.06	1.96	1.79	1.56	1.28	0.94
	450	1.49	2.11	2.01	1.84	1.61	1.32	0.99
	475	1.53	2.16	2.05	1.89	1.66	1.37	1.03
	500	1.58	2.20	2.10	1.93	1.71	1.42	1.08
	525	1.63	2.25	2.15	1.98	1.75	1.47	1.13
	550	1.68	2.30	2.20	2.03	1.80	1.52	1.18
	575	1.73	2.35	2.25	2.08	1.85	1.56	1.23
600	1.77	2.40	2.29	2.13	1.90	1.61	1.27	
plus Calf		0.00	0.0	0.2	0.3	0.5	0.7	1.0

## 8.5.2 Bos Indicus AE tables

### ADULTL EQUIVALENT (AE) TABLES: BOS INDICUS

AE Ratings represent energy requirements relative to the AE standard, which is a 450kg Bos taurus steer at maintenance

#### Growing steer

		Liveweight gain (kg/hd/day)						
		0.0	0.2	0.4	0.6	0.8	1.0	1.2
Liveweight (kg)	150	0.38	0.48	0.58	0.68	0.79	0.91	1.03
	200	0.46	0.58	0.69	0.81	0.94	1.07	1.20
	250	0.55	0.68	0.82	0.96	1.10	1.25	1.40
	300	0.64	0.79	0.95	1.10	1.26	1.43	1.59
	350	0.73	0.90	1.07	1.24	1.42	1.60	1.78
	400	0.81	1.00	1.18	1.37	1.56	1.76	1.95
	450	0.89	1.09	1.29	1.49	1.69	1.89	2.10
	500	0.97	1.18	1.39	1.60	1.81	2.02	2.23
	550	1.06	1.27	1.48	1.70	1.91	2.13	2.35
	600	1.14	1.36	1.57	1.79	2.01	2.23	2.45
650	1.22	1.44	1.66	1.88	2.10	2.33	2.55	

#### Annualised breeder

		Weaning rate						
		60%	65%	70%	75%	80%	85%	90%
Liveweight (kg)	350	1.06	1.09	1.12	1.15	1.18	1.22	1.25
	375	1.10	1.14	1.17	1.20	1.23	1.26	1.29
	400	1.15	1.18	1.21	1.24	1.27	1.30	1.33
	425	1.19	1.22	1.25	1.28	1.31	1.34	1.38
	450	1.23	1.26	1.30	1.33	1.36	1.39	1.42
	475	1.28	1.31	1.34	1.37	1.40	1.43	1.46
	500	1.32	1.35	1.38	1.41	1.44	1.48	1.51
	525	1.36	1.40	1.43	1.46	1.49	1.52	1.55
	550	1.41	1.44	1.47	1.50	1.53	1.56	1.59
	575	1.45	1.48	1.51	1.55	1.58	1.61	1.64
600	1.50	1.53	1.56	1.59	1.62	1.65	1.68	

#### Pregnant female

		Days pregnant						
		0	45	90	135	180	225	270
Liveweight (kg)	350	0.69	0.69	0.70	0.72	0.77	0.90	1.21
	375	0.73	0.74	0.74	0.77	0.82	0.94	1.25
	400	0.78	0.78	0.79	0.81	0.86	0.99	1.30
	425	0.82	0.82	0.83	0.85	0.90	1.03	1.34
	450	0.86	0.87	0.87	0.90	0.95	1.07	1.38
	475	0.91	0.91	0.92	0.94	0.99	1.12	1.43
	500	0.95	0.95	0.96	0.98	1.03	1.16	1.47
	525	0.99	1.00	1.00	1.03	1.08	1.21	1.51
	550	1.04	1.04	1.05	1.07	1.12	1.25	1.56
	575	1.08	1.08	1.09	1.11	1.17	1.29	1.60
600	1.12	1.13	1.14	1.16	1.21	1.34	1.65	

#### Lactating female

		Days in milk						
		0	30	60	90	120	150	180
Liveweight (kg)	350	1.21	1.75	1.65	1.49	1.28	1.01	0.71
	375	1.25	1.79	1.69	1.53	1.32	1.06	0.75
	400	1.30	1.83	1.73	1.57	1.36	1.10	0.79
	425	1.34	1.88	1.78	1.62	1.40	1.14	0.84
	450	1.38	1.92	1.82	1.66	1.45	1.19	0.88
	475	1.43	1.96	1.86	1.70	1.49	1.23	0.92
	500	1.47	2.01	1.91	1.75	1.53	1.27	0.97
	525	1.51	2.05	1.95	1.79	1.58	1.32	1.01
	550	1.56	2.10	1.99	1.83	1.62	1.36	1.06
	575	1.60	2.14	2.04	1.88	1.67	1.41	1.10
600	1.65	2.18	2.08	1.92	1.71	1.45	1.14	
plus Calf		0.00	0.0	0.2	0.3	0.5	0.7	0.9

Developed for Meat & Livestock Australia (B.NBP.0779) by Shane Blakeley & Ian McLean, Bush AgriBusiness Pty Ltd.



### 8.5.3 Crossbreed AE tables

## ADULT EQUIVALENT (AE) TABLES: CROSSBREED

AE Ratings represent energy requirements relative to the AE standard, which is a 450kg Bos taurus steer at maintenance

#### Growing steer

		Liveweight gain (kg/hd/day)						
		0.0	0.2	0.4	0.6	0.8	1.0	1.2
Liveweight (kg)	150	0.41	0.50	0.60	0.71	0.82	0.93	1.05
	200	0.49	0.61	0.72	0.84	0.97	1.10	1.23
	250	0.59	0.72	0.86	1.00	1.14	1.28	1.43
	300	0.68	0.83	0.99	1.15	1.31	1.47	1.63
	350	0.77	0.94	1.11	1.29	1.47	1.64	1.82
	400	0.86	1.05	1.23	1.42	1.61	1.80	2.00
	450	0.95	1.14	1.34	1.54	1.75	1.95	2.15
	500	1.03	1.24	1.45	1.66	1.87	2.08	2.29
	550	1.12	1.33	1.55	1.76	1.98	2.19	2.41
	600	1.20	1.42	1.64	1.86	2.08	2.30	2.52
650	1.29	1.51	1.73	1.95	2.17	2.39	2.62	

#### Annualised breeder

		Weaning rate						
		60%	65%	70%	75%	80%	85%	90%
Liveweight (kg)	350	1.11	1.15	1.18	1.21	1.24	1.27	1.30
	375	1.16	1.19	1.22	1.25	1.29	1.32	1.35
	400	1.21	1.24	1.27	1.30	1.33	1.36	1.40
	425	1.25	1.28	1.31	1.35	1.38	1.41	1.44
	450	1.30	1.33	1.36	1.39	1.42	1.45	1.49
	475	1.34	1.37	1.41	1.44	1.47	1.50	1.53
	500	1.39	1.42	1.45	1.48	1.51	1.55	1.58
	525	1.43	1.46	1.50	1.53	1.56	1.59	1.62
	550	1.48	1.51	1.54	1.57	1.61	1.64	1.67
	575	1.53	1.56	1.59	1.62	1.65	1.68	1.72
600	1.57	1.60	1.63	1.67	1.70	1.73	1.76	

#### Pregnant female

		Days pregnant						
		0	45	90	135	180	225	270
Liveweight (kg)	350	0.73	0.73	0.74	0.76	0.82	0.94	1.25
	375	0.78	0.78	0.79	0.81	0.86	0.99	1.30
	400	0.82	0.83	0.83	0.86	0.91	1.03	1.34
	425	0.87	0.87	0.88	0.90	0.95	1.08	1.39
	450	0.91	0.92	0.93	0.95	1.00	1.13	1.43
	475	0.96	0.96	0.97	0.99	1.04	1.17	1.48
	500	1.00	1.01	1.02	1.04	1.09	1.22	1.53
	525	1.05	1.05	1.06	1.08	1.14	1.26	1.57
	550	1.10	1.10	1.11	1.13	1.18	1.31	1.62
	575	1.14	1.15	1.15	1.18	1.23	1.35	1.66
600	1.19	1.19	1.20	1.22	1.27	1.40	1.71	

#### Lactating female

		Days in milk						
		0	30	60	90	120	150	180
Liveweight (kg)	350	1.25	1.82	1.72	1.56	1.34	1.07	0.75
	375	1.30	1.87	1.77	1.60	1.38	1.11	0.80
	400	1.34	1.92	1.81	1.65	1.43	1.16	0.84
	425	1.39	1.96	1.86	1.69	1.48	1.21	0.89
	450	1.43	2.01	1.90	1.74	1.52	1.25	0.93
	475	1.48	2.05	1.95	1.78	1.57	1.30	0.98
	500	1.53	2.10	1.99	1.83	1.61	1.34	1.02
	525	1.57	2.14	2.04	1.88	1.66	1.39	1.07
	550	1.62	2.19	2.09	1.92	1.70	1.43	1.12
	575	1.66	2.24	2.13	1.97	1.75	1.48	1.16
600	1.71	2.28	2.18	2.01	1.80	1.53	1.21	
plus Calf		0.00	0.03	0.16	0.31	0.49	0.69	0.92

Developed for Meat & Livestock Australia (B.NBP.0779) by Shane Blakeley & Ian McLean, Bush AgriBusiness Pty Ltd.

## 8.5.4 European AE tables

# ADULT EQUIVALENT (AE) TABLES: EUROPEAN

AE Ratings represent energy requirements relative to the AE standard, which is a 450kg Bos taurus steer at maintenance

### Growing steer

		Liveweight gain (kg/hd/day)						
		0.0	0.2	0.4	0.6	0.8	1.0	1.2
Liveweight (kg)	150	0.43	0.52	0.60	0.69	0.79	0.89	0.99
	200	0.52	0.62	0.71	0.81	0.92	1.03	1.14
	250	0.62	0.73	0.84	0.95	1.07	1.18	1.30
	300	0.72	0.84	0.96	1.09	1.21	1.34	1.48
	350	0.82	0.95	1.08	1.22	1.36	1.50	1.65
	400	0.91	1.05	1.20	1.35	1.50	1.65	1.81
	450	1.00	1.16	1.32	1.48	1.64	1.80	1.96
	500	1.09	1.26	1.42	1.59	1.76	1.93	2.11
	550	1.18	1.35	1.53	1.70	1.88	2.06	2.24
	600	1.27	1.45	1.63	1.81	1.99	2.17	2.36
650	1.36	1.54	1.72	1.91	2.09	2.28	2.47	

### Annualised breeder

		Weaning rate						
		60%	65%	70%	75%	80%	85%	90%
Liveweight (kg)	350	1.14	1.18	1.21	1.24	1.27	1.30	1.33
	375	1.19	1.22	1.25	1.28	1.32	1.35	1.38
	400	1.24	1.27	1.30	1.33	1.36	1.39	1.42
	425	1.29	1.32	1.35	1.38	1.41	1.44	1.47
	450	1.34	1.37	1.40	1.43	1.46	1.49	1.52
	475	1.38	1.41	1.44	1.48	1.51	1.54	1.57
	500	1.43	1.46	1.49	1.52	1.55	1.58	1.62
	525	1.48	1.51	1.54	1.57	1.60	1.63	1.66
	550	1.53	1.56	1.59	1.62	1.65	1.68	1.71
	575	1.57	1.61	1.64	1.67	1.70	1.73	1.76
600	1.62	1.65	1.68	1.72	1.75	1.78	1.81	

### Pregnant female

		Days pregnant						
		0	45	90	135	180	225	270
Liveweight (kg)	350	0.77	0.78	0.79	0.81	0.86	0.99	1.30
	375	0.82	0.82	0.83	0.85	0.91	1.03	1.34
	400	0.87	0.87	0.88	0.90	0.95	1.08	1.39
	425	0.92	0.92	0.93	0.95	1.00	1.13	1.44
	450	0.96	0.97	0.98	1.00	1.05	1.18	1.49
	475	1.01	1.02	1.02	1.05	1.10	1.22	1.53
	500	1.06	1.06	1.07	1.09	1.15	1.27	1.58
	525	1.11	1.11	1.12	1.14	1.19	1.32	1.63
	550	1.16	1.16	1.17	1.19	1.24	1.37	1.68
	575	1.20	1.21	1.22	1.24	1.29	1.42	1.73
600	1.25	1.25	1.26	1.29	1.34	1.46	1.77	

### Lactating female

		Days in milk						
		0	30	60	90	120	150	180
Liveweight (kg)	350	1.30	1.84	1.74	1.57	1.36	1.09	0.79
	375	1.34	1.89	1.78	1.62	1.40	1.14	0.84
	400	1.39	1.94	1.83	1.67	1.45	1.19	0.89
	425	1.44	1.98	1.88	1.72	1.50	1.24	0.94
	450	1.49	2.03	1.93	1.76	1.55	1.28	0.98
	475	1.53	2.08	1.98	1.81	1.59	1.33	1.03
	500	1.58	2.13	2.02	1.86	1.64	1.38	1.08
	525	1.63	2.18	2.07	1.91	1.69	1.43	1.13
	550	1.68	2.22	2.12	1.95	1.74	1.48	1.17
	575	1.73	2.27	2.17	2.00	1.79	1.52	1.22
600	1.77	2.32	2.22	2.05	1.83	1.57	1.27	
plus Calf		0.00	0.03	0.16	0.30	0.47	0.66	0.86

Developed for Meat & Livestock Australia (B.NBP.0779) by Shane Blakeley & Ian McLean, Bush AgriBusiness Pty Ltd.

## 8.6 Rainfall results

Shaded boxes highlight years with less than 30<sup>th</sup> percentile or greater than 70<sup>th</sup> percentile rainfall.

**Table 25: Growing season rainfall percentiles by region**

Year (end of growing season)	QLD High Rainfall		QLD Wheat Sheep		QLD Pastoral				NT Pastoral				WA Pastoral	
	Q:SC	Q:NC	Q:ED	Q:SI	Q:Ca	Q:WSW	Q:CN	Q:CW	N:AS	N:Ba	N:VK	N:DTE	W:Ki	W:Pi
2000	29%	80%	51%	57%	76%	90%	68%	63%	94%	79%	59%	70%	93%	97%
2001	69%	64%	63%	54%	84%	81%	72%	85%	98%	78%	93%	49%	97%	77%
2002	16%	16%	46%	48%	68%	44%	52%	60%	83%	56%	79%	29%	70%	41%
2003	40%	11%	20%	18%	30%	29%	32%	16%	59%	51%	77%	28%	49%	49%
2004	72%	47%	73%	63%	40%	65%	48%	73%	67%	84%	97%	67%	82%	86%
2005	39%	26%	26%	31%	47%	20%	32%	36%	11%	20%	43%	19%	21%	25%
2006	27%	25%	52%	40%	25%	23%	47%	27%	74%	80%	83%	52%	80%	97%
2007	9%	49%	7%	13%	47%	48%	48%	40%	71%	58%	54%	45%	52%	60%
2008	51%	83%	49%	85%	52%	49%	53%	80%	3%	55%	91%	53%	58%	65%
2009	42%	80%	39%	43%	47%	58%	81%	47%	57%	60%	88%	51%	63%	84%
2010	69%	77%	57%	76%	65%	86%	62%	93%	82%	58%	46%	49%	48%	29%
2011	96%	94%	97%	90%	81%	91%	75%	94%	96%	70%	96%	73%	94%	94%
2012	61%	81%	61%	80%	97%	80%	60%	80%	56%	61%	67%	49%	87%	78%
2013	87%	30%	82%	42%	50%	25%	13%	30%	29%	32%	37%	15%	62%	67%

Based on data sourced from Rainman Streamflow

## 8.7 Comparison of calculated and whole business KPIS

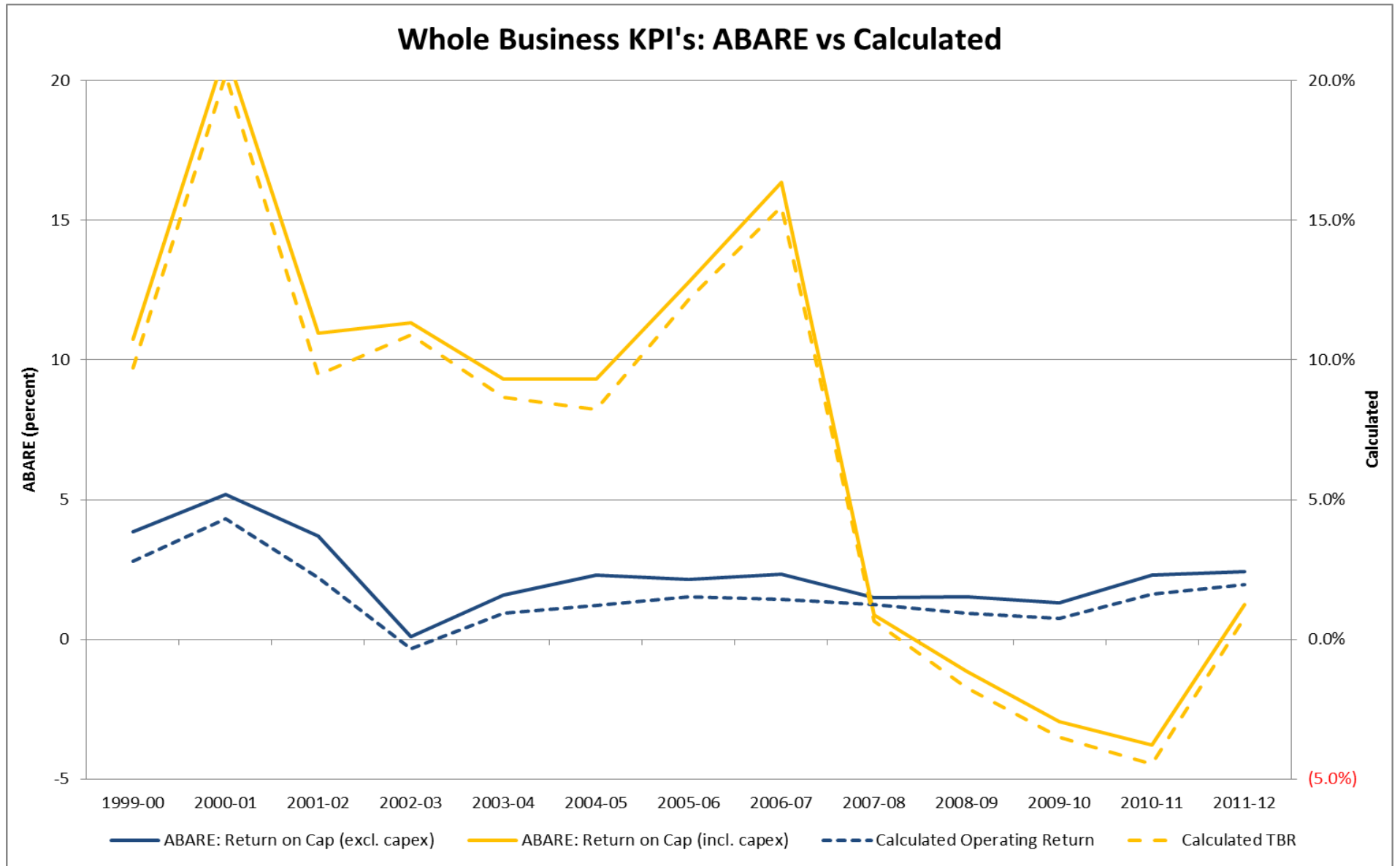


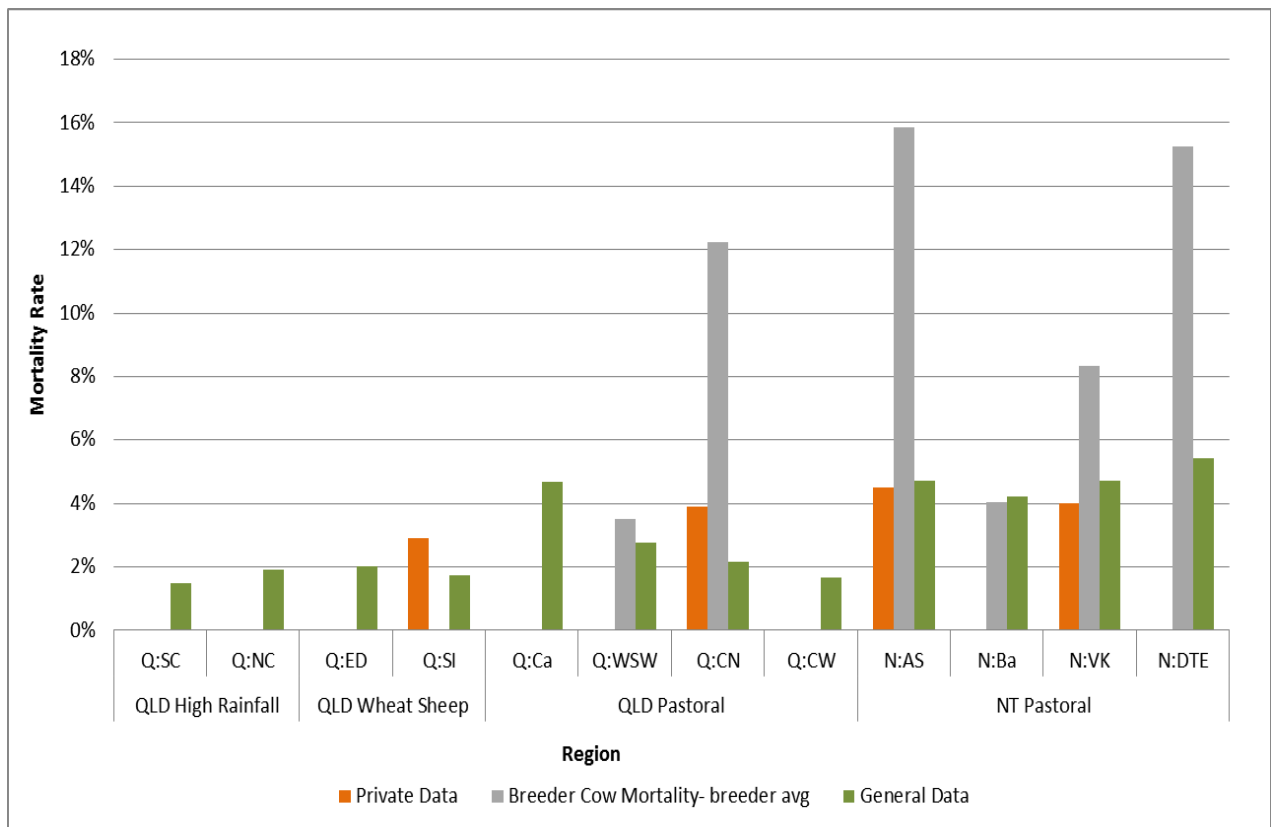
Figure 26: Whole business KPI's: ABARES vs calculated



## 8.8 Comparison of reproductive and mortality rates



Figure 27: Reproductive estimates



**Figure 28: Mortality estimates**