



ECONOMIC SNAPSHOT DECEMBER 2011



Riverina Oils & Bio Energy Pty Ltd (ROBE)
Bomen Industrial Estate, Wagga Wagga

Crushing 170,000t of grain per year to produce edible oils
Construction Commenced September 2011 • Plant Commissioning May 2012
Capital Investment: \$55M • Construction Jobs: 130 • Operational Jobs: 52

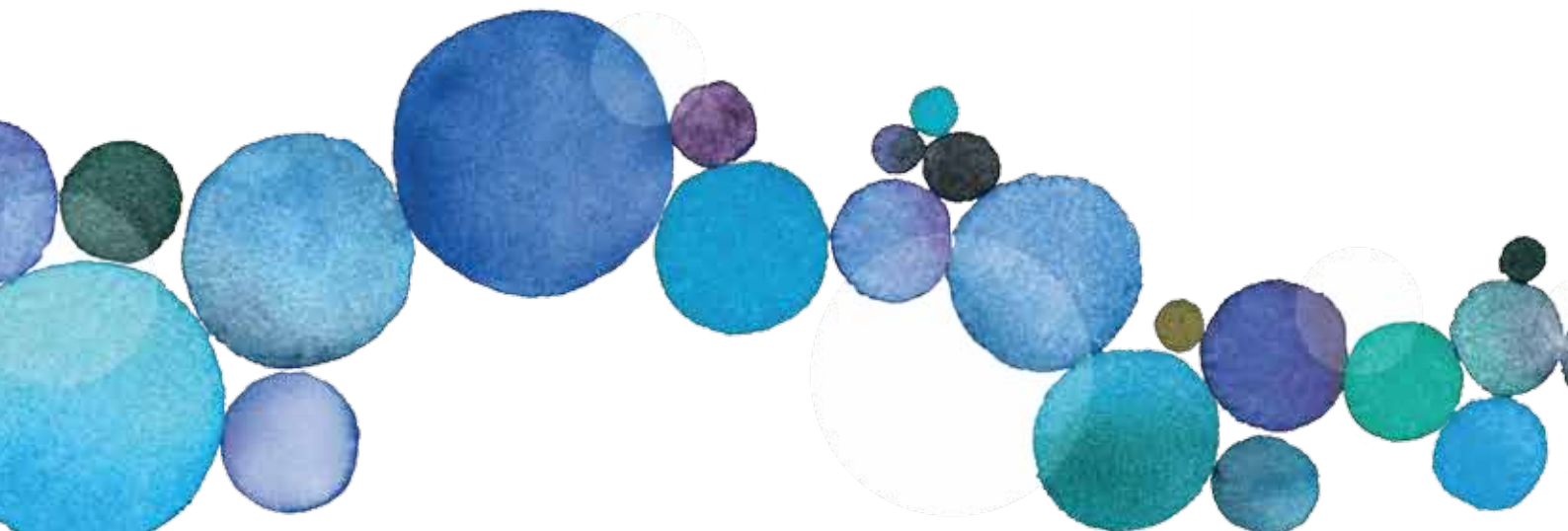
OVERVIEW



Wagga Wagga is the heart of the Murrumbidgee Region and acts as the primary population, business and industry hub. Wagga Wagga supports a highly diverse and dynamic economy that services an area that goes well beyond the boundaries of the Murrumbidgee. Wagga Wagga is a highly accessible city through its connectivity with other major cities, such as Melbourne and Sydney, by road, rail and air, making it a strategic centre for inter-state transport. The region offers a unique quality of life that is unparalleled due to its natural beauty, affordability of housing, employment opportunities and offering of community infrastructure, services and lifestyle activities.

Over the past year, the Wagga Wagga economy has continued to grow and diversify with growth in its electricity, gas, water & waste services and information media & telecommunications sectors. Population services industries continue to be an integral component of the Wagga Wagga economy - with significant expansion of education and health assets currently in progress. Industrial sectors continue to steadily grow, evidenced by the recently completed \$55 million Renewed Metal Technologies (RMT) plant for the recycling of lead-acid batteries. This is a the first major step in Wagga Wagga's vision to become a centre for resource recovery.

Aviation has become a key growth sector following the consolidation of key assets in Wagga Wagga - the regional airport and adjoining business precinct - in addition to the ongoing development of Regional Express Airline's \$25 million state of the art pilot training centre - The Australian Airline Pilot Academy (AAPA). Wagga is expected to leverage its aviation assets in the future, through the delivery of the Wagga Wagga Airport Masterplan 2010. This plan will see Wagga Wagga emerge as 'a world class aviation education and training city' and 'a centre of national aviation significance.'



WAGGA WAGGA PROFILE

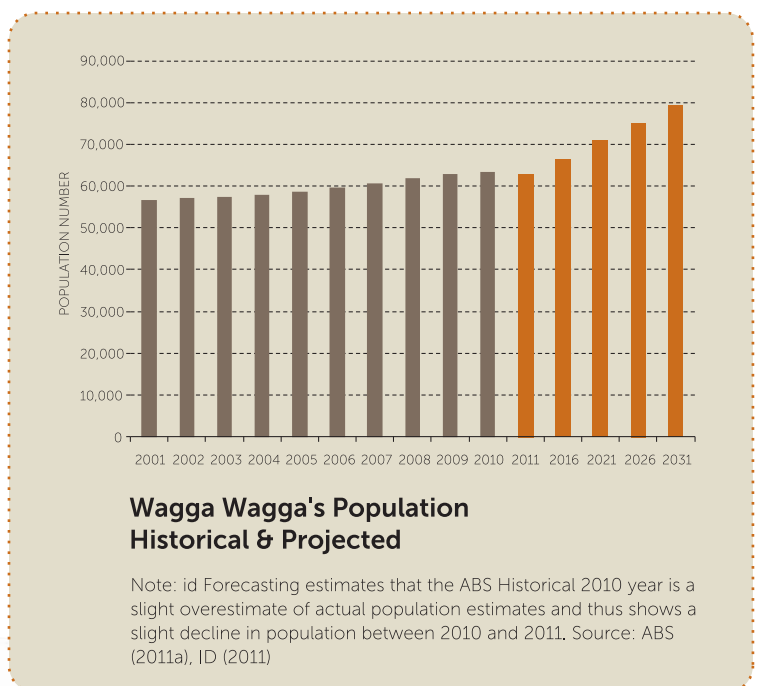
Statistic	Period	Indicator	% Av. Annual Change
Population (no.)	2010	63,500	1.1%
Labour Force (no.)	Jun Q 11	34,156	2.0%
Unemployment rate (%) ^(a)	Jun Q 11	5.3%	0.1%
Gross Regional Product (\$M)	2009-10	\$3,391	3.3%
Key Industry Sectors GRP			
Public administration & safety (\$M)	2009-10	\$343.9	0.5%
Manufacturing (\$M)	2009-10	\$309.4	5.4%
Financial & insurance services (\$M)	2009-10	\$266.9	-0.4%
Health care & social assistance (\$M)	2009-10	\$240.4	0.7%
Housing Affordability			
Median Property Prices			
House	2010-11	\$305,000	4.5%
Unit	2010-11	\$232,000	3.3%
Median Weekly Rents			
House	2010-11	\$300	2.0%
Unit	2010-11	\$220	7.0%
Average Monthly Home Loan Repayments	2006	\$1,306	8.2%
Affordability Index (Houses) ^(b)	Sep Q 2010	4.7	0.2%
Earnings			
Average Annual Individual Income (Taxable)	2007-08	\$38,963	4.9%

Note: (a) Percentage point change. (b) Index point change from Sep 09 to Sep 10. The affordability index is the ratio of housing costs to household incomes with 1= low cost of housing and 10= high cost of housing. In Sep Q 2010, NSW had an average affordability index of 6.4 points indicating higher housing costs than for Wagga Wagga over the period. Source: ABS (2007), ABS (2011), DEWR (2011), New South Wales Department of Housing (2011), AECgroup.

POPULATION

Wagga Wagga is one of the fastest growing regional inland cities in New South Wales, having experienced average annual population growth of 1.3% per annum since 2001 to 63,500 persons in 2010. Wagga Wagga's historical population trends are testimony to the strength of the local economy, which has been able to support strong population growth with sufficient employment opportunities and job growth over the past 10 years.

Over the next 20 years, Wagga Wagga is expected to continue to grow steadily at an average annual rate of 1.1% p.a. to almost 80,000 residents by 2031.



LABOUR FORCE

Wagga Wagga had a total labour force of 34,156 people as at June 2011, an increase of 2.0% compared to June 2010. In the 12 month period to June 2011, Wagga Wagga's unemployment rate rose marginally by 0.1 percentage point to 5.3% - which is consistent with the State unemployment level of 5.5%.

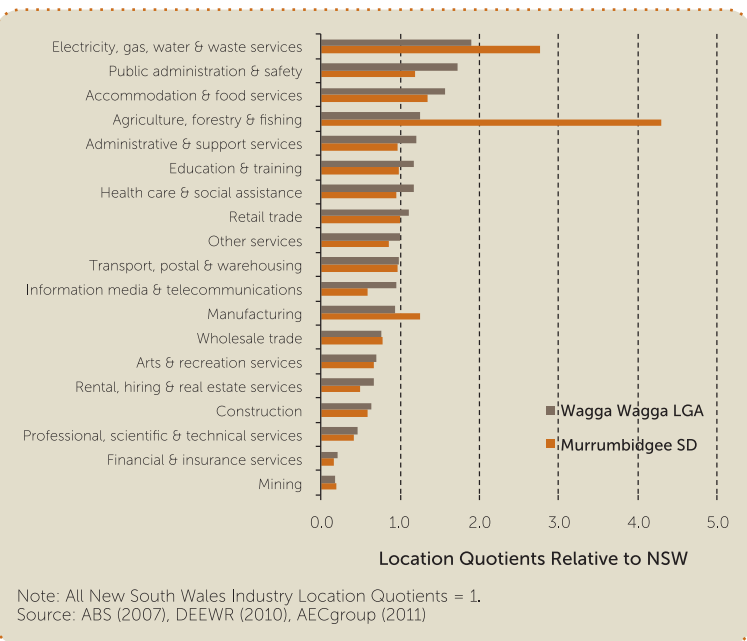
Statistic	Jun Q 11	Change 1 yr ago
Labour Force (no.)	34,156	2.0%
Employment (no.)	32,360	1.0%
Unemployed (no.)	1,796	306
Unemployment rate (%)	5.3%	0.1%

Source: DEWR (2011).

LOCATION QUOTIENTS

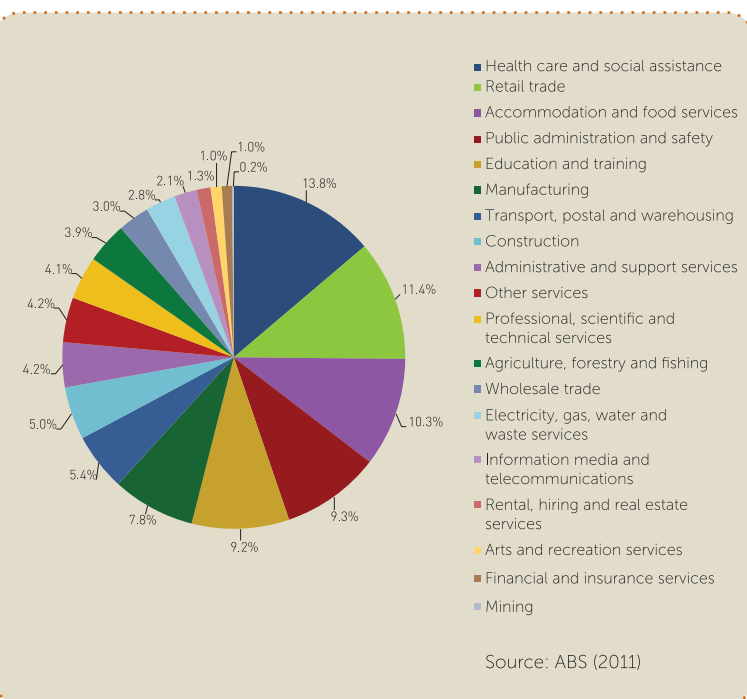
Employment by industry contribution has been assessed using location quotients to determine where Wagga Wagga has a relative strength or capability, compared to the New South Wales employment by industry contributions. The Location Quotient Analysis of Wagga Wagga's employment by industry (compared to NSW, LQ = 1) indicates that Wagga's key strength sectors by employment (compared to NSW) are mainly:

- Utilities services and infrastructure (electricity, gas water and waste water services);
- Public administration & safety (including defence);
- Agriculture, forestry & fishing; and
- Population services based industries (e.g. accommodation & food services, education & training, health care & social assistance, retail trade).



EMPLOYMENT BY INDUSTRY

Wagga Wagga has a diverse employment base - a unique feature for a regional city. Key industries of employment in 2009-10 were the population services industries of health care and services, retail, accommodation cafes & restaurants and education & training. Public administration & safety (including defence) and manufacturing are also key employers in the Wagga Wagga economy



GROSS REGIONAL PRODUCT

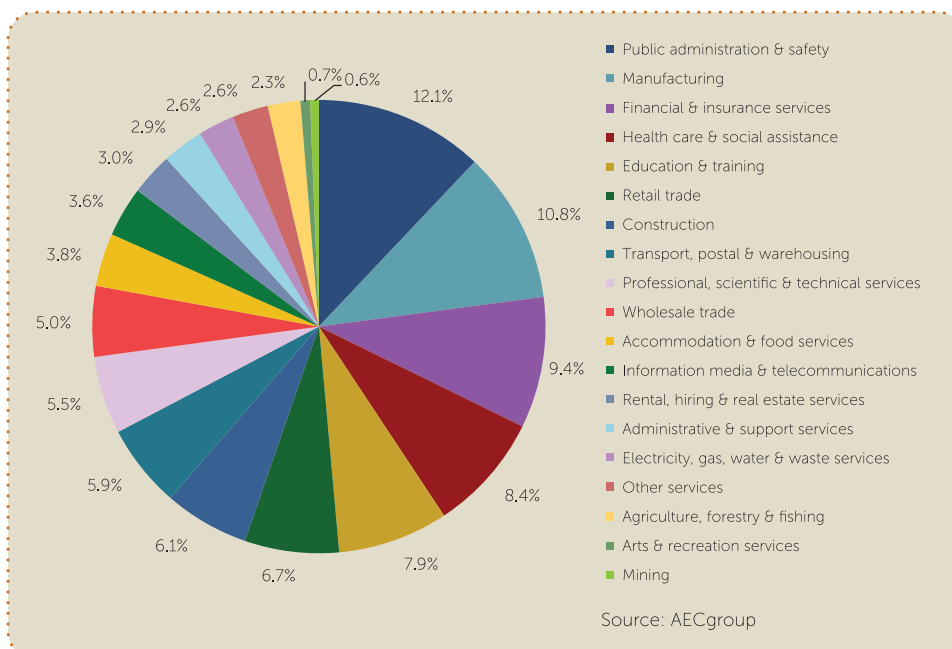
Over the past year Wagga Wagga's GRP has increased by 3.3% per annum to \$3.4 billion in 2009-10. Wagga Wagga's major growth sectors have been professional, scientific & technical services, wholesale trade and manufacturing. Declines were primarily felt in the rental hiring and real estate services, administrative & support services and agriculture, forestry & fishing over the period.

Sector	Contribution (\$M)	Av. Ann. Growth (%)
Public administration & safety	\$343.9	0.5%
Manufacturing	\$309.4	5.4%
Financial & insurance services	\$266.9	-0.4%
Health care & social assistance	\$240.4	0.7%
Education & training	\$224.9	3.8%
Retail trade	\$191.7	1.8%
Construction	\$173.3	3.4%
Transport, postal & warehousing	\$169.6	1.2%
Professional, scientific & technical services	\$158.2	18.9%
Wholesale trade	\$143.4	8.0%
Accommodation & food services	\$108	4.2%
Information media & telecommunications	\$102.2	4.7%
Rental, hiring & real estate services	\$85.9	-2.2%
Administrative & support services	\$84	-6.1%
Electricity, gas, water & waste services	\$74	3.1%
Other services	\$73.2	-2.6%
Agriculture, forestry & fishing	\$66.3	-8.8%
Arts & recreation services	\$19.3	3.1%
Mining	\$17.8	-9.1%
Total Industry Value Add (GVA)	\$2,852.6	2.4%
Ownership of Dwellings and General Government taxes/subsidies	\$538.4	8.5%
Gross Regional Product (GRP)	\$3,391	3.3%

Note: The GRP model has been adjusted so comparisons to historical or previously reported data may not be valid. Total GRP includes additional taxes and subsidies and ownership of dwellings. Source: AECgroup.

In 2009-10, Wagga Wagga's leading sectors (by value) were:

- Public administration & safety (12.1%);
- Manufacturing (10.8%);
- Financial & insurance services (9.4%); and
- Health care and social assistance (8.4%).



FEATURED INDUSTRY SECTOR: AVIATION

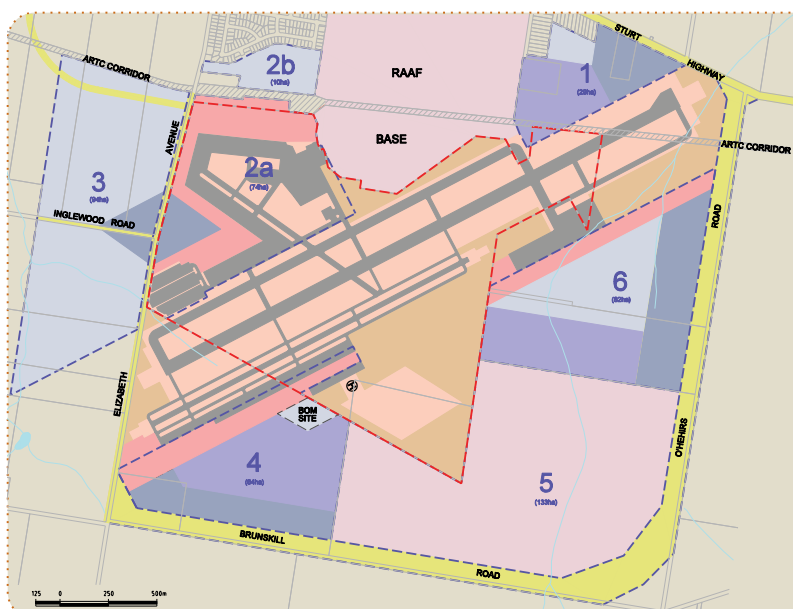
Wagga Wagga's aviation industry is a key growth sector. The Wagga Wagga City Council operated Wagga Wagga Airport was named Regional Airport of the year in 2010 after major infrastructure enhancements. These include a new category 1 Instrument Landing System, re-surfacing of the runway, taxiway and apron tarmac, the relocation and expansion of the Regional Express Airline's \$25 million Australian Airline Pilot Academy (AAPA) and adoption of the Master Plan.

The airport has experienced constant growth with annual passenger traffic in 2009/10 in excess of 210,000 and aircraft movements of 22,800 in the same period. The Wagga Wagga City Council has committed funding in 2011/12 to construct a fully serviced commercial aviation precinct, expanded taxiway and apron network, and a light aircraft precinct.

In 2010, the AAPA completed Stage 1 construction of their \$25 million state of the art pilot training facility and Stage 2 will be completed in 2014. At present 40 students are being trained full time on the 2.5 hectare site. Once fully completed, the academy will include training and simulator rooms, offices and 92 bedrooms for trainee pilots and stewards as well as communal and recreational facilities. At full capacity the Academy expects to grow to 200 domestic and international students per year.

In addition to AAPA, aviation training is provided through linkages with other key education providers and industry players, including TAFE NSW Riverina Institute's National Aerospace Training Centre of Excellence (NATCOE), Charles Sturt University, Wagga Air Centre and Burke's Pilot training. The vision is to make Wagga Wagga a world-class aviation education and training city.

Wagga Wagga's development as an aviation training centre has been enhanced by the presence of the RAAF base at Forest Hill. NATCOE is integral in providing direct training for over 1,000 Australian Defence Force aviation engineers each year.



The Master Plan identifies six precincts (refer to the map) based on land-uses which will encourage development in the targeted sectors. The precincts comprise:

- Precinct 1 – High-value Commercial;
- Precinct 2 – Aviation Support & Training;
- Precinct 3 – Education and Research;
- Precinct 4 – Industrial Park;
- Precinct 5 – Defence Activities;
- Precinct 6 – Terminal, Freight, High Service Businesses.

EVOCITIES HIGHLIGHTS AND EVOINDEX SURVEY RESULTS

Wagga Wagga is a competitive and attractive EvoCity that offers a quiet lifestyle, diversity of employment opportunities and affordable housing. Wagga Wagga has the ability to continue attracting residents - offering accessibility to infrastructure, services and a high quality of life.

Five years ago the regional Cities of Albury, Armidale, Bathurst, Dubbo, Orange, Tamworth and Wagga Wagga formed an alliance to promote regional NSW Cities as highly desirable places to live, work and play. These Cities were designated as EvoCities within the regional NSW context – Cities which are defined as clean and green, vibrant, dynamic, innovative, professional, accessible and globally linked. As part of the EvoCities initiative (2011), an independent online survey was undertaken to better understand the perception of EvoCity livability, attractiveness for relocation and quality of life offering, when compared to more metropolitan areas of Australia. The EvoCity survey – or the EvoIndex – canvassed 1,000 Sydney and 400 EvoCity residents, with a focus on the differences in the cost of living between Sydney and regional cities.

Key findings of the survey found that compared to metro areas, EvoCities are perceived to offer:

- Lower levels of work stress
- Better travel times to work, less traffic congestion & lower travel costs
- More acceptable working hours
- Greater opportunity for better work life balance and time spent with family
- More affordable housing
- Higher quality of life.

The survey also found that 68% of Sydney residents had considered living elsewhere for a lifestyle change, with 40% being open to considering an EvoCity lifestyle change. Compared to other EvoCities, Wagga Wagga is a highly competitive and attractive City that offers a well weighted balance between the businesses and industries of a large city, with all the quiet charm that is to be expected of a regional city. Wagga Wagga also offers a diversity of job opportunities across a range of industries and areas of expertise - making it a highly desirable location for Sydney-siders seeking an EvoCity 'tree-change' environment.

Wagga Wagga is expected to continue to attract residents and businesses seeking a lifestyle change through its offering of a quiet lifestyle, diversity of employment opportunities, affordability of housing and a high quality of life.



INVESTMENT

Following a year of intense non-residential building investment and growth in 2009, non-residential building activity has continued strongly in 2010, supported in particular by major infrastructure work on the Hume Freeway and Bomen gas pipeline. Many projects are underway or in the pipeline, including:

- The construction of a new Wagga Wagga base hospital to service Wagga Wagga and the surrounding regions (valued at \$300 million). Sufficient funds have been secured for this project to commence.
- Construction of the \$65 million Riverina Energy and Bio Energy plant in Wagga Wagga's Bomen Business Park. This project commenced in 2009.
- Re-development of the Bomen Rail/Road Intermodal Hub in the Bomen Business Park, which will improve road and rail networks and is expected to create 158 jobs during the construction phase and 62 jobs during operations. The project is valued at \$39 million and is listed as a priority infrastructure project for the Riverina.
- Charles Sturt University: \$46 million investment is planned for a new National Life Sciences hub; \$10 million expansion to the National Wine and Grape Industry Centre; \$16 million for 175 new residences; \$7 million for new gallery and library renovations; and another \$15 million for other office and infrastructure upgrades

Statistic	Period	Indicator
New Res. Approvals (No.)	YE Aug 11	279
New Res. Approvals (\$M)	YE Aug 11	\$57.2
New Non. Res. Approvals (\$M)	YE Aug 11	\$114

Source: ABS (2010) and NSW Planning & Infrastructure Major Project Assessments
<http://majorprojects.planning.nsw.gov.au>

OUR QUALITY OF LIFE

Wagga Wagga is located in a region which spans the plains of the Riverina to the iconic Snowy Mountains. The Murrumbidgee River winds through the heart of the city. You can explore the city's heritage buildings or follow the Wiradjuri Walking Track, named after Wagga Wagga's indigenous inhabitants. There are beautiful lakeside bike and walking tracks, and our award-winning Botanic Gardens. Wagga Wagga Art Gallery regularly mounts new exhibitions in addition to its standing collection, and also incorporates the National Art Glass Collection, two museums, three theatres and two outdoor amphitheatres.

The city's food and wine is wonderful and diverse – organic locally grown produce, good coffee, gourmet restaurants, boutique wineries and a micro-brewery! Wagga Wagga's region includes lakes and rivers which are perfect for fishing, swimming, canoeing and kayaking, and is close to Australia's alpine areas for skiing, camping and bush walking.

Wagga Wagga is known as 'the city of good sports'. Leading sporting professionals have been produced here, including cricketer Mark Taylor; rugby league footballers Peter, Steve and Chris Mortimer; and Australian Rules footballers Cameron Mooney, Wayne Carey and Paul Kelly to name just a few!

There are over 400 events every year. Festivals range from the smooth sounds of the Wagga Wagga Jazz and Blues Festival, to the hugely popular Food and Wine Festival, and the glittering Gold Cup racing carnival!



For more information or to explore the opportunities in the Wagga Wagga region further, please contact: Wagga Wagga City Council - Commercial & Economic Development Directorate
P 1300 292 442 • F 02 6926 9159 • twitter.com/waggaed
W www.businesswaggawagga.com.au • E business@wagga.nsw.gov.au