



Final Report 2015
Wakool Shire – District 076
Base Date 1 July 2015

LG
ValuationServices



Maps

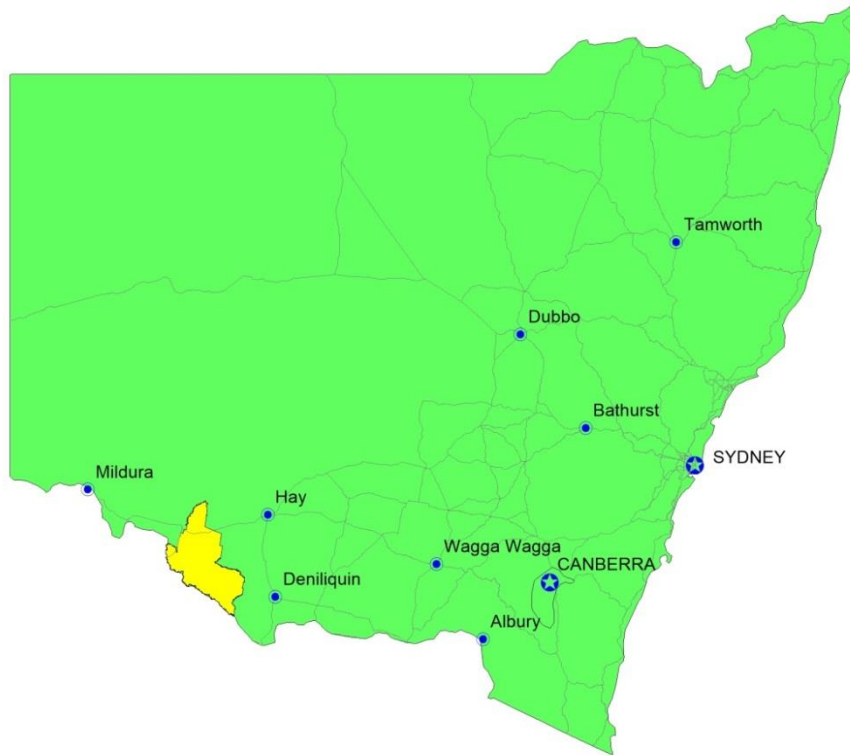


Table of Contents

MAPS.....	2
EXECUTIVE SUMMARY	4
GENERAL LGA OVERVIEW	5
MARKET OVERVIEW AND SALES OF PARTICULAR INTEREST	8
EVIDENCE OF STATISTICAL CHECKS (COD, MVP, PRD) AND COMPARISON OF AVERAGE VALUE CHANGES (COACV).....	12
OVERVIEW OF QUALITY ASSURANCE PROCESS.....	13
1 JULY 2015 QUALITY STATEMENT	13
AUTHOR	14
DISCLAIMER – PURPOSE OF THIS REPORT	15

Executive Summary

LGA Overview

Wakool Shire is situated in the south west of the Riverina, approximately 300 kilometres north of Melbourne and 800 kilometres south west of Sydney. Wakool Shire occupies an area of approximately 7,521 square kilometres with a population of 4,033 (2012) and is located between the Murray and Murrumbidgee Rivers, as well as having the Wakool and Edwards Rivers traverse through the shire generally from east to the west.

Wakool Shire is principally made up of two major towns being Barham and Moulamein and several smaller villages including Koraleigh, Goodnight, Murray Downs Estate, Tooleybuc and Wakool.

This shire is primarily a rural shire and has mixed agricultural pursuits centred around irrigated agriculture including rice growing, horticulture, dairying and pasture for sheep and cattle production, dry cropping and broad acre grazing. Agricultural production is the backbone of the region with a strong component supporting the service industries.

Residential improvements in these towns are predominantly single dwellings or strata title units or townhouses.

Wakool Shire is adjoined by four other Local Government Shire – Murray Shire to the east, Conargo and Hay to the north and Balranald to the west.

2,999 properties were valued at the base date of 1 July 2015, and values are reflective of the property market at that time. The Wakool Shire property market has remained steady across all sectors with many experiencing a slight increase in values. The Wakool Shire LGA is a well-regarded rural locality due to its proximity to major rivers, soils quality and climate.

Valuation changes in the local government area and percentage changes between the council valuation years of 1 July 2012 and 1 July 2015 are as follows;

Number of properties valued this year and total land value in dollars

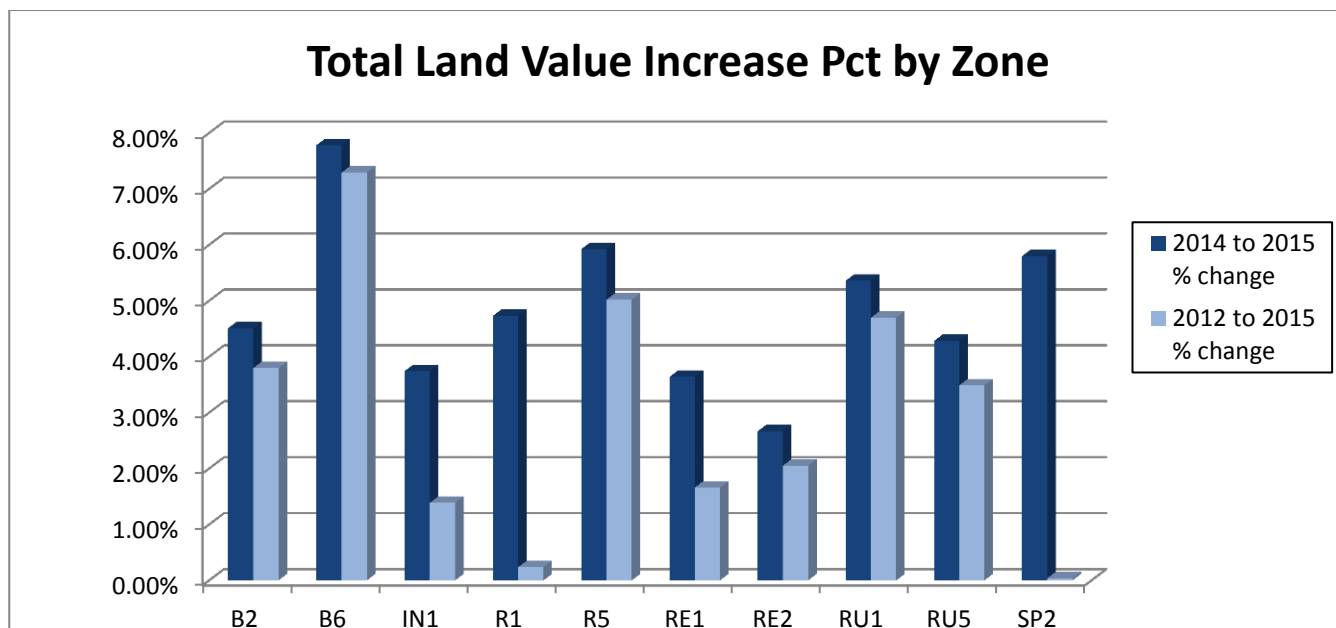
Zone	Zone Code	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2012)	2012 to 2015 % change
Local Centre	B2	63	\$4,032,900	\$3,858,900	4.51%	\$3,885,400	3.80%
Enterprise Corridor	B6	20	\$1,230,000	\$1,141,200	7.78%	\$1,146,400	7.29%
General Industrial	IN1	42	\$3,484,500	\$3,358,800	3.74%	\$3,436,800	1.39%
General Residential	R1	593	\$49,512,835	\$47,275,970	4.73%	\$49,395,600	0.24%
Large Lot Residential	R5	93	\$11,373,755	\$10,737,720	5.92%	\$10,830,150	5.02%
Public Recreation	RE1	16	\$1,548,900	\$1,494,500	3.64%	\$1,523,600	1.66%
Private Recreation	RE2	9	\$3,574,900	\$3,482,000	2.67%	\$3,503,000	2.05%
Primary Production	RU1	1,558	\$390,265,100	\$370,411,680	5.36%	\$372,754,040	4.70%
Village	RU5	575	\$25,248,710	\$24,212,370	4.28%	\$24,398,290	3.49%
Infrastructure	SP2	30	\$768,040	\$725,940	5.80%	\$767,740	0.04%
Total		2,999	\$491,039,640	\$466,699,080	5.22%	\$471,641,020	4.11%

Total Land Value at General Valuation 1 July 2015 = \$491,039,640

Total Land Value Based Date 1 July 2014 = \$466,699,080

Percentage change from 1 July 2014 to 1 July 2015 = 5.22%

Percentage change from 1 July 2012 to 1 July 2015 = 4.11%



State and local government legislation for Wakool Shire

Wakool Shire Local Environment Plan was implemented November 2013. There have been no amendments to the Local Environment Plan since that time. The plan is based on the standardised Local Environment Plan prescribed by the New South Wales legislation.

State and local government legislation for LGA

Zone Code	Zone Name	Number of Current Properties
B2	Local Centre	63
B6	Enterprise Corridor	20
IN1	General Industrial	42
R1	General Residential	593
R5	Large Lot Residential	93
RE1	Public Recreation	16
RE2	Private Recreation	9
RU1	Primary Production	1,558
RU5	Village	575
SP2	Infrastructure	30
Total		2,999

General LGA Overview

Location of the Shire and Principal Towns

The Wakool Shire is located in south western Riverina, between the two mighty rivers of the Murray and Murrumbidgee. Its two main towns are Barham and Moulamein and as well including the villages of Koraleigh, Tooleybuc, Goodnight and Wakool as well as Murray Downs Estate situated opposite Swan Hill in Victoria.

This shire is primarily a rural shire and has mixed agricultural pursuits centered around irrigated agriculture including rice growing, horticulture, dairying and pasture for sheep and cattle production, dry cropping and broad acre grazing.

Barham Township

The town of Barham is located approximately 823 kilometres south west of Sydney. It is situated on the banks of the Murray River across from Koondrook in the neighbouring state of Victoria. Barham had a population of 1,151 at the 2011 census. The town is the largest in the Wakool Shire.

The main industries in and around Barham are agriculture, including dairying, citrus and forestry.

Like much of the Southern Riverina the town is attuned culturally to Victoria, reading Victorian newspapers and watching Victorian television channels. The town also supports Australian Rules Football with its neighbouring town Koondrook.

Moulamein Township

The town is located between Balranald, Hay, Deniliquin and Swan Hill at the junction of the Edward River and Billabong Creek. The name Moulamein is derived from a local Aboriginal word meaning “the meeting of the waters”. The main shire offices and shire depot are located in Moulamein.

Moulamein is the oldest town in the Riverina and had a population of 330 people at the last census.

The climate of this area is semi-arid, and the area is rich in birdlife, such as waterfowl, wedge tailed eagles and emus with an abundance of kangaroos.

Koraleigh Village

Koraleigh is a village on the banks of the Murray River and is the traditional lands of the Muthi Muthi Aboriginal tribe and it is named from the language of these people. Its population is around 300.

Tooleybuc/Goodnight Villages

The town of Tooleybuc is located on the Mallee Highway approximately 919 kilometres south west of Sydney and approximately 381 kilometres North West of Melbourne. It is situated on the banks of the Murray River across from Piangil in the state of Victoria. Tooleybuc is on the traditional lands of the Muthi Muthi Aboriginal tribe.

It is situated on the main road between Swan Hill and Balranald and there is no such township there.

Wakool Village

Wakool is situated in the western Riverina approximately 791 kilometres from Sydney.

It is described as a casual township nestled amongst rivers and creeks. It is a large agricultural service centre and is surrounded by cereal and rice growing properties.

At the 2006 census Wakool had a population of 213.

Villages - There are a small number of residential dwellings located in various towns within the LGA.

Main Industries

Whilst Wakool's pursuits have generally been linked to agriculture, its economic drivers are becoming much more varied.

Irrigated agriculture in the form of rice production is a major industry when seasonal conditions are favorable. Cereal crops are produced on rotation and livestock are bred for the meat market.

Wakool Shire also boasts a busy retail sector, supplying locally, along with services in the health area and construction manufacturing.

General Rural Overview

Activity in the Southern Riverina property market, which has been relatively subdued in recent years, has improved over the past 12 months. Prior to this period the market in this region had generally struggled following the drought.

For a time following the drought, primary producers were focusing on paying down debt incurred during the drought and in some cases replenishing stock numbers and/or fodder supplies.

During this period, some of the less efficient farmers were forced, or made the decision, to sell up. Given demand was low, prices reduced slightly in accordance.

More recently, good seasonal conditions and high cattle and commodity prices appear to be improving primary producer optimism and influencing reasonable demand for Southern Riverina rural properties.

This has resulted in farmers in certain districts looking to expand and increasing demand.

Cropping and Grazing

The market for good quality cropping and grazing land in the Southern Riverina has enjoyed steady growth over the past 3 years, with sound commodity prices, low interest rates driving competition for such holdings. Most competition has been observed to be between expansionist neighbours, who continue to seek additional economies of scale from their existing investment in plant and equipment. High quality cropping country is now at record levels through much of the Riverina, and similarly, high quality sheep country (as well as country versatile enough to run cattle) is also very strongly traded.

Opportunities for new entrants through this region are limited, due to few holdings of sufficient size to immediately be a viable stand-alone operation, being offered to the market.

Therefore, whilst values for well-located holdings of reliable country have strengthened appreciably, the very dry start to the 2015 summer created moderate market enthusiasm, and produced upward price pressure for the next 6 months.

Market Overview and Sales of Particular Interest

LG Valuation Services has undertaken a significant analysis of Wakool Shire district property market to provide an accurate and reliable basis of valuation. 73 sales have been analysed since 1 September 2014 as well as a full review of sales analysed by the previous contractor to enable the establishment and verification of the land values as at 1 July 2015. These analysed sales also support the grading across the components. Analysed sales reports are provided to Land Property Information on a consistent basis throughout the year. The added value of improvements are also analysed to enable accurate deduction of land values. LG Valuation Services undertakes this process using the paired sales approach and the replacement cost approach.

In analysing sales before or after 1 July, it is necessary to adjust the contract price in terms of market movement. In the Wakool Shire this year, sales and resales of properties indicated little variance in values throughout the year with only slight movement from August 2014 to 1 July 2015 for properties zoned residential. Rural properties also had a very slight increase in values throughout the year. Rental and commercial rental analysis demonstrated a very small increase in values since last year.

There have been limited sales of significance within this shire in recent times. Large rural enterprises have been thinly traded. There has been only slight interest in a number of commercial and industrial properties within the shire but none of significant value.

Significant issues and developments

The number of ratable properties within the shire has increased from 2,953 in 1 July 2014 to 2,999 in 1 July 2015 and increase of 1.5%. This is due to a number of new subdivisions including “Fairway Estate”, “River Estate” and “Teddy’s Lane Estate” in Barham and the ongoing redevelopment at Murray Downs including “Shearers Rise” and “Woolshed at Murray Downs”.

There has not been any significant developments or applications outside of those that are permissible under the current zoning and therefore no special consideration is required.

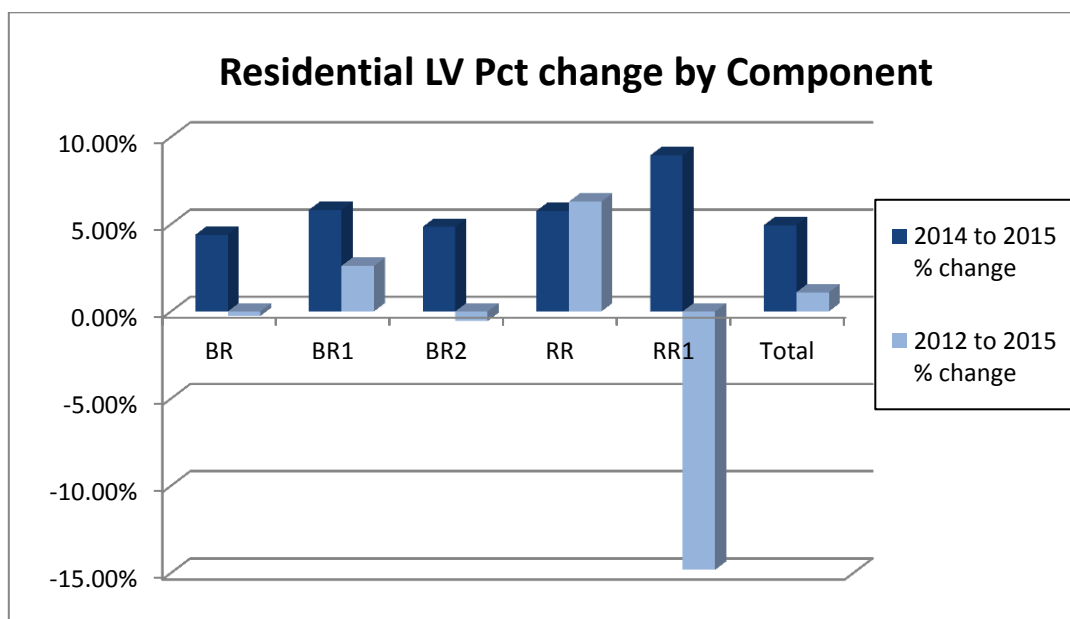
Significant value changes

- Overall Change – Changes have been minimal throughout the shire.
- There has been an increase in land value of lifestyle properties with Murray River frontage in adjoining shires but this is yet to be reflected in Wakool Shire.

Summary of valuation changes to residential land

- Residential – residential sales across all towns have been steady in recent times. Moulamein, Wakool and Goodnight have seen no significant change to values. Barham, Tooleybuc and Murray Downs have risen slightly due to their proximity to the Murray River, affordability and retirees/investors.

Code	Component Name	Number of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2012)	2012 to 2015 % change
BR	BARHAM RESIDENTIAL	508	\$33,324,975	\$31,921,270	4.40%	\$33,413,100	-0.26%
BR1	BARHAM RIVER FRONTAGE	38	\$9,511,100	\$8,987,000	5.83%	\$9,269,000	2.61%
BR2	BARHAM LARGE LOTS/ENGLOBO	47	\$6,676,760	\$6,367,700	4.85%	\$6,713,500	-0.55%
RR	BARHAM LARGE LOT RESIDENTIAL	83	\$10,813,755	\$10,223,720	5.77%	\$10,172,750	6.30%
RR1	MOULAMEIN LARGE LOT RESIDENTIAL	10	\$560,000	\$514,000	8.95%	\$657,400	-14.82%
Total Residential		686	\$60,886,590	\$58,013,690	4.95%	\$60,225,750	1.10%

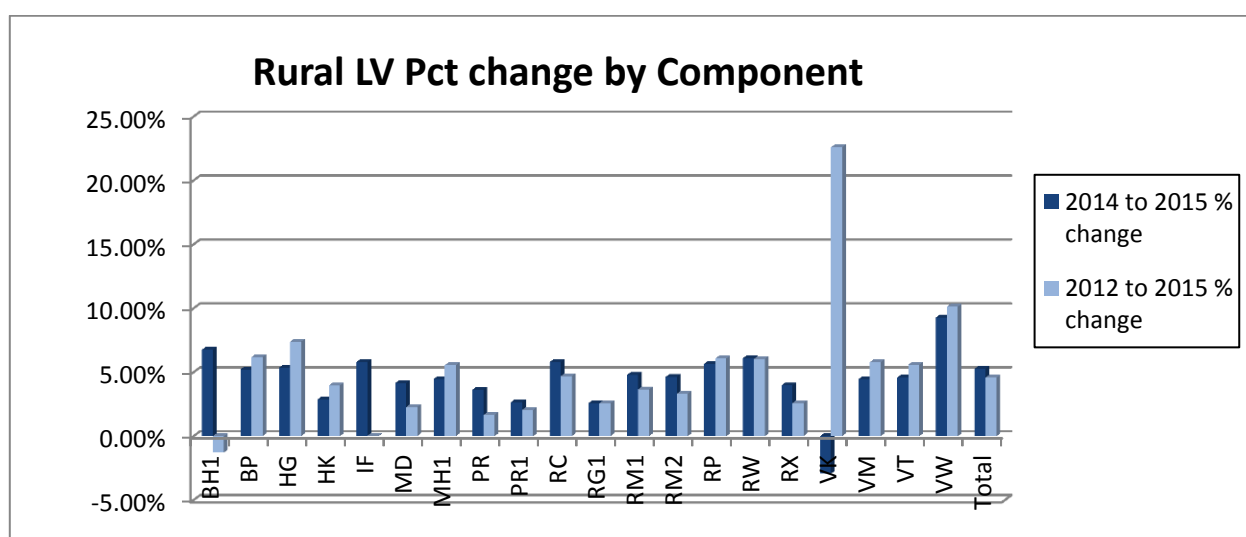


The above graph indicates that RR1 (Moulamein Large Lot Residential) had decreased in land value by 14.82% with an 8.95% increase since last valuation return. This component comprises 10 properties all with Edwards River frontage. All 10 properties had been valued at around \$61,000. On review in 2014 they were reduced back to \$50,000. For 2015 General Revaluation they have been increased to \$55,000. The current values have been reviewed and are considered correct.

Summary of valuation changes to rural land

- Rural – The rural market has remained steady as a result of improved seasonal and economic conditions. Irrigation properties and horticultural blocks at Goodnight and Tooleybuc have all remained steady. Dryland cropping has also remained steady. Overall broad acre rural properties have experienced a slight increase between 2% - 6% over the past 12 months.
- Rural Residential – This trend has been consistent across lifestyle/hobby farms with slight increased demand for these properties indicating an increase of between 2% - 8% eight percent generally.

Code	Component Name	Number of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2012)	2012 to 2015 % change
BH1	BARHAM HOBBY FARMS	160	\$17,824,600	\$16,696,030	6.76%	\$18,056,150	-1.28%
BP	BARHAM PUMPERS	57	\$15,517,725	\$14,747,800	5.22%	\$14,613,500	6.19%
HG	HORTICULTURE - GOODNIGHT/TOOLEYBUC	83	\$4,959,560	\$4,707,020	5.37%	\$4,618,120	7.39%
HK	HORTICULTURE - KORALEIGH	86	\$3,031,700	\$2,946,600	2.89%	\$2,916,000	3.97%
IF	INFRASTRUCTURE	30	\$768,040	\$725,940	5.80%	\$767,740	0.04%
MD	MURRAY DOWNS RESIDENTIAL	106	\$18,675,500	\$17,932,100	4.15%	\$18,260,100	2.27%
MH1	MOULAMEIN RURAL HOMESITES < 40HA	80	\$8,825,700	\$8,447,590	4.48%	\$8,361,190	5.56%
PR	PUBLIC RECREATION	16	\$1,548,900	\$1,494,500	3.64%	\$1,523,600	1.66%
PR1	PRIVATE RECREATION	9	\$3,574,900	\$3,482,000	2.67%	\$3,503,000	2.05%
RC	DRY CROPPING	80	\$48,992,060	\$46,306,800	5.80%	\$46,793,000	4.70%
RG1	DRY GRAZING	34	\$24,810,347	\$24,186,130	2.58%	\$24,186,130	2.58%
RM1	MURRAY RIVER < 100HA	123	\$25,818,500	\$24,637,550	4.79%	\$24,907,850	3.66%
RM2	MURRAY RIVER > 100HA	67	\$43,276,600	\$41,359,000	4.64%	\$41,890,000	3.31%
RP	PUMPERS - RIVERS/CREEKS	198	\$58,488,647	\$55,351,180	5.67%	\$55,140,080	6.07%
RW	WAKOOL IRRIGATION DISTRICT	356	\$124,247,525	\$117,106,350	6.10%	\$117,165,850	6.04%
RX	RURAL EXCEPTIONS	234	\$14,472,136	\$13,919,630	3.97%	\$14,106,170	2.59%
VK	VILLAGE OF KORALEIGH	37	\$378,350	\$389,780	-2.93%	\$308,590	22.61%
VM	VILLAGE OF MOULAMEIN	203	\$2,259,110	\$2,162,480	4.47%	\$2,135,590	5.78%
VT	VILLAGE OF TOOLEYBUC	106	\$3,084,000	\$2,948,600	4.59%	\$2,920,600	5.59%
VW	VILLAGE OF WAKOOL	123	\$851,750	\$779,410	9.28%	\$773,410	10.13%
Total Rural		2,188	\$421,405,650	\$400,326,490	5.27%	\$402,946,670	4.58%



Sales analysis in the village of Koraleigh indicated that land values have decreased slightly post the previous valuation. Analysis indicated that the decrease was approximately 3%, but in land value terms this indicated a reduction of less than \$500 a block.

Summary of valuation changes to commercial land

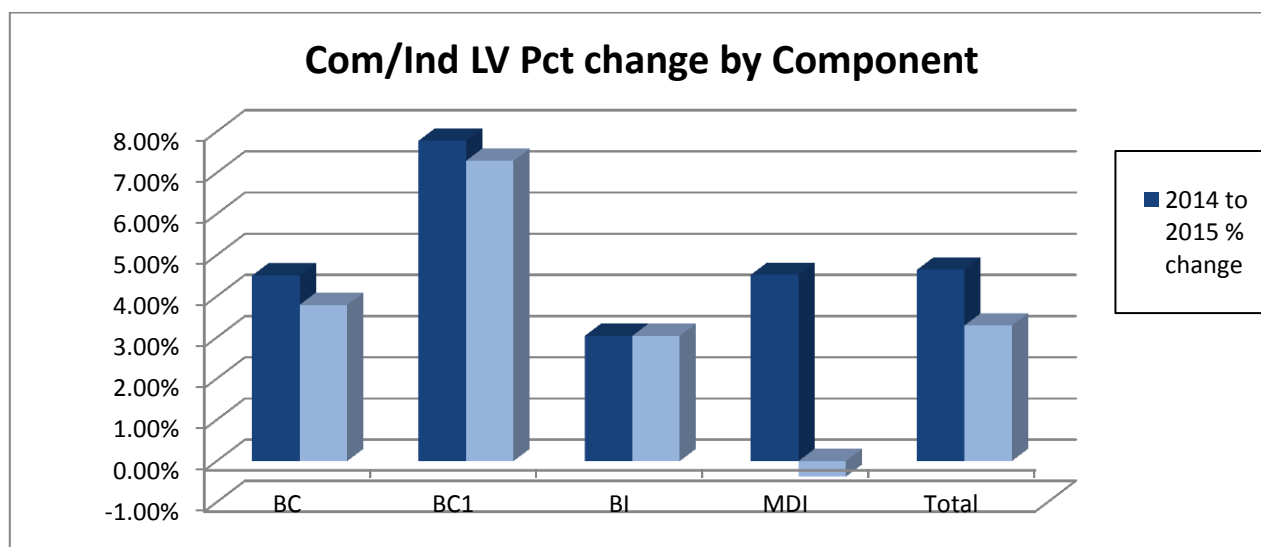
- Commercial – Barham commercial comprises 63 properties with only 5 sales occurring post 1 January 2013. The sales that have been analysed indicate a very small increase of no more than 5% should be applied for this General Revaluation. The other commercial areas throughout the shire have remained inactive and no value changes have been applied.

Summary of valuation changes to industrial land

- Industrial – Barham has a small industrial sector (28 properties) with a number of analysed sales indicating no change to values. This market is generally inactive with the majority of the properties being owner occupied.

Murray Downs industrial land is situated across the river from Swan Hill with limited to no sales occurring in recent times. This market has remained generally inactive with land values in most instances unchanged.

Code	Component Name	No of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2012)	2012 to 2015 % change
BC	BARHAM COMMERCIAL	63	\$4,032,900	\$3,858,900	4.51%	\$3,885,400	3.80%
BC1	BARHAM MOULAMEIN RD	20	\$1,230,000	\$1,141,200	7.78%	\$1,146,400	7.29%
BI	BARHAM INDUSTRIAL	28	\$1,829,000	\$1,775,000	3.04%	\$1,775,000	3.04%
MDI	MURRAY DOWNS INDUSTRIAL	14	\$1,655,500	\$1,583,800	4.53%	\$1,661,800	-0.38%
Total Commercial and Industrial		125	\$8,747,400	\$8,358,900	4.65%	\$8,468,600	3.29%



Evidence of Statistical Checks (COD, MVP, PRD) and Comparison of Average Value Changes (COACV)

Zone Code	Zone Name	Number of Current Properties	Number of Market Sales	COD	MVP	PRD	COACV
B2	Local Centre	63	0				
B6	Enterprise Corridor	20	0				
IN1	General Industrial	42	1	0.00	100.00	1.00	0.02
R1	General Residential	593	16	3.13	94.69	1.01	2.07
R5	Large Lot Residential	93	4	8.91	102.96	1.03	5.77
RE1	Public Recreation	16	0				
RE2	Private Recreation	9	0				
RU1	Primary Production	1556	16	4.16	97.10	0.99	3.44
RU5	Village	575	12	3.67	97.95	1.02	-2.62
SP2	Infrastructure	30	0				

a) Coefficient of Dispersion (COD)

The COD is used to measure the uniformity of land values relative to prices (sales). The COD is a measure of the accuracy of the grading within a zone, component or group of properties. Therefore if value levels are inconsistent the variation between those values and the sales evidence used will be outside the required parameter.

b) Mean Value Price Ratio (MVP)

The MVP measures the accuracy of values relative to sales price. It is calculated by dividing, in each instance where there is an analysed sale of land, the land value by the adjusted land value at the valuation date, aggregating the results and dividing the total by the number of analysed sales, then expressing the result as a percentage.

c) Price Related Differential (PRD)

The PRD measures the vertical equity of valuations, that is the extent to which high and low valued properties are assessed uniformly relative to the sales data. A low PRD indicates the valuations are progressive, that is high valued properties, are over-valued in relation to low valued properties, whereas a high PRD indicates the values are regressive, that is high valued properties are under-valued relative to low valued properties.

Overview of Quality Assurance Process

LG Valuation Services has been provided with a detailed Valuation Analysis Report from NSW LPI, which details the Quality Assurance Process of Contractors and outlines the Verification process and certifies that Land Values meet all Statistical Measures and Component Data Analysis. In addition, a Quality Statement and lists of high value and high risk properties will also be provided in the Valuation Analysis Report. Checks have been undertaken to ensure that all properties have been valued, land values are consistent with each other, land value basis' have been correctly determined and all concessions and allowances have been supplied. Additionally, properties that had land values amended through the objection or re-ascertainment process will be individually examined to reconcile surrounding land values and ensure accuracy of the grading of surrounding land values. Benchmarks and Reference Benchmarks are core elements of the quality assurance processes and are identified and individually valued in accordance with the Rating and Taxing Procedures Manual Version 6.6.2.

1 July 2015 Quality Statement

Quality Check	Yes/No
All properties have been valued.	Yes
The land values are consistent with each other.	Yes
The land value basis has been correctly determined and recorded for each land value.	Yes
All statutory concession valuations and allowances have been supplied, including: Allowances for profitable expenditure on and off the land under Section 14L of the Valuation of Land Act Subdividers allowances under Section 14T of the Valuation of Land Act Heritage Values under Section 125 of the Heritage Act Mixed Development and Mixed Use Apportionment Factors under Sections 14X and 14BBA of the Valuation of Land Act Coal Allowances under Section 14F(4) of the Valuation of Land Act Unutilised value allowances under Section 62K of the Land Tax Management Act	Yes
All land value apportionments have been provided and calculations are correct.	Yes
Land values for those properties that have considerably higher values in relation to the average for a land use and land values of high risk properties have been reviewed and are correct. For example, regional shopping centres, large scale industrial and unit developments, large rural properties etc. The review procedures are to be provided if requested.	Yes
Land values that result in substantial changes in valuation parities or unusually large value variations from the last valuations issued for either land tax or council rating have been checked and are correct.	Yes
Adjustments and assumptions within the market analysis have been based on market evidence and have been fully documented and rationalised.	Yes
Analysed sale properties where the sales ratio does not lie within the range 0.85 to 1.00 have been reviewed and an explanation provided as to why the current land value should be adopted.	Yes
A Zone/Component code integrity check has been made.	Yes
The current and proposed planning controls that affect the valuations have been taken into account.	Yes

Where the land value of a property has been amended on objection or re-ascertainment, the alignment of values with surrounding properties, or properties of a similar property type, has been checked.	Yes
Statistical checks and Component Data Tables have been prepared, reviewed and anomalies or results outside the specified parameters have been rationalised and reported.	Yes
All land values are able to be supported by market evidence	Yes
The annual verification program requirements, including percentages of properties verified per risk rating, has been completed and correct risk codes have been applied.	Yes
Where applicable, all internal quality assurance processes identified within Part D of the contract (Tender Response) have been undertaken	Yes

I certify that the above information is an accurate account of the activities undertaken, reviews completed and quality control checks in place for Wakool Shire.

Author

Report Prepared By:



Oliver Boyd AAPI CPV
Contract Services Manager

LG Valuation Services Pty Ltd
Part of HMC Property Group
PO Box 66
Moama NSW 2731

460 Swift Street
Albury NSW 2640

Phone: 03 5851 2200
Email: oliver@hmval.com.au

12 November 2015

Disclaimer – Purpose of this Report

The purpose of this report is to describe the process and considerations for the 1 July 2015 Valuation of Wakool Shire. The report has been produced on behalf of the Valuer General.

The land values have been specifically made for rating and taxing purposes. Land values produced as part of this process should not be used for any other purpose without the specific agreement of the Valuer General.

Land values must have regard to specific requirements and assumptions in rating and taxing legislation. Consequently these valuations may vary from market levels.

The land values have been determined using a methodology prescribed by the Rating and Taxing Valuation Procedures Manual. The manual allows mass valuation methodologies that involve assessing large numbers of properties as a group to be utilised where appropriate. Mass valuation methodologies are by their nature likely to be less accurate than individually assessed valuations, however are utilised worldwide for rating and taxing purposes to deliver valuations within an acceptable market range.

Town planning, land use and other market information contained in this report has been compiled based on enquires undertaken during the valuation process. Third parties should make their own inquiries into these details and should not rely on the contents of this report.

The Valuer General disclaims any liability to any person who acts or omits to act on the basis of the information contained in this report.

More information on the valuation process is available from the Land and Property Information website at www.lpi.nsw.gov.au/valuation.