



Final Report 2015
Berrigan Shire – District 051
Base Date 1 July 2015

LG
ValuationServices



Maps



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Executive Summary

LGA Overview

Berrigan Shire is situated in the Southern Riverina of NSW, approximately 300 kilometres north of Melbourne and 640 kilometres south west of Sydney. Berrigan Shire occupies an area of approximately 2,066 square kilometres with a population of 8,337 (2012). The major transport routes through the Shire are the Newell and Riverina Highways. The Shire is a mainly agricultural region, with dairying, cattle raising, wool growing and cropping the main activities. The vast majority of the Shire is irrigated. Tourism is another major activity, concentrated on the Murray River towns of Tocumwal and Barooga.

Berrigan Shire has shown resilience when coming through a ten year drought which saw the rice industry suffer because of limited irrigation water allocations. The area has a large irrigated dairy industry and is supported by Murray Goulburn's milk factory at Cobram.

The soils closer to the Murray River provide suitable opportunities for dry land cropping as well as some irrigated agriculture.

Major water delivery companies have offices within the shire and boosts employment as does the provision of professional services and allied health industries.

5,051 properties were valued at the base date of 1 July 2015, and values are reflective of the property market at that time. The Berrigan Shire property market has remained steady across all sectors with many experiencing a slight increase in values. The Berrigan 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 2013 and 1 July 2015 are as follows;

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

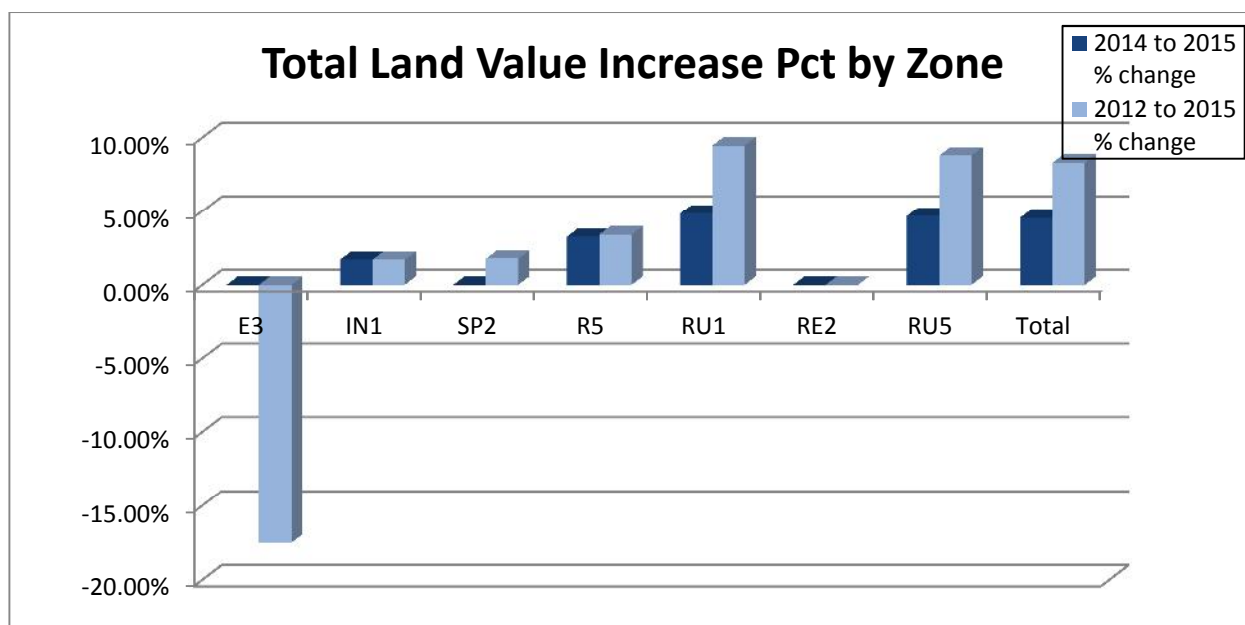
Zone	Zone Code	Number of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
Environmental Management	E3	18	\$5,799,300	\$5,799,300	0.00%	\$7,030,000	-17.51%
General Industrial	IN1	74	\$5,191,300	\$5,104,660	1.70%	\$5,104,660	1.70%
Infrastructure	SP2	44	\$3,166,300	\$3,166,260	0.00%	\$3,111,260	1.77%
Large Lot Residential	R5	327	\$33,664,600	\$32,602,400	3.26%	\$32,556,900	3.40%
Primary Production	RU1	1,146	\$322,727,660	\$307,847,870	4.83%	\$294,831,730	9.46%
Private Recreation	RE2	2	\$2,759,000	\$2,759,000	0.00%	\$2,759,000	0.00%
Village	RU5	3,440	\$182,207,441	\$174,094,101	4.66%	\$167,485,081	8.79%
Grand Total		5,051	\$555,515,601	\$531,373,591	4.54%	\$512,878,631	8.31%

Total Land Value at General Valuation 1 July 2015 = \$555,515,601

Total Land Value Based Date 1 July 2014 = \$531,373,591

Percentage change from 1 July 2014 to 1 July 2015 = 4.54 %

Percentage change from 1 July 2013 to 1 July 2015 = 8.31 %



State and local government legislation for Berrigan Shire

Berrigan Shire Local Environment Plan was implemented/Gazetted October 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
E3	Environmental Management	18
IN1	General Industrial	74
R5	Large Lot Residential	327
RE2	Private Recreation	2
RU1	Primary Production	1,146
RU5	Village	3,440
SP2	Infrastructure	44
Total		5,051

General LGA Overview

Location of the District

Berrigan Shire is situated on the Riverina Highway. The council boundaries are the four towns of Berrigan, Finley, Tocumwal and Barooga, the latter two boundaries bordering the Murray River.

Berrigan is 640 kilometres south of Sydney and 300 kilometres north of Melbourne. The Shire is adjacent to the Newell and Riverina highways in Southern NSW and the shire’s administration is based in the Berrigan township.

The towns in the Berrigan shire look to Melbourne as their capital selling and transporting grains and livestock south as well as secondary and tertiary education opportunities. They are also connected to the Australian Rules Football leagues and read and watch Victorian newspapers and TV.

The opening of the Mulwala Canal to provide irrigation water to the region by gravitation from the Hume Dam commenced in 1935 and water remains the single biggest input factor for agricultural production in the region.

This region's pioneers have a strong connection with the push for an Australian Federation and it was at the suggestion of the Berrigan Australian Natives' Association that the first meeting of the Federation League was held in Corowa which was a more central location.

Berrigan is bordered by the LGAs of Jerilderie, Corowa, Conargo and Murray.

Berrigan

Berrigan is a major transport hub for the many grain crops and livestock grown in the region. It is also the home of the shire's administration offices.

At the 2011 census Berrigan had a population of 922.

It has however, had a very active health care team and the town has recently opened a \$6.5 million hospital along with extensive independent and dependent living facilities.

West Corurgan Private Irrigation scheme is based at Berrigan and supplies irrigation water extracted from the Murray River at Corowa.

Finley

Finley is the largest town in the Berrigan Shire with a population of 1,921 in the 2011 census.

Finley is 664 kilometres south of Sydney and 273 kilometres north of Melbourne.

The town supports a thriving irrigation sector producing irrigated rice and other crops and is the major selling centre for over -the -hook livestock. The shareholder owned Murray Irrigation Limited has a regional office in Finley along with a pre-cast concrete business.

Tocumwal

Tocumwal describes itself as a bridge between two states Victoria and NSW. It remains a highly developed tourism mecca and is surrounded by productive irrigated agriculture.

The town is situated on the banks of the Murray River, 270 kilometres north of Melbourne and 696 kilometres south of Sydney.

The Newell Highway passes through Tocumwal and is the main route between Brisbane and Melbourne. The 2006 census has Tocumwal's population at 1,860 residents.

Prior to Federation, Tocumwal was an important customs port for goods passing between the two colonies of Victoria and NSW. The town was also linked to the Victorian gauge rail for the purposes of agricultural and cereal transportation.

During the Second World War the town was the home base of the Australian Air Force training and depot and also included large munitions dumps. Today the airfield is a world renown gliding facility.

Barooga

Barooga is a border town in the Riverina region of NSW and is situated just north of the Murray River and is the twin town of Cobram located on the Victorian side of the border. Barooga and Cobram share a Victorian postcode.

Barooga's population at the 2011 census was 1,498 residents. It is mainly a residential area and most of its commercial and industrial needs are met in its twin town of Cobram over the river.

It is a popular holiday destination boasting two 36-hole golf courses, two registered clubs and plenty of water sports on the Murray as well as extensive Botanical gardens.

Barooga is 679 kilometres south of Sydney and 263 kilometres north of Melbourne.

Main Industries

Berrigan Shire is situated in the Southern Riverina and consists predominantly of irrigated rural land; therefore its main income is derived from the agriculture industry. The vast majority of the Shire is irrigated; however, tourism is another major activity, centred on the river towns of Tocumwal and Barooga.

The shire is well covered for health care facilities and aged based services and sporting recreational activities.

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.

Dairy

The market for irrigated dairy farms in the Southern Riverina has been well traded over the last 12 months, despite some volatility in the farm gate milk price. Processors are still competing strongly for milk supply, and consequently there has been a rebound of confidence in the medium and long term future of the dairy sector. This is underpinned by a generally improved outlook for irrigation water supply, albeit now tempered by the prospect of a severe El Nino event, and rapid upward price pressure on temporary irrigation water. Most significant demand has centred around larger farms with good dairies, and multiple water sources. Competition for such holdings has seen values strengthen over the last 6 months. Agents report renewed levels of interest for large scale holdings, buoyed by the likelihood of a lower Australian dollar for the short to medium term, thus underpinning export demand for processed dairy product. The impacts of the recent free trade agreements with India and China, as well as the Trans-Pacific Partnership trade agreement are yet to materialise in property terms, but the net impact of these agreements are understood by the market to be positive for the dairy sector, further underpinning longer term confidence in the sector.

Market Overview and Sales of Particular Interest

Significant issues and developments

- Berrigan Shire has been found unfit for future as identified by IPART (Independent Pricing and Regulatory Tribunal) with suggestions they may have to merge with an adjoining shire to remain viable.
- Rising water prices and limited water allocation continue to affect the sale of large rural holdings within the shire.
- All blocks within the new subdivision located at Tocumwal Airport “Airpark Estate” have been sold. Future developments will occur with a number of hangers being proposed.

Significant value changes

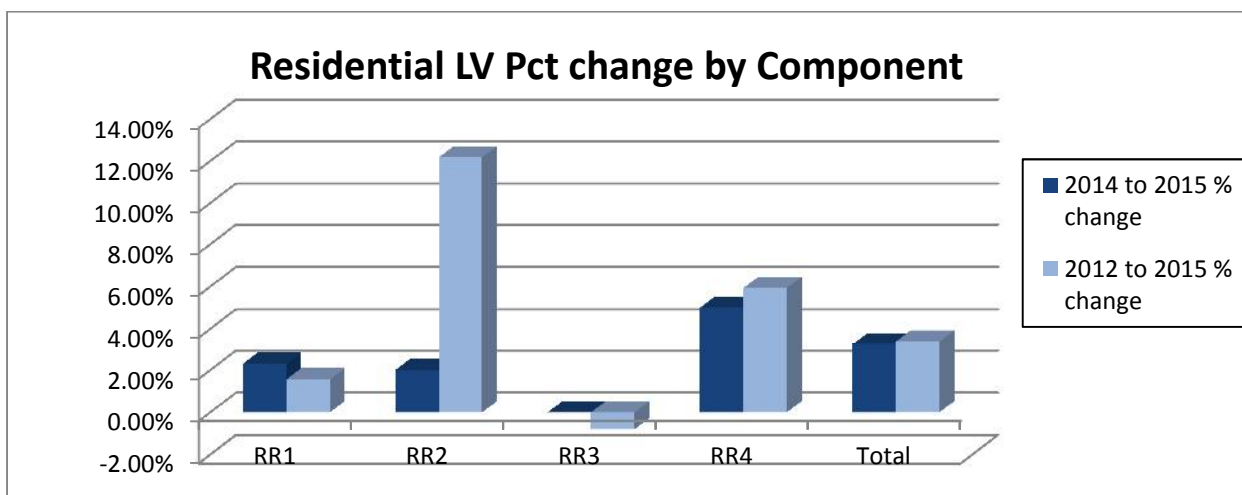
- There have been no significant land value changes within the Berrigan Shire in the last 12 months.

Summary of valuation changes to residential land

- Berrigan Residential – A good number of properties within Berrigan Township had transacted. Analysis indicated that there is no change to land values within the township.
- Tocumwal Residential – Tocumwal residential has continued to show steady growth across the market due to its proximity to the Murray River, affordability, services, golf courses, clubs and retirees/investors. This has continued to be the trend over the past 3 years.
- Finley Residential – We have applied a 5% increase in residential land values in Finley post the previous general valuation. This may sound significant but can be the difference of a \$1,000 to \$2,000 increase to land value. Over the past 2 years Finley has shown good steady growth.

- Barooga Residential – There are a number of good subdivisions within Barooga that have helped land values increase by approximately 5%. These properties are well priced and with good facilities within Barooga township, there has been a slight shift away from its Victorian sister town of Cobram.

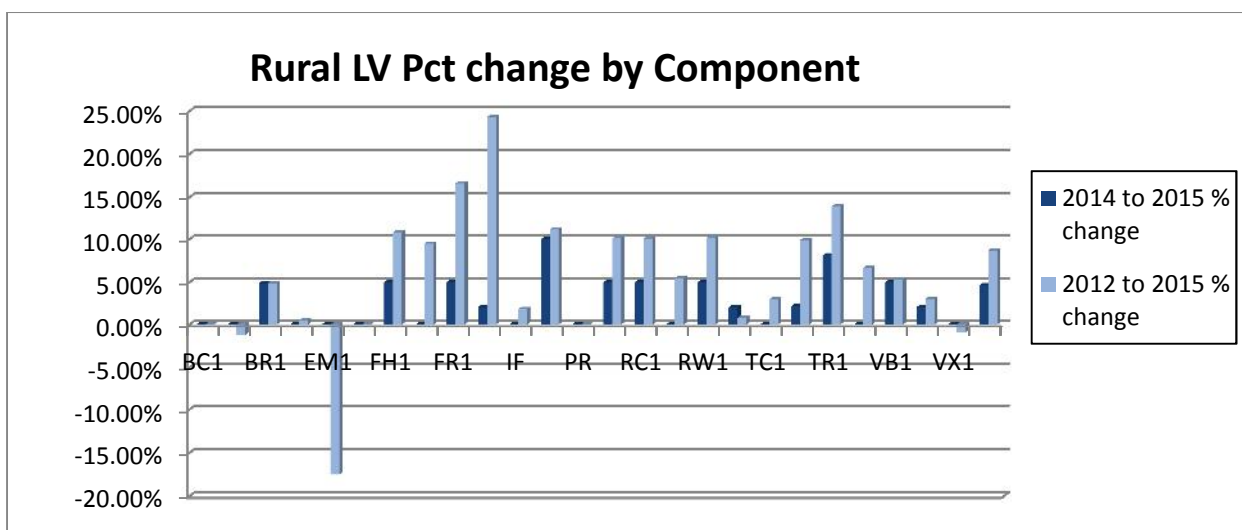
Code	Component	Number of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
RR1	TOCUMWAL RURAL RESIDENTIAL	173	\$16,296,200	\$15,930,000	2.30%	\$16,045,700	1.56%
RR2	FINLEY RURAL RESIDENTIAL	13	\$696,800	\$683,100	2.01%	\$621,100	12.19%
RR3	BERRIGAN RURAL RESIDENTIAL	42	\$2,369,600	\$2,369,600	0.00%	\$2,388,600	-0.80%
RR4	BAROOGA RURAL RESIDENTIAL	99	\$14,302,000	\$13,619,700	5.01%	\$13,501,500	5.93%
Total		327	\$33,664,600	\$32,602,400	3.26%	\$32,556,900	3.40%



Summary of valuation changes to rural land

- Rural – There has been limited sales evidence within this market over the past 12 months. The sales that have been analysed indicate an increase of approximately 5% across all agricultural markets within Berrigan Shire. Similar increase has been applied in adjoining shires of Jerilderie, Conargo and Murray.
- Rural Residential – The rural residential market has increased on average by approximately 5-10%. This is predominantly driven by proximity to the Murray River or services within surrounding Berrigan, Finley, Tocumwal and Barooga.

Code	Component Name	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
BC1	BERRIGAN COMMERCIAL	52	\$1,150,700	\$1,150,740	0.00%	\$1,150,740	0.00%
BH1	BERRIGAN HOBBY FARMS	58	\$3,825,900	\$3,825,900	0.00%	\$3,872,900	-1.21%
BR1	BERRIGAN RESIDENTIAL	430	\$9,008,400	\$8,588,930	4.88%	\$8,588,930	4.88%
BX1	BERRIGAN EXCEPTIONS	64	\$2,511,470	\$2,511,190	0.01%	\$2,498,690	0.51%
EM1	TOCUMWAL MURRAY RVR	18	\$5,799,300	\$5,799,300	0.00%	\$7,030,000	-17.51%
FC1	FINLEY COMMERCIAL	89	\$2,834,540	\$2,834,570	0.00%	\$2,834,570	0.00%
FH1	FINLEY HOBBY FARMS	120	\$9,284,400	\$8,841,270	5.01%	\$8,379,200	10.80%
FL1	FINLEY INDUSTRIAL	50	\$2,000,890	\$2,000,870	0.00%	\$1,827,270	9.50%
FR1	FINLEY RESIDENTIAL	873	\$24,718,500	\$23,531,000	5.05%	\$21,197,000	16.61%
FX1	FINLEY EXCEPTIONS	43	\$2,627,840	\$2,576,250	2.00%	\$2,113,960	24.31%
IF	INFRASTRUCTURE	44	\$3,166,300	\$3,166,260	0.00%	\$3,111,260	1.77%
MR	MURRAY RVR FARMS/LIFESTYLE	72	\$37,750,900	\$34,319,000	10.00%	\$33,962,000	11.16%
PR	PRIVATE RECREATION	2	\$2,759,000	\$2,759,000	0.00%	\$2,759,000	0.00%
RB1	MIXED FARMS BULLATALE	26	\$10,047,900	\$9,569,340	5.00%	\$9,124,260	10.12%
RC1	DRY CROPPING	102	\$64,474,700	\$61,403,700	5.00%	\$58,569,100	10.08%
RM1	WEST CORURGAN IRRN. FARMS	68	\$32,282,860	\$32,282,860	0.00%	\$30,614,060	5.45%
RW1	BERRIQUIN IRRN. DISTRICT FARMS	509	\$150,804,800	\$143,636,180	4.99%	\$136,905,900	10.15%
RX1	RURAL EXCEPTIONS	97	\$1,380,100	\$1,353,340	1.98%	\$1,369,320	0.79%
TC1	TOCUMWAL COMMERCIAL	67	\$7,918,200	\$7,918,200	0.00%	\$7,686,100	3.02%
TH1	TOCUMWAL HOBBY FARMS	54	\$7,540,900	\$7,385,180	2.11%	\$6,860,190	9.92%
TR1	TOCUMWAL RESIDENTIAL	938	\$58,578,901	\$54,176,051	8.13%	\$51,473,701	13.80%
TX1	TOCUMWAL EXCEPTIONS	90	\$11,595,200	\$11,595,190	0.00%	\$10,870,610	6.67%
VB1	BAROOGA RESIDENTIAL	642	\$43,111,600	\$41,059,860	5.00%	\$40,947,760	5.28%
VH1	BAROOGA HOBBY FARMS	40	\$5,335,200	\$5,231,100	1.99%	\$5,174,800	3.10%
VX1	BAROOGA EXCEPTIONS	102	\$16,151,200	\$16,151,250	0.00%	\$16,295,750	-0.89%
Total			\$516,659,701	\$493,666,531	4.66%	\$475,217,071	8.72%



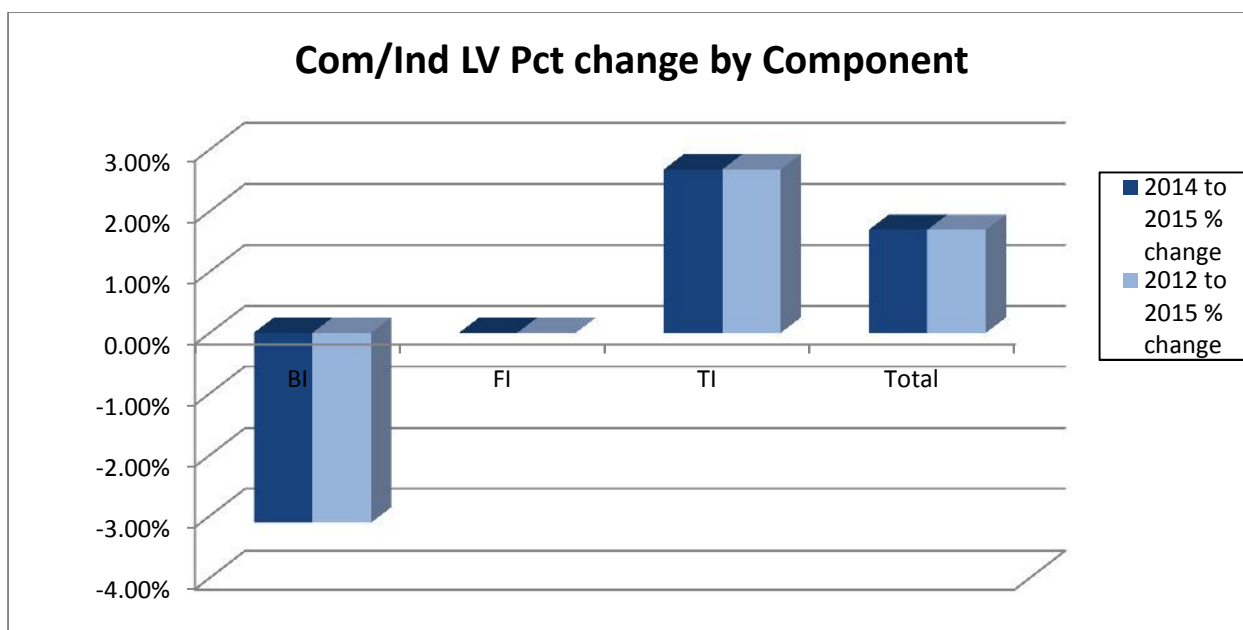
Summary of valuation changes to commercial land

- Commercial – The commercial sector across Berrigan Shire has remained stagnate over the past 3 years. There have been a number of sales within Berrigan, Finley, Tocumwal and Barooga that indicated no change to land values are required.

Summary of valuation changes to industrial land

- Berrigan industrial contains 10 properties and is showing a decline by 3 %. This has been the trend over the past 3 years. All of these properties are currently owner occupied. Industrial in Finley remains unchanged while Tocumwal has shown slight growth predominantly in Wise Court.

Code	Component Name	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
BI	BERRIGAN INDUSTRIAL	10	\$341,200	\$352,160	-3.11%	\$352,160	-3.11%
FI	FINLEY INDUSTRIAL ESTATE	22	\$1,108,700	\$1,108,700	0.00%	\$1,108,700	0.00%
TI	TOCUMWAL INDUSTRIAL	42	\$3,741,400	\$3,643,800	2.68%	\$3,643,800	2.68%
Total			\$5,191,300	\$5,104,660	1.70%	\$5,104,660	1.70%



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
E3	Environmental Management	18	0				
IN1	General Industrial	74	2	1.45	99.99	1.01	35.74
R5	Large Lot Residential	326	6	2.90	95.69	1.00	11.82
RE2	Private Recreation	2	0				
RU1	Primary Production	1145	1	0.00	87.11	1.00	4.46
RU5	Village	3439	56	4.67	99.37	1.00	0.79
SP2	Infrastructure	44	7	6.61	82.16	1.00	-0.08

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.	
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 Berrigan Shire.

Author

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13 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 Berrigan 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 valuation 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.