



Final Report 2015
Jerilderie Shire – District 062
Base Date 1 July 2015

LG
ValuationServices



Maps

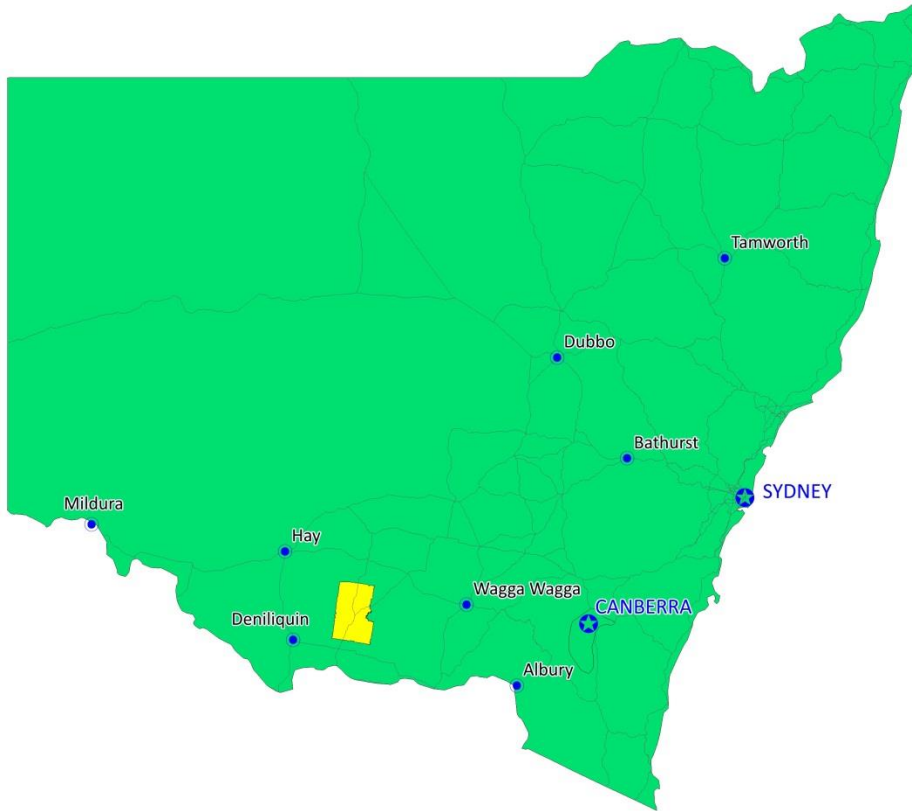


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Executive Summary

LGA Overview

Jerilderie Shire is situated in the Southern Riverina region of NSW, approximately 330 kilometres north of Melbourne and 640 kilometres south west of Sydney. Jerilderie Shire occupies an area of approximately 3,373 square kilometres with a population of 1,526 (2012). The Shire is a mainly agricultural region, with dairying, cattle raising, wool growing and cropping the main activities. A significant proportion of the shire is irrigated and also comprises some of the Coleambally Irrigation District in the north of the shire.

Jerilderie Shire is the second smallest local government area in NSW, and has, and still is considered a shire that should amalgamate with other neighbouring shires. The major transport routes through the Shire are the Newell Highways and Kidman Way.

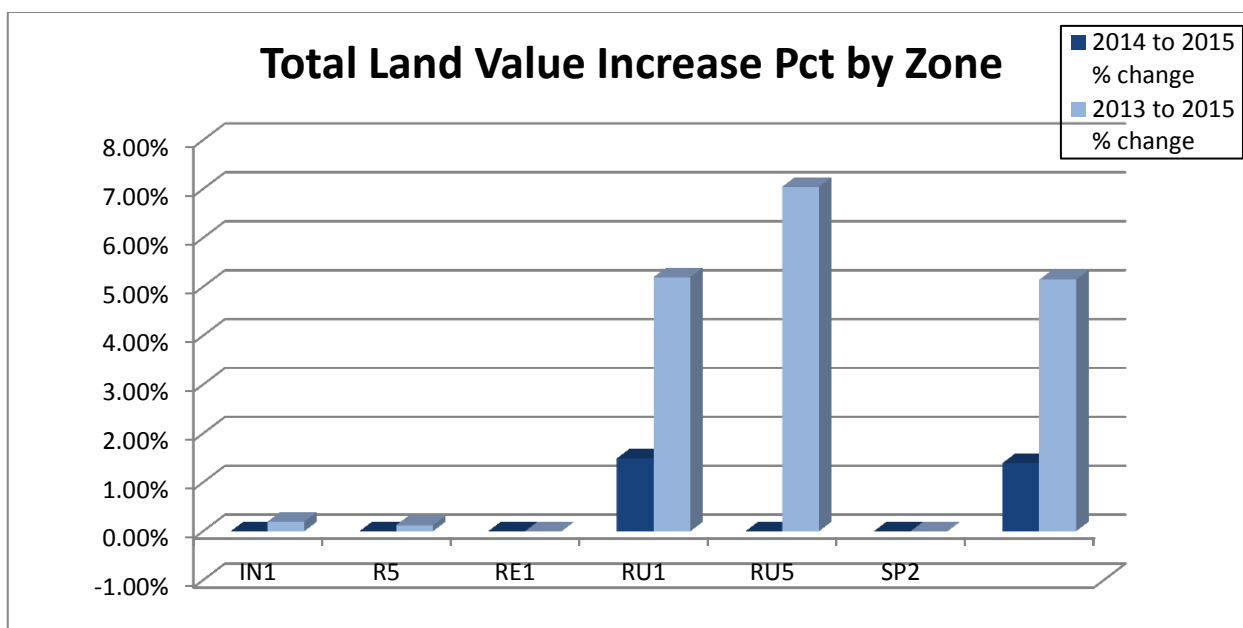
1,168 properties were valued at the base date of 1 July 2015, and values are reflective of the property market at that time. The Jerilderie Shire property market has remained steady across all sectors with many experiencing a slight increase in values. The Jerilderie Shire LGA is a well-regarded rural locality due to its proximity to major rivers, soils quality and climate.

However, it remains a highly innovative shire with its profitable private works program that has supplemented its rate's based income for many years.

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 (2013)	2013 to 2015 % change
General Industrial	IN1	49	\$1,623,300	\$1,623,380	0.00%	\$1,620,120	0.20%
Large Lot Residential	R5	33	\$1,825,100	\$1,825,110	0.00%	\$1,822,810	0.13%
Public Recreation	RE1	9	\$584,600	\$584,600	0.00%	\$584,600	0.00%
Primary Production	RU1	645	\$192,542,440	\$189,713,350	1.49%	\$183,029,130	5.20%
Village	RU5	418	\$8,128,830	\$8,128,790	0.00%	\$7,593,740	7.05%
Infrastructure	SP2	14	\$721,600	\$721,570	0.00%	\$721,570	0.00%
Grand Total		1,168	\$205,425,870	\$202,596,800	1.40%	\$195,371,970	5.15%

Total Land Value at General Valuation 1 July 2015	= \$205,425,870
Total Land Value Based Date 1 July 2014	= \$202,596,800
Percentage change from 1 July 2014 to 1 July 2015	= 1.40%
Percentage change from 1 July 2013 to 1 July 2015	= 5.15%



State and local government legislation for Jerilderie Shire

Jerilderie Shire’s Local Environment Plan was implemented 2012. 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
IN1	General Industrial	49
R5	Large Lot Residential	33
RE1	Public Recreation	9
RU1	Primary Production	642
RU5	Village	418
SP2	Infrastructure	14
Total		1,165

General LGA Overview

Location of the District

The Jerilderie Shire is located in the Southern Riverina and shares its boundaries with Urana, Berrigan, Conargo and Murrumbidgee Councils. It is the second smallest local government area in NSW.

The shire offices front the Newell Highway (the main highway from Melbourne to Brisbane) which divides the north and south of the shire. Jerilderie Township is 674 kilometres south west of Sydney and 324 kilometres north of Melbourne and services a wide ranging agricultural and horticultural sector.

There are large areas of dry land farming producing meat and wool along with intense horticultural cropping including the 15,000 tonnes of fresh tomatoes that are converted locally to sauces. This area is listed as producing a quarter of all the tomatoes grown in Australia.

It is the home of some very famous Merino sheep studs and has a diverse number of cereal crops grown in the region.

The 2012 census listed 1,526 residents.

Jerilderie

Jerilderie is the only significant town in the shire. It has been a stopping off point since the mid 1850's and this continues with the picturesque Jerilderie Lake and park facilities.

This town nestles into Australian folklore with the visit in 1879 of Ned Kelly and his gang and the robbing of the Bank of New South Wales. It was here too that the Jerilderie Letter was penned probably by Joe Burn, a member of the Kelly gang.

This brush with history has put Jerilderie clearly on the tourist map and it is also the start of the Kidman Way which takes a road route from the southern States to the Northern Territory.

Jerilderie is a service centre for the many agricultural and horticultural pursuits carried out in the surrounding properties.

The name Jerilderie is Aboriginal for 'reedy place'.

Main Industries

The shire takes in some of the Coleambally Irrigation district as well as extensive irrigation properties serviced by Murray Irrigation Ltd. Irrigated cereals, as well as rice and the production of fat lambs provide a healthy income for irrigators and dry-land farmers.

The Merino studs provide employment and beef cattle and sheep are sold locally at planned stock sales.

This area also has shown some innovation with other crops such as tomatoes, onions, liquorice mung and soybeans.

Initially considered a shearers town when the grazing country stocked thousands of sheep it is now more a service centre, with good high care facilities for the elderly.

General Rural Overview

Activity in the Southern Riverina property market, which has been relatively subdued in recent years, has improved over 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

Significant issues and developments

- Rising water prices and limited water allocation continue to affect the sale of large rural holdings.
- Jerilderie 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.

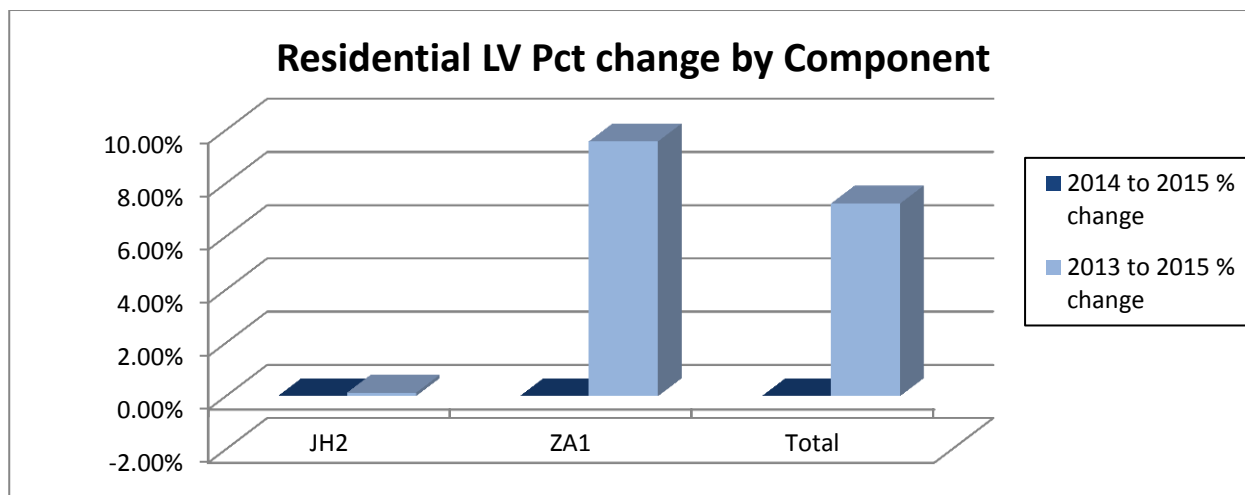
Significant value changes

- There are no significant value changes in the Jerilderie Shire.

Summary of valuation changes to residential land

- Residential – A suitable number of residential sales have occurred within the last 12 months in Jerilderie. After analysing 11 sales, the market indicates no change to land values throughout the township.

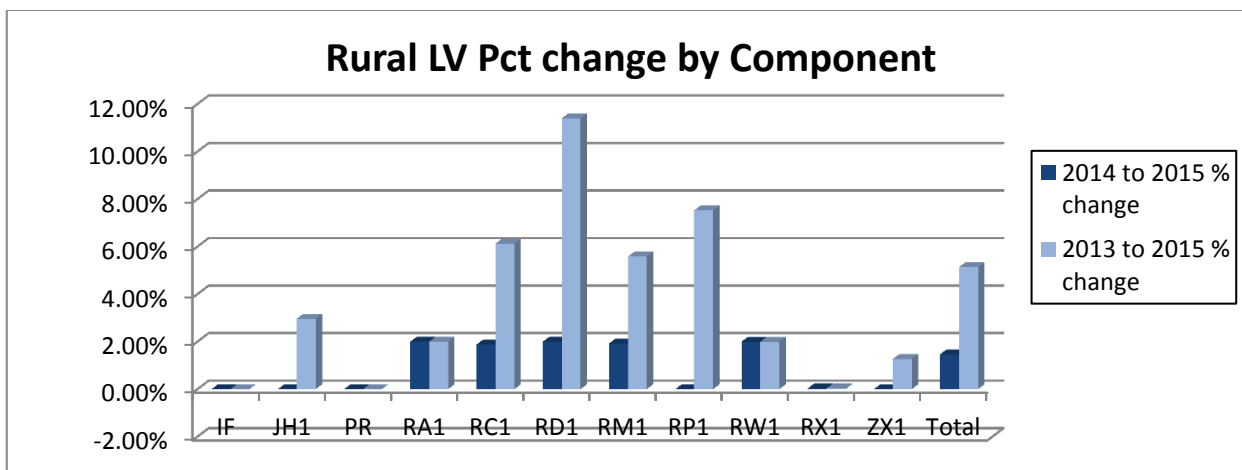
Code	Component	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2013)	2013 to 2015 % change
JH2	LARGE LOT RESIDENTIAL	33	\$1,825,100	\$1,825,110	0.00%	\$1,822,810	0.13%
ZA1	JERILDERIE RESIDENTIAL	350	\$6,079,030	\$6,078,930	0.00%	\$5,547,680	9.58%
Total		383	\$7,904,130	\$7,904,040	0.00%	\$7,370,490	7.24%



Summary of valuation changes to rural land

- Rural – Dry land rural had a significant increase in 2013- 2014 but in the absence of sales the market for 2015 has only increased by approximately 2%. This in line with Deniliquin Shire but slightly lower than Berrigan and Conargo Shires.
- Rural Residential – Limited sales evidence of rural residential properties within the Jerilderie Shire. There are only 40 properties within this component.

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
IF	INFRASTRUCTURE	14	\$721,600	\$721,570	0.00%	\$721,570	0.00%
JH1	JERILDERIE HOBBY FARMS	40	\$2,707,740	\$2,707,770	0.00%	\$2,629,770	2.96%
PR	PUBLIC RECREATION	9	\$584,600	\$584,600	0.00%	\$584,600	0.00%
RA1	COLEAMBALLY IRRIGATION AREA	204	\$31,076,900	\$30,467,210	2.00%	\$30,467,210	2.00%
RC1	DRY CROPPING	20	\$6,702,700	\$6,579,100	1.88%	\$6,315,800	6.13%
RD1	DRYLAND GRAZING	58	\$29,657,760	\$29,076,010	2.00%	\$26,623,560	11.40%
RM1	WEST CORURGAN FARMS	43	\$25,827,870	\$25,340,950	1.92%	\$24,462,310	5.58%
RP1	PUMPERS OFF BILLABONG & YANCO CREEKS	54	\$43,037,300	\$43,037,260	0.00%	\$40,025,430	7.52%
RW1	BERRIQUIN IRRIGATION DISTRICT	172	\$52,412,700	\$51,385,900	2.00%	\$51,385,900	2.00%
RX1	RURAL EXCEPTIONS	54	\$1,119,470	\$1,119,150	0.03%	\$1,119,150	0.03%
ZX1	JERILDERIE EXCEPTIONS	28	\$1,072,600	\$1,072,620	0.00%	\$1,059,120	1.27%
Total		696	\$194,921,240	\$192,092,140	1.47%	\$185,394,420	5.14%



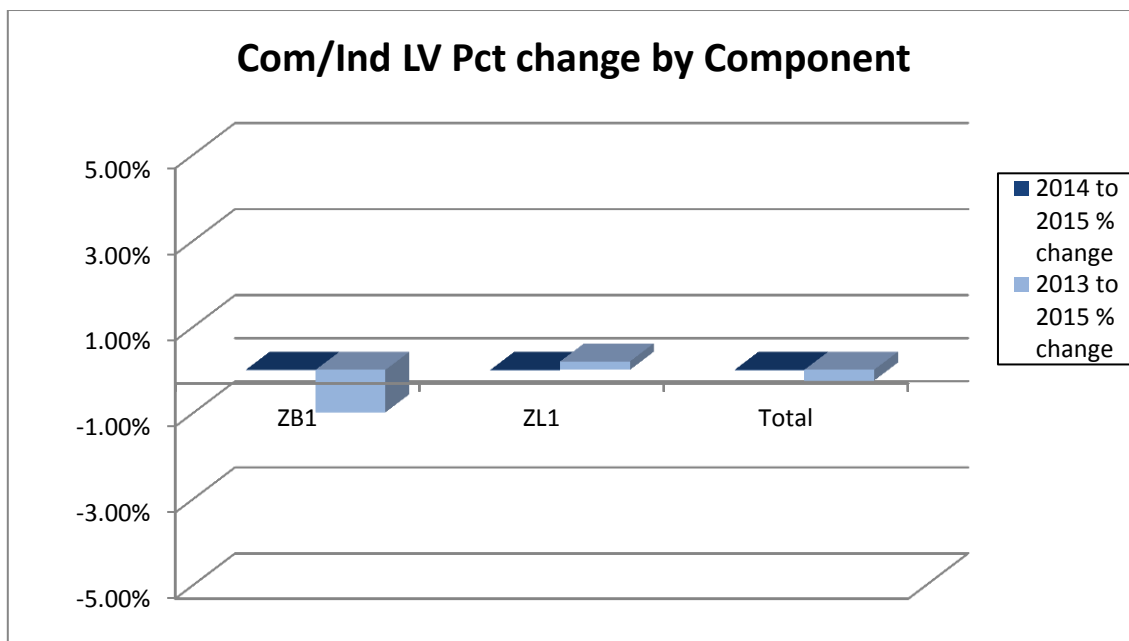
Summary of valuation changes to commercial land

- Commercial – No change within this commercial market. There has been very limited sale evidence. In 2013-2014 this component increased by 20% (49 properties). The land values vary in range from \$3,300 to \$115,000 per block. An increase in land value rates generally indicating a large percentage change.

Summary of valuation changes to industrial land

- Industrial – Limited industrial sales have occurred since the previous revaluation. The market for industrial properties/blocks has remained flat. The majority of industrial properties being owner occupied.

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
ZB1	JERILDERIE COMMERCIAL	40	\$977,200	\$977,240	0.00%	\$986,940	-0.99%
ZL1	JERILDERIE INDUSTRIAL	49	\$1,623,300	\$1,623,380	0.00%	\$1,620,120	0.20%
Total		89	\$2,600,500	\$2,600,620	0.00%	\$2,607,060	-0.25%



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
IN1	General Industrial	49	2	2.43	87.08	1.02	-0.28
R5	Large Lot Residential	33	0				
RE1	Public Recreation	9	0				
RU1	Primary Production	642	0				
RU5	Village	418	11	5.07	101.89	1.02	0
SP2	Infrastructure	14	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 Jerilderie Shire.

Author

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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 Jerilderie 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.