



Final Report 2015
Conargo Shire – District 053
Base Date 1 July 2015

LG
ValuationServices



Maps

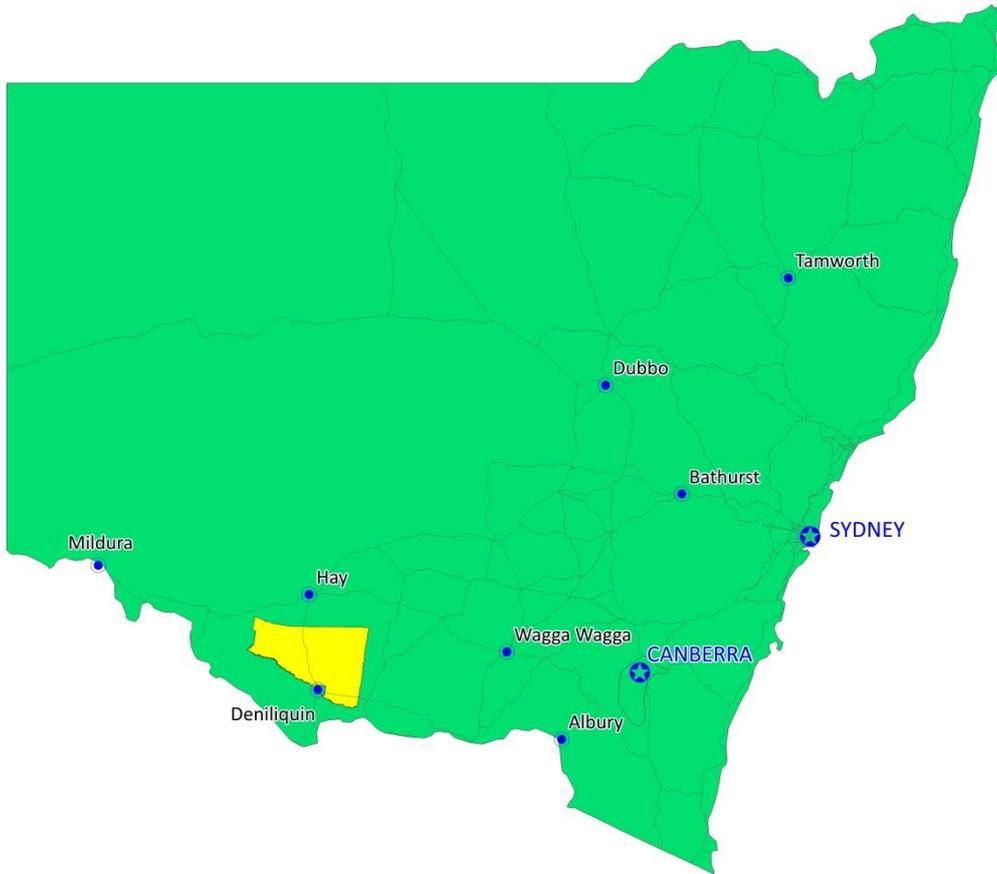


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Executive Summary

LGA Overview

Conargo Shire is situated in the south west of the Riverina, approximately 330 kilometres north of Melbourne and 670 kilometres south west of Sydney. Conargo Shire occupies an area of approximately 8,738 kilometres with a population of 1,577 (2012) with frontage to the Billabong and Yanco Creeks as well as frontage to the Edwards Rivers.

Conargo Shire is the centre of a major pastoral area breeding stud sheep, cattle and other farming practices including cereals such as wheat, rice and canola.

The population is sparse and the rural properties large, which has considerable effects on the shire's rate base.

1,158 properties were valued at the base date of 1 July 2015, and values are reflective of the property market at that time. The Conargo Shire property market has remained steady across all sectors with many experiencing a slight increase in values. The Conargo 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 2014 and 1 July 2015 are as follows;

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

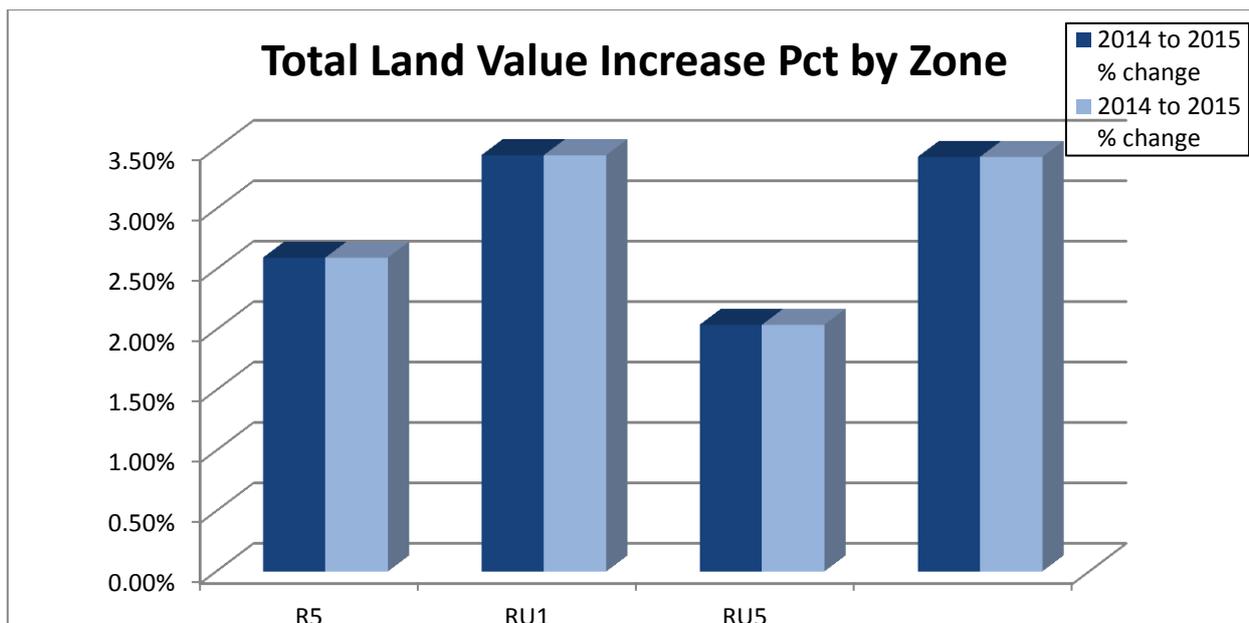
Zone	Zone Code	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2014)	2014 to 2015 % change
Large Lot Residential	R5	53	\$3,528,100	\$3,438,800	2.60%	\$3,438,800	2.60%
Primary Production	RU1	1,029	\$334,246,070	\$323,117,250	3.44%	\$323,117,250	3.44%
Village	RU5	76	\$1,176,900	\$1,153,350	2.04%	\$1,153,350	2.04%
Grand Total		1,158	\$338,951,070	\$327,709,400	3.43%	\$327,709,400	3.43%

Total Land Value at General Valuation 1 July 2015 = \$ 338,951,070

Total Land Value Based Date 1 July 2014 = \$ 327,709,400

Percentage change from 1 July 2014 to 1 July 2015 = 3.43 %

Percentage change from 1 July 2014 to 1 July 2015 = 3.43 %



State and local government legislation for Conargo Shire

Conargo Shire Local Environment Plan was implemented August 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
R5	Large Lot Residential	53
RU1	Primary Production	1,029
RU5	Village	76
Total		1,158

General LGA Overview

Location of the District

Conargo is situated on the Billabong Creek which is a tributary of the Murrumbidgee River in southern NSW.

Conargo is a rural shire encompassing the communities of Conargo, Blighty, Mayrung, Pretty Pine, Wanganella and Boorooban.

The shire promotes itself as having wide open plains and big skies and this is never more evident than when travelling along the Long Paddock Touring Route from Hay to Deniliquin.

Conargo is situated 670 kilometres south west of Sydney and 330 kilometres north west of Melbourne. The administrative centre for the Conargo Shire is located in Deniliquin.

Conargo is bordered by the LGA shires of Berrigan, Jerilderie, Wakool, Murray Deniliquin, Hay and Murrumbidgee.

Conargo

The Conargo Township is very small with only a general store and recently the famous Conargo Pub burnt down. There is a primary school, sports ground and recreation facility.

At the 2006 census the population of Conargo was listed as 188 residents.

A translation of the Aboriginal name for the area of Conargo is either 'hopping' or "kangaroo ground".

Some of the other villages of the Conargo Shire include Blighty, Mayrung, Pretty Pine, Wanganalla and Booroorban with some areas supporting a local convenience store and or a hotel but not much else.

Main Industries

The main industries are associated with the large pastoral holdings producing, lambs, stud Merino sheep, wool and beef cattle that grow-out well on the Riverina plains.

Irrigation has assisted the region to be more productive but both irrigation and dry land farming is continually affected by continued drought conditions and the cost of irrigation water.

Irrigation water is supplied by Murray Irrigation Ltd, based at Deniliquin.

Deniliquin, Hay and Jerilderie are the main service centres for this Shire.

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

- The famous Conargo Pub burnt down in November 2014. Since that time the property has been purchased by the owner of the Conargo General Store who intends to redevelop the site.

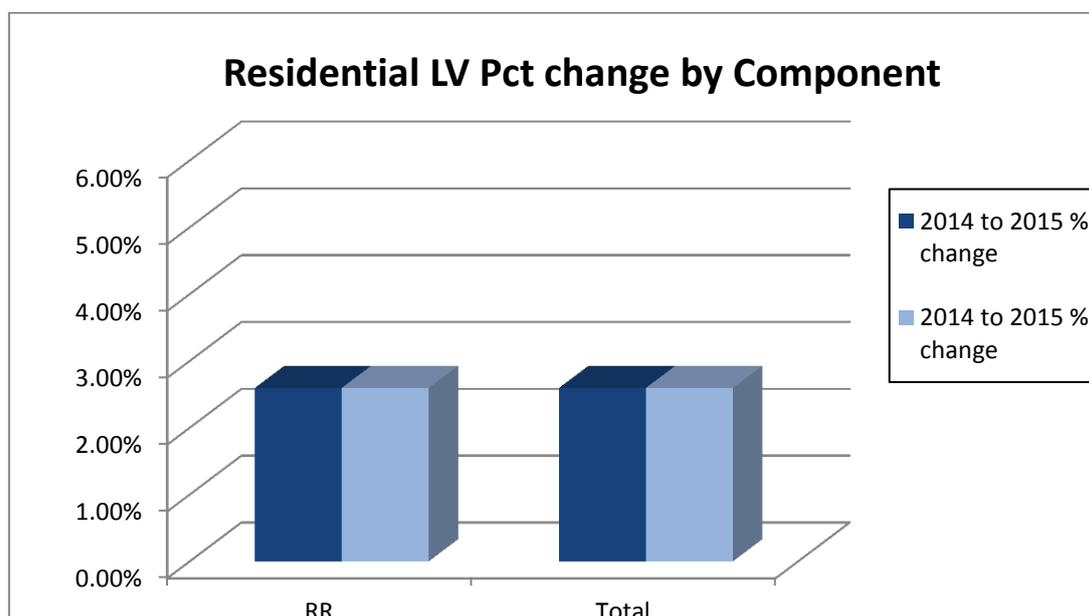
Significant value changes

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

Summary of valuation changes to residential land

- Residential – The Conargo Shire comprises the Villages of Booororban, Wanganella, Pretty Pine, Blighty and Conargo. Due to their small size and locations, there is very little sales activity in the Villages. There is little demand, and this is unlikely to change in the near future.
- Rural Residential – Demand for rural residential properties within the Conargo Shire is largely influenced by the Deniliquin market with most hobby farms located near Deniliquin. The Deniliquin market has been relatively steady over the last 12 months, but this is yet to affect the Conargo rural residential market.

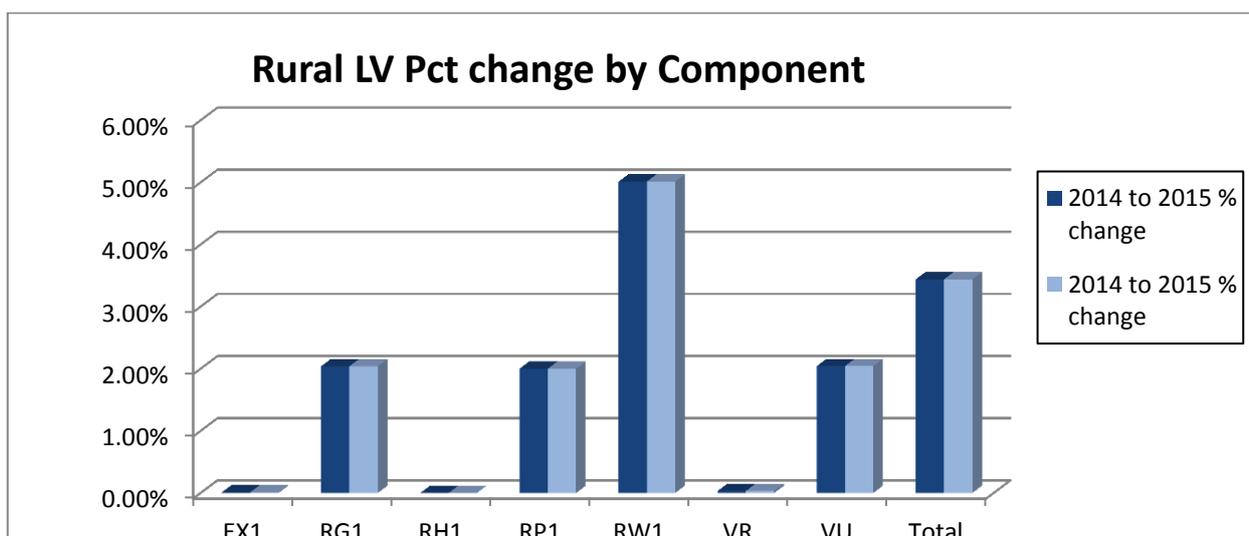
Code	Component	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2014)	2014 to 2015 % change
RR	BILLABONG ESTATE / MULUMBAH / PRETTY PINE	53	\$3,528,100	\$3,438,800	2.60%	\$3,438,800	2.60%
Total		53	\$3,528,100	\$3,438,800	2.60%	\$3,438,800	2.60%



Summary of valuation changes to rural land

- Rural – Irrigation properties have increased by approximately between 2-5% from the previous revaluation with dryland properties increased by approximately 2% across the shire. This is in line with the residential. This is in line with adjoining shires of Murray, Berrigan and Wakool.

Code	Component Name	No. of entries	2015 Total Land Value	Prior Annual Valuation (2014)	2014 to 2015 % change	Prior Local Government Valuation (2014)	2014 to 2015 % change
EX1	CONARGO EXCEPTIONS	79	\$436,260	\$436,210	0.01%	\$436,210	0.01%
RG1	CONARGO DRY GRAZING	108	\$119,421,900	\$117,034,600	2.04%	\$117,034,600	2.04%
RH1	CONARGO HOBBY FARMS	139	\$8,503,600	\$8,503,600	0.00%	\$8,503,600	0.00%
RP1	CONARGO GRAZING WITH IRRIGATION	51	\$38,524,500	\$37,769,100	2.00%	\$37,769,100	2.00%
RW1	CONARGO DISTRICT IRRIGATION	626	\$167,268,460	\$159,282,420	5.01%	\$159,282,420	5.01%
VR	VILLAGES RURAL ZONE	26	\$91,350	\$91,320	0.03%	\$91,320	0.03%
VU	VILLAGES URBAN ZONE	76	\$1,176,900	\$1,153,350	2.04%	\$1,153,350	2.04%
Total		1,105	\$335,422,970	\$324,270,600	3.44%	\$324,270,600	3.44%



Summary of valuation changes to commercial land

- Commercial – There are only 4 commercial properties in Conargo Shire and they are incorporated into RU5 zone or VU component.

Summary of valuation changes to industrial land

- Industrial – There are two mechanic/light engineering works at Blighty along with grain storage sheds. Neither has sold within recent time.

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
R5	Large Lot Residential	53	4	6.32	94.91	1.00	10.98
RU1	Primary Production	1,028	8	6.72	92.81	1.00	0.55
RU5	Village	76	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 Conargo 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 Conargo 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.