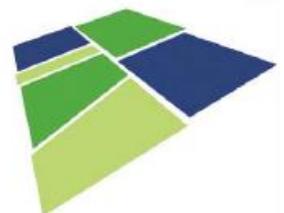




Final Report 2015
Balranald Shire – District 230
Base Date 1 July 2015

LG
ValuationServices



Maps

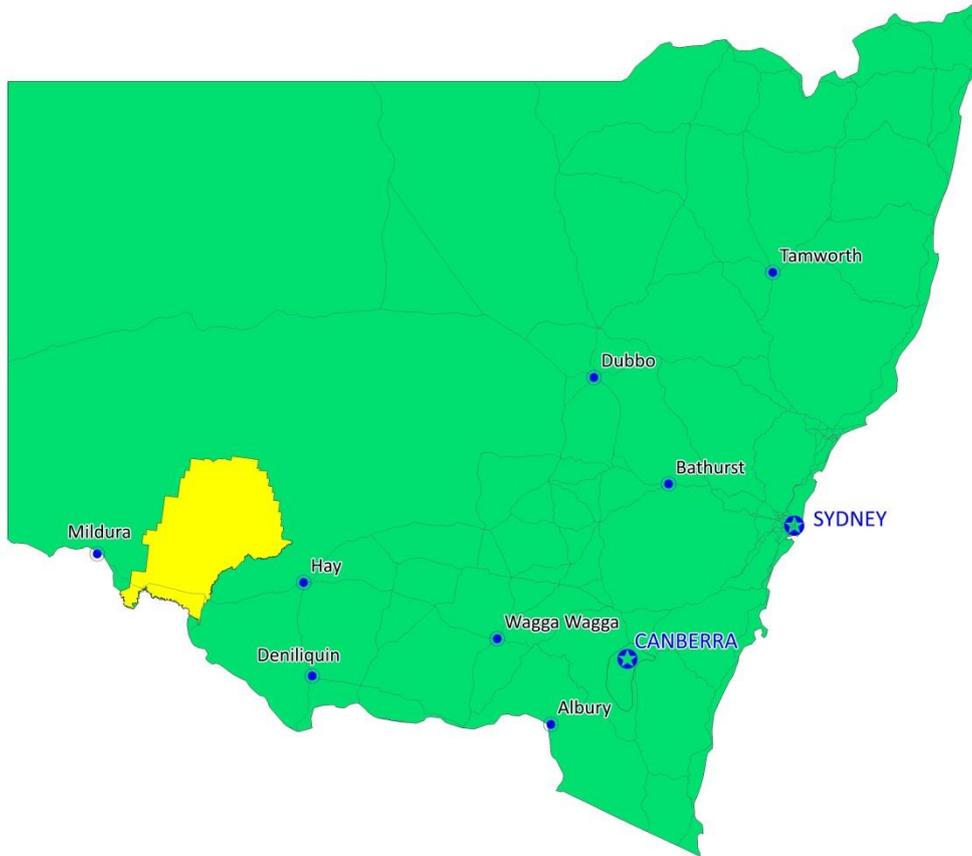


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Executive Summary

LGA Overview

Balranald Shire is situated in the south west of the Riverina part of the South West Region of NSW, approximately 440 kilometres north of Melbourne and 850 kilometres south west of Sydney. Balranald Shire occupies an area of approximately 21,693 square kilometres. It has a population of over 2,300 and services two major towns, Balranald and Euston supports an area that includes horticulture, viticulture, organic agriculture and the growing of fruit and nut trees. Tourism is also now recognised as an important economic driver within the shire.

The Balranald Shire is situated where the Sturt Highway crosses the Murrumbidgee River in south west New South Wales.

Its economy is driven largely by the land but it has embraced tourism as a starting point for outback adventures especially the world heritage listed Mungo National Park.

1,626 properties were valued at the base date of 1 July 2015, and values are reflective of the property market at that time. The Balranald Shire property market has remained steady across all sectors with many experiencing a slight increase in values. The Balranald 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;

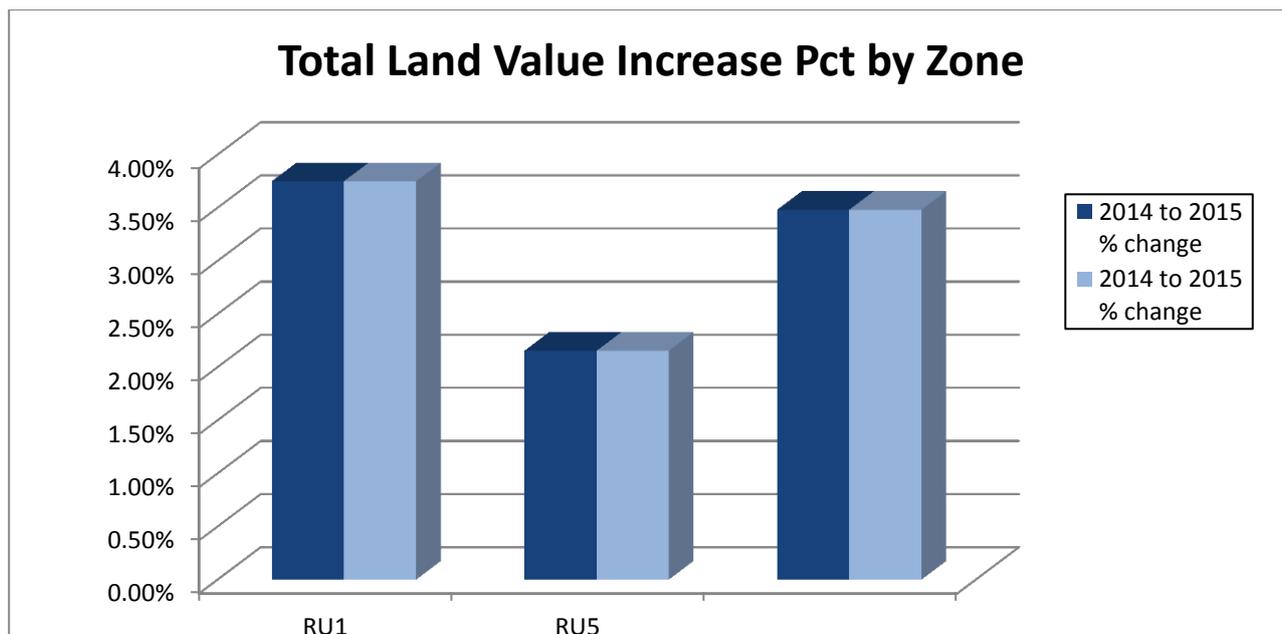
Number of properties valued this year and total land value in dollars

Zone	Zone Code	Number of entries	2015 Total Land Value	Prior Annual Valuation (2014)	% Change	Prior Local Government Valuation (2014)	% Change
Primary Production	RU1	645	\$204,557,010	\$197,164,550	3.75%	\$197,164,550	3.75%
Village	RU5	981	\$40,663,760	\$39,806,290	2.15%	\$39,806,290	2.15%
Grand Total		1,626	\$245,220,770	\$236,970,840	3.48%	\$236,970,840	3.48%

Total Land Value at General Valuation 1 July 2015 = \$245,220,770

Total Land Value Based Date 1 July 2014 = \$236,970,840

Percentage change from 1 July 2014 to 1 July 2015 = 3.48%



State and local government legislation for Balranald Shire

Planning at Balranald is subject to the overview of the Environmental Planning and Assessment Act. Council’s planning controls are currently under review with a re-evaluation to meet the planning reform requirements of the State Government. Currently, the planning controls are the Balranald Local Environment Plan 2010.

The Council is also the “regulator” of activities known as statutory planning and development control. Council has delegated a number of functions relevant to development control to enable these matters to be dealt with quickly and easily. Council still has to consider the positive and negative impacts to those applications that seek to develop land and properties within the Shire.

State and local government legislation for LGA

Zone Code	Zone Name	Number of Current Properties
RU1	Primary Production	645
RU5	Village	981
Total		1,626

General LGA Overview

Location of the District

Balranald is located in south west Riverina, 850 kilometres from Sydney and 450 kilometres north of Melbourne. It is located where the Sturt Highway crosses the Murrumbidgee River.

The Shire covers an area 21,346 square kilometres and its major townships are Balranald and Euston but like similar Riverina Shires it relates more to Victoria as it receives Victorian television stations and newspapers and was linked by rail to Echuca in 1926 but this rail link does not exist now.

The Shires population is over 2,300 residents, and made up of other localities including Kyalite, Hatfield, Penarie, Clare and Oxley.

Agricultural activities in the Balranald district include sheep farming, woodcutting, charcoal production and some areas of irrigated crop-growing along the rivers.

In 1956 the local government administrative body became the Shire of Balranald.

The Balranald Shire is bordered by the shires of Wakool, Hay, Carrathool, Central Darling and Wentworth.

Balranald

The township of Balranald was gazetted in 1851 and the first land sale was in 1852 and it is the administrative centre for the Balranald Shire.

Once considered the end of the Line, Balranald now is a stopping place on the Sturt Highway that forms the direct link between Sydney and Adelaide. First settled in the 1840's on the site of a fording place of the Murrumbidgee River it gained importance during the river-boat days as a service port for the wool industry. Balranald now services the surrounding grain, sheep, cattle and viticulture industries. Apart from the areas grazed, the country around contains mallee, rosewood and belah woodland and contrasts with the closer settled Victorian side of the Murray River.

Balranald is located in Mutthi Mutthi Nations traditional country.

Euston

Euston is the gateway to the Murray River and Sunraysia district known for its fishing, especially Murray Cod and other native species. It is the twin town of Robinvale on the other side of the river in Victoria.

Euston belongs to the traditional lands of the Tati Tati Aboriginal people.

The 2011 census listed the population as 795 people with irrigated agriculture its main agricultural and horticultural support.

Main Industries

The Balranald Shire has primarily relied on dry-land farming with irrigated agricultural production of grains wool, sheep meat and beef. However, primary production in this region is diversifying to encompass horticulture and viticulture and the growing of fruit and nut trees.

Timber recovery provides both an income and some crafted leisure pursuits.

Tourism is recognised as an important economic driver with the shire's direct link with National Parks in the region.

Extensive mineral sand exploration is being undertaken which has the potential to provide future extensive employment.

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 include;

- Two large sand mining companies “Cristal & Iluka” have purchased and are exploring the opportunity to extract a significant amount of sand over the next 15 to 20 years. This is expected to increase employment opportunities for residence within and surrounding Balranald Shire.
- The construction of a \$1.3 million Visitor and Interpretive Centre in Balranald will grow the tourism industry and link with other tourism assets including Yanga and Mungo National Parks.
- The construction of the Balranald hospital and the continued development of aged care facilities have created investment opportunities.
- The opening of the Balranald Central School Trade Training Centre has provided an opportunity to up-skill the current workforce and attract trainees seeking new skills.
- Extensive mineral sand exploration will continue within the Shire during 2015-2016 with the potential extraction phase envisaged to create up to 200 jobs. This will provide diversification to the region and significant add-on support industries.
- Council has a strong partnership with the National Parks and Wildlife Service of NSW to develop and promote Yanga and Mungo National Parks as tourism destinations, to build upon the existing popularity of the area as a place to camp and fish.
- The continued growth of the Euston horticultural industry and the expansion of the Euston Club continue to provide businesses opportunities.

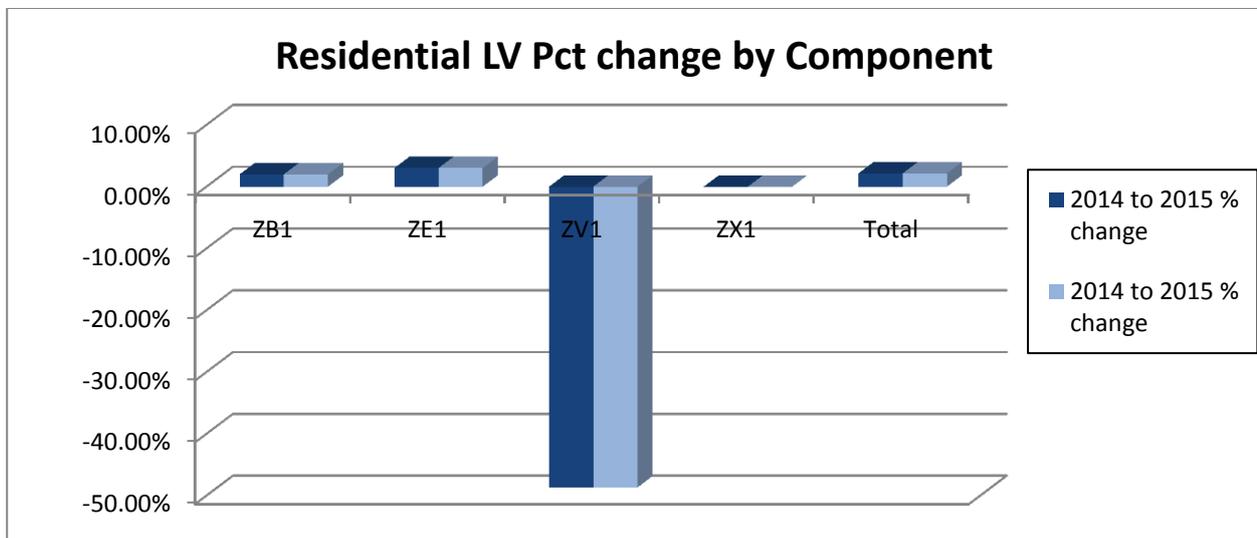
Significant value changes

- The village of Oxley has decreased in value from \$3,000 to \$1,500 per block. This indicated a reduction of approximately 50%. Allotments within the village take extended periods of time to trade due to limited purchasers.

Summary of valuation changes to residential land

- Balranald Residential has shown slight growth over the past 12 months with a good number of sales occurring within the township. Steady growth is expected to continue especially as the sand mines require additional employees.
- Euston Residential has increased in land value by approximately 3% in the last 12 months. This is in line with past increases. Properties with close proximity to the Euston Club and the Murray River continue to command the highest values in town.

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
ZB1	TOWN OF BALRANALD	624	\$24,402,000	\$23,926,600	1.99%	\$23,926,600	1.99%
ZE1	TOWN OF EUSTON	255	\$14,010,200	\$13,600,400	3.01%	\$13,600,400	3.01%
ZV1	VILLAGE OF OXLEY	34	\$29,460	\$57,400	-48.68%	\$57,400	-48.68%
ZX1	URBAN EXCEPTIONS	68	\$2,222,100	\$2,221,890	0.01%	\$2,221,890	0.01%
Total		981	\$40,663,760	\$39,806,290	2.15%	\$39,806,290	2.15%

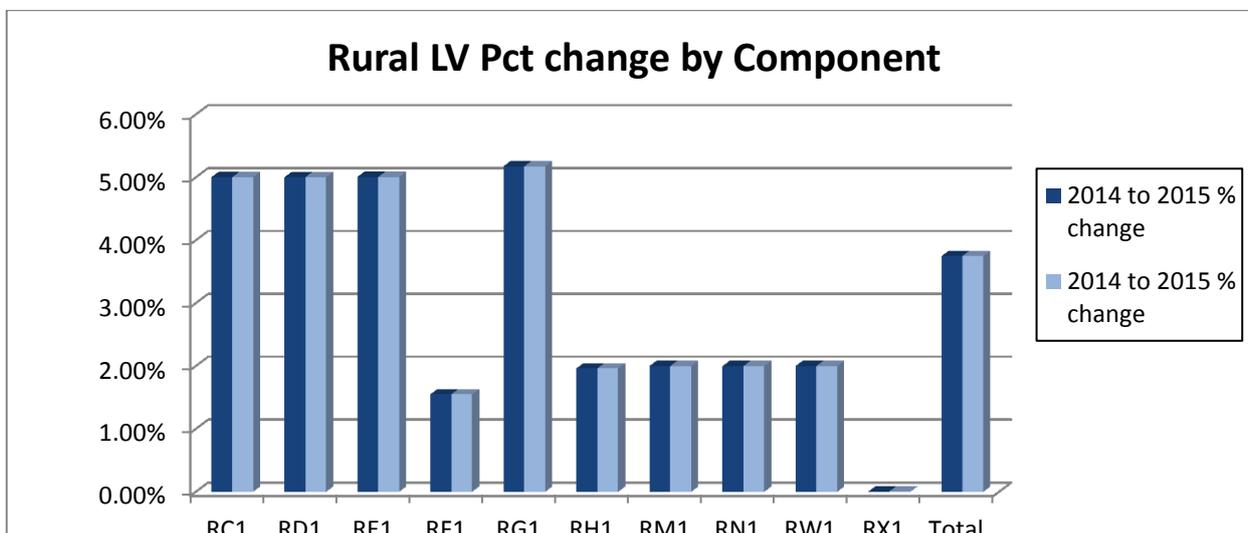


Summary of valuation changes to rural land

- Rural – The rural market has remained steady as a result of improved seasonal and economic conditions. Irrigation properties as well as good dry land grazing/cropping block have been thinly traded over the past 12 months providing limited sales evidence. Overall broad acre rural properties have experienced a slight increase between 2% - 6% over the past 12 months. Horticultural blocks have remained steady.

- Rural Residential – This trend has been consistent across lifestyle/hobby farms with slight increased demand for these properties indicating an increase of between 2% - 5% percent generally. This is primarily driven by the proximity to a major river or good town services.

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
RC1	NTH OF BALRANALD/EUSTON RD - PREDOMINANTLY CROPPING	18	\$12,775,700	\$12,167,000	5.00%	\$12,167,000	5.00%
RD1	NTH OF BALRANALD/EUSTON RD - PREDOMINANTLY GRAZING	26	\$30,387,300	\$28,939,900	5.00%	\$28,939,900	5.00%
RE1	HORTICULTURE EUSTON	108	\$9,188,200	\$8,750,060	5.01%	\$8,750,060	5.01%
RF1	EUSTON RURAL HOMESITES/FARMLETS	81	\$4,086,500	\$4,024,100	1.55%	\$4,024,100	1.55%
RG1	GRAZING	132	\$69,474,900	\$66,056,170	5.18%	\$66,056,170	5.18%
RH1	HORTICULTURE BALRANALD	44	\$3,605,810	\$3,536,360	1.96%	\$3,536,360	1.96%
RM1	STH OF BALRANALD/EUSTON RD - MURRAY FTGE	24	\$18,244,900	\$17,887,000	2.00%	\$17,887,000	2.00%
RN1	NTH OF BALRANALD - MBIDGEE FTGE	22	\$18,520,000	\$18,157,000	2.00%	\$18,157,000	2.00%
RW1	WEIMBY AGRICULTURAL LEASES	27	\$31,941,100	\$31,314,800	2.00%	\$31,314,800	2.00%
RX1	RURAL EXCEPTIONS	163	\$6,332,600	\$6,332,160	0.01%	\$6,332,160	0.01%
Total		645	\$204,557,010	\$197,164,550	3.75%	\$197,164,550	3.75%



Summary of valuation changes to commercial land

- Balranald and Euston have established commercial areas. There has been no commercial sales within the last 12 months.

Summary of valuation changes to industrial land

- Balranald and Euston both have a small industrial base that primarily supports the surrounding rural horticulture and grazing/cropping properties. No sales have occurred in the last 12 months.

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
RU1	Primary Production	645	5	2.00	90.47	0.95	39.15
RU5	Village	979	18	4.84	95.89	1.00	-2.14

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

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 Balranald 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.