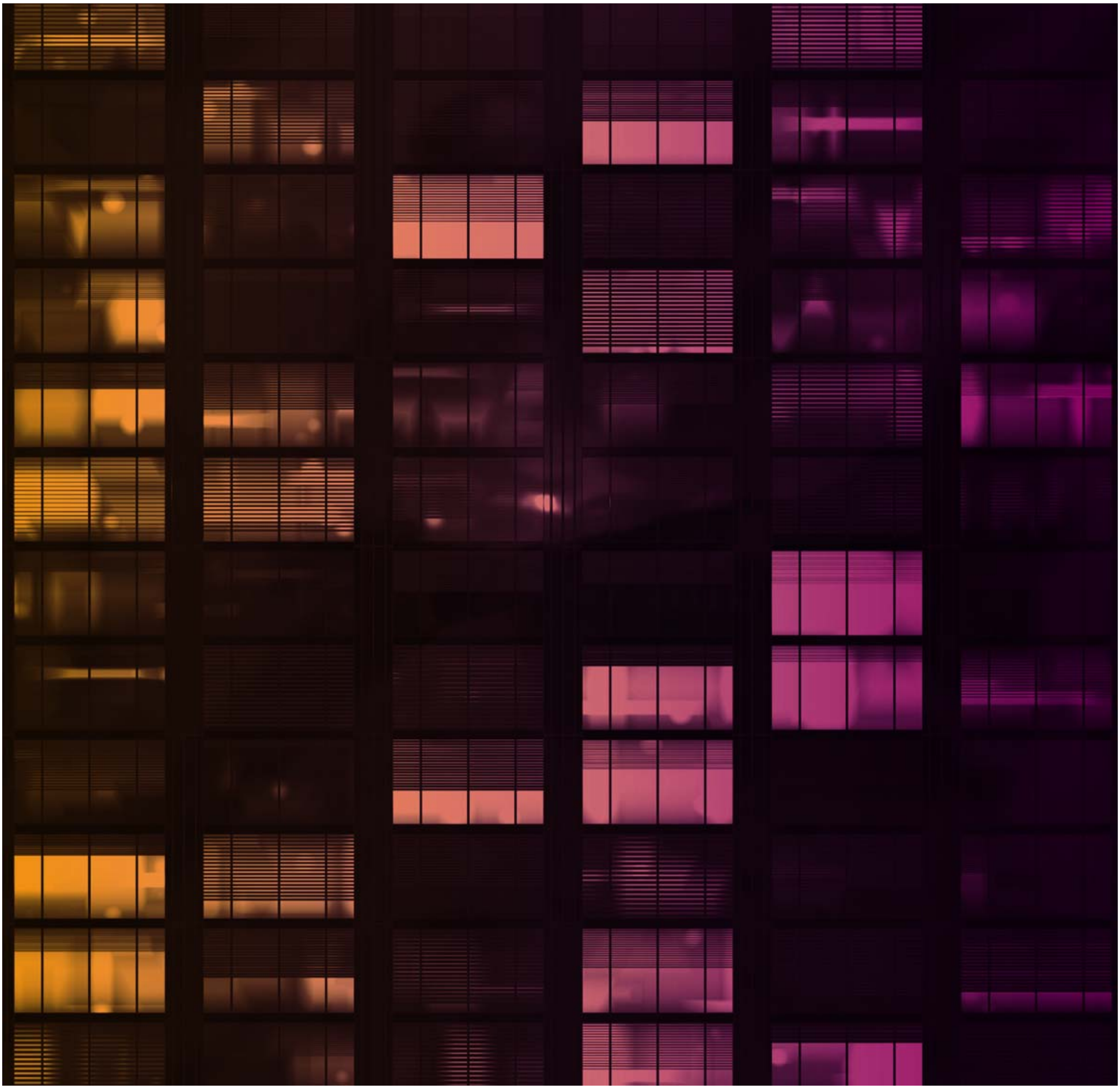
Tamworth - Stage 2
Health Infrastructure
7 Jun 2012

Acute Services Building

Capital Investment Value (CIV)



Acute Services Building

Capital Investment Value (CIV)

Tamworth – Stage 2

Prepared for

Health Infrastructure

Prepared by

Davis Langdon Australia Pty Ltd
Level 21, 420 George Street, Sydney NSW 2000, PO Box Q410, QVB Post Office NSW 1230, Australia
T +61 2 8934 2222 F +61 2 8934 0001 www.davislangdon.com
ABN 40 008 657 289

7 Jun 2012

27791

© Davis Langdon Australia Pty Ltd (Davis Langdon). All rights reserved.

Davis Langdon has prepared this document for the sole use of the Client and for a specific purpose, each as expressly stated in the document. No other party should rely on this document without the prior written consent of Davis Langdon. Davis Langdon undertakes no duty, nor accepts any responsibility, to any third party who may rely upon or use this document. This document has been prepared based on the Client's description of its requirements and Davis Langdon's experience, having regard to assumptions that Davis Langdon can reasonably be expected to make in accordance with sound professional principles. Davis Langdon may also have relied upon information provided by the Client and other third parties to prepare this document, some of which may not have been verified. Subject to the above conditions, this document may be transmitted, reproduced or disseminated only in its entirety.

Quality Information

Document Acute Services Building

Ref 27791

Date 7 Jun 2012

Prepared by Doug Rayment

Reviewed by Andy Lappas

Revision History

Revision	Revision Date	Details	Authorised	
			Name/Position	Signature
00	7-Jun-2012	Initial Issue	Doug Rayment Associate Director	DRayment

Table of Contents

Introduction

Davis Langdon has been engaged by the Health Infrastructure, as part of their overall cost management role for the project, to provide an estimate of the Capital Investment Value for the Acute Services Building element of the project.

While it is envisaged that other works will be undertaken to a number of the existing buildings on the campus after the Acute Services Building has been constructed, the cost of this work has not been included in this estimate.

Capital Investment Value (CIV)

Definition

Capital Investment Value (CIV) of development has the same meaning as in the *Environmental Planning and Assessment Regulation 2000.*

The definition of CIV in the interpretation section of the Infrastructure SEPP is the following:

> Capital Investment Value of development has the same meaning as in the Environmental Planning and Assessment Regulation 2000.

The definition in the Environmental Planning and Assessment Regulation 2000 is:

"Capital Investment Value of a development or project includes all costs necessary to establish and operate the project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, other than the following costs:

a) amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A of Part 4 of the Act or a planning agreement under that Division,

b) costs relating to any part of the development or project that is the subject of a separate development consent or project approval,

c) land costs (including any costs of marketing and selling land),

d) GST (within the meaning of A New Tax System (Goods and Services Tax) Act 1999 of the Commonwealth)."

Calculation of CIV

To calculate the CIV Davis Langdon has prepared a Concept Design Cost Plan for the development identifying cost of construction works. The total **Capital Investment Value of $137,251,000** may be summarised as follows:

Estimated Construction Cost	99,372,000
Design Contingency	4,213,000
Preliminaries & Margin	17,761,000
Sub-total – Construction Works	$121,346,000
Statutory Fees	Excluded
Professional Fees	12,615,000
Development Management Fees	3,290,000
Escalation	Excluded
Finance Costs	Excluded
Long Service Leave	Included
Sub-total – Applicable Development Costs	$15,905,000
TOTAL ESTIMATED CIV	**$137,251,000**

The summary of the latest version of the Schematic Design Cost Plan is included at Annexure A of this report.

Information relied upon

In preparing this report Davis Langdon has relied on the following information provided by others:

- McConnel Smith & Johnson:

  Site
  - SD-AR-NZ-00-01010[01] - Site Plan – Existing
  - SD-AR-NZ-00-01011[05] - Site Plan – Proposed
  - SD-AR-NZ-00-01070[01] - Site Demolition Plan
  - SD-AR-NZ-00-01110[02] - Site works - Phasing plans

  Acute Building
  - SD-AR-NZ-LG-02010[02] - Acute Building - Lower Ground Floor
  - SD-AR-NZ-GF-02011[02] - Acute Building - Ground Floor
  - SD-AR-NZ-01-02012[02] - Acute Building - Level 1
  - SD-AR-NZ-02-02013[02] - Acute Building - Level 2
  - SD-AR-NZ-03-02014[02] - Acute Building - Level 3
  - SD-AR-NZ-RF-02015[02] - Acute Building - Roof
  - SD-AR-NZ-00-04110 (01) - Elevations - Overall Sheet 1
  - SD-AR-NZ-00-05110[07] - Sections - Overall Sheet 1
  - MSJ_20120424_0001 – Facades

- Taylor Thompson Whitting:

  Structure
  - SK200-A-Typical Banded Option (PT) - reo rates-P2

Civil

- SD-CI-NE-SK-002[15][1] – Concept overall Plan
- SD-CI-NE-SK-003[13][1] – Concept Siteworks Plan – Sheet 1
- SD-CI-NE-SK-004[06] – Concept Siteworks Plan – Sheet 2
- SD-CI-NE-SK-006[06] – Concept Siteworks Plan – Sheet 4
- Excavation volume calculations for acute hospital and minor works

- Steensen Varming:

  Mechanical Services – Opinion of probable costs, dated 27 April 2012
  Electrical Services – Opinion of probable costs, dated 7 June 2012

- Donnelley Simpson Cleary:

  Aconex – General Correspondence dated 17 April 2012

Development Notes

Programme

It is currently envisaged that the construction work will commence in early 2013.

The Schematic Design Cost Plan is based on rates and allowances current as at June 2012 and then escalated to reflect the proposed programme.

Statutory Fees

Statutory fees are excluded from the calculation in accordance with the amended definition.

Design & Management Fees

We have based the Design & Management Fees on our assessment of the likely fees to be attributed to this project. The design & management fees comprise the following:

1) Professional fees
2) Health Infrastructure's management charge

Contingencies

The calculation of CIV includes the Design Contingency that Health Infrastructure has included within the project budget for this element of the redevelopment project.

Escalation

No allowance has been included for escalation beyond June 2012.

Finance Costs

Finance costs are excluded from the calculation in accordance with the amended definition.

Specific Exclusions

The following items have been specifically excluded from our estimate for the purposes of this report:

1) Demolition and Preparatory Works
2) Any works required to upgrade / alter / refurbish existing buildings on the campus, unless specifically required to enable the construction of the new Acute Services Building.
3) Additional costs associated with implementation of ESD initiatives
4) Decanting, Commissioning and Relocation costs
5) Services Diversions
6) Escalation of costs beyond June 2012
7) Local Authority Fees
8) Land Costs, Legal Fees and Holding Charges
9) Goods and Services Tax
10) Additional costs due to the introduction of the Carbon Tax

Report Parameters

1) This report is provided for the purposes of the named party only and must not be used by any third party for any other purpose whatsoever without the prior written consent of Davis Langdon Australia Pty Limited.

2) This report has been prepared from documentation and/or information provided to Davis Langdon Australia Pty Limited by third parties, in circumstances where Davis Langdon:

   a) Has not performed our own independent investigations in order to ascertain the veracity and/or accuracy of the documentation and/or information so provided; and

   b) Do not, in any way, warrant the veracity and/or accuracy of the said documentation and/or information; and

   c) Do not, in any way, adopt the said documentation and information as our own.

3) This report is an expression of opinion based upon the documentation and/or information provided by third parties and Davis Langdon expressly disclaims any liability to the named party and any third parties where the documentation and/or information is found to be untrue and/or inaccurate in any way.

Appendix A

Summary from the current Schematic Design Cost Plan

Project : Tamworth Stage 2

Cost Plan : Acute CIV

Rev :Final A **Project Summary**

No.	Description	Unit	Quantity	Rate	Total
	Minor Works				
1	Access Road & carparks				4,843,000
	Sub Total				**4,843,000**
	Enabling works				
2	Relocations and temporary facilities				3,901,000
	Sub Total				**3,901,000**
	Construction Costs				
3	New Acute Hospital Building	m2	27,433	3,174	87,083,000
4	External Works	m2	0	0	8,814,000
5	ESD initiatives				3,225,000
6	Staging costs				250,000
7	Locality allowance				0
	Sub Total - Construction costs				**99,372,000**
	On-costs				
8	Prelims				13,289,000
9	Margin				4,472,000
	Sub Total - On-costs				**17,761,000**
	Contingencies				
10	Planning Contingency				2,106,000
11	Design Contingency				4,213,000
12	Construction Contingency				4,213,000
13	Executive Contingency				8,425,000
	Sub Total - Contingencies				**18,957,000**
	Project Costs				
14	Fixtures, Fittings & Equipment - General				14,063,000
15	Fixtures, Fittings & Equipment - ICT				1,916,000
16	Fixtures, Fittings & Equipment - Major Equipment				7,200,000
17	Provision for currency fluctuations on major equipment				180,000
18	Land				150,000
19	Consultant's fees				12,615,000
20	Fixtures, Fittings & Equipment - Artworks				336,000
21	Authority fees & charges				701,000
22	HNEAHD costs				1,577,000
23	Health Infrastructure management charge				3,290,000
24	Relocations				80,000
	Carry Forward				**186,942,000**

No.	Description	Unit	Quantity	Rate	Total
	Brought Forward				**186,942,000**
1	Council contributions - Intersection work on Dean Street				150,000
	Sub Total - Project Costs				**42,258,000**
	Escalation				
2	Escalation to construction commencement				1,781,000
3	Escalation to construction completion				7,131,000
	Sub Total - Escalation				**8,912,000**
	Total				**196,004,000**

AECOM
Davis Langdon Australia Pty Ltd
Level 21, 420 George Street
Sydney NSW 2000
Tel: +61 2 8934 2222
Fax:+61 2 8934 0001
www.davislangdon.com.au
ABN: 40 008 657 289