

CAPITAL INVESTMENT VALUE REPORT



Source: TNG NSW

Project Title: Energy from Waste Facility, Eastern Creek (SSD 6236)

Proponent: The Next Generation NSW Pty Ltd (TNG NSW)
C/- Urbis Pty Ltd
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Initial Report Date: 13 June 2014
Revised Report Date: 31 March 2015

Table of Contents

| | |
|---|----------|
| 1. Instruction | 3 |
| 2. Location | 3 |
| 3. Brief Development Description/Construction Related Jobs | 3 |
| 4. Construction Cost Estimate – Capital Investment Value | 5 |
| 5. Construction Cost Estimate – Section 94A Levy | 5 |
| 6. Quality of Finishes | 5 |
| 7. Exclusions | 6 |
| 8. Documentation..... | 6 |
| 9. Assumptions / Parameters | 6 |
| 10. Disclaimer | 7 |

| | |
|-------------------|---|
| <i>Appendix A</i> | <i>Indicative Cost Estimate Summary</i> |
| <i>Appendix B</i> | <i>Reduced Architectural Drawing(s)</i> |

1. Instruction

We have undertaken a study of the Concept Architectural Drawings and other information provided, with the aim of deriving the probable cost of construction for the above Project and providing a **Capital Investment Value Report**.

2. Location

The subject property is located at Eastern Creek in the central western suburbs of Sydney NSW, approximately 36 km west of the Sydney CBD. The location of the Subject Property is depicted below.



Source: SA5220 Preliminary EIS 191113

3. Brief Development Description/Construction Related Jobs

The proposal comprises the construction of an Energy from Waste Facility, which will allow for unsalvageable and uneconomic residue waste from the Genesis Material Processing Centre (MPC) and Waste Transfer Station (WTS) to be used for generation of electrical power.

This Project has an estimated capital investment value of \$557M (see Paragraph 4 for details). It is expected that the project will generate up to 250 construction related jobs

during the construction phase. The estimated job figure is based on the published information for the following three Major Projects from Wellington Council (a local government area in the Orana region of New South Wales, Australia):

1. ERM Power: the Construction of a gas fired power station at Wellington. Development approval has been granted by the New South Wales Government. The Wellington 1 project has a capital cost of \$700M, and will employ up to 300 people during the construction phase, with up to 10 ongoing positions once operational.
2. Infigen Energy Development Pty Ltd: the Development of a 33 tower wind farm at Bodangora. The project has an estimated capital investment value of \$200M, and would see the creation of up to 110 jobs during the construction phase and 6-8 operational jobs thereafter.
3. Wind Prospect: the Development of a wind farm comprising up to 330 towers located 20km east of Wellington. The project has an estimated capital investment value of \$1.3bn. The project would see up to 250 jobs created during the construction phase, with up to an estimated 40 operational positions thereafter.

It is worthwhile to note that this is the estimated number of jobs created and not the number of individual workers that will be required and employed.

The labour demand for the Project includes, but is not limited to the following categories:

- Architects
- Bricklayers
- Building envelope/façade specialists
- Civil engineers
- Civil engineers operatives not elsewhere classified
- Construction managers
- Electrical trades and installation
- Floorers
- Glaziers
- Labourers
- Logistics
- Non construction professional, technical, IT, and other office based staff (excl. managers)
- Other Construction professional and technical staff
- Painters and decorators
- Plant mechanics/fitters
- Plant operatives
- Plasterers
- Plumbing and heating, ventilation and air conditioning trades
- Roofer
- Scaffolders
- Senior, executive and business process managers
- Specialist building operatives not elsewhere classified
- Steel erectors
- Surveyors
- Wood trades and interior fit-out

4. Construction Cost Estimate – Capital Investment Value

The estimated cost of construction may be achieved in the vicinity of the following:

| Description | Amount (\$) |
|---|-----------------------|
| Building Cost (Capital Investment Value) | \$ 557,902,333 |

Please refer to *Appendix A* for an Elemental Cost Estimate Summary prepared in general compliance with the criteria outlined by the NSW Government Department of Planning (Part 3A).

This indicative Capital Investment Value includes all costs necessary to establish and operate the development including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment (**but excluding land costs and GST**).

5. Construction Cost Estimate – Section 94A Levy

| Description | Amount (\$) |
|--|--------------------|
| Total Construction Cost (excl. GST) | 142,829,966 |
| <i>Add</i> | |
| Consultants Fees | 8,424,075 |
| Allowance for Plant and Equipment (incl. Installation Labour and Commission Allowance) | 406,648,292 |
| Total Development Cost (excl. GST) | 557,902,333 |
| <i>Add GST</i> | 55,790,233 |
| Total Development Cost (incl. GST) | 613,692,567 |

Our Construction Cost Estimate is prepared in accordance with the Environmental Planning and Assessment Regulation 2000 (Reg 25J) - Section 94A Levy - Determination of proposed cost of Development.

Our Construction Cost Estimate may be considered at mid-range of recent costs, based on the proposed level of finishes and in the absence of structural and services drawings, Contract Documents and DA Conditions.

6. Quality of Finishes

The proposed Fixtures and Finishes for the development may be considered of purpose-built commercial quality. The quality of finishes proposed, are appropriate to the type, scale and location of this project.

7. Exclusions

Our Cost Estimate does not include the following:

- Land Acquisition;
- Marketing and financing;
- Legal costs;
- Taxes, levies and charges;
- Major services diversions, external connections and/or improvement;
- Amplification / amendment to existing services;
- Amendments to plans, incomplete documentation;
- Energy and water efficiency;
- Rock excavation;
- Authorities Fees (S94 Contribution and the like);
- Contingency allowance.

8. Documentation

Our Indicative Cost Estimate was based on the Concept Architectural Drawing supplied by AT&L, Project No. 14-187, Drawing No. C002, Issue F, Dated 12 March 2015. Please refer to *Appendix B* for a reduced copy of this drawing.

We also relied upon project information supplied by Urbis Pty Ltd and TNG NSW.

9. Assumptions / Parameters

This Cost Estimate may provide no more than a rough guide to the probable cost of the proposed development. Costs may vary considerably, due to a range of variables:

- DA Conditions;
- Detailed documentation;
- Existing infrastructures and services;
- Design team;
- Method of procurement;
- Fixtures and finishes;
- Contract conditions.

As the level of documentation is further expanded, the Quantity Surveyor is able to provide a more accurate estimate of costs.

10. Disclaimer

This Certificate has been prepared for the sole purpose of providing a Cost Estimate for an indicative Capital Investment Value Report and DA Council Submission only. This Quantity Survey Certificate is not to be used for any other purpose. This Report is confidential to the developer. The Writer does not accept any contractual, tortious or other form of liability for any consequences, loss or damage which may arise as a result of any other person acting upon or using this report.

Report and estimate prepared by

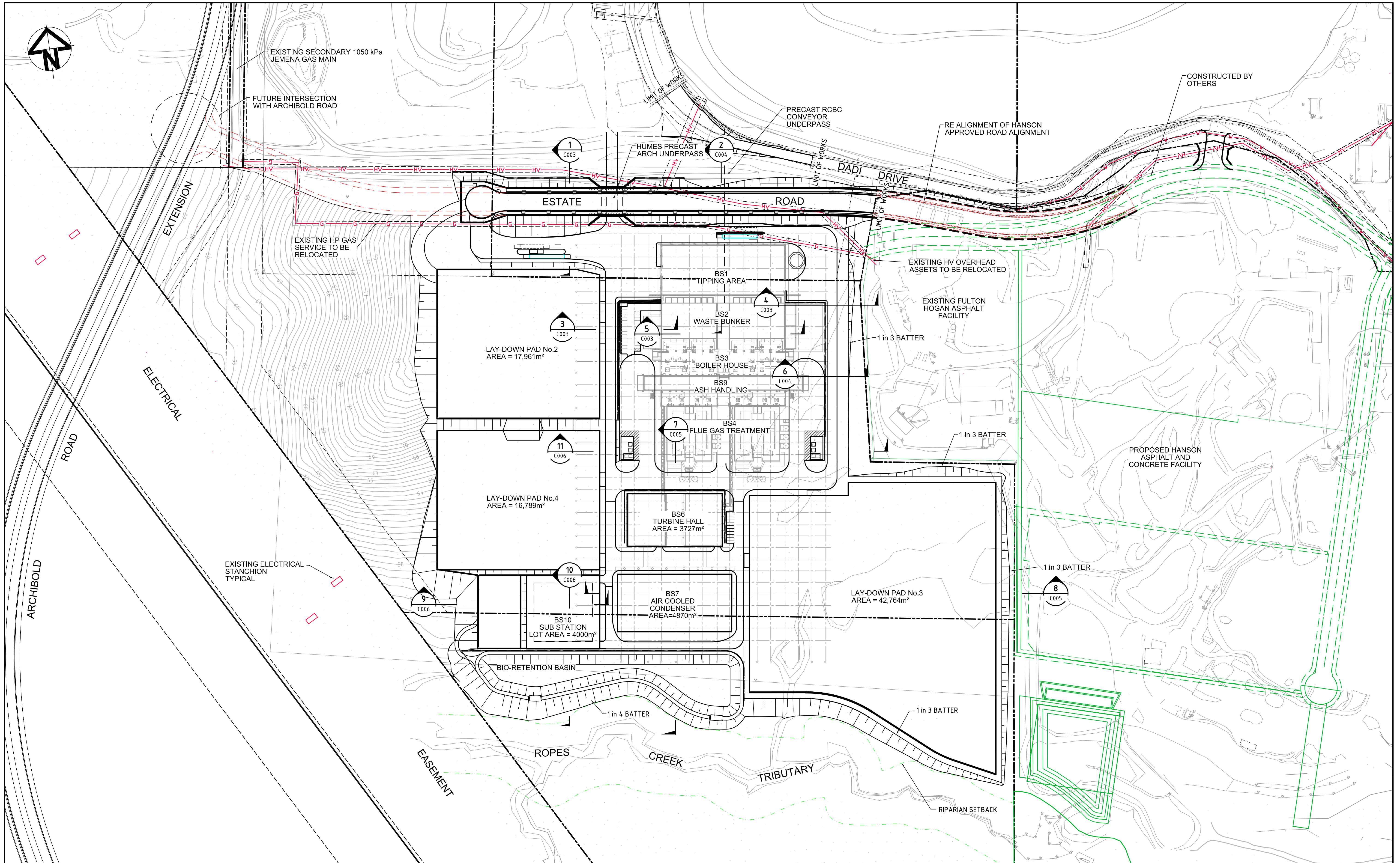


Michael M. Dakhoul *B. Build (Hons. 1) AAIQS MAIB MCIOB ICECA*
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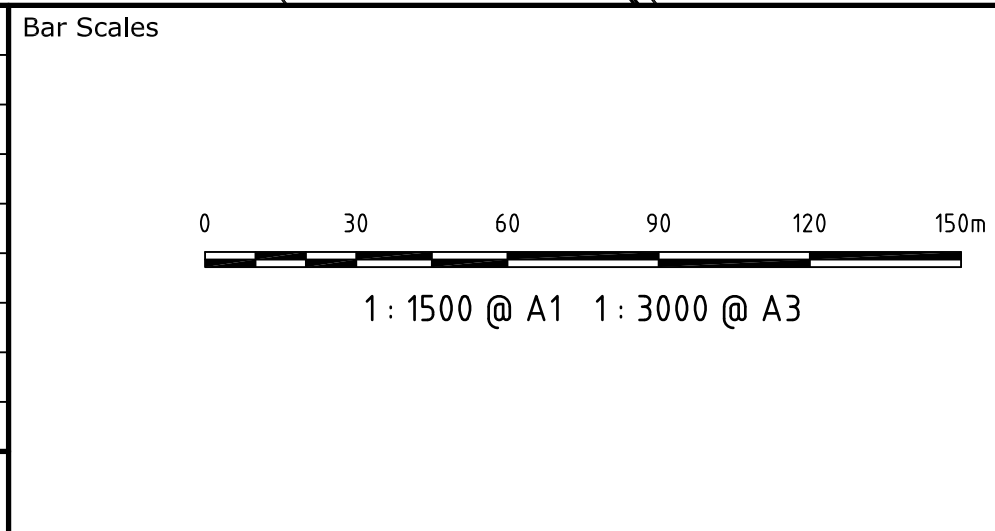
Appendix A

Indicative Cost Estimate Summary

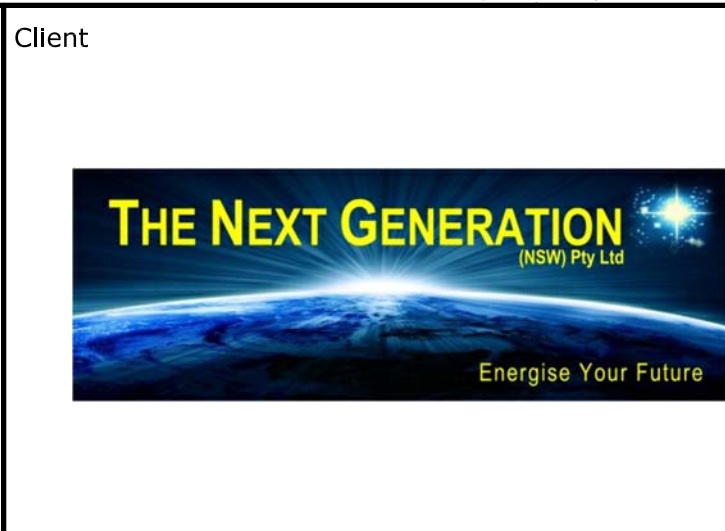
| Code | Item | % | Cost (\$) / m2 | Total Cost (\$) |
|--------------|--|---------------|----------------|--------------------|
| PR | Preliminaries | 20.25 | 5,117 | 30,633,000 |
| | Gate House | 0.20 | 50 | 300,000 |
| | Tipping Hall | 3.73 | 942 | 5,640,000 |
| | Solid Fuel Bunker | 12.64 | 3,193 | 19,112,000 |
| | Fuel gas Treatment & Energy Recovery | 14.93 | 3,773 | 22,584,000 |
| | Residue Handling and Treatment | 3.14 | 794 | 4,752,000 |
| | Turbine Building | 9.16 | 2,313 | 13,848,000 |
| | Air Cooled Condensor | 1.90 | 481 | 2,880,000 |
| | Substation Buidling | 2.77 | 700 | 4,192,000 |
| | Office Building | 1.18 | 299 | 1,792,000 |
| PB/AC/ LP | Hydraulic, Mechanical & Electrical Services (incl. External Services) | 6.61 | 1,670 | 10,000,000 |
| XR/XN | Siteworks (Internal Roads, Estate Road Work, etc.) | 11.95 | 3,018 | 18,070,000 |
| XL | Landscaping and Improvements | 1.04 | 263 | 1,575,000 |
| BM | Builder's Margin | 4.93 | 1,245 | 7,451,966 |
| | Total Construction Cost (excl. GST) | | | 142,829,966 |
| | Add Consultants Fees | 5.57 | 1,407 | 8,424,075 |
| | Total Construction Cost incl. Consultants Fees (excl. GST) | 100.00 | 25,266 | 151,254,041 |
| | Add Allowance for Plant and Equipment | | | |
| | Balance of Plant | | | 26,515,980 |
| | Waste Preparation & Bunker equipment | | | |
| | Bottom Ash Handling equipment | | | |
| | Water Supply & Drain Water Handling | | | |
| | Compressed Air and Fuel Supply Equipment | | | |
| | Maintenance Devices and Hoists | | | |
| | Combustion Parts and Equipment | | | 163,245,298 |
| | Grate incineration, residue | | | |
| | Handling equipment , Boilers, | | | |
| | Chemical Supply tanks | | | |
| | Water Stream Cycle | | | 96,873,912 |
| | Turbines, Condensers, Steam Cycle | | | |
| | Water Treatment System | | | |
| | Flue Gas Treatment | | | 40,672,464 |
| | Flue Gas Handling and cleaning Equipment | | | |
| | Particle Separation, Residue Handling Equipment | | | |
| | Electrical Instrument & control | | | 47,912,067 |
| | Power, Control Sytems & Centre | | | |
| | Grid feeding equipment | | | |
| | Add Installation Labour and Commission Allowance for Plant and Equipment | | | 31,428,571 |
| | Total Development Cost (excl. GST) | | | 557,902,333 |



| Issue | Description | Date |
|-------|--------------------------|----------|
| F | RE-ISSUED FOR SSDA | 12-03-15 |
| E | RE-ISSUED FOR SSDA | 20-02-15 |
| D | ISSUED FOR SSDA | 18-06-14 |
| C | ISSUED FOR INFORMATION | 16-06-14 |
| B | ISSUED FOR CLIENT REVIEW | 14-05-14 |
| A | ISSUED FOR COORDINATION | 06-05-14 |



THIS DRAWING CANNOT BE COPIED OR REPRODUCED IN ANY FORM OR USED FOR ANY OTHER PURPOSE OTHER THAN THAT ORIGINALLY INTENDED WITHOUT THE WRITTEN PERMISSION OF AT&L



| | | | |
|--------------|--------------|----------|----|
| Scales | 1: 1500 @ A1 | Drawn | TS |
| | | Designed | TS |
| Grid | MGA | Checked | MM |
| Height Datum | AHD | Approved | |

| | |
|---------|---|
| Project | ENERGY FROM WASTE ELECTRICITY GENERATION PLANT, EASTERN CREEK |
| Title | GENERAL ARRANGEMENT PLAN |

| | | |
|---|--------------|-------|
| Civil Engineers and Project Managers | | |
| at&l | | |
| Suite 702, 154 Pacific Hwy St Leonards NSW 2055 ABN 96 130 882 405 Tel: 02 9439 1777 Fax: 02 9460 8413 www.atl.net.au info@atl.net.au | | |
| Status | FOR APPROVAL | A1 |
| NOT TO BE USED FOR CONSTRUCTION | | |
| Drawing No. | Project No. | Issue |
| C002 | 14-187 | F |