RLB | Rider Levett Bucknall

Rider Levett Bucknall NSW Pty Ltd
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29 July 2014

Lend Lease (Millers Point) Pty Limited
The Bond
Level 4
30 Hickson Road
MILLERS POINT, NSW, 2000

Attention: Mr Jack Woodward

Dear Sir,

BARANGAROO BLOCK 5 REMEDIATION WORKS
QUANTITY SURVEYOR'S CERTIFICATE OF COST

As requested, we have prepared this Quantity Surveyor's Certificate of Cost to verify the Capital Investment Value of the project in accordance with the definition contained in the State Environment Planning Policy (Major Development) 2005.

Under this policy the Capital Investment Value has the same meaning as in the Environmental Planning Assessment Regulation 2000 which was amended on 7 May 2010 to the following;

> *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 or Part 4 of the Environmental Planning and Assessment 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)*

Based on the above definition, we advise that our estimate of Capital Investment Value for this project is $49,620,000 excluding GST, as summarised below;

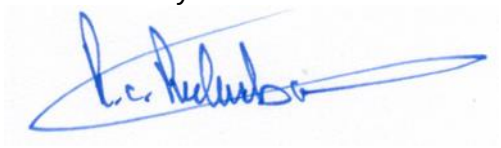
Barangaroo 'Block 5' Remediation Works,	$	46,186,000
Authority Fees		Excl.
Consultant and project management fees	$	3,224,000
Long Service Leave Levy (0.35%)	$	210,000
TOTAL (Excl GST)	**$**	**49,620,000**

Our estimate excludes allowances for the following items based upon the advice provided by the NSW Department of Planning;

- Development Application and Construction Certificate fees
- Authority fees
- Escalation for potential cost increases beyond August
- 2014
- Finance costs

We trust the above is self explanatory, however, if you have any queries, please do not hesitate to contact us.

Yours faithfully



Bob Richardson
Managing Director
Rider Levett Bucknall

bob.richardson@au.rlb.com

Barangaroo Remediation
CIV Block 5 Stage 2

Trade Summary

Rates Current At July 2014

Description		Percentage	Total Cost
A GENERALLY		**0.5 %**	**$255,425**
B RETENTION SYSTEMS		**15.1 %**	**$7,494,350**
C EX-SITU REMEDIATION		**50.5 %**	**$25,051,025**
D REGULATION AND REPORTING		**0.2 %**	**$90,000**
E ENVIRONMENTAL MANAGEMENT AND CONTROLS		**6.2 %**	**$3,058,000**
F WATER TREATMENT AND DISPOSAL		**4.9 %**	**$2,410,091**
G VALIDATION		**0.2 %**	**$120,000**
H STORMWATER INFRASTRUCTURE		**0.6 %**	**$295,640**
I PRELIMINARIES		**14.9 %**	**$7,411,469**
J DESIGN FEES		**6.5 %**	**$3,224,000**
	ESTIMATED NET COST	**99.6 %**	**$49,410,000**
MARGINS & ADJUSTMENTS			
Long Service Leave Levy		0.4 %	$210,000
	ESTIMATED TOTAL COST		**$49,620,000**

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29 July 2014

Lend Lease (Millers Point) Pty Limited
The Bond
Level 4
30 Hickson Road
MILLERS POINT, NSW, 2000

Attention: Jack Woodward

Dear Sir,

BARANGAROO BLOCK 5 REMEDIATION WORKS
EMPLOYMENT AND ECONOMIC MULTIPLIER BENEFITS

We have quantified the employment and economic multiplier benefits to be generated by the above proposed construction project.

The forecast outcomes of this analysis are derived from established methodological approaches and measures. As the analysis involves future forecasts, it can be affected by a number of unforeseen variables. It represents for the party to whom or which it is addressed, the best estimates of Rider Levett Bucknall, but no assurance is able to be given by Rider Levett Bucknall that the forecasts will be achieved

All estimates are based on current dollars, with no escalation allowance.

Methodology

Input/Output Analysis utilises multipliers to assess additional economic activity, measured in dollars (Economic Multipliers) and additional employment measured in jobs (Employment Multipliers) that result from increased production in a particular industry.

There are two types of multipliers – Production Induced Multipliers and Consumption Induced Multipliers.

Production Induced Multipliers consist of:

(1) First Round Effects which comprise all outputs and employment required to produce the inputs for construction and;

(2) Industrial Support Effects which are the induced extra output and employment from all industries to support the production of the first round effect.

Consumption Induced Multipliers relate to the demand for additional goods and services due to increased spending by the wage and salary earners, across all industries, arising from employment.

To summarise, for Economic Multipliers measuring activity in dollars, Initial Effects relate to the actual spending on the construction process. First Round Effects are the spending by companies directly supplying goods and services to the construction company. Production Induced Effects are the spending by companies supporting the production of intermediate goods and services and Consumption Induced Effects are the spending by households through the inducement to increase expenditure through the redistribution of wealth through wages and salaries

Similarly, for Employment Multipliers measuring jobs generated, Initial Effects indicate the number of employees that would on average be required to construct a particular building. First Round Effects are the jobs generated in the manufacture and supply of intermediate goods used for construction purposes. Production Induced Effects are the jobs generated through the indirect supply of goods and services to these intermediate industries and Consumption Effects which are the jobs generated by consumption induced expenditure as the wages and salaries earned by employees during this process are redistributed through the household to other sectors of the community.

For example increased output in the construction industry will require intermediate products such as tiles, plumbing fittings and fixings, which are sourced locally and overseas. The First Round Effects measure the increased production of these intermediate products. The Industrial Support Effects measure the increased production of all the products used to produce the intermediate products.

Results

The analysis is based upon the construction cost of the works excluding the Long Service Leave Levy.

The following tables show the Economic Input-Output Analysis of the proposed project, describing outcomes in terms of dollars generated and jobs generated. The unit measure for employment is the equivalent of one full-time job for one year.

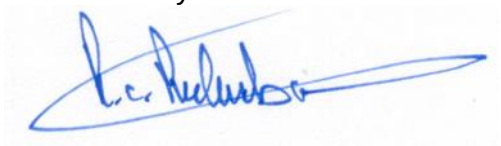
	Initial Effects	Production Induced Effects		Consumption Induced Effects	Total
		First Round Effects	Industrial Support Effects		
Output ($ Millions)	$49.1	$16.66	$12.95	$36.60	$115.71
Employment (Full Time Job Years)	108	87	52	156	403

Definitions:

Output	Refers to the value in $ millions of the various effects
Full Time Job Years	The number of full-time jobs of 1 year in length generated by the related spending
Initial Effects	The actual spending on the construction process
Production Induced Effects	Spending by companies supporting the production of intermediate goods and services
First Round Effects	Spending by companies directly supplying goods and services to construction
Industrial Support Effects	Indirect output wages arising from First Round Effects
Consumption Induced Effects	Demand for additional goods and services arising from as a result of extra spend

If you require any additional information please do not hesitate to contact us.

Yours faithfully



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