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# CAPITAL INVESTMENT VALUE (CIV) REPORT

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## Lismore Base Hospital Stage 3B Redevelopment

Prepared for

Health Infrastructure



21<sup>st</sup> November 2014

<b>Reviewed by:</b> Barry Woollam	<b>Job No.</b> 139.CMS026
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## 1.0 INTRODUCTION

Altus Page Kirkland has been requested by the Health Infrastructure to prepare a Capital Investment Value (CIV) report for the proposed Stage 3B Redevelopment of Lismore Base Hospital.

The project includes the following scope of works:

- Main Build Works – Loading Dock area, Imaging Department, Perioperative Services, CSSD, and IPU's

For the purposes of calculating the Capital Investment Value, only the works associated with Stage 3B, as described above have been considered.

## 2.0 CAPITAL INVESTMENT VALUE

Capital Investment Value (CIV) is defined by the Environmental Planning and Assessment Regulation 2000 – Rev 3, as required by the State Environmental Planning Policy Amendment (Capital Investment Value) 2010 to be:

*“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

Altus Page Kirkland has prepared a Business Case Cost Plan dated 18<sup>th</sup> November 2014 for the development identifying cost of construction works which forms the basis of the estimated total Capital Investment Value of **\$107,425,000**, broken down as follows:

Item	Description	Cost (\$)
1	Net Construction Cost:	\$75,187,000
2	Preliminaries, Margin & On-costs	\$22,030,000
3	Design Contingency	Excluded
	<b>Sub Total Construction Works</b>	<b>\$97,217,000</b>
4	Statutory Fees	Excluded
5	Professional Fees	\$10,208,000
6	Development Management Fees	Excluded
7	Escalation beyond November 2014	Excluded
8	Finance Cost	Excluded
9	FF&E / Major Medical Equipment / ICT	Excluded
10	Long Service Levy based on 0.35% of Gross Construction Cost	Included
	<b>Sub Total Applicable Development Costs</b>	<b>\$10,208,000</b>
	<b>TOTAL ESTIMATED CIV</b>	<b>\$107,425,000</b>

### 3.0 INFORMATION USED

Altus Page Kirkland has relied upon information, assumptions and exclusions referenced in within the Business Case Cost Plan dated 21<sup>st</sup> November 2014, prepared by Altus Page Kirkland.

## 4.0 DEVELOPMENT NOTES

### Program

We note the Business Case Cost Plan is based on rates and allowances as at November 2014.

The proposed duration of the construction works based on a commencement date of March 2015 and a completion date of December 2019.

### Statutory Fees

We note Statutory Fees are excluded from the calculation in accordance with the amended definition.

### Professional Fees

We have based the Professional Fees on the allowances detailed in the Business Case Cost Plan which comprise the following:

- Professional Consultant fees

### Development Management Fees

All Development Management Fees (HI and LHD Management Costs) have been excluded from this calculation as advised Health Infrastructure

### Contingencies

No contingencies have been included within this calculation

### Escalation

No allowance has been included for escalation beyond November 2014.

### Finance Costs

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

## 5.0 EXCLUSIONS

1. Land acquisition and holding cost
2. Agent and Legal Fees
3. Local Authority Fees and Charges
4. Latent site conditions, including in-ground contamination, etc.
5. GST
6. Early Works Packages
7. Loose FF&E. Major Medical Equipment and ICT
8. Planning Contingency
9. Design Contingency
10. Construction Contingency
11. Executive / Client Contingency
12. Escalation beyond November 2014

## 6.0 REPORT PARAMETERS

Please note 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 Altus Page Kirkland.

This report has been prepared from documentation and/or information provided to Altus Page Kirkland by third parties in circumstances where Altus Page Kirkland

- 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.

Altus Page Kirkland note this report is an expression of opinion based upon the documentation and/or information provided by third parties and Altus Page Kirkland 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.

Please note the following Project Contacts at the time of Business Case:

Client:	Health Infrastructure
Project Manager:	Aurora Projects
Architect:	Woods Bagot
Cost Manager:	Altus Page Kirkland
Structural Engineer:	TTW
Traffic Consultants:	TTW