

12 December 2017

Health Infrastructure - NSW Health  
Level 14, 77 Pacific Highway  
NORTH SYDNEY NSW 2060  
c/- Savills Australia

**Attention: Mr Andreas Winkelmeier**

Email: [awinkelmeier@savills.com.au](mailto:awinkelmeier@savills.com.au)

Dear Mr Winkelmeier,

**ST LEONARDS HEALTH ORGANISATIONS RELOCATION (SHOR)  
QUANTITY SURVEYOR 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 of 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).*



ISO 9001  
FS 548756

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Based on this definition, we advise that our estimate of Capital Investment Value for this project is \$120,130,000 excluding GST or \$132,143,000 including GST as summarised below;

	<b>Total</b>
Construction Cost	\$111,730,000
Consultant and Project Management Fees	\$5,700,000
HI Management Cost	\$2,700,000
<b>Total excluding GST (\$)</b>	<b>\$120,130,000</b>
Goods & Services Tax (10%)	\$12,013,000
<b>Total including GST (\$)</b>	<b>\$132,143,000</b>

We note our estimate excludes allowances for the following items based on advice provided by the NSW Department of Planning;

- Development Application and Construction Certificate fees;
- Loose furniture, Fittings and Equipment;
- Escalation for potential cost increases beyond November 2017;
- Finance costs;

As requested, Rider Levett Bucknall (RLB) have undertaken an analysis of the perceived employment benefits derived from the construction of the proposed commercial office development. RLB would emphasise that we have assessed the potential “gross” benefits in regard to the project. Our approach is that the economic and employment impact of the project is viewed in isolation, ignoring external contributory influences and we have assumed that all benefits identified are a result of this project alone.

The benefits attributable to the project can be direct, indirect or induced. The Initial Effect benefits are those derived from the direct employment within the construction industry based on the project value. The Production Induced Benefits are those employment outcomes that are derived from all industries that directly support the construction industry by the supply of materials and services directly to the project.

**Employment Economic Multiplier Effects Calculation**

The following table highlights the Employment Generation Analysis of the proposed phases of the project (not including land, occupancy and financing costs), highlighting the employment outcomes associated with the project.

The unit measure for employment is the equivalent of one full-time job for one year.

As At November 2017	Value				
	111.7 \$ million				
Employment Multiplier	Initial Effects	First Round Effects	Industrial Support Effects	Production Induced Effects	Total
Building ( Res & Non Res) inc Construction Services	288	81	44	125	413

The employment output represents that for each \$1,000,000 of construction work done, the Initial Employment Effect affect would be that 2.6 workers would be engaged to undertake the works on site, 0.7 workers would be employed in the manufacture and supply of intermediate goods and services used for the construction of the project and a further 0.4 workers would

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be employed through the indirect supply of goods and services to those companies supplying the construction company.

As noted within this report, the project has a forecasted perceived employment contribution throughout the community of 413 job years during the life of the project.

Additionally, the number of new operational jobs generated by the completed building is estimated to be nil. This is because all personnel who will occupy the new building are presently employed by the various existing health departments which will be relocated from their current sites and the net increase in employment is estimated to be zero.

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

The estimate is provided as an indicative order of cost estimate only and it is not intended for feasibility purposes. The actual cost of the development will vary depending on numerous issues including but not limited to method of contractual procurement, staging, method of construction and timing of implementation of the works.

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

Yours faithfully,



**Stephen Mee**

Director

Rider Levett Bucknall

[Stephen.mee@au.rlb.com](mailto:Stephen.mee@au.rlb.com)

**RNSH Site 4A**  
**SHOR CIV NOV 17 (Base build)**

Location Summary

GFA: 41,812 m2  
 Rates Current At November 2017

Location	GFA m <sup>2</sup>	Cost/m <sup>2</sup>	Total Cost
<b>A BASEMENT LEVELS (X2)</b>			
A2 Basement 2	3,370	1,187	3,999,676
A1 Basement 1	3,120	1,508	4,703,642
<b>A - BASEMENT LEVELS (X2)</b>		<b>6,490</b>	<b>\$1,341</b>
			<b>\$8,703,318</b>
<b>B TOWER LEVELS</b>			
B0 Ground Floor	3,539	2,060	7,288,803
B1 Level 1	3,112	1,876	5,838,310
B2 Level 2	3,446	1,815	6,253,109
B3 Level 3	3,446	1,767	6,089,055
B4 Level 4	3,431	1,796	6,162,529
B5 Level 5	3,431	1,796	6,161,551
B6 Level 6	3,446	1,775	6,116,758
B7 Level 7	3,446	1,771	6,101,659
B8 Level 8	3,431	1,781	6,110,430
B9 Level 9	3,431	1,837	6,304,004
B10 Roof			2,854,330
B11 Plantroom	1,163	1,634	1,900,898
B1A Level 1 Balcony			166,056
<b>B - TOWER LEVELS</b>		<b>35,322</b>	<b>\$1,907</b>
			<b>\$67,347,492</b>
<b>C EXTERNAL WORKS</b>			
C1 Landscaping (Site 4a)			Excl.
C2 Landscaping (Outside 4a incl Forecourt and 4b)			
<b>C - EXTERNAL WORKS</b>			<b>Excl.</b>
<b>D PROVISIONAL ALLOWANCES</b>			
D1 Demolition Works			1,072,821
D2 Childcare Outdoor Space			
D3 Substation Contributions			884,600
D4 Incoming/Outgoing Services			809,409
D5 ESD Upgrades			176,920
D6 External Lighting			110,575
D7 Overland flow OSD			221,150
D8 Artwork			147,728
<b>D - PROVISIONAL ALLOWANCES</b>			<b>\$3,423,203</b>
<b>E EXCLUSIONS</b>			
<b>F LINK BRIDGE</b>			<b>332,197</b>
<b>G FIT-OUT WORK</b>			
<b>ESTIMATED NET COST</b>		<b>41,812</b>	<b>\$1,909</b>
			<b>\$79,806,210</b>
<b>MARGINS &amp; ADJUSTMENTS</b>			
Main Contractor's Preliminaries	18.0%		\$14,365,120

**RNSH Site 4A**  
**SHOR CIV NOV 17 (Base build)**

Location Summary

GFA: 41,812 m2  
 Rates Current At November 2017

Location	GFA m <sup>2</sup>	Cost/m <sup>2</sup>	Total Cost
<b>MARGINS &amp; ADJUSTMENTS (continued)</b>			
Main Contractor's Overheads and Profit	4.5%		\$4,237,710
Locality Allowance			Nil
Staging Costs			Excl.
Long Service Leave Levy	0.4%		\$393,637
Construction All Risk Insurance (CAR)			Incl.
<b>ALLOWANCES, OVERHEADS AND MARGINS</b>	<b>41,812</b>	<b>\$454</b>	<b>\$18,996,467</b>
D&C Design Consultant Fees (Base Building)	4.7%		\$4,644,359
Escalation to construction commencement (February 2017 to July 2017)	3.4%		\$3,489,588
Main Contractor's D&C Design Risk	4.5%		\$4,792,369
<b>D&amp;C CONTRACTOR COSTS</b>	<b>41,812</b>	<b>\$309</b>	<b>\$12,926,316</b>
<b>GROSS CONSTRUCTION COST (GCC)</b>	<b>41,812</b>	<b>\$2,672</b>	<b>\$111,728,993</b>
Design Fees (as Savills fee schedule)	3.8%		\$4,253,881
Project Management Fees (as advised)	0.9%		\$1,100,000
Authority fees and charges			Excl.
Council Contributions			Excl.
LHD Costs (MoH costs included in HI Fees)			Incl.
LHD Commissioning costs (MoH costs included in HI Fees)			Incl.
Staff relocation/Decanting/ commissioning (MoH costs included in HI Fees)			Incl.
<b>FEES</b>	<b>41,812</b>	<b>\$128</b>	<b>\$5,353,881</b>
Furniture, Fittings & Equipment			Excl.
Active Equipment & ITC FF&E			Excl.
Artwork Allowance			Incl.
<b>FF&amp;E AND ICT (INCLUDED IN FITOUT COST)</b>	<b>41,812</b>		<b>\$0</b>
Land Purchase			Nil
Property Settlements			Nil
External Infrastructure			Nil
<b>LAND ACQUISITION &amp; PROPERTY SETTLEMENT</b>	<b>41,812</b>		<b>\$0</b>
Legal costs & fees for subdivision and land title registration	0.3%		\$300,000
<b>TOTAL PROJECT COST (BASE COST)</b>	<b>41,812</b>	<b>\$2,807</b>	<b>\$117,382,874</b>
Escalation to construction commencement (February 2017 - July 2017) excluding construction			

**RNSH Site 4A**  
**SHOR CIV NOV 17 (Base build)**

Location Summary

GFA: 41,812 m2  
 Rates Current At November 2017

Location	GFA m <sup>2</sup>	Cost/m <sup>2</sup>	Total Cost
<b>MARGINS &amp; ADJUSTMENTS (continued)</b>			
Escalation to construction midpoint (July 2017 - July 2018)			Nil
<b>ESCALATION</b>	<b>41,812</b>		<b>\$0</b>
Design Contingency (as Base Cost Plan)			Excl.
Planning Contingency			Excl.
Construction Contingency (as Base Cost Plan)			Excl.
Client Contingency			Excl.
<b>CONTINGENCIES</b>	<b>41,812</b>		<b>\$0</b>
<b>PROJECT END COST (PEC) SUB TOTAL</b>	<b>41,812</b>	<b>\$2,807</b>	<b>\$117,382,874</b>
HI/MoH MANAGEMENT COSTS (as Base Cost Plan)	2.4%		\$2,779,181
Goods and Services Tax (GST)			Excl.
Rounding	0.0%		-\$32,055
<b>TOTAL PROJECT END COST (TPE)</b>	<b>41,812</b>	<b>\$2,873</b>	<b>\$120,130,000</b>
<b>ESTIMATED TOTAL COST</b>	<b>41,812</b>	<b>\$2,873</b>	<b>\$120,130,000</b>